

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 694
99TH GENERAL ASSEMBLY

1298H.03C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 142.800, 142.803, and 142.869, RSMo, and to enact in lieu thereof three new sections relating to motor fuel taxes.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 142.800, 142.803, and 142.869, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 142.800, 142.803, and 142.869, to read as follows:

142.800. As used in this chapter, the following words, terms and phrases have the meanings given:

(1) "Agricultural purposes", clearing, terracing or otherwise preparing the ground on a farm; preparing soil for planting and fertilizing, cultivating, raising and harvesting crops; raising and feeding livestock and poultry; building fences; pumping water for any and all uses on the farm, including irrigation; building roads upon any farm by the owner or person farming the same; operating milking machines; sawing wood for use on a farm; producing electricity for use on a farm; movement of tractors, farm implements and nonlicensed equipment from one field to another;

(2) "Alternative fuel", electricity, liquefied petroleum gas (LPG or LP gas), compressed natural gas product, or a combination of liquefied petroleum gas and a compressed natural gas or electricity product used in an internal combustion engine or motor to propel any form of vehicle, machine, or mechanical contrivance. It includes all forms of fuel commonly or commercially known or sold as butane, propane, or compressed natural gas;

(3) "Aviation fuel", any motor fuel specifically compounded for use in reciprocating aircraft engines;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17 (4) "Blend stock", any petroleum product component of motor fuel, such as naphtha,
18 reformat, toluene or kerosene, that can be blended for use in a motor fuel without further
19 processing. The term includes those petroleum products presently defined by the Internal
20 Revenue Service in regulations pursuant to 26 U.S.C., Sections 4081 and 4082, as amended.
21 However, the term does not include any substance that:

22 (a) Will be ultimately used for consumer nonmotor fuel use; and

23 (b) Is sold or removed in drum quantities (fifty-five gallons) or less at the time of the
24 removal or sale;

25 (5) "Blended fuel", a mixture composed of motor fuel and another liquid including blend
26 stock, other than a de minimis amount of a product such as carburetor detergent or oxidation
27 inhibitor, that can be used as a fuel in a highway vehicle. This term includes but is not limited
28 to gasohol, ethanol, methanol, fuel grade alcohol, diesel fuel enhancers and resulting blends;

29 (6) "Blender", any person that produces blended motor fuel outside the bulk
30 transfer/terminal system;

31 (7) "Blending", the mixing of one or more petroleum products, with or without another
32 product, regardless of the original character of the product blended, if the product obtained by
33 the blending is capable of use or otherwise sold for use in the generation of power for the
34 propulsion of a motor vehicle, an airplane, or a motorboat. The term does not include the
35 blending that occurs in the process of refining by the original refiner of crude petroleum or the
36 blending of products known as lubricating oil and greases;

37 (8) "Bulk plant", a bulk motor fuel storage and distribution facility that is not a terminal
38 within the bulk transfer system and from which motor fuel may be removed by truck;

39 (9) "Bulk transfer", any transfer of motor fuel from one location to another by pipeline
40 tender or marine delivery within the bulk transfer/terminal system;

41 (10) "Bulk transfer/terminal system", the motor fuel distribution system consisting of
42 refineries, pipelines, vessels, and terminals. Motor fuel in a refinery, pipeline, boat, barge or
43 terminal is in the bulk transfer/terminal system. Motor fuel in the fuel supply tank of any engine,
44 or in any tank car, rail car, trailer, truck, or other equipment suitable for ground transportation
45 is not in the bulk transfer/terminal system;

46 (11) "Consumer", the user of the motor fuel;

47 (12) "Delivery", the placing of motor fuel or any liquid **or propulsion energy** into the
48 **battery, fuel tank, or storage device** of a motor vehicle or bulk storage facility;

49 (13) "Department", the department of revenue;

50 (14) "Destination state", the state, territory, or foreign country to which motor fuel is
51 directed for delivery into a storage facility, a receptacle, a container, or a type of transportation
52 equipment for the purpose of resale or use;

53 (15) "Diesel fuel", any liquid that is commonly or commercially known or sold as a fuel
54 that is suitable for use in a diesel-powered highway vehicle. A liquid meets this requirement if,
55 without further processing or blending, the liquid has practical and commercial fitness for use
56 in the propulsion engine of a diesel-powered highway vehicle. "Diesel fuel" does not include
57 jet fuel sold to a buyer who is registered with the Internal Revenue Service to purchase jet fuel
58 and remit taxes on its sale or use to the Internal Revenue Service. "Diesel fuel" does not include
59 biodiesel commonly referred to as B100 and defined in ASTM D6751, B99, or B99.9 until such
60 biodiesel is blended with other diesel fuel or sold for highway use;

61 (16) "Diesel-powered highway vehicle", a motor vehicle operated on a highway that is
62 propelled by a diesel-powered engine;

63 (17) "Director", the director of revenue;

64 (18) "Distributor", a person who either produces, refines, blends, compounds or
65 manufactures motor fuel, imports motor fuel into a state or exports motor fuel out of a state, or
66 who is engaged in distribution of motor fuel;

67 (19) "Dyed fuel", diesel fuel or kerosene that is required to be dyed pursuant to United
68 States Environmental Protection Agency rules or is dyed pursuant to Internal Revenue Service
69 rules or pursuant to any other requirements subsequently set by the United States Environmental
70 Protection Agency or Internal Revenue Service including any invisible marker requirements;

71 (20) "Eligible purchaser", a distributor who has been authorized by the director to
72 purchase motor fuel on a tax-deferred basis;

73 (21) "Export", to obtain motor fuel in this state for sale or other distribution outside of
74 this state. In applying this definition, motor fuel delivered out of state by or for the seller
75 constitutes an export by the seller, and motor fuel delivered out of state by or for the purchaser
76 constitutes an export by the purchaser;

77 (22) "Exporter", any person, other than a supplier, who purchases motor fuel in this state
78 for the purpose of transporting or delivering the fuel outside of this state;

79 (23) "Farm tractor", all tractor-type, motorized farm implements and equipment but shall
80 not include motor vehicles of the truck-type, pickup truck-type, automobiles, and other motor
81 vehicles required to be registered and licensed each year pursuant to the provisions of the motor
82 vehicle license and registration laws of this state;

83 (24) "Fuel grade alcohol", a methanol or ethanol with a proof of not less than one
84 hundred ninety degrees (determined without regard to denaturants) and products derived from
85 such alcohol for blending with motor fuel;

86 (25) "Fuel transportation vehicle", any vehicle designed for highway use which is also
87 designed or used to transport motor fuels and includes transport trucks and tank wagons;

88 (26) "Gasoline", all products commonly or commercially known or sold as gasoline that
89 are suitable for use as a motor fuel. Gasoline does not include products that have an American
90 Society for Testing and Materials (ASTM) octane number of less than seventy-five as determined
91 by the motor method;

92 (27) "Gross gallons", the total measured motor fuel, exclusive of any temperature or
93 pressure adjustments, in U.S. gallons;

94 (28) "Heating oil", a motor fuel that is burned in a boiler, furnace, or stove for heating
95 or industrial processing purposes;

96 (29) "Import", to bring motor fuel into this state by any means of conveyance other than
97 in the fuel supply tank of a motor vehicle. In applying this definition, motor fuel delivered into
98 this state from out-of-state by or for the seller constitutes an import by the seller, and motor fuel
99 delivered into this state from out-of-state by or for the purchaser constitutes an import by the
100 purchaser;

101 (30) "Import verification number", the number assigned by the director with respect to
102 a single transport truck delivery into this state from another state upon request for an assigned
103 number by an importer or the transporter carrying motor fuel into this state for the account of an
104 importer;

105 (31) "Importer" includes any person who is the importer of record, pursuant to federal
106 customs law, with respect to motor fuel. If the importer of record is acting as an agent, the
107 person for whom the agent is acting is the importer. If there is no importer of record of motor
108 fuel entered into this state, the owner of the motor fuel at the time it is brought into this state is
109 the importer;

110 (32) "Interstate motor fuel user", any person who operates a motor fuel-powered motor
111 vehicle with a licensed gross weight exceeding twenty-six thousand pounds that travels from this
112 state into another state or from another state into this state;

113 (33) "Invoiced gallons", the gallons actually billed on an invoice for payment to a
114 supplier which shall be either gross or net gallons on the original manifest or bill of lading;

115 (34) "K-1 kerosene", a petroleum product having an A.P.I. gravity of not less than forty
116 degrees, at a temperature of sixty degrees Fahrenheit and a minimum flash point of one hundred
117 degrees Fahrenheit with a sulfur content not exceeding four one-hundredths percent by weight;

118 (35) "Kerosene", the petroleum fraction containing hydrocarbons that are slightly heavier
119 than those found in gasoline and naphtha, with a boiling range of one hundred forty-nine to three
120 hundred degrees Celsius;

121 (36) "Liquid", any substance that is liquid in excess of sixty degrees Fahrenheit and at
122 a pressure of fourteen and seven-tenths pounds per square inch absolute;

123 (37) "Motor fuel", gasoline, diesel fuel, kerosene and blended fuel;

124 (38) "Motor vehicle", any automobile, truck, truck-tractor or any motor bus or
125 self-propelled vehicle not exclusively operated or driven upon fixed rails or tracks. The term
126 does not include:

127 (a) Farm tractors or machinery including tractors and machinery designed for off-road
128 use but capable of movement on roads at low speeds, or

129 (b) A vehicle solely operated on rails;

130 (39) "Net gallons", the motor fuel, measured in U.S. gallons, when corrected to a
131 temperature of sixty degrees Fahrenheit and a pressure of fourteen and seven-tenths pounds per
132 square inch absolute (psi);

133 (40) "Permissive supplier", an out-of-state supplier that elects, but is not required, to
134 have a supplier's license pursuant to this chapter;

135 (41) "Person", natural persons, individuals, partnerships, firms, associations,
136 corporations, estates, trustees, business trusts, syndicates, this state, any county, city,
137 municipality, school district or other political subdivision of the state, federally recognized
138 Indian tribe, or any corporation or combination acting as a unit or any receiver appointed by any
139 state or federal court;

140 (42) "Position holder", the person who holds the inventory position in motor fuel in a
141 terminal, as reflected on the records of the terminal operator. A person holds the inventory
142 position in motor fuel when that person has a contract with the terminal operator for the use of
143 storage facilities and terminating services for motor fuel at the terminal. The term includes a
144 terminal operator who owns motor fuel in the terminal;

145 (43) "Propel", the operation of a motor vehicle, whether it is in motion or at rest;

146 (44) "Public highway", every road, toll road, highway, street, way or place generally
147 open to the use of the public as a matter of right for the purposes of vehicular travel, including
148 streets and alleys of any town or city notwithstanding that the same may be temporarily closed
149 for construction, reconstruction, maintenance or repair;

150 (45) "Qualified terminal", a terminal which has been assigned a terminal control number
151 ("tcn") by the Internal Revenue Service;

152 (46) "Rack", a mechanism for delivering motor fuel from a refinery or terminal into a
153 railroad tank car, a transport truck or other means of bulk transfer outside of the bulk
154 transfer/terminal system;

155 (47) "Refiner", any person that owns, operates, or otherwise controls a refinery;

156 (48) "Refinery", a facility used to produce motor fuel from crude oil, unfinished oils,
157 natural gas liquids, or other hydrocarbons and from which motor fuel may be removed by
158 pipeline, by boat or barge, or at a rack;

- 159 (49) "Removal", any physical transfer of motor fuel from a terminal, manufacturing
160 plant, customs custody, pipeline, boat or barge, refinery or any facility that stores motor fuel;
- 161 (50) "Retailer", a person that engages in the business of selling or dispensing to the
162 consumer within this state;
- 163 (51) "Supplier", a person that is:
- 164 (a) Registered or required to be registered pursuant to 26 U.S.C., Section 4101, for
165 transactions in motor fuels in the bulk transfer/terminal distribution system; and
- 166 (b) One or more of the following:
- 167 a. The position holder in a terminal or refinery in this state;
- 168 b. Imports motor fuel into this state from a foreign country;
- 169 c. Acquires motor fuel from a terminal or refinery in this state from a position holder
170 pursuant to either a two-party exchange or a qualified buy-sell arrangement which is treated as
171 an exchange and appears on the records of the terminal operator; or
- 172 d. The position holder in a terminal or refinery outside this state with respect to motor
173 fuel which that person imports into this state. A terminal operator shall not be considered a
174 supplier based solely on the fact that the terminal operator handles motor fuel consigned to it
175 within a terminal. "Supplier" also means a person that produces fuel grade alcohol or
176 alcohol-derivative substances in this state, produces fuel grade alcohol or alcohol-derivative
177 substances for import to this state into a terminal, or acquires upon import by truck, rail car or
178 barge into a terminal, fuel grade alcohol or alcohol-derivative substances. "Supplier" includes
179 a permissive supplier unless specifically provided otherwise;
- 180 (52) "Tank wagon", a straight truck having multiple compartments designed or used to
181 carry motor fuel;
- 182 (53) "Terminal", a bulk storage and distribution facility which includes:
- 183 (a) For the purposes of motor fuel, is a qualified terminal;
- 184 (b) For the purposes of fuel grade alcohol, is supplied by truck, rail car, boat, barge or
185 pipeline and the products are removed at a rack;
- 186 (54) "Terminal bulk transfers" include but are not limited to the following:
- 187 (a) Boat or barge movement of motor fuel from a refinery or terminal to a terminal;
- 188 (b) Pipeline movements of motor fuel from a refinery or terminal to a terminal;
- 189 (c) Book transfers of product within a terminal between suppliers prior to completion
190 of removal across the rack; and
- 191 (d) Two-party exchanges or buy-sell supply arrangements within a terminal between
192 licensed suppliers;

193 (55) "Terminal operator", any person that owns, operates, or otherwise controls a
194 terminal. A terminal operator may own the motor fuel that is transferred through or stored in the
195 terminal;

196 (56) "Transmix", the buffer or interface between two different products in a pipeline
197 shipment, or a mix of two different products within a refinery or terminal that results in an
198 off-grade mixture;

199 (57) "Transport truck", a semitrailer combination rig designed or used to transport motor
200 fuel over the highways;

201 (58) "Transporter", any operator of a pipeline, barge, railroad or transport truck engaged
202 in the business of transporting motor fuels;

203 (59) "Two-party exchange", a transaction in which the motor fuel is transferred from one
204 licensed supplier or licensed permissive supplier to another licensed supplier or licensed
205 permissive supplier and:

206 (a) Which transaction includes a transfer from the person that holds the original
207 inventory position for motor fuel in the terminal as reflected on the records of the terminal
208 operator; and

209 (b) The exchange transaction is simultaneous with removal from the terminal by the
210 receiving exchange partner. However, in any event, the terminal operator in its books and
211 records treats the receiving exchange party as the supplier which removes the product across a
212 terminal rack for purposes of reporting such events to this state;

213 (60) "Ultimate vendor", a person that sells motor fuel to the consumer;

214 (61) "Undyed diesel fuel", diesel fuel that is not subject to the United States
215 Environmental Protection Agency dyeing requirements, or has not been dyed in accordance with
216 Internal Revenue Service fuel dyeing provisions; and

217 (62) "Vehicle fuel tank", any receptacle on a motor vehicle from which fuel is supplied
218 for the propulsion of the motor vehicle.

142.803. 1. A tax is levied and imposed on all motor fuel used or consumed in this state
2 as follows:

3 (1) Motor fuel, seventeen cents per gallon;

4 (2) Alternative fuels, not subject to the decal fees as provided in section 142.869, with
5 a power potential equivalent of motor fuel. In the event alternative fuel, which is not commonly
6 sold or measured by the gallon, is used in motor vehicles on the highways of this state, the
7 director is authorized to assess and collect a tax upon such alternative fuel measured by the
8 nearest power potential equivalent to that of one gallon of regular grade gasoline. The
9 determination by the director of the power potential equivalent of such alternative fuel shall be
10 prima facie correct;

11 (3) Aviation fuel used in propelling aircraft with reciprocating engines, nine cents per
12 gallon as levied and imposed by section 155.080 to be collected as required under this chapter;

13 (4) Compressed natural gas fuel, five cents per gasoline gallon equivalent until
14 December 31, 2019, eleven cents per gasoline gallon equivalent from January 1, 2020, until
15 December 31, 2024, and then seventeen cents per gasoline gallon equivalent thereafter. The
16 gasoline gallon equivalent and method of sale for compressed natural gas shall be as published
17 by the National Institute of Standards and Technology in Handbooks 44 and 130, and
18 supplements thereto or revisions thereof. In the absence of such standard or agreement, the
19 gasoline gallon equivalent and method of sale for compressed natural gas shall be equal to five
20 and sixty-six-hundredths pounds of compressed natural gas. All applicable provisions contained
21 in this chapter governing administration, collections, and enforcement of the state motor fuel tax
22 shall apply to the tax imposed on compressed natural gas, including but not limited to licensing,
23 reporting, penalties, and interest;

24 (5) Liquefied natural gas fuel, five cents per diesel gallon equivalent until December 31,
25 2019, eleven cents per diesel gallon equivalent from January 1, 2020, until December 31, 2024,
26 and then seventeen cents per diesel gallon equivalent thereafter. The diesel gallon equivalent and
27 method of sale for liquefied natural gas shall be as published by the National Institute of
28 Standards and Technology in Handbooks 44 and 130, and supplements thereto or revisions
29 thereof.

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31 In the absence of such standard or agreement, the diesel gallon equivalent and method of sale for
32 liquefied natural gas shall be equal to six and six-hundredths pounds of liquefied natural gas.
33 All applicable provisions contained in this chapter governing administration, collections, and
34 enforcement of the state motor fuel tax shall apply to the tax imposed on liquefied natural gas,
35 including but not limited to licensing, reporting, penalties, and interest;

36 (6) **Propane gas fuel, five cents per gallon until December 31, 2019, eleven cents per**
37 **gallon from January 1, 2020, until December 31, 2024, and then seventeen cents per gallon**
38 **thereafter. All applicable provisions contained in this chapter governing administration,**
39 **collection, and enforcement of the state motor fuel tax shall apply to the tax imposed on**
40 **propane gas including, but not limited to, licensing, reporting, penalties, and interest;**

41 (7) If a natural gas, compressed natural gas, ~~or~~ liquefied natural gas, **electric, or**
42 **propane** connection is used for fueling motor vehicles and for another use, such as heating, the
43 tax imposed by this section shall apply to the entire amount of natural gas, compressed natural
44 gas, ~~or~~ liquefied natural gas, **electricity, or propane** used unless an approved separate metering
45 and accounting system is in place.

46 2. All taxes, surcharges and fees are imposed upon the ultimate consumer, but are to be
47 precollected as described in this chapter, for the facility and convenience of the consumer. The
48 levy and assessment on other persons as specified in this chapter shall be as agents of this state
49 for the precollection of the tax.

 142.869. 1. The tax imposed by this chapter shall not apply to passenger motor vehicles,
2 buses as defined in section 301.010, or commercial motor vehicles registered in this state which
3 are powered by alternative fuel, and for which a valid decal has been acquired as provided in this
4 section, provided that sales made to alternative fueled vehicles powered by **propane**, compressed
5 natural gas, or liquefied natural gas that do not meet the requirements of subsection 3 of this
6 section shall be taxed exclusively pursuant to subdivisions (4) [~~and (5)~~] to (7) of subsection 1
7 of section 142.803, respectively. The owners or operators of such motor vehicles shall, in lieu
8 of the tax imposed by section 142.803, pay an annual alternative fuel decal fee as follows:
9 seventy-five dollars on each passenger motor vehicle, school bus as defined in section 301.010,
10 and commercial motor vehicle with a licensed gross vehicle weight of eighteen thousand pounds
11 or less; one hundred dollars on each motor vehicle with a licensed gross weight in excess of
12 eighteen thousand pounds but not more than thirty-six thousand pounds used for farm or farming
13 transportation operations and registered with a license plate designated with the letter "F"; one
14 hundred fifty dollars on each motor vehicle with a licensed gross vehicle weight in excess of
15 eighteen thousand pounds but less than or equal to thirty-six thousand pounds, and each
16 passenger-carrying motor vehicle subject to the registration fee provided in sections 301.059,
17 301.061 and 301.063; two hundred fifty dollars on each motor vehicle with a licensed gross
18 weight in excess of thirty-six thousand pounds used for farm or farming transportation operations
19 and registered with a license plate designated with the letter "F"; and one thousand dollars on
20 each motor vehicle with a licensed gross vehicle weight in excess of thirty-six thousand pounds.
21 Notwithstanding provisions of this section to the contrary, motor vehicles licensed as historic
22 under section 301.131 which are powered by alternative fuel shall be exempt from both the tax
23 imposed by this chapter and the alternative fuel decal requirements of this section.

24 2. Except interstate fuel users and vehicles licensed under a reciprocity agreement as
25 defined in section 142.617, the tax imposed by section 142.803 shall not apply to motor vehicles
26 registered outside this state which are powered by alternative fuel other than **propane**,
27 compressed natural gas, and liquefied natural gas, and for which a valid temporary alternative
28 fuel decal has been acquired as provided in this section. The owners or operators of such motor
29 vehicles shall, in lieu of the tax imposed by section 142.803, pay a temporary alternative fuel
30 decal fee of eight dollars on each such vehicle. Such decals shall be valid for a period of fifteen
31 days from the date of issuance and shall be attached to the lower right-hand corner of the front
32 windshield on the motor vehicle for which it was issued. Such decal and fee shall not be

33 transferable. All proceeds from such decal fees shall be deposited as specified in section
34 142.345. Alternative fuel dealers selling such decals in accordance with rules and regulations
35 prescribed by the director shall be allowed to retain fifty cents for each decal fee timely remitted
36 to the director.

37 3. Owners or operators of passenger motor vehicles, buses as defined in section 301.010,
38 or commercial motor vehicles registered in this state which are powered by compressed natural
39 gas or liquefied natural gas who have installed a compressed natural gas fueling station or
40 liquefied natural gas fueling station used solely to fuel the motor vehicles they own or operate
41 as of December 31, 2015, may continue to apply for and use the alternative fuel decal in lieu of
42 paying the tax imposed under subdivisions (4) and (5) of subsection 1 of section 142.803.
43 Owners or operators of compressed natural gas fueling stations or liquefied natural gas fueling
44 stations whose vehicles bear an alternative fuel decal shall be prohibited from selling or
45 providing compressed natural gas or liquefied natural gas to any motor vehicle they do not own
46 or operate. Owners or operators of motor vehicles powered by compressed natural gas or
47 liquefied natural gas bearing an alternative fuel decal after January 1, 2016, that decline to renew
48 the alternative fuel decals for such motor vehicles shall no longer be eligible to apply for and use
49 alternative fuel decals under this subsection. Any compressed natural gas or liquefied natural
50 gas obtained at any fueling station not owned by the owner or operator of the motor vehicle
51 bearing an alternative fuel decal shall be subject to the tax under subdivisions (4) and (5) of
52 subsection 1 of section 142.803.

53 4. **An owner or operator of a motor vehicle powered by propane may continue to**
54 **apply for and use the alternative fuel decal in lieu of paying the tax imposed under**
55 **subdivision (6) of subsection 1 of section 142.803. If the appropriate motor fuel tax under**
56 **subdivision (6) of subsection 1 of section 142.803 is collected at the time of fueling, an**
57 **operator of a propane fueling station that uses quick-connect fueling nozzles may sell**
58 **propane as a motor fuel without verifying the application of a valid Missouri alternative**
59 **fuel decal. If an owner or operator of a motor vehicle powered by propane that bears an**
60 **alternative fuel decal refuels at an unattended propane refueling station, such owner or**
61 **operator shall not be eligible for a refund of the motor fuel tax paid at such refueling.**

62 5. The director shall annually, on or before January thirty-first of each year, collect or
63 cause to be collected from owners or operators of the motor vehicles specified in subsection 1
64 of this section the annual decal fee. Applications for such decals shall be supplied by the
65 department of revenue. In the case of a motor vehicle which is not in operation by January
66 thirty-first of any year, a decal may be purchased for a fractional period of such year, and the
67 amount of the decal fee shall be reduced by one-twelfth for each complete month which shall
68 have elapsed since the beginning of such year. **This subsection shall not apply to an owner**

69 **or operator of a motor vehicle powered by propane who fuels such vehicle exclusively at**
70 **unattended fueling stations that collect the motor fuel tax.**

71 ~~[5-]~~ **6.** Upon the payment of the fee required by subsection 1 of this section, the director
72 shall issue a decal, which shall be valid for the current calendar year and shall be attached to the
73 lower right-hand corner of the front windshield on the motor vehicle for which it was issued.

74 ~~[6-]~~ **7.** The decal fee paid pursuant to subsection 1 of this section for each motor vehicle
75 shall be transferable upon a change of ownership of the motor vehicle and, if the LP gas or
76 natural gas equipment is removed from a motor vehicle upon a change of ownership and is
77 reinstalled in another motor vehicle, upon such reinstallation. Such transfers shall be
78 accomplished in accordance with rules and regulations promulgated by the director.

79 ~~[7-]~~ **8.** It shall be unlawful for any person to operate a motor vehicle required to have an
80 alternative fuel decal upon the highways of this state without a valid decal **unless the motor**
81 **vehicle is exclusively fueled at propane, compressed natural gas, or liquefied natural gas**
82 **fueling stations that collect the motor fuel tax.**

83 ~~[8-]~~ **9.** No person shall cause to be put, or put, ~~[LP-gas]~~ **any alternative fuel** into the fuel
84 supply receptacle **or battery** of a motor vehicle required to have an alternative fuel decal unless
85 the motor vehicle **either** has a valid decal attached to it **or the appropriate motor fuel tax is**
86 **collected at the time of such fueling.** ~~[Sales of fuel placed in the supply receptacle of a motor~~
87 ~~vehicle displaying such decal shall be recorded upon an invoice, which invoice shall include the~~
88 ~~decal number, the motor vehicle license number and the number of gallons placed in such supply~~
89 ~~receptacle.]~~

90 ~~[9-]~~ **10.** Any person violating any provision of this section is guilty of an infraction and
91 shall, upon conviction thereof, be fined five hundred dollars.

92 ~~[10-]~~ **11.** Motor vehicles displaying a valid alternative fuel decal are exempt from the
93 licensing and reporting requirements of this chapter.

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