

ESSB 5974 - CONF REPT
By Conference Committee

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature intends that \$500,000,000
4 of the amounts in the 16-year move ahead WA investment program must
5 enhance stormwater runoff treatment from existing roads and
6 infrastructure with an emphasis on green infrastructure retrofits.
7 Projects must be prioritized based on benefits to salmon recovery and
8 ecosystem health, reducing toxic pollution, addressing health
9 disparities, and cost effectiveness. The department of transportation
10 must submit progress reports on its efforts to reduce the toxicity of
11 stormwater runoff from existing infrastructure, recommendations for
12 addressing barriers to innovative solutions, and anticipated demand
13 for funding each biennium.

14 **Part I**

15 **Climate Commitment Act Allocations**

16 **Sec. 101.** RCW 70A.65.240 and 2021 c 316 s 27 are each amended to
17 read as follows:

18 (1) The carbon emissions reduction account is created in the
19 state treasury. Moneys in the account may be spent only after
20 appropriation. Expenditures from the account are intended to affect
21 reductions in transportation sector carbon emissions through a
22 variety of carbon reducing investments. These can include, but are
23 not limited to: Transportation alternatives to single occupancy
24 passenger vehicles; reductions in single occupancy passenger vehicle
25 miles traveled; reductions in per mile emissions in vehicles,
26 including through the funding of alternative fuel infrastructure and
27 incentive programs; and emission reduction programs for freight
28 transportation, including motor vehicles and rail, as well as for
29 ferries and other maritime and port activities. Expenditures from the
30 account may only be made for transportation carbon emission reducing

1 purposes and may not be made for highway purposes authorized under
2 the 18th Amendment of the Washington state Constitution, other than
3 specified in this section, and shall be made in accordance with
4 subsection (2) of this section. It is the legislature's intent that
5 expenditures from the account used to reduce carbon emissions be made
6 with the goal of achieving equity for communities that historically
7 have been omitted or adversely impacted by past transportation
8 policies and practices.

9 (2) Appropriations in an omnibus transportation appropriations
10 act from the carbon emissions reduction account shall be made
11 exclusively to fund the following activities:

12 (a) Active transportation;

13 (b) Transit programs and projects;

14 (c) Alternative fuel and electrification;

15 (d) Ferries; and

16 (e) Rail.

17 NEW SECTION. Sec. 102. A new section is added to chapter 46.68
18 RCW to read as follows:

19 (1) The climate active transportation account is hereby created
20 in the state treasury. Moneys in the account may be spent only after
21 appropriation. Expenditures from the account may be used only for the
22 following active transportation grant programs: Safe routes to
23 schools, school-based bike program, bicycle and pedestrian grant
24 program, complete streets grants program, and connecting communities
25 grant program, as well as pedestrian and bicycle or other active
26 transportation projects identified in an omnibus transportation
27 appropriations act as move ahead WA projects.

28 (2) Beginning July 1, 2023, the state treasurer shall annually
29 transfer 24 percent of the revenues accruing annually to the carbon
30 emissions reduction account created in RCW 70A.65.240 to the climate
31 active transportation account.

32 NEW SECTION. Sec. 103. A new section is added to chapter 46.68
33 RCW to read as follows:

34 (1) The climate transit programs account is hereby created in the
35 state treasury. Moneys in the account may be spent only after
36 appropriation. Expenditures from the account may be used only for the
37 following transit grant programs: Transit support grant program,
38 tribal transit mobility grants, transit coordination grants, special

1 needs transit grants, bus and bus facility grant program, green
2 transit grants, and transportation demand management grants, as well
3 as transit projects identified in an omnibus transportation
4 appropriations act as move ahead WA projects.

5 (2) Beginning July 1, 2023, the state treasurer shall annually
6 transfer 56 percent of the revenues accruing annually to the carbon
7 emissions reduction account created in RCW 70A.65.240 to the climate
8 transit programs account.

9 **Sec. 104.** RCW 70A.65.030 and 2021 c 316 s 4 are each amended to
10 read as follows:

11 (1) Each year or biennium, as appropriate, when allocating funds
12 from the carbon emissions reduction account created in RCW
13 70A.65.240, the climate investment account created in RCW 70A.65.250,
14 ~~((~~o~~))~~ the air quality and health disparities improvement account
15 created in RCW 70A.65.280, the climate transit programs account
16 created in section 103 of this act, or the climate active
17 transportation account created in section 102 of this act, or
18 administering grants or programs funded by the accounts, agencies
19 shall conduct an environmental justice assessment consistent with the
20 requirements of RCW 70A.02.060 and establish a minimum of not less
21 than 35 percent and a goal of 40 percent of total investments that
22 provide direct and meaningful benefits to vulnerable populations
23 within the boundaries of overburdened communities through: (a) The
24 direct reduction of environmental burdens in overburdened
25 communities; (b) the reduction of disproportionate, cumulative risk
26 from environmental burdens, including those associated with climate
27 change; (c) the support of community led project development,
28 planning, and participation costs; or (d) meeting a community need
29 identified by the community that is consistent with the intent of
30 this chapter or RCW 70A.02.010.

31 (2) The allocation of funding under subsection (1) of this
32 section must adhere to the following principles, additional to the
33 requirements of RCW 70A.02.080: (a) Benefits and programs should be
34 directed to areas and targeted to vulnerable populations and
35 overburdened communities to reduce statewide disparities; (b)
36 investments and benefits should be made roughly proportional to the
37 health disparities that a specific community experiences, with a goal
38 of eliminating the disparities; (c) investments and programs should
39 focus on creating environmental benefits, including eliminating

1 health burdens, creating community and population resilience, and
2 raising the quality of life of those in the community; and (d)
3 efforts should be made to balance investments and benefits across the
4 state and within counties, local jurisdictions, and unincorporated
5 areas as appropriate to reduce disparities by location and to ensure
6 efforts contribute to a reduction in disparities that exist based on
7 race or ethnicity, socioeconomic status, or other factors.

8 (3) State agencies allocating funds or administering grants or
9 programs from the carbon emissions reduction account created in RCW
10 70A.65.240, the climate investment account created in RCW 70A.65.250,
11 ~~((and from))~~ the air quality and health disparities improvement account
12 created in RCW 70A.65.280, the climate transit programs account
13 created in section 103 of this act, or the climate active
14 transportation account created in section 102 of this act, must:

15 (a) Report annually to the environmental justice council created
16 in RCW 70A.02.110 regarding progress toward meeting environmental
17 justice and environmental health goals;

18 (b) Consider recommendations by the environmental justice
19 council; and

20 (c)(i) If the agency is not a covered agency subject to the
21 requirements of chapter 314, Laws of 2021, create and adopt a
22 community engagement plan to describe how it will engage with
23 overburdened communities and vulnerable populations in allocating
24 funds or administering grants or programs from the climate investment
25 account.

26 (ii) The plan must include methods for outreach and communication
27 with those who face barriers, language or otherwise, to
28 participation.

29 **Sec. 105.** RCW 70A.65.040 and 2021 c 316 s 5 are each amended to
30 read as follows:

31 (1) The environmental justice council created in RCW 70A.02.110
32 must provide recommendations to the legislature, agencies, and the
33 governor in the development and implementation of the program
34 established in RCW 70A.65.060 through 70A.65.210, and the programs
35 funded from the carbon emissions reduction account created in RCW
36 70A.65.240 ~~((and from))~~, the climate investment account created in
37 RCW 70A.65.250, the climate transit programs account created in
38 section 103 of this act, and the climate active transportation
39 account created in section 102 of this act.

1 (2) In addition to the duties and authorities granted in chapter
2 70A.02 RCW to the environmental justice council, the environmental
3 justice council must:

4 (a) Provide recommendations to the legislature, agencies, and the
5 governor in the development of:

6 (i) The program established in RCW 70A.65.060 through 70A.65.210
7 including, but not limited to, linkage with other jurisdictions,
8 protocols for establishing offset projects and securing offset
9 credits, designation of emissions-intensive and trade-exposed
10 industries under RCW 70A.65.110, and administration of allowances
11 under the program; and

12 (ii) Investment plans and funding proposals for the programs
13 funded from the climate investment account created in RCW 70A.65.250
14 for the purpose of providing environmental benefits and reducing
15 environmental health disparities within overburdened communities;

16 (b) Provide a forum to analyze policies adopted under this
17 chapter to determine if the policies lead to improvements within
18 overburdened communities;

19 (c) Recommend procedures and criteria for evaluating programs,
20 activities, or projects;

21 (d) Recommend copollutant emissions reduction goals in
22 overburdened communities;

23 (e) Evaluate the level of funding provided to assist vulnerable
24 populations, low-income individuals, and impacted workers and the
25 funding of projects and activities located within or benefiting
26 overburdened communities;

27 (f) Recommend environmental justice and environmental health
28 goals for programs, activities, and projects funded from the climate
29 investment account, and review agency annual reports on outcomes and
30 progress toward meeting these goals;

31 (g) Provide recommendations to implementing agencies for
32 meaningful consultation with vulnerable populations, including
33 community engagement plans under RCW 70A.65.020 and 70A.65.030; and

34 (h) Recommend how to support public participation through
35 capacity grants for participation.

36 (3) For the purpose of performing the duties under subsection (2)
37 of this section, two additional tribal members are added to the
38 council.

39 **Part II**

**Aircraft Fuel Tax, Stolen Vehicle Check, Dealer
Temporary Permit, Enhanced Driver's License and Identocard, Driver's
Abstract, License Plate, Documentary Service, and Other
Driver and Vehicle Fees**

Sec. 201. RCW 82.42.020 and 2013 c 225 s 302 are each amended to read as follows:

There is levied upon every distributor of aircraft fuel, an excise tax at the rate of (~~eleven~~) 18 cents on each gallon of aircraft fuel sold, delivered, or used in this state. There must be collected from every user of aircraft fuel either the use tax imposed by RCW 82.12.020 or the retail sales tax imposed by RCW 82.08.020. The taxes imposed by this chapter must be collected and paid to the state but once in respect to any aircraft fuel.

Sec. 202. RCW 46.17.200 and 2014 c 80 s 4 are each amended to read as follows:

(1) In addition to all other fees and taxes required by law, the department, county auditor or other agent, or subagent appointed by the director shall charge:

(a) The following license plate fees for each license plate, unless the owner or type of vehicle is exempt from payment:

FEE TYPE	FEE	DISTRIBUTION
Original issue	((\$ 10.00)) <u>\$50.00</u>	RCW 46.68.070
Reflectivity	\$ 2.00	RCW 46.68.070
Replacement	((\$ 10.00)) <u>\$30.00</u>	RCW 46.68.070
Original issue, motorcycle	((\$ 4.00)) <u>\$20.00</u>	RCW 46.68.070
Replacement, motorcycle	((\$ 4.00)) <u>\$12.00</u>	RCW 46.68.070
Original issue, moped	\$ 1.50	RCW 46.68.070

(b) A license plate retention fee, as required under RCW 46.16A.200(9)(a), of (~~twenty dollars~~) \$20 if the owner wishes to retain the current license plate number upon license plate

1 replacement, unless the owner or type of vehicle is exempt from
2 payment. The (~~twenty-dollar~~) \$20 fee must be deposited in the
3 multimodal transportation account created in RCW 47.66.070.

4 (c) A (~~ten-dollar~~) \$10 license plate transfer fee, as required
5 under RCW 46.16A.200(8)(a), when transferring standard issue license
6 plates from one vehicle to another, unless the owner or type of
7 vehicle is exempt from payment. The (~~ten-dollar~~) \$10 license plate
8 transfer fee must be deposited in the motor vehicle fund created in
9 RCW 46.68.070.

10 (d) Former prisoner of war license plates, as described in RCW
11 46.18.235, may be transferred to a replacement vehicle upon payment
12 of a (~~five-dollar~~) \$5 license plate fee, in addition to any other
13 fee required by law.

14 (2) The department may, upon request, provide license plates that
15 have been used and returned to the department to individuals for
16 nonvehicular use. The department may charge a fee of up to (~~five~~
17 ~~dollars~~) \$5 per license plate to cover costs or recovery for postage
18 and handling. The department may waive the fee for license plates
19 used in educational projects and may, by rule, provide standards for
20 the fee waiver and restrictions on the number of license plates
21 provided to any one person. The fee must be deposited in the motor
22 vehicle fund created in RCW 46.68.070.

23 (3) \$40 of the original issue license plate fee imposed under
24 subsection (1)(a) of this section and \$16 of the original issue
25 motorcycle license plate fee imposed under subsection (1)(a) of this
26 section must be deposited in the move ahead WA account created in
27 section 401 of this act.

28 (4) \$20 of the replacement license plate fee imposed under
29 subsection (1)(a) of this section and \$8 of the replacement
30 motorcycle license plate fee imposed under subsection (1)(a) of this
31 section must be deposited in the move ahead WA account created in
32 section 401 of this act.

33 **Sec. 203.** RCW 46.17.120 and 2020 c 239 s 1 are each amended to
34 read as follows:

35 (1) Before accepting an application for a certificate of title
36 for a vehicle previously registered in any other state or country,
37 the department, county auditor or other agent, or subagent appointed
38 by the director shall require the applicant to pay a fee of (~~fifteen~~
39 ~~dollars~~) \$50. (~~The fifteen-dollar fee~~)

1 (a) \$15 of the fee required by this section must be distributed
2 under RCW 46.68.020.

3 (b) \$35 of the fee required by this section must be deposited in
4 the move ahead WA account created in section 401 of this act.

5 (2) Beginning July 1, 2026, before accepting an application for a
6 certificate of title for a vehicle previously registered in any other
7 state or country, the department, county auditor or other agent, or
8 subagent appointed by the director shall require the applicant to
9 pay, in addition to the fee specified in subsection (1) of this
10 section, a fee of \$25 which must be deposited in the move ahead WA
11 account created in section 401 of this act.

12 (3) An applicant is exempt from the ((fifteen-dollar-fee)) fees
13 specified in this section if the applicant previously registered the
14 vehicle in Washington state and maintained ownership of the vehicle
15 while registered in another state or country.

16 **Sec. 204.** RCW 46.17.400 and 2011 c 171 s 62 are each amended to
17 read as follows:

18 (1) Before accepting an application for one of the following
19 permits, the department, county auditor or other agent, or subagent
20 appointed by the director shall require the applicant to pay the
21 following permit fee by permit type in addition to any other fee or
22 tax required by law:

PERMIT TYPE	FEE	AUTHORITY	DISTRIBUTION
(a) Dealer temporary	(\$ 15.00)	RCW 46.16A.300	RCW 46.68.030
	\$40.00		
(b) Department temporary	\$.50	RCW 46.16A.305	RCW 46.68.450
(c) Farm vehicle trip	\$ 6.25	RCW 46.16A.330	RCW 46.68.035
(d) Nonresident military	\$ 10.00	RCW 46.16A.340	RCW 46.68.070
(e) Nonresident temporary snowmobile	\$ 5.00	RCW 46.10.450	RCW 46.68.350
(f) Special fuel trip	\$ 30.00	RCW 82.38.100	RCW 46.68.460
(g) Temporary ORV use	\$ 7.00	RCW 46.09.430	RCW 46.68.045

PERMIT TYPE	FEE	AUTHORITY	DISTRIBUTION
(h) Vehicle trip	\$ 25.00	RCW 46.16A.320	RCW 46.68.455

(2) Permit fees as provided in subsection (1) of this section are in addition to the filing fee required under RCW 46.17.005, except an additional filing fee may not be charged for:

- (a) Dealer temporary permits;
- (b) Special fuel trip permits; and
- (c) Vehicle trip permits.

(3) (~~Five dollars~~) \$5 of the (~~fifteen dollar~~) \$40 dealer temporary permit fee provided in subsection (1)(a) of this section must be credited to the payment of vehicle license fees at the time application for registration is made. \$25 of the \$40 dealer temporary permit fee provided in subsection (1)(a) of this section must be deposited in the move ahead WA account created in section 401 of this act. The remainder must be deposited to the state patrol highway account created in RCW 46.68.030.

Sec. 205. RCW 46.20.202 and 2021 c 317 s 21 and 2021 c 158 s 9 are each reenacted and amended to read as follows:

(1) The department may enter into a memorandum of understanding with any federal agency for the purposes of facilitating the crossing of the border between the state of Washington and the Canadian province of British Columbia.

(2) The department may enter into an agreement with the Canadian province of British Columbia for the purposes of implementing a border-crossing initiative.

(3)(a) The department may issue an enhanced driver's license or identicard for the purposes of crossing the border between the state of Washington and the Canadian province of British Columbia to an applicant who provides the department with proof of: United States citizenship, identity, and state residency. The department shall continue to offer a standard driver's license and identicard. If the department chooses to issue an enhanced driver's license, the department must allow each applicant to choose between a standard driver's license or identicard, or an enhanced driver's license or identicard.

(b) The department shall implement a one-to-many biometric matching system for the enhanced driver's license or identicard. An applicant for an enhanced driver's license or identicard shall submit

1 a biometric identifier as designated by the department. The biometric
2 identifier must be used solely for the purpose of verifying the
3 identity of the holders and for any purpose set out in RCW 46.20.037.
4 Applicants are required to sign a declaration acknowledging their
5 understanding of the one-to-many biometric match.

6 (c) The enhanced driver's license or identicard must include
7 reasonable security measures to protect the privacy of Washington
8 state residents, including reasonable safeguards to protect against
9 unauthorized disclosure of data about Washington state residents. If
10 the enhanced driver's license or identicard includes a radio
11 frequency identification chip, or similar technology, the department
12 shall ensure that the technology is encrypted or otherwise secure
13 from unauthorized data access.

14 (d) The requirements of this subsection are in addition to the
15 requirements otherwise imposed on applicants for a driver's license
16 or identicard. The department shall adopt such rules as necessary to
17 meet the requirements of this subsection. From time to time the
18 department shall review technological innovations related to the
19 security of identity cards and amend the rules related to enhanced
20 driver's licenses and identicards as the director deems consistent
21 with this section and appropriate to protect the privacy of
22 Washington state residents.

23 (e) Notwithstanding RCW 46.20.118, the department may make images
24 associated with enhanced drivers' licenses or identicards from the
25 negative file available to United States customs and border agents
26 for the purposes of verifying identity.

27 (4) Beginning (~~on July 23, 2017~~) October 1, 2022, the fee for
28 an enhanced driver's license or enhanced identicard is (~~thirty-two~~
29 ~~dollars~~) \$56, which is in addition to the fees for any regular
30 driver's license or identicard. If the enhanced driver's license or
31 enhanced identicard is issued, renewed, or extended for a period
32 other than eight years, the fee for each class is (~~four dollars~~) \$7
33 for each year that the enhanced driver's license or enhanced
34 identicard is issued, renewed, or extended.

35 (5) (a) The first \$4 per year of issuance, to a maximum of \$32 of
36 the enhanced driver's license and enhanced identicard fee under this
37 section must be deposited into the highway safety fund unless prior
38 to July 1, 2023, the actions described in (a) (i) or (~~(b)~~) (ii) of
39 this subsection occur, in which case the portion of the revenue that
40 is the result of the fee increased in section 209, chapter 44, Laws

1 of 2015 3rd sp. sess. must be distributed to the connecting
2 Washington account created under RCW 46.68.395.

3 ~~((a))~~ (i) Any state agency files a notice of rule making under
4 chapter 34.05 RCW, absent explicit legislative authorization enacted
5 subsequent to July 1, 2015, for a rule regarding a fuel standard
6 based upon or defined by the carbon intensity of fuel, including a
7 low carbon fuel standard or clean fuel standard.

8 ~~((b))~~ (ii) Any state agency otherwise enacts, adopts, orders,
9 or in any way implements a fuel standard based upon or defined by the
10 carbon intensity of fuel, including a low carbon fuel standard or
11 clean fuel standard, without explicit legislative authorization
12 enacted subsequent to July 1, 2015.

13 ~~((c))~~ (iii) Nothing in this subsection acknowledges,
14 establishes, or creates legal authority for the department of ecology
15 or any other state agency to enact, adopt, order, or in any way
16 implement a fuel standard based upon or defined by the carbon
17 intensity of fuel, including a low carbon fuel standard or clean fuel
18 standard.

19 (b) \$24 of the enhanced driver's license and enhanced identicard
20 fee under this section must be deposited into the move ahead WA
21 flexible account created in section 402 of this act. If the enhanced
22 driver's license or enhanced identicard is issued, renewed, or
23 extended for a period other than eight years, the amount deposited
24 into the move ahead WA flexible account created in section 402 of
25 this act is \$3 for each year that the enhanced driver's license or
26 enhanced identicard is issued, renewed, or extended.

27 **Sec. 206.** RCW 46.52.130 and 2021 c 93 s 8 are each amended to
28 read as follows:

29 Upon a proper request, the department may only furnish
30 information contained in an abstract of a person's driving record as
31 permitted under this section.

32 (1) **Contents of abstract of driving record.** An abstract of a
33 person's driving record, whenever possible, must include:

34 (a) An enumeration of motor vehicle accidents in which the person
35 was driving, including:

36 (i) The total number of vehicles involved;

37 (ii) Whether the vehicles were legally parked or moving;

38 (iii) Whether the vehicles were occupied at the time of the
39 accident; and

1 (iv) Whether the accident resulted in a fatality;

2 (b) Any reported convictions, forfeitures of bail, or findings
3 that an infraction was committed based upon a violation of any motor
4 vehicle law;

5 (c) The status of the person's driving privilege in this state;
6 and

7 (d) Any reports of failure to appear in response to a traffic
8 citation or failure to respond to a notice of infraction served upon
9 the named individual by an arresting officer.

10 (2) **Release of abstract of driving record.** Unless otherwise
11 required in this section, the release of an abstract does not require
12 a signed statement by the subject of the abstract. An abstract of a
13 person's driving record may be furnished to the following persons or
14 entities:

15 (a) **Named individuals.** (i) An abstract of the full driving record
16 maintained by the department may be furnished to the individual named
17 in the abstract.

18 (ii) Nothing in this section prevents a court from providing a
19 copy of the driver's abstract to the individual named in the abstract
20 or that named individual's attorney, provided that the named
21 individual has a pending or open infraction or criminal case in that
22 court. A pending case includes criminal cases that have not reached a
23 disposition by plea, stipulation, trial, or amended charge. An open
24 infraction or criminal case includes cases on probation, payment
25 agreement or subject to, or in collections. Courts may charge a
26 reasonable fee for the production and copying of the abstract for the
27 individual.

28 (b) **Employers or prospective employers.** (i) An abstract of the
29 full driving record maintained by the department may be furnished to
30 an employer or prospective employer or agents acting on behalf of an
31 employer or prospective employer of the named individual for purposes
32 related to driving by the individual as a condition of employment or
33 otherwise at the direction of the employer.

34 (ii) The department may provide employers or their agents a
35 three-year insurance carrier driving record of existing employees
36 only for the purposes of sharing the driving record with its
37 insurance carrier for underwriting. Employers may not provide the
38 employees' full driving records to its insurance carrier.

39 (iii) An abstract of the full driving record maintained by the
40 department may be furnished to an employer or prospective employer or

1 the agent(s) acting on behalf of an employer or prospective employer
2 of the named individual for purposes unrelated to driving by the
3 individual when a driving record is required by federal or state law,
4 or the employee or prospective employee will be handling heavy
5 equipment or machinery.

6 (iv) Release of an abstract of the driving record of an employee
7 or prospective employee requires a statement signed by: (A) The
8 employee or prospective employee that authorizes the release of the
9 record; and (B) the employer attesting that the information is
10 necessary for employment purposes related to driving by the
11 individual as a condition of employment or otherwise at the direction
12 of the employer. If the employer or prospective employer authorizes
13 agents to obtain this information on their behalf, this must be noted
14 in the statement. The statement must also note that any information
15 contained in the abstract related to an adjudication that is subject
16 to a court order sealing the juvenile record of an employee or
17 prospective employee may not be used by the employer or prospective
18 employer, or an agent authorized to obtain this information on their
19 behalf, unless required by federal regulation or law. The employer or
20 prospective employer must afford the employee or prospective employee
21 an opportunity to demonstrate that an adjudication contained in the
22 abstract is subject to a court order sealing the juvenile record.

23 (v) Upon request of the person named in the abstract provided
24 under this subsection, and upon that same person furnishing copies of
25 court records ruling that the person was not at fault in a motor
26 vehicle accident, the department must indicate on any abstract
27 provided under this subsection that the person was not at fault in
28 the motor vehicle accident.

29 (vi) No employer or prospective employer, nor any agents of an
30 employer or prospective employer, may use information contained in
31 the abstract related to an adjudication that is subject to a court
32 order sealing the juvenile record of an employee or prospective
33 employee for any purpose unless required by federal regulation or
34 law. The employee or prospective employee must furnish a copy of the
35 court order sealing the juvenile record to the employer or
36 prospective employer, or the agents of the employer or prospective
37 employer, as may be required to ensure the application of this
38 subsection.

39 (c) **Volunteer organizations.** (i) An abstract of the full driving
40 record maintained by the department may be furnished to a volunteer

1 organization or an agent for a volunteer organization for which the
2 named individual has submitted an application for a position that
3 would require driving by the individual at the direction of the
4 volunteer organization.

5 (ii) Release of an abstract of the driving record of a
6 prospective volunteer requires a statement signed by: (A) The
7 prospective volunteer that authorizes the release of the record; and
8 (B) the volunteer organization attesting that the information is
9 necessary for purposes related to driving by the individual at the
10 direction of the volunteer organization. If the volunteer
11 organization authorizes an agent to obtain this information on their
12 behalf, this must be noted in the statement.

13 (d) **Transit authorities.** An abstract of the full driving record
14 maintained by the department may be furnished to an employee or
15 agents of a transit authority checking prospective or existing
16 volunteer vanpool drivers for insurance and risk management needs.

17 (e) **Insurance carriers.** (i) An abstract of the driving record
18 maintained by the department covering the period of not more than the
19 last three years may be furnished to an insurance company or its
20 agents:

21 (A) That has motor vehicle or life insurance in effect covering
22 the named individual;

23 (B) To which the named individual has applied; or

24 (C) That has insurance in effect covering the employer or a
25 prospective employer of the named individual.

26 (ii) The abstract provided to the insurance company must:

27 (A) Not contain any information related to actions committed by
28 law enforcement officers or firefighters, as both terms are defined
29 in RCW 41.26.030, or by Washington state patrol officers, while
30 driving official vehicles in the performance of their occupational
31 duty, or by registered tow truck operators as defined in RCW
32 46.55.010 in the performance of their occupational duties while at
33 the scene of a roadside impound or recovery so long as they are not
34 issued a citation. This does not apply to any situation where the
35 vehicle was used in the commission of a misdemeanor or felony;

36 (B) Include convictions under RCW 46.61.5249 and 46.61.525,
37 except that the abstract must report the convictions only as
38 negligent driving without reference to whether they are for first or
39 second degree negligent driving; and

1 (C) Exclude any deferred prosecution under RCW 10.05.060, except
2 that if a person is removed from a deferred prosecution under RCW
3 10.05.090, the abstract must show the deferred prosecution as well as
4 the removal.

5 (iii) Any policy of insurance may not be canceled, nonrenewed,
6 denied, or have the rate increased on the basis of information
7 regarding an accident included in the abstract of a driving record,
8 unless the policyholder was determined to be at fault.

9 (iv) Any insurance company or its agents, for underwriting
10 purposes relating to the operation of commercial motor vehicles, may
11 not use any information contained in the abstract relative to any
12 person's operation of motor vehicles while not engaged in such
13 employment. Any insurance company or its agents, for underwriting
14 purposes relating to the operation of noncommercial motor vehicles,
15 may not use any information contained in the abstract relative to any
16 person's operation of commercial motor vehicles. For the purposes of
17 this subsection, "commercial motor vehicle" has the same meaning as
18 in RCW 46.25.010(6).

19 (f) **Alcohol/drug assessment or treatment agencies.** An abstract of
20 the driving record maintained by the department covering the period
21 of not more than the last five years may be furnished to an alcohol/
22 drug assessment or treatment agency approved by the department of
23 health to which the named individual has applied or been assigned for
24 evaluation or treatment, for purposes of assisting employees in
25 making a determination as to what level of treatment, if any, is
26 appropriate, except that the abstract must:

27 (i) Also include records of alcohol-related offenses, as defined
28 in RCW 46.01.260(2), covering a period of not more than the last ten
29 years; and

30 (ii) Indicate whether an alcohol-related offense was originally
31 charged as a violation of either RCW 46.61.502 or 46.61.504.

32 (g) **Attorneys—City attorneys, county prosecuting attorneys, and**
33 **named individual's attorney of record.** An abstract of the full
34 driving record maintained by the department, including whether a
35 recorded violation is an alcohol-related offense, as defined in RCW
36 46.01.260(2), that was originally charged as a violation of either
37 RCW 46.61.502 or 46.61.504, may be furnished to city attorneys,
38 county prosecuting attorneys, or the named individual's attorney of
39 record. City attorneys, county prosecuting attorneys, or the named
40 individual's attorney of record may provide the driving record to

1 alcohol/drug assessment or treatment agencies approved by the
2 department of social and health services to which the named
3 individual has applied or been assigned for evaluation or treatment.

4 (h) **State colleges, universities, or agencies, or units of local**
5 **government.** An abstract of the full driving record maintained by the
6 department may be furnished to (i) state colleges, universities, or
7 agencies for employment and risk management purposes or (ii) units of
8 local government authorized to self-insure under RCW 48.62.031, or
9 their agents, for employment and risk management purposes. "Unit of
10 local government" includes an insurance pool established under RCW
11 48.62.031.

12 (i) **Superintendent of public instruction.** (i) An abstract of the
13 full driving record maintained by the department may be furnished to
14 the superintendent of public instruction for review of public school
15 bus driver records. The superintendent or superintendent's designee
16 may discuss information on the driving record with an authorized
17 representative of the employing school district for employment and
18 risk management purposes.

19 (ii) The superintendent of public instruction is exempt from
20 paying the fees related to the reviewing of records and the fee
21 required in subsection (5) of this section.

22 (j) **State and federal agencies.** An abstract of the driving record
23 maintained by the department may be furnished to state and federal
24 agencies, or their agents, in carrying out its functions.

25 (k) **Transportation network companies.** An abstract of the full
26 driving record maintained by the department may be furnished to a
27 transportation network company or its agents acting on its behalf of
28 the named individual for purposes related to driving by the
29 individual as a condition of being a contracted driver.

30 (l) **Research.** (i) The department may furnish driving record data
31 to state agencies and bona fide scientific research organizations.
32 The department may require review and approval by an institutional
33 review board. For the purposes of this subsection, "research" means a
34 planned and systematic sociological, psychological, epidemiological,
35 biomedical, or other scientific investigation carried out by a state
36 agency, or by a scientific research professional associated with a
37 bona fide scientific research organization with an objective to
38 contribute to scientific knowledge, the solution of social and health
39 problems, or the evaluation of public benefit and service programs.
40 This definition excludes methods of record analysis and data

1 collection that are subjective, do not permit replication, and are
2 not designed to yield reliable and valid results.

3 (ii) The state agency, or a scientific research professional
4 associated with a bona fide scientific research organization, are
5 exempt from paying the fees related to the reviewing of records and
6 the fee required in subsection (5) of this section. However, the
7 department may charge a cost-recovery fee for the actual cost of
8 providing the data.

9 (3) **Reviewing of driving records.** (a) In addition to the methods
10 described herein, the director may enter into a contractual agreement
11 for the purpose of reviewing the driving records of existing
12 employees for changes to the record during specified periods of time.
13 The department shall establish a fee for this service, which must be
14 deposited in the highway safety fund. The fee for this service must
15 be set at a level that does not result in a net revenue loss to the
16 state. Any information provided under this subsection must be treated
17 in the same manner and is subject to the same restrictions as driving
18 record abstracts.

19 (b) The department may provide reviewing services to the
20 following entities:

21 (i) Employers for existing employees, or their agents;

22 (ii) Transit authorities for current vanpool drivers, or their
23 agents;

24 (iii) Insurance carriers for current policyholders, or their
25 agents;

26 (iv) State colleges, universities, or agencies, or units of local
27 government, or their agents;

28 (v) The office of the superintendent of public instruction for
29 school bus drivers statewide; and

30 (vi) Transportation network companies, or their agents.

31 (4) **Release to third parties prohibited.** (a) Any person or entity
32 receiving an abstract of a person's driving record under subsection
33 (2)(b) through (1) of this section shall use the abstract exclusively
34 for his, her, or its own purposes or as otherwise expressly permitted
35 under this section, and shall not divulge any information contained
36 in the abstract to a third party.

37 (b) The following release of records to third parties are hereby
38 authorized:

39 (i) Employers may divulge driving records to regulatory bodies,
40 as defined by the department by rule, such as the United States

1 department of transportation and the federal motor carrier safety
2 administration.

3 (ii) Employers may divulge a three-year driving record to their
4 insurance carrier for underwriting purposes.

5 (iii) Employers may divulge driving records to contracted motor
6 carrier consultants for the purposes of ensuring driver compliance
7 and risk management.

8 (5) (~~(Fee.)~~) **Fees.** (a) The director shall collect a (~~(thirteen~~
9 ~~dollar)~~) \$15 fee for each abstract of a person's driving record
10 furnished by the department. After depositing \$2 of the driver's
11 abstract fee in the move ahead WA flexible account created in section
12 402 of this act, the remainder shall be distributed as follows:

13 (i) Fifty percent ((of the fee)) must be deposited in the highway
14 safety fund((7)); and ((fifty))

15 (ii) Fifty percent ((of the fee)) must be deposited according to
16 RCW 46.68.038.

17 (b) Beginning July 1, 2029, the director shall collect an
18 additional \$2 fee for each abstract of a person's driving record
19 furnished by the department. The \$2 additional driver's abstract fee
20 must be deposited in the move ahead WA flexible account created in
21 section 402 of this act.

22 (c) City attorneys and county prosecuting attorneys are exempt
23 from paying the fees specified in (a) and (b) of this subsection for
24 an abstract of a person's driving record furnished by the department
25 for use in criminal proceedings.

26 (6) **Violation.** (a) Any negligent violation of this section is a
27 gross misdemeanor.

28 (b) Any intentional violation of this section is a class C
29 felony.

30 (7) Effective July 1, 2019, the contents of a driving abstract
31 pursuant to this section shall not include any information related to
32 sealed juvenile records unless that information is required by
33 federal law or regulation.

34 **Sec. 207.** RCW 46.17.015 and 2010 c 161 s 502 are each amended to
35 read as follows:

36 (1) A person who applies for a vehicle registration or for any
37 other right to operate a vehicle on the highways of this state shall
38 pay a (~~(twenty-five)~~) 25 cent license plate technology fee in

1 addition to any other fees and taxes required by law. The license
2 plate technology fee must be distributed under RCW 46.68.370.

3 (2) A vehicle registered under RCW 46.16A.455 or 46.17.330 is not
4 subject to the license plate technology fee, except for a vehicle
5 registered under RCW 46.16A.455(3).

6 (3) The revenue from the license plate technology fee imposed on
7 vehicles registered under RCW 46.16A.455(3) must be deposited in the
8 move ahead WA account created in section 401 of this act.

9 **Sec. 208.** RCW 46.17.025 and 2010 c 161 s 503 are each amended to
10 read as follows:

11 (1) A person who applies for a vehicle registration or for any
12 other right to operate a vehicle on the highways of this state shall
13 pay a (~~fifty~~) 50 cent license service fee in addition to any other
14 fees and taxes required by law. The license service fee must be
15 distributed under RCW 46.68.220.

16 (2) A vehicle registered under RCW 46.16A.455 or 46.17.330 is not
17 subject to the license service fee, except for a vehicle registered
18 under RCW 46.16A.455(3).

19 (3) The revenue from the license service fee imposed on vehicles
20 registered under RCW 46.16A.455(3) must be deposited in the move
21 ahead WA account created in section 401 of this act.

22 **Sec. 209.** RCW 46.20.200 and 2012 c 80 s 10 are each amended to
23 read as follows:

24 (1) If an instruction permit, identicard, or a driver's license
25 is lost or destroyed, the person to whom it was issued may obtain a
26 duplicate of it upon furnishing proof of such fact satisfactory to
27 the department and payment of a fee of (~~twenty dollars~~) \$20 to the
28 department.

29 (2) A replacement permit, identicard, or driver's license may be
30 obtained to change or correct material information upon payment of a
31 fee of (~~ten dollars~~) \$20 and surrender of the permit, identicard,
32 or driver's license being replaced.

33 **Sec. 210.** RCW 46.68.041 and 2020 c 330 s 18 are each amended to
34 read as follows:

35 (1) Except as provided in (~~subsection~~) subsections (2) and (3)
36 of this section, the department (~~shall~~) must forward all funds
37 accruing under the provisions of chapter 46.20 RCW together with a

1 proper identifying, detailed report to the state treasurer who
2 (~~shall~~) must deposit such moneys to the credit of the highway
3 safety fund.

4 (2) Fifty-six percent of each fee collected by the department
5 under RCW 46.20.311 (1)(e)(ii), (2)(b)(ii), and (3)(b) (~~shall~~) must
6 be deposited in the impaired driving safety account.

7 (3) Fifty percent of the revenue from the fees imposed under RCW
8 46.20.200(2) must be deposited in the move ahead WA flexible account
9 created in section 402 of this act.

10 **Sec. 211.** RCW 46.70.180 and 2017 c 41 s 1 are each amended to
11 read as follows:

12 Each of the following acts or practices is unlawful:

13 (1) To cause or permit to be advertised, printed, displayed,
14 published, distributed, broadcasted, televised, or disseminated in
15 any manner whatsoever, any statement or representation with regard to
16 the sale, lease, or financing of a vehicle which is false, deceptive,
17 or misleading, including but not limited to the following:

18 (a) That no down payment is required in connection with the sale
19 of a vehicle when a down payment is in fact required, or that a
20 vehicle may be purchased for a smaller down payment than is actually
21 required;

22 (b) That a certain percentage of the sale price of a vehicle may
23 be financed when such financing is not offered in a single document
24 evidencing the entire security transaction;

25 (c) That a certain percentage is the amount of the service charge
26 to be charged for financing, without stating whether this percentage
27 charge is a monthly amount or an amount to be charged per year;

28 (d) That a new vehicle will be sold for a certain amount above or
29 below cost without computing cost as the exact amount of the factory
30 invoice on the specific vehicle to be sold;

31 (e) That a vehicle will be sold upon a monthly payment of a
32 certain amount, without including in the statement the number of
33 payments of that same amount which are required to liquidate the
34 unpaid purchase price.

35 (2)(a)(i) To incorporate within the terms of any purchase and
36 sale or lease agreement any statement or representation with regard
37 to the sale, lease, or financing of a vehicle which is false,
38 deceptive, or misleading, including but not limited to terms that
39 include as an added cost to the selling price or capitalized cost of

1 a vehicle an amount for licensing or transfer of title of that
2 vehicle which is not actually due to the state, unless such amount
3 has in fact been paid by the dealer prior to such sale.

4 (ii) However, an amount not to exceed (~~one hundred fifty~~
5 ~~dollars~~) \$200 per vehicle sale or lease may be charged by a dealer
6 to recover administrative costs for collecting motor vehicle excise
7 taxes, licensing and registration fees and other agency fees,
8 verifying and clearing titles, transferring titles, perfecting,
9 releasing, or satisfying liens or other security interests, and other
10 administrative and documentary services rendered by a dealer in
11 connection with the sale or lease of a vehicle and in carrying out
12 the requirements of this chapter or any other provisions of state
13 law.

14 (b) A dealer may charge the documentary service fee in (a) of
15 this subsection under the following conditions:

16 (i) The documentary service fee is disclosed in writing to a
17 prospective purchaser or lessee before the execution of a purchase
18 and sale or lease agreement;

19 (ii) The dealer discloses to the purchaser or lessee in writing
20 that the documentary service fee is a negotiable fee. The disclosure
21 must be written in a typeface that is at least as large as the
22 typeface used in the standard text of the document that contains the
23 disclosure and that is bold faced, capitalized, underlined, or
24 otherwise set out from the surrounding material so as to be
25 conspicuous. The dealer shall not represent to the purchaser or
26 lessee that the fee or charge is required by the state to be paid by
27 either the dealer or prospective purchaser or lessee;

28 (iii) The documentary service fee is separately designated from
29 the selling price or capitalized cost of the vehicle and from any
30 other taxes, fees, or charges; and

31 (iv) Dealers disclose in any advertisement that a documentary
32 service fee in an amount up to (~~one hundred fifty dollars~~) \$200 may
33 be added to the sale price or the capitalized cost.

34 For the purposes of this subsection (2), the term "documentary
35 service fee" means the optional amount charged by a dealer to provide
36 the services specified in (a) of this subsection.

37 (3) To set up, promote, or aid in the promotion of a plan by
38 which vehicles are to be sold or leased to a person for a
39 consideration and upon further consideration that the purchaser or
40 lessee agrees to secure one or more persons to participate in the

1 plan by respectively making a similar purchase and in turn agreeing
2 to secure one or more persons likewise to join in said plan, each
3 purchaser or lessee being given the right to secure money, credits,
4 goods, or something of value, depending upon the number of persons
5 joining the plan.

6 (4) To commit, allow, or ratify any act of "bushing" which is
7 defined as follows: Entering into a written contract, written
8 purchase order or agreement, retail installment sales agreement, note
9 and security agreement, or written lease agreement, hereinafter
10 collectively referred to as contract or lease, signed by the
11 prospective buyer or lessee of a vehicle, which:

12 (a) Is subject to any conditions or the dealer's or his or her
13 authorized representative's future acceptance, and the dealer fails
14 or refuses within the "bushing" period, which is four calendar days,
15 exclusive of Saturday, Sunday, or legal holiday, and prior to any
16 further negotiations with said buyer or lessee to inform the buyer or
17 lessee either: (i) That the dealer unconditionally accepts the
18 contract or lease, having satisfied, removed, or waived all
19 conditions to acceptance or performance, including, but not limited
20 to, financing, assignment, or lease approval; or (ii) that the dealer
21 rejects the contract or lease, thereby automatically voiding the
22 contract or lease, as long as such voiding does not negate
23 commercially reasonable contract or lease provisions pertaining to
24 the return of the subject vehicle and any physical damage, excessive
25 mileage after the demand for return of the vehicle, and attorneys'
26 fees authorized by law, and tenders the refund of any initial payment
27 or security made or given by the buyer or lessee, including, but not
28 limited to, any down payment, and tenders return of the trade-in
29 vehicle, key, other trade-in, or certificate of title to a trade-in.
30 Tender may be conditioned on return of the subject vehicle if
31 previously delivered to the buyer or lessee.

32 The provisions of this subsection (4)(a) do not impair,
33 prejudice, or abrogate the rights of a dealer to assert a claim
34 against the buyer or lessee for misrepresentation or breach of
35 contract and to exercise all remedies available at law or in equity,
36 including those under chapter 62A.9A RCW, if the dealer, bank, or
37 other lender or leasing company discovers that approval of the
38 contract or financing or approval of the lease was based upon
39 material misrepresentations made by the buyer or lessee, including,
40 but not limited to, misrepresentations regarding income, employment,

1 or debt of the buyer or lessee, as long as the dealer, or his or her
2 staff, has not, with knowledge of the material misrepresentation,
3 aided, assisted, encouraged, or participated, directly or indirectly,
4 in the misrepresentation. A dealer shall not be in violation of this
5 subsection (4)(a) if the buyer or lessee made a material
6 misrepresentation to the dealer, as long as the dealer, or his or her
7 staff, has not, with knowledge of the material misrepresentation,
8 aided, assisted, encouraged, or participated, directly or indirectly,
9 in the misrepresentation.

10 A dealer may inform a buyer or lessee under this subsection
11 (4)(a) regarding the unconditional acceptance or rejection of the
12 contract, lease, or financing by sending an email message to the
13 buyer's or lessee's supplied email address, by phone call, by leaving
14 a voice message or sending a text message to a phone number provided
15 by the buyer or lessee, by in-person oral communication, by mailing a
16 letter by first-class mail if the buyer or lessee expresses a
17 preference for a letter or declines to provide an email address and a
18 phone number capable of receiving a free text message, or by another
19 means agreed to by the buyer or lessee or approved by the department,
20 effective upon the execution, mailing, or sending of the
21 communication and before expiration of the "bushing" period;

22 (b) Permits the dealer to renegotiate a dollar amount specified
23 as trade-in allowance on a vehicle delivered or to be delivered by
24 the buyer or lessee as part of the purchase price or lease, for any
25 reason except:

26 (i) Failure to disclose that the vehicle's certificate of title
27 has been branded for any reason, including, but not limited to,
28 status as a rebuilt vehicle as provided in RCW 46.12.540 and
29 46.12.560; or

30 (ii) Substantial physical damage or latent mechanical defect
31 occurring before the dealer took possession of the vehicle and which
32 could not have been reasonably discoverable at the time of the taking
33 of the order, offer, or contract; or

34 (iii) Excessive additional miles or a discrepancy in the mileage.
35 "Excessive additional miles" means the addition of (~~five hundred~~)
36 500 miles or more, as reflected on the vehicle's odometer, between
37 the time the vehicle was first valued by the dealer for purposes of
38 determining its trade-in value and the time of actual delivery of the
39 vehicle to the dealer. "A discrepancy in the mileage" means (A) a
40 discrepancy between the mileage reflected on the vehicle's odometer

1 and the stated mileage on the signed odometer statement; or (B) a
2 discrepancy between the mileage stated on the signed odometer
3 statement and the actual mileage on the vehicle; or

4 (c) Fails to comply with the obligation of any written warranty
5 or guarantee given by the dealer requiring the furnishing of services
6 or repairs within a reasonable time.

7 (5) To commit any offense relating to odometers, as such offenses
8 are defined in RCW 46.37.540, 46.37.550, 46.37.560, and 46.37.570. A
9 violation of this subsection is a class C felony punishable under
10 chapter 9A.20 RCW.

11 (6) For any vehicle dealer or vehicle salesperson to refuse to
12 furnish, upon request of a prospective purchaser or lessee, for
13 vehicles previously registered to a business or governmental entity,
14 the name and address of the business or governmental entity.

15 (7) To commit any other offense under RCW 46.37.423, 46.37.424,
16 or 46.37.425.

17 (8) To commit any offense relating to a dealer's temporary
18 license permit, including but not limited to failure to properly
19 complete each such permit, or the issuance of more than one such
20 permit on any one vehicle. However, a dealer may issue a second
21 temporary permit on a vehicle if the following conditions are met:

22 (a) The lienholder fails to deliver the vehicle title to the
23 dealer within the required time period;

24 (b) The dealer has satisfied the lien; and

25 (c) The dealer has proof that payment of the lien was made within
26 two calendar days, exclusive of Saturday, Sunday, or a legal holiday,
27 after the sales contract has been executed by all parties and all
28 conditions and contingencies in the sales contract have been met or
29 otherwise satisfied.

30 (9) For a dealer, salesperson, or mobile home manufacturer,
31 having taken an instrument or cash "on deposit" from a purchaser or
32 lessee prior to the delivery of the bargained-for vehicle, to
33 commingle the "on deposit" funds with assets of the dealer,
34 salesperson, or mobile home manufacturer instead of holding the "on
35 deposit" funds as trustee in a separate trust account until the
36 purchaser or lessee has taken delivery of the bargained-for vehicle.
37 Delivery of a manufactured home shall be deemed to occur in
38 accordance with RCW 46.70.135(5). Failure, immediately upon receipt,
39 to endorse "on deposit" instruments to such a trust account, or to
40 set aside "on deposit" cash for deposit in such trust account, and

1 failure to deposit such instruments or cash in such trust account by
2 the close of banking hours on the day following receipt thereof,
3 shall be evidence of intent to commit this unlawful practice:
4 PROVIDED, HOWEVER, That a motor vehicle dealer may keep a separate
5 trust account which equals his or her customary total customer
6 deposits for vehicles for future delivery. For purposes of this
7 section, "on deposit" funds received from a purchaser of a
8 manufactured home means those funds that a seller requires a
9 purchaser to advance before ordering the manufactured home, but does
10 not include any loan proceeds or moneys that might have been paid on
11 an installment contract.

12 (10) For a dealer or manufacturer to fail to comply with the
13 obligations of any written warranty or guarantee given by the dealer
14 or manufacturer requiring the furnishing of goods and services or
15 repairs within a reasonable period of time, or to fail to furnish to
16 a purchaser or lessee, all parts which attach to the manufactured
17 unit including but not limited to the undercarriage, and all items
18 specified in the terms of a sales or lease agreement signed by the
19 seller and buyer or lessee.

20 (11) For a vehicle dealer to pay to or receive from any person,
21 firm, partnership, association, or corporation acting, either
22 directly or through a subsidiary, as a buyer's agent for consumers,
23 any compensation, fee, purchase moneys or funds that have been
24 deposited into or withdrawn out of any account controlled or used by
25 any buyer's agent, gratuity, or reward in connection with the
26 purchase, sale, or lease of a new motor vehicle.

27 (12) For a buyer's agent, acting directly or through a
28 subsidiary, to pay to or to receive from any motor vehicle dealer any
29 compensation, fee, gratuity, or reward in connection with the
30 purchase, sale, or lease of a new motor vehicle. In addition, it is
31 unlawful for any buyer's agent to engage in any of the following acts
32 on behalf of or in the name of the consumer:

33 (a) Receiving or paying any purchase moneys or funds into or out
34 of any account controlled or used by any buyer's agent;

35 (b) Signing any vehicle purchase orders, sales contracts, leases,
36 odometer statements, or title documents, or having the name of the
37 buyer's agent appear on the vehicle purchase order, sales contract,
38 lease, or title; or

39 (c) Signing any other documentation relating to the purchase,
40 sale, lease, or transfer of any new motor vehicle.

1 It is unlawful for a buyer's agent to use a power of attorney
2 obtained from the consumer to accomplish or effect the purchase,
3 sale, lease, or transfer of ownership documents of any new motor
4 vehicle by any means which would otherwise be prohibited under (a)
5 through (c) of this subsection. However, the buyer's agent may use a
6 power of attorney for physical delivery of motor vehicle license
7 plates to the consumer.

8 Further, it is unlawful for a buyer's agent to engage in any
9 false, deceptive, or misleading advertising, disseminated in any
10 manner whatsoever, including but not limited to making any claim or
11 statement that the buyer's agent offers, obtains, or guarantees the
12 lowest price on any motor vehicle or words to similar effect.

13 (13) For a buyer's agent to arrange for or to negotiate the
14 purchase, or both, of a new motor vehicle through an out-of-state
15 dealer without disclosing in writing to the customer that the new
16 vehicle would not be subject to chapter 19.118 RCW. This subsection
17 also applies to leased vehicles. In addition, it is unlawful for any
18 buyer's agent to fail to have a written agreement with the customer
19 that: (a) Sets forth the terms of the parties' agreement; (b)
20 discloses to the customer the total amount of any fees or other
21 compensation being paid by the customer to the buyer's agent for the
22 agent's services; and (c) further discloses whether the fee or any
23 portion of the fee is refundable.

24 (14) Being a manufacturer, other than a motorcycle manufacturer
25 governed by chapter 46.93 RCW, to:

26 (a) Coerce or attempt to coerce any vehicle dealer to order or
27 accept delivery of any vehicle or vehicles, parts or accessories, or
28 any other commodities which have not been voluntarily ordered by the
29 vehicle dealer: PROVIDED, That recommendation, endorsement,
30 exposition, persuasion, urging, or argument are not deemed to
31 constitute coercion;

32 (b) Cancel or fail to renew the franchise or selling agreement of
33 any vehicle dealer doing business in this state without fairly
34 compensating the dealer at a fair going business value for his or her
35 capital investment which shall include but not be limited to tools,
36 equipment, and parts inventory possessed by the dealer on the day he
37 or she is notified of such cancellation or termination and which are
38 still within the dealer's possession on the day the cancellation or
39 termination is effective, if: (i) The capital investment has been
40 entered into with reasonable and prudent business judgment for the

1 purpose of fulfilling the franchise; and (ii) the cancellation or
2 nonrenewal was not done in good faith. Good faith is defined as the
3 duty of each party to any franchise to act in a fair and equitable
4 manner towards each other, so as to guarantee one party freedom from
5 coercion, intimidation, or threats of coercion or intimidation from
6 the other party: PROVIDED, That recommendation, endorsement,
7 exposition, persuasion, urging, or argument are not deemed to
8 constitute a lack of good faith;

9 (c) Encourage, aid, abet, or teach a vehicle dealer to sell or
10 lease vehicles through any false, deceptive, or misleading sales or
11 financing practices including but not limited to those practices
12 declared unlawful in this section;

13 (d) Coerce or attempt to coerce a vehicle dealer to engage in any
14 practice forbidden in this section by either threats of actual
15 cancellation or failure to renew the dealer's franchise agreement;

16 (e) Refuse to deliver any vehicle publicly advertised for
17 immediate delivery to any duly licensed vehicle dealer having a
18 franchise or contractual agreement for the retail sale or lease of
19 new and unused vehicles sold or distributed by such manufacturer
20 within sixty days after such dealer's order has been received in
21 writing unless caused by inability to deliver because of shortage or
22 curtailment of material, labor, transportation, or utility services,
23 or by any labor or production difficulty, or by any cause beyond the
24 reasonable control of the manufacturer;

25 (f) To provide under the terms of any warranty that a purchaser
26 or lessee of any new or unused vehicle that has been sold or leased,
27 distributed for sale or lease, or transferred into this state for
28 resale or lease by the vehicle manufacturer may only make any
29 warranty claim on any item included as an integral part of the
30 vehicle against the manufacturer of that item.

31 Nothing in this section may be construed to impair the
32 obligations of a contract or to prevent a manufacturer, distributor,
33 representative, or any other person, whether or not licensed under
34 this chapter, from requiring performance of a written contract
35 entered into with any licensee hereunder, nor does the requirement of
36 such performance constitute a violation of any of the provisions of
37 this section if any such contract or the terms thereof requiring
38 performance, have been freely entered into and executed between the
39 contracting parties. This paragraph and subsection (14)(b) of this

1 section do not apply to new motor vehicle manufacturers governed by
2 chapter 46.96 RCW.

3 (15) Unlawful transfer of an ownership interest in a motor
4 vehicle as defined in RCW 19.116.050.

5 (16) To knowingly and intentionally engage in collusion with a
6 registered owner of a vehicle to repossess and return or resell the
7 vehicle to the registered owner in an attempt to avoid a suspended
8 license impound under chapter 46.55 RCW. However, compliance with
9 chapter 62A.9A RCW in repossessing, selling, leasing, or otherwise
10 disposing of the vehicle, including providing redemption rights to
11 the debtor, is not a violation of this section.

12 (17)(a) For a dealer to enter into a new motor vehicle sales
13 contract without disclosing in writing to a buyer of the new motor
14 vehicle, or to a dealer in the case of an unregistered motor vehicle,
15 any known damage and repair to the new motor vehicle if the damage
16 exceeds five percent of the manufacturer's suggested retail price as
17 calculated at the dealer's authorized warranty rate for labor and
18 parts, or (~~one thousand dollars~~) \$1,000, whichever amount is
19 greater. A manufacturer or new motor vehicle dealer is not required
20 to disclose to a dealer or buyer that glass, tires, bumpers, or
21 cosmetic parts of a new motor vehicle were damaged at any time if the
22 damaged item has been replaced with original or comparable equipment.
23 A replaced part is not part of the cumulative damage required to be
24 disclosed under this subsection.

25 (b) A manufacturer is required to provide the same disclosure to
26 a dealer of any known damage or repair as required in (a) of this
27 subsection.

28 (c) If disclosure of any known damage or repair is not required
29 under this section, a buyer may not revoke or rescind a sales
30 contract due to the fact that the new motor vehicle was damaged and
31 repaired before completion of the sale.

32 (d) As used in this section:

33 (i) "Cosmetic parts" means parts that are attached by and can be
34 replaced in total through the use of screws, bolts, or other
35 fasteners without the use of welding or thermal cutting, and includes
36 windshields, bumpers, hoods, or trim panels.

37 (ii) "Manufacturer's suggested retail price" means the retail
38 price of the new motor vehicle suggested by the manufacturer, and
39 includes the retail delivered price suggested by the manufacturer for
40 each accessory or item of optional equipment physically attached to

1 the new motor vehicle at the time of delivery to the new motor
2 vehicle dealer that is not included within the retail price suggested
3 by the manufacturer for the new motor vehicle.

4 **Part III**

5 **General Fund and Other Related Support**

6 **Sec. 301.** RCW 82.32.385 and 2020 c 219 s 703 are each amended to
7 read as follows:

8 (1) Beginning September 2019 and ending December 2019, by the
9 last day of September and December, the state treasurer must transfer
10 from the general fund to the connecting Washington account created in
11 RCW 46.68.395 (~~thirteen million six hundred eighty thousand~~
12 ~~dollars~~)) \$13,680,000.

13 (2) Beginning March 2020 and ending June 2021, by the last day of
14 September, December, March, and June of each year, the state
15 treasurer must transfer from the general fund to the multimodal
16 transportation account created in RCW 47.66.070 (~~thirteen million~~
17 ~~six hundred eighty thousand dollars~~)) \$13,680,000.

18 (3) Beginning September 2021 and ending June 2023, by the last
19 day of September, December, March, and June of each year, the state
20 treasurer must transfer from the general fund to the connecting
21 Washington account created in RCW 46.68.395 (~~thirteen million eight~~
22 ~~hundred five thousand dollars~~)) \$13,805,000.

23 (4) Beginning September 2023 and ending June 2025, by the last
24 day of September, December, March, and June of each year, the state
25 treasurer must transfer from the general fund to the connecting
26 Washington account created in RCW 46.68.395 (~~thirteen million nine~~
27 ~~hundred eighty seven thousand dollars~~)) \$13,987,000.

28 (5) Beginning September 2025 and ending June 2027, by the last
29 day of September, December, March, and June of each year, the state
30 treasurer must transfer from the general fund to the connecting
31 Washington account created in RCW 46.68.395 (~~eleven million six~~
32 ~~hundred fifty eight thousand dollars~~)) \$11,658,000.

33 (6) Beginning September 2027 and ending June 2029, by the last
34 day of September, December, March, and June of each year, the state
35 treasurer must transfer from the general fund to the connecting
36 Washington account created in RCW 46.68.395 (~~seven million five~~
37 ~~hundred sixty four thousand dollars~~)) \$7,564,000.

1 (7) Beginning September 2029 and ending June 2031, by the last
2 day of September, December, March, and June of each year, the state
3 treasurer must transfer from the general fund to the connecting
4 Washington account created in RCW 46.68.395 (~~four million fifty-six~~
5 ~~thousand dollars~~) \$4,056,000.

6 (8) For fiscal year 2026 through fiscal year 2038, the state
7 treasurer must transfer from the general fund to the move ahead WA
8 flexible account created in section 402 of this act \$31,000,000 each
9 fiscal year in four equal quarterly transfers. This amount represents
10 the estimated state sales and use tax generated from new
11 transportation projects and activities funded as a result of this
12 act.

13 (9) For fiscal year 2024 through fiscal year 2038, the state
14 treasurer must transfer from the general fund to the move ahead WA
15 flexible account created in section 402 of this act \$57,000,000 each
16 fiscal year in four equal quarterly transfers.

17 **Sec. 302.** RCW 43.155.050 and 2021 c 334 s 979 and 2021 c 332 s
18 7031 are each reenacted and amended to read as follows:

19 (1) The public works assistance account is hereby established in
20 the state treasury. Money may be placed in the public works
21 assistance account from the proceeds of bonds when authorized by the
22 legislature or from any other lawful source. Money in the public
23 works assistance account shall be used to make loans and grants and
24 to give financial guarantees to local governments for public works
25 projects. Moneys in the account may also be appropriated or
26 transferred to the water pollution control revolving fund and the
27 drinking water assistance account to provide for state match
28 requirements under federal law. Moneys in the account may be
29 transferred to the move ahead WA account to provide support of public
30 works projects funded in the move ahead WA program. Not more than
31 (~~twenty~~) 20 percent of the biennial capital budget appropriation to
32 the public works board from this account may be expended or obligated
33 for preconstruction loans and grants, emergency loans and grants, or
34 loans and grants for capital facility planning under this chapter.
35 Not more than (~~ten~~) 10 percent of the biennial capital budget
36 appropriation to the public works board from this account may be
37 expended or obligated as grants for preconstruction, emergency,
38 capital facility planning, and construction projects. During the
39 2017-2019 and 2019-2021 fiscal biennia, the legislature may

1 appropriate moneys from the account for activities related to rural
2 economic development, the growth management act, the aviation
3 revitalization loan program, the community economic revitalization
4 board broadband program, and the voluntary stewardship program.
5 During the 2021-2023 biennium, the legislature may appropriate moneys
6 from the account for activities related to the aviation
7 revitalization board. During the 2019-2021 fiscal biennia, the
8 legislature may direct the state treasurer to make transfers of
9 moneys in the public works assistance account to the education legacy
10 trust account. During the 2019-2021 and 2021-2023 fiscal biennia, the
11 legislature may direct the state treasurer to make transfers of
12 moneys in the public works assistance account to the statewide
13 broadband account. During the 2021-2023 fiscal biennium, the
14 legislature may appropriate moneys from the public works assistance
15 account for activities related to the voluntary stewardship program,
16 rural economic development, and the growth management act.

17 (2) For fiscal year 2024 through fiscal year 2038, the state
18 treasurer must transfer from the public works assistance account to
19 the move ahead WA account created in section 401 of this act
20 \$57,000,000 each fiscal year in four equal quarterly transfers.

21 **Sec. 303.** RCW 82.08.993 and 2021 c 171 s 2 are each amended to
22 read as follows:

23 (1)(a) Subject to the limitations in this subsection, beginning
24 July 1, 2022, with sales made or lease agreements signed on or after
25 this date until the expiration of this section, (~~fifty~~) 50 percent
26 of the tax levied by RCW 82.08.020 does not apply to sales or leases
27 of new electric passenger cars, light duty trucks, and medium duty
28 passenger vehicles, that are powered by a fuel cell.

29 (b)(i) By the end of the fifth working day of each month, until
30 the expiration of the exemption as described in (c) of this
31 subsection, the department must determine the cumulative number of
32 vehicles that have claimed the exemption as described in (a) of this
33 subsection.

34 (ii) The department of licensing must collect and provide, upon
35 request, information in a form or manner as required by the
36 department to determine the number of exemptions that have been
37 claimed.

38 (c) The exemption under this section expires after the last day
39 of the calendar month immediately following the month the department

1 determines that the total number of vehicles exempt under (a) of this
2 subsection reaches 650. All leased vehicles that qualified for the
3 exemption before the expiration of the exemption must continue to
4 receive the exemption as described under (a) of this subsection on
5 lease payments due through the remainder of the lease.

6 (d) The department must provide notification on its website
7 monthly on the amount of exemptions that have been applied for, the
8 amount issued, and the amount remaining before the limit described in
9 (c) of this subsection has been reached, and, once that limit has
10 been reached, the date the exemption expires pursuant to (c) of this
11 subsection.

12 (e) A person may not claim the exemption under this subsection if
13 the person claims the exemption under RCW 82.08.9999 or 82.12.9999.

14 (f) The per vehicle exemption must be based on the sales price
15 for purchased vehicles and fair market value at the inception of the
16 lease for leased vehicles.

17 (2)(a) Subject to the limitations in this subsection (2),
18 beginning July 1, 2022, with sales made or lease agreements signed on
19 or after this date until the expiration of this section, the entire
20 tax levied by RCW 82.08.020 does not apply to the sale or lease of
21 used electric passenger cars, light duty trucks, and medium duty
22 passenger vehicles, that are powered by a fuel cell.

23 (b) The per vehicle exemption must be based on the sales price
24 for purchased vehicles and fair market value at the inception of the
25 lease for leased vehicles. However, the maximum value amount eligible
26 for the exemption under (a) of this subsection is the lesser of
27 either (~~sixteen thousand dollars~~) \$16,000 or the fair market value
28 of the vehicle.

29 (c) A person may not claim the exemption under this subsection
30 (2) if the person claims the exemption under RCW 82.08.9999 or
31 82.12.9999.

32 (3)(a) For qualifying vehicles sold by a person licensed to do
33 business in the state of Washington, the seller must keep records
34 necessary for the department to verify eligibility under this
35 section. The seller reporting the exemption must also submit itemized
36 information to the department for all vehicles for which an exemption
37 is claimed that must include the following: Vehicle make; vehicle
38 model; model year; whether the vehicle has been sold or leased; date
39 of sale or start date of lease; length of lease; sales price for
40 purchased vehicles and fair market value at the inception of the

1 lease for leased vehicles; and the total amount qualifying for the
2 incentive claimed for each vehicle, in addition to the future monthly
3 amount to be claimed for each leased vehicle. This information must
4 be provided in a form and manner prescribed by the department.

5 (b) For vehicles purchased from (i) a seller that is not licensed
6 to do business in the state of Washington, or (ii) a private party,
7 the buyer must keep records necessary for the department to verify
8 eligibility under this section. The buyer claiming the exemption must
9 also submit itemized information to the department for all vehicles
10 for which an exemption is claimed that must include the following:
11 Vehicle make; vehicle model; model year; date of sale; sales price;
12 and the total amount qualifying for the incentive claimed for each
13 vehicle. This information must be provided in a form and manner
14 prescribed by the department.

15 (4) (a) The department of licensing must maintain and publish a
16 list of all vehicle models qualifying for the tax exemptions under
17 this section and RCW 82.12.817 until the expiration of this section,
18 and is authorized to issue final rulings on vehicle model
19 qualification for these criteria.

20 (b) The department of revenue retains responsibility for
21 determining whether a vehicle meets the applicable qualifying
22 criterion under subsections (1) and (2) of this section.

23 ~~(5) ((On the last day of July, October, January, and April of
24 each year, the state treasurer, based upon information provided by
25 the department, must transfer from the electric vehicle account to
26 the general fund a sum equal to the dollar amount that would
27 otherwise have been deposited into the general fund during the prior
28 fiscal quarter but for the exemptions provided in this section.
29 Information provided by the department to the state treasurer must be
30 based on the best available data, except that the department may
31 provide estimates of taxes exempted under this section until such
32 time as retailers are able to report such exempted amounts on their
33 tax returns.~~

34 ~~(6))~~ By the last day of August 2023, and annually thereafter
35 until this section expires, based on the best available data, the
36 department must report the following information to the
37 transportation committees of the legislature: The cumulative number
38 of fuel cell electric vehicles that qualified for the exemptions
39 under this section and RCW 82.12.817 by month of purchase or lease
40 start and vehicle make and model; the dollar amount of all state

1 retail sales and use taxes exempted on or after the qualification
2 period start date, under this section and RCW 82.12.817; and
3 estimates of the future costs of leased vehicles that qualified for
4 the exemptions under this section and RCW 82.12.817.

5 ~~((7))~~ (6) (a) Sales of vehicles delivered to the buyer after the
6 expiration of this section, or leased vehicles for which the lease
7 agreement was signed after the expiration of this section, do not
8 qualify for the exemptions under this section.

9 (b) All leased vehicles that qualified for the exemption under
10 this section before the expiration of this section must continue to
11 receive the exemption on any lease payments due through the remainder
12 of the lease.

13 ~~((8))~~ (7) For the purposes of this section:

14 (a) "Fair market value" has the same meaning as "value of the
15 article used" in RCW 82.12.010.

16 (b) "Fuel cell" means a technology that uses an electrochemical
17 reaction to generate electric energy by combining atoms of hydrogen
18 and oxygen in the presence of a catalyst.

19 (c) "New vehicle" has the same meaning as "new motor vehicle" in
20 RCW 46.04.358.

21 (d) "Selling price" and "sales price" have the same meaning as in
22 RCW 82.08.010.

23 (e) "Used vehicle" has the same meaning as in RCW 46.04.660.

24 ~~((9))~~ (8) This section expires June 30, 2029.

25 **Sec. 304.** RCW 82.12.817 and 2021 c 171 s 3 are each amended to
26 read as follows:

27 (1) Subject to the limitations in this subsection and RCW
28 82.08.993(1)(c), beginning July 1, 2022, with sales made or lease
29 agreements signed on or after this date until the expiration of this
30 section, ~~((fifty))~~ 50 percent of the tax levied by RCW 82.12.020 does
31 not apply to sales or leases of new electric passenger cars, light
32 duty trucks, and medium duty passenger vehicles, that are powered by
33 a fuel cell.

34 (2)(a) Subject to the limitations in this subsection (2),
35 beginning July 1, 2022, with sales made or lease agreements signed on
36 or after this date until the expiration of this section, the entire
37 tax levied by RCW 82.12.020 does not apply to the sale or lease of
38 used electric passenger cars, light duty trucks, and medium duty
39 passenger vehicles, that are powered by a fuel cell.

1 (b) The per vehicle exemption must be based on the sales price
2 for purchased vehicles and fair market value at the inception of the
3 lease for leased vehicles. However, the maximum value amount eligible
4 for the exemption under (a) of this subsection is the lesser of
5 either (~~sixteen thousand dollars~~) \$16,000 or the fair market value
6 of the vehicle.

7 (c) A person may not claim the exemption under this subsection
8 (2) if the person claims the exemption under RCW 82.08.9999 or
9 82.12.9999.

10 (3) The buyer must keep records necessary for the department to
11 verify eligibility under this section. The buyer claiming the
12 exemption must also submit itemized information to the department for
13 all vehicles for which an exemption is claimed that must include the
14 following: Vehicle make; vehicle model; model year; whether the
15 vehicle has been sold or leased; date of sale or start date of lease;
16 length of lease; sales price for purchased vehicles and fair market
17 value at the inception of the lease for leased vehicles; and the
18 total amount qualifying for the incentive claimed for each vehicle,
19 in addition to the future monthly amount to be claimed for each
20 leased vehicle. This information must be provided in a form and
21 manner prescribed by the department.

22 (~~(4) ((On the last day of July, October, January, and April of~~
23 ~~each year, the state treasurer, based upon information provided by~~
24 ~~the department, must transfer from the electric vehicle account to~~
25 ~~the general fund a sum equal to the dollar amount that would~~
26 ~~otherwise have been deposited into the general fund during the prior~~
27 ~~fiscal quarter but for the exemptions provided in this section.~~
28 ~~Information provided by the department to the state treasurer must be~~
29 ~~based on the best available data.~~

30 ~~(5))~~ (a) Sales of vehicles delivered to the buyer after the
31 expiration of this section, or leased vehicles for which the lease
32 agreement was signed after the expiration of this section, do not
33 qualify for the exemptions under this section.

34 (b) All leased vehicles that qualified for the exemption under
35 this section before the expiration of this section must continue to
36 receive the exemption on any lease payments due through the remainder
37 of the lease.

38 ~~((6))~~ (5) The definitions in RCW 82.08.993 apply to this
39 section.

40 ~~((7))~~ (6) This section expires June 30, 2029.

1 **Sec. 305.** RCW 82.08.9999 and 2021 c 145 s 13 are each amended to
2 read as follows:

3 (1) Beginning August 1, 2019, with sales made or lease agreements
4 signed on or after the qualification period start date:

5 (a) The tax levied by RCW 82.08.020 does not apply as provided in
6 (b) of this subsection to sales or leases of new or used passenger
7 cars, light duty trucks, and medium duty passenger vehicles that:

8 (i) Are exclusively powered by a clean alternative fuel; or

9 (ii) Use at least one method of propulsion that is capable of
10 being reenergized by an external source of electricity and are
11 capable of traveling at least (~~(thirty)~~) 30 miles using only battery
12 power; and

13 (iii) (A) Have a vehicle selling price plus trade-in property of
14 like kind for purchased vehicles that:

15 (I) For a vehicle that is a new vehicle at the time of the
16 purchase date or the date the lease agreement was signed, does not
17 exceed (~~(forty-five thousand dollars)~~) \$45,000; or

18 (II) For a vehicle that is a used vehicle at the time of the
19 purchase date or the date the lease agreement was signed, does not
20 exceed (~~(thirty thousand dollars)~~) \$30,000; or

21 (B) Have a fair market value at the inception of the lease for
22 leased vehicles that:

23 (I) For a vehicle that is a new vehicle at the time of the
24 purchase date or the date the lease agreement was signed, does not
25 exceed (~~(forty-five thousand dollars)~~) \$45,000; or

26 (II) For a vehicle that is a used vehicle at the time of the
27 purchase date or the date the lease agreement was signed, does not
28 exceed (~~(thirty thousand dollars)~~) \$30,000;

29 (b) (i) The exemption in this section is applicable for up to the
30 amounts specified in (b) (ii) or (iii) of this subsection of:

31 (A) The total amount of the vehicle's selling price, for sales
32 made; or

33 (B) The total lease payments made plus any additional selling
34 price of the leased vehicle if the original lessee purchases the
35 leased vehicle before the qualification period end date, for lease
36 agreements signed.

37 (ii) Based on the purchase date or the date the lease agreement
38 was signed of the vehicle if the vehicle is a new vehicle at the time
39 of the purchase date or the date the lease agreement was signed:

1 (A) From the qualification period start date until July 31, 2021,
2 the maximum amount eligible under (b)(i) of this subsection is
3 (~~twenty-five thousand dollars~~) \$25,000;

4 (B) From August 1, 2021, until July 31, 2023, the maximum amount
5 eligible under (b)(i) of this subsection is (~~twenty thousand~~
6 ~~dollars~~) \$20,000;

7 (C) From August 1, 2023, until July 31, 2025, the maximum amount
8 eligible under (b)(i) of this subsection is (~~fifteen thousand~~
9 ~~dollars~~) \$15,000.

10 (iii) If the vehicle is a used vehicle at the time of the
11 purchase date or the date the lease agreement was signed, the maximum
12 amount eligible under (b)(i) of this subsection is (~~sixteen thousand~~
13 ~~dollars~~) \$16,000.

14 (2) The seller must keep records necessary for the department to
15 verify eligibility under this section. A person claiming the
16 exemption must also submit itemized information to the department for
17 all vehicles for which an exemption is claimed that must include the
18 following: Vehicle make; vehicle model; model year; whether the
19 vehicle has been sold or leased; date of sale or start date of lease;
20 length of lease; sales price for purchased vehicles and fair market
21 value at the inception of the lease for leased vehicles; and the
22 total amount qualifying for the incentive claimed for each vehicle,
23 in addition to the future monthly amount to be claimed for each
24 leased vehicle. This information must be provided in a form and
25 manner prescribed by the department.

26 (3)(a) The department of licensing must maintain and publish a
27 list of all vehicle models qualifying for the tax exemptions under
28 this section or RCW 82.12.9999 until the expiration date of this
29 section, and is authorized to issue final rulings on vehicle model
30 qualification for these criteria. A seller is not responsible for
31 repayment of the tax exemption under this section and RCW 82.12.9999
32 for a vehicle if the department of licensing's published list of
33 qualifying vehicle models on the purchase date or the date the lease
34 agreement was signed includes the vehicle model and the department of
35 licensing subsequently removes the vehicle model from the published
36 list, and, if applicable, the vehicle meets the qualifying criterion
37 under subsection (1)(a)(iii)(B) of this section and RCW
38 82.12.9999(1)(a)(iii)(B).

39 (b) The department of revenue retains responsibility for
40 determining whether a vehicle meets the applicable qualifying

1 criterion under subsection (1)(a)(iii)(B) of this section and RCW
2 82.12.9999(1)(a)(iii)(B).

3 ~~(4) ((On the last day of January, April, July, and October of
4 each year, the state treasurer, based upon information provided by
5 the department, must transfer from the electric vehicle account to
6 the general fund a sum equal to the dollar amount that would
7 otherwise have been deposited into the general fund during the prior
8 calendar quarter but for the exemption provided in this section.
9 Information provided by the department to the state treasurer must be
10 based on the best available data, except that the department may
11 provide estimates of taxes exempted under this section until such
12 time as retailers are able to report such exempted amounts on their
13 tax returns.~~

14 ~~(5))~~ By the last day of October 2019, and every six months
15 thereafter until this section expires, based on the best available
16 data, the department must report the following information to the
17 transportation committees of the legislature: The cumulative number
18 of vehicles that qualified for the exemption under this section and
19 RCW 82.12.9999 by month of purchase or lease start and vehicle make
20 and model; the dollar amount of all state retail sales and use taxes
21 exempted on or after the qualification period start date, under this
22 section and RCW 82.12.9999; and estimates of the future costs of
23 leased vehicles that qualified for the exemption under this section
24 and RCW 82.12.9999.

25 ~~((6))~~ (5) The definitions in this subsection apply throughout
26 this section unless the context clearly requires otherwise.

27 (a) "Clean alternative fuel" means natural gas, propane,
28 hydrogen, or electricity, when used as a fuel in a motor vehicle that
29 meets the California motor vehicle emission standards in Title 13 of
30 the California Code of Regulations, effective January 1, 2019, and
31 the rules of the Washington state department of ecology.

32 (b) "Fair market value" has the same meaning as "value of the
33 article used" in RCW 82.12.010.

34 (c) "New vehicle" has the same meaning as "new motor vehicle" in
35 RCW 46.04.358.

36 (d) "Qualification period end date" means August 1, 2025.

37 (e) "Qualification period start date" means August 1, 2019.

38 (f) "Used vehicle" has the same meaning as in RCW 46.04.660.

39 ~~((7))~~ (6)(a) Sales of vehicles delivered to the buyer or leased
40 vehicles for which the lease agreement was signed after the

1 qualification period end date do not qualify for the exemption under
2 this section.

3 (b) All leased vehicles that qualified for the exemption under
4 this section before the qualification period end date must continue
5 to receive the exemption as described under subsection (1)(b) of this
6 section on any lease payments due through the remainder of the lease
7 before August 1, 2028.

8 ~~((+8))~~ (7) This section expires August 1, 2028.

9 ~~((+9))~~ (8) This section is supported by the revenues generated
10 in RCW 46.17.324, and therefore takes effect only if RCW 46.17.324 is
11 enacted by June 30, 2019.

12 **Sec. 306.** RCW 82.12.9999 and 2019 c 287 s 10 are each amended to
13 read as follows:

14 (1) Beginning August 1, 2019, beginning with sales made or lease
15 agreements signed on or after the qualification period start date:

16 (a) The provisions of this chapter do not apply as provided in
17 (b) of this subsection in respect to the use of new or used passenger
18 cars, light duty trucks, and medium duty passenger vehicles that:

19 (i) Are exclusively powered by a clean alternative fuel; or

20 (ii) Use at least one method of propulsion that is capable of
21 being reenergized by an external source of electricity and are
22 capable of traveling at least ~~((thirty))~~ 30 miles using only battery
23 power; and

24 (iii)(A) Have a fair market value at the time use tax is imposed
25 for purchased vehicles that:

26 (I) For a vehicle that is a new vehicle at the time of the
27 purchase date or the date the lease agreement was signed, does not
28 exceed ~~((forty-five thousand dollars))~~ \$45,000; or

29 (II) For a vehicle that is a used vehicle at the time of the
30 purchase date or the date the lease agreement was signed, does not
31 exceed ~~((thirty thousand dollars))~~ \$30,000; or

32 (B) Have a fair market value at the inception of the lease for
33 leased vehicles that:

34 (I) For a vehicle that is a new vehicle at the time of the
35 purchase date or the date the lease agreement was signed, does not
36 exceed ~~((forty-five thousand dollars))~~ \$45,000; or

37 (II) For a vehicle that is a used vehicle at the time of the
38 purchase date or the date the lease agreement was signed, does not
39 exceed ~~((thirty thousand dollars))~~ \$30,000;

1 (b) (i) The exemption in this section is only applicable for up to
2 the amounts specified in (b) (ii) or (iii) of this subsection of:

3 (A) The total amount of the vehicle's purchase price, for sales
4 made; or

5 (B) The total lease payments made plus any additional purchase
6 price of the leased vehicle if the original lessee purchases the
7 leased vehicle before the qualification period end date, for lease
8 agreements signed.

9 (ii) Based on the purchase date or the date the lease agreement
10 was signed of the vehicle if the vehicle is a new vehicle at the time
11 of the purchase date or the date the lease agreement was signed:

12 (A) From the qualification period start date until July 31, 2021,
13 the maximum amount eligible under (b) (i) of this subsection is
14 (~~twenty-five thousand dollars~~) \$25,000;

15 (B) From August 1, 2021, until July 31, 2023, the maximum amount
16 eligible under (b) (i) of this subsection is (~~twenty thousand~~
17 ~~dollars~~) \$20,000;

18 (C) From August 1, 2023, until July 31, 2025, the maximum amount
19 eligible under (b) (i) of this subsection is (~~fifteen thousand~~
20 ~~dollars~~) \$15,000.

21 (iii) If the vehicle is a used vehicle at the time of the
22 purchase date or the date the lease agreement was signed, the maximum
23 amount eligible under (b) (i) of this subsection is (~~sixteen thousand~~
24 ~~dollars~~) \$16,000.

25 (2) (a) The seller must keep records necessary for the department
26 to verify eligibility under this section, except as provided in (b)
27 of this subsection. A person claiming the exemption must also submit
28 itemized information to the department for all vehicles for which an
29 exemption is claimed that must include the following: Vehicle make;
30 vehicle model; model year; whether the vehicle has been sold or
31 leased; date of sale or start date of lease; length of lease; fair
32 market value of the vehicle; and the total amount qualifying for the
33 incentive claimed for each vehicle, in addition to the future monthly
34 amount to be claimed for each leased vehicle. This information must
35 be provided in a form and manner prescribed by the department.

36 (b) (a) of this subsection applies only if the seller or person
37 claiming the exemption is a vehicle dealer, as defined under RCW
38 46.70.011. When the seller is not a vehicle dealer, the department of
39 licensing must establish a process for granting the tax exemption
40 under this section for use tax otherwise collected at the time the

1 ownership of a vehicle is transferred when the vehicle qualifies for
2 the use tax exemption under subsection (1)(a) of this section, and
3 must provide any information required under (a) of this subsection
4 that it obtains as part of the vehicle titling and registration
5 process for these vehicles to the department on at least a quarterly
6 basis.

7 ~~(3) ((On the last day of January, April, July, and October of~~
8 ~~each year, the state treasurer, based upon information provided by~~
9 ~~the department, must transfer from the electric vehicle account to~~
10 ~~the general fund a sum equal to the dollar amount that would~~
11 ~~otherwise have been deposited into the general fund during the prior~~
12 ~~calendar quarter but for the exemption provided in this section.~~
13 ~~Information provided by the department to the state treasurer must be~~
14 ~~based on the best available data.~~

15 ~~(4))~~ (a) Vehicles purchased or leased vehicles for which the
16 lease agreement was signed after the qualification period end date do
17 not qualify for the exemption under this section.

18 (b) All leased vehicles that qualified for the exemption under
19 this section before the qualification period end date must continue
20 to receive the exemption as described under subsection (1)(b) of this
21 section on any lease payments due through the remainder of the lease
22 before August 1, 2028.

23 ~~((5))~~ (4) The definitions in RCW 82.08.9999 apply to this
24 section.

25 ~~((6))~~ (5) This section is supported by the revenues generated
26 in RCW 46.17.324, and therefore takes effect only if RCW 46.17.324 is
27 enacted by June 30, 2019.

28 ~~((7))~~ (6) This section expires August 1, 2028.

29 **Sec. 307.** RCW 82.04.4496 and 2019 c 287 s 8 are each amended to
30 read as follows:

31 (1)(a)(i) A person who is taxable under this chapter is allowed a
32 credit against the tax imposed in this chapter according to the gross
33 vehicle weight rating of the vehicle and the incremental cost of the
34 vehicle purchased above the purchase price of a comparable
35 conventionally fueled vehicle. The credit is limited, as set forth in
36 the table below, to the lesser of the incremental cost amount or the
37 maximum credit amount per vehicle purchased, and subject to a maximum
38 annual credit amount per vehicle class.

Gross Vehicle Weight	Incremental Cost Amount	Maximum Credit Amount Per Vehicle	Maximum Annual Credit Per Vehicle Class
Up to 14,000 pounds	75% of incremental cost	\$25,000	\$2,000,000
14,001 to 26,500 pounds	75% of incremental cost	\$50,000	\$2,000,000
Above 26,500 pounds	75% of incremental cost	\$100,000	\$2,000,000

(ii) A person who is taxable under this chapter is allowed a credit against the tax imposed in this chapter for up to ~~((fifty))~~ 50 percent of the cost to purchase alternative fuel vehicle infrastructure, tangible personal property that will become a component of alternative fuel vehicle infrastructure, and installation and construction of alternative fuel vehicle infrastructure, but excluding the cost of property acquisition and site improvement related to the installation of alternative fuel vehicle infrastructure. The credit is subject to a maximum annual credit amount of ~~((two million dollars))~~ \$2,000,000.

(b) On September 1st of each year, any unused credits from any category identified in (a) of this subsection must be made available to applicants applying for credits under any other category identified in (a) of this subsection, subject to the maximum annual and total credit amounts identified in this subsection. The credit established in this section and RCW 82.16.0496 is subject to a maximum annual credit amount of ~~((six million dollars))~~ \$6,000,000, and a maximum total credit amount of ~~((thirty-two and one-half million dollars))~~ \$32,500,000 since the credit became available on July 15, 2015.

(c) The credit provided in (a)(i) of this subsection is available for the lease of a vehicle. The credit amount for a leased vehicle is equal to the credit in (a)(i) of this subsection multiplied by the lease reduction factor. The person claiming the credit for a leased vehicle must be the lessee as identified in the lease contract.

(2) A person who is taxable under this chapter is allowed, subject to the maximum annual credit per category in subsection (1)(a) of this section, a credit against the tax imposed in this chapter for the lesser of ~~((twenty-five thousand dollars))~~ \$25,000 or ~~((fifty))~~ 50 percent of the costs of converting a commercial vehicle to be principally powered by a clean alternative fuel with a United States environmental protection agency certified conversion.

1 (3) The total credits under subsection (1)(a)(i) of this section
2 may not exceed the lesser of (~~two hundred fifty thousand dollars~~)
3 \$250,000 or (~~twenty-five~~) 25 vehicles per person per calendar year.

4 (4) A person may not receive credit under this section for
5 amounts claimed as credits under chapter 82.16 RCW.

6 (5) Credits are available on a first-in-time basis.

7 (a) The department must disallow any credits, or portion thereof,
8 that would cause the total amount of credits claimed under this
9 section, and RCW 82.16.0496, during any calendar year to exceed (~~six~~
10 ~~million—dollars~~) \$6,000,000. The department must provide
11 notification on its website monthly on the amount of credits that
12 have been applied for, the amount issued, and the amount remaining
13 before the statewide annual limit is reached. In addition, the
14 department must provide written notice to any person who has applied
15 to claim tax credits in excess of the limitation in this subsection.

16 (b) The department must disallow any credits, or portion thereof,
17 that would cause the total amount of credits claimed beginning July
18 15, 2015, under this section and RCW 82.16.0496 to exceed (~~thirty-~~
19 ~~two and one-half million dollars~~) \$32,500,000. The department must
20 provide notification on its website monthly on the total amount of
21 credits that have been applied for, the amount issued, and the amount
22 remaining before the statewide limit is reached. In addition, the
23 department must provide written notice to any person who has applied
24 to claim tax credits in excess of the limitation in this subsection.

25 (6) For the purposes of the limits provided in this section, a
26 credit must be counted against such limits for the calendar year in
27 which the credit is earned.

28 (7) To claim a credit under this section a person must
29 electronically file with the department all returns, forms, and any
30 other information required by the department, in an electronic format
31 as provided or approved by the department. No refunds may be granted
32 for credits under this section.

33 (8) To claim a credit under this section, the person applying
34 must:

35 (a) Complete an application for the credit which must include:

36 (i) The name, business address, and tax identification number of
37 the applicant;

38 (ii) A quote or unexecuted copy of the purchase requisition or
39 order for the vehicle, infrastructure, infrastructure components,
40 infrastructure construction, or infrastructure installation;

1 (iii) The type of alternative fuel to be used by the vehicle or
2 supported by the infrastructure;

3 (iv) The incremental cost of the alternative fuel system for
4 vehicle credits;

5 (v) The anticipated delivery date of the vehicle, the anticipated
6 delivery date of the infrastructure or infrastructure components, the
7 anticipated construction completion date of the infrastructure, or
8 the anticipated installation completion date of the infrastructure;

9 (vi) The estimated annual fuel use of the vehicle in the
10 anticipated duties or the estimated annual fuel to be supplied by the
11 infrastructure;

12 (vii) The gross weight of each vehicle for vehicle credits;

13 (viii) For leased vehicles, a copy of the lease contract that
14 includes the gross capitalized cost, residual value, and name of the
15 lessee; and

16 (ix) Any other information deemed necessary by the department to
17 support administration or reporting of the program.

18 (b) Within (~~fifteen~~) 15 days of notice of credit availability
19 from the department, provide notice of intent to claim the credit
20 including:

21 (i) A copy of the order for the vehicle or infrastructure-related
22 item, including the total cost for the vehicle or infrastructure-
23 related item;

24 (ii) The anticipated delivery date of the vehicle or
25 infrastructure or infrastructure component, which must be within one
26 year of acceptance of the credit;

27 (iii) The anticipated construction or installation completion
28 date of the infrastructure, which must be within two years of
29 acceptance of the credit; and

30 (iv) Any other information deemed necessary by the department to
31 support administration or reporting of the program.

32 (c) Provide final documentation within (~~thirty~~) 30 days of
33 receipt of the vehicle or infrastructure or infrastructure components
34 or of completion of construction or installation of the
35 infrastructure, including:

36 (i) A copy of the final invoice for the vehicle or
37 infrastructure-related items;

38 (ii) A copy of the factory build sheet or equivalent
39 documentation;

40 (iii) The vehicle identification number of each vehicle;

1 (iv) The incremental cost of the alternative fuel system for
2 vehicle credits;

3 (v) Attestations signed by both the seller and purchaser of each
4 vehicle attesting that the incremental cost of the alternative fuel
5 system includes only the costs necessary for the vehicle to run on
6 alternative fuel and no other vehicle options, equipment, or costs;
7 and

8 (vi) Any other information deemed necessary by the department to
9 support administration or reporting of the program.

10 (9) A person applying for credit under subsection (8) of this
11 section may apply for multiple vehicles on the same application, but
12 the application must include the required information for each
13 vehicle included in the application. A separate application is
14 required for infrastructure-related items, but all infrastructure-
15 related items at a single location may be included in a single
16 application provided the required information for each
17 infrastructure-related item is included in the application.

18 (10) To administer the credits, the department must, at a
19 minimum:

20 (a) Provide notification on its website monthly of the amount of
21 credits that have been applied for, claimed, and the amount remaining
22 before the statewide annual limit and total limit are reached;

23 (b) Within (~~fifteen~~) 15 days of receipt of the application,
24 notify persons applying of the availability of tax credits in the
25 year in which the vehicles or infrastructure applied for are
26 anticipated to be delivered, constructed, or installed;

27 (c) Within (~~fifteen~~) 15 days of receipt of the notice of intent
28 to claim the tax credit, notify the applicant of the approval,
29 denial, or missing information in their notice; and

30 (d) Within (~~fifteen~~) 15 days of receipt of final documentation,
31 review the documentation and notify the person applying of the
32 acceptance of their final documentation.

33 (11) If a person fails to supply the information as required in
34 subsection (8) of this section, the department must deny the
35 application.

36 (12)(a) Taxpayers are only eligible for a credit under this
37 section based on:

38 (i) Sales or leases of new commercial vehicles and qualifying
39 used commercial vehicles with propulsion units that are principally
40 powered by a clean alternative fuel;

1 (ii) Costs to modify a commercial vehicle, including sales of
2 tangible personal property incorporated into the vehicle and labor or
3 service expenses incurred in modifying the vehicle, to be principally
4 powered by a clean alternative fuel; or

5 (iii) Sales of alternative fuel vehicle infrastructure or
6 infrastructure components, or the cost of construction or
7 installation of alternative fuel vehicle infrastructure.

8 (b) A credit is earned when the purchaser or the lessee takes
9 receipt of the qualifying commercial vehicle or infrastructure-
10 related item, the vehicle conversion is complete, or the construction
11 or installation of the infrastructure is complete.

12 (13) A credit earned during one calendar year may be carried over
13 to be credited against taxes incurred in the subsequent calendar
14 year, but may not be carried over a second year.

15 ~~(14) ((a) Beginning November 25, 2015, and on the 25th of~~
16 ~~February, May, August, and November of each year thereafter, the~~
17 ~~department must notify the state treasurer of the amount of credits~~
18 ~~taken under this section as reported on returns filed with the~~
19 ~~department during the preceding calendar quarter ending on the last~~
20 ~~day of December, March, June, and September, respectively.~~

21 ~~(b) On the last day of March, June, September, and December of~~
22 ~~each year, the state treasurer, based upon information provided by~~
23 ~~the department, must transfer a sum equal to the dollar amount of the~~
24 ~~credit provided under this section from the multimodal transportation~~
25 ~~account to the general fund.~~

26 ~~(15))~~ The department must conduct outreach to interested parties
27 to obtain input on how best to streamline the application process
28 required for the credit made available in this section and RCW
29 82.16.0496 to further adoption of alternative fuel technologies in
30 commercial vehicle fleets, and must incorporate the findings
31 resulting from this outreach effort into the rules and practices it
32 adopts to implement and administer this section and RCW 82.16.0496 to
33 the extent permitted under law.

34 ~~((16))~~ (15) The definitions in this subsection apply throughout
35 this section unless the context clearly requires otherwise.

36 (a) "Alternative fuel vehicle infrastructure" means structures,
37 machinery, and equipment necessary and integral to support a clean
38 alternative fuel vehicle.

39 (b) "Auto transportation company" means any corporation or person
40 owning, controlling, operating, or managing any motor propelled

1 vehicle, used in the business of transporting persons for
2 compensation over public highways within the state of Washington,
3 between fixed points or over a regular route. For the purposes of
4 this section, "auto transportation company" also includes the
5 following categories of providers irrespective of whether they
6 provide service between fixed points or over a regular route:
7 "Private, nonprofit transportation provider" as defined in RCW
8 81.66.010, "charter party carrier" as defined in RCW 81.70.020, and
9 paratransit service providers who primarily provide special needs
10 transportation to individuals with disabilities and the elderly.

11 (c) "Clean alternative fuel" means electricity, dimethyl ether,
12 hydrogen, methane, natural gas, liquefied natural gas, compressed
13 natural gas, or propane.

14 (d) "Commercial vehicle" means any commercial vehicle that is
15 purchased by a private business and that is used exclusively in the
16 provision of commercial services or the transportation of
17 commodities, merchandise, produce, refuse, freight, animals, or
18 passengers, and that is displaying a Washington state license plate.
19 All commercial vehicles that provide transportation to passengers
20 must be operated by an auto transportation company.

21 (e) "Gross capitalized cost" means the agreed upon value of the
22 commercial vehicle and including any other items a person pays over
23 the lease term that are included in such cost.

24 (f) "Lease reduction factor" means the vehicle gross capitalized
25 cost less the residual value, divided by the gross capitalized cost.

26 (g) "Qualifying used commercial vehicle" means vehicles that:

27 (i) Have an odometer reading of less than (~~four hundred fifty~~
28 ~~thousand~~) 450,000 miles;

29 (ii) Are less than (~~ten~~) 10 years past their original date of
30 manufacture;

31 (iii) Were modified after the initial purchase with a United
32 States environmental protection agency certified conversion that
33 would allow the propulsion units to be principally powered by a clean
34 alternative fuel; and

35 (iv) Are being sold for the first time after modification.

36 (h) "Residual value" means the lease-end value of the vehicle as
37 determined by the lessor, at the end of the lease term included in
38 the lease contract.

39 (~~(17)~~) (16) Credits may be earned under this section from
40 January 1, 2016, until the maximum total credit amount in subsection

1 (1)(b) of this section is reached, except for credits for leased
2 vehicles, which may be earned from July 1, 2016, until the maximum
3 total credit amount in subsection (1)(b) of this section is reached.

4 **Sec. 308.** RCW 82.16.0496 and 2019 c 287 s 13 are each amended to
5 read as follows:

6 (1)(a)(i) A person who is taxable under this chapter is allowed a
7 credit against the tax imposed in this chapter according to the gross
8 vehicle weight rating of the vehicle and the incremental cost of the
9 vehicle purchased above the purchase price of a comparable
10 conventionally fueled vehicle. The credit is limited, as set forth in
11 the table below, to the lesser of the incremental cost amount or the
12 maximum credit amount per vehicle purchased, and subject to a maximum
13 annual credit amount per vehicle class.

Gross Vehicle Weight	Incremental Cost Amount	Maximum Credit Amount Per Vehicle	Maximum Annual Credit Per Vehicle Class
Up to 14,000 pounds	75% of incremental cost	\$25,000	\$2,000,000
14,001 to 26,500 pounds	75% of incremental cost	\$50,000	\$2,000,000
Above 26,500 pounds	75% of incremental cost	\$100,000	\$2,000,000

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19 (ii) A person who is taxable under this chapter is allowed a
20 credit against the tax imposed in this chapter for up to (~~(fifty)~~) 50
21 percent of the cost to purchase alternative fuel vehicle
22 infrastructure, tangible personal property that will become a
23 component of alternative fuel vehicle infrastructure, and
24 installation and construction of alternative fuel vehicle
25 infrastructure, but excluding the cost of property acquisition and
26 site improvement related to the installation of alternative fuel
27 vehicle infrastructure. The credit is subject to a maximum annual
28 credit amount of (~~(two million dollars)~~) \$2,000,000.

29 (b) On September 1st of each year, any unused credits from any
30 category identified in (a) of this subsection must be made available
31 to applicants applying for credits under any other category
32 identified in (a) of this subsection, subject to the maximum annual
33 and total credit amounts identified in this subsection. The credit
34 established in this section and RCW 82.04.4496 is subject to a
35 maximum annual credit amount of (~~(six million dollars)~~) \$6,000,000,

1 and a maximum total credit amount of (~~thirty-two and one-half~~
2 ~~million dollars~~) \$32,500,000 beginning July 15, 2015.

3 (c) The credit provided in (a)(i) of this subsection is available
4 for the lease of a vehicle. The credit amount for a leased vehicle is
5 equal to the credit in (a)(i) of this subsection multiplied by the
6 lease reduction factor. The person claiming the credit for a leased
7 vehicle must be the lessee as identified in the lease contract.

8 (2) A person who is taxable under this chapter is allowed,
9 subject to the maximum annual credit per category in subsection
10 (1)(a) of this section, a credit against the tax imposed in this
11 chapter for the lesser of (~~twenty-five thousand dollars~~) \$25,000 or
12 (~~fifty~~) 50 percent of the costs of converting a commercial vehicle
13 to be principally powered by a clean alternative fuel with a United
14 States environmental protection agency certified conversion.

15 (3) The total credits under subsection (1)(a)(i) of this section
16 may not exceed the lesser of (~~two hundred fifty thousand dollars~~)
17 \$250,000 or (~~twenty-five~~) 25 vehicles per person per calendar year.

18 (4) A person may not receive credit under this section for
19 amounts claimed as credits under chapter 82.04 RCW.

20 (5) Credits are available on a first-in-time basis.

21 (a) The department must disallow any credits, or portion thereof,
22 that would cause the total amount of credits claimed under this
23 section, and RCW 82.04.4496, during any calendar year to exceed (~~six~~
24 ~~million dollars~~) \$6,000,000. The department must provide
25 notification on its website monthly on the amount of credits that
26 have been applied for, the amount issued, and the amount remaining
27 before the statewide annual limit is reached. In addition, the
28 department must provide written notice to any person who has applied
29 to claim tax credits in excess of the limitation in this subsection.

30 (b) The department must disallow any credits, or portion thereof,
31 that would cause the total amount of credits claimed beginning July
32 15, 2015, under this section and RCW 82.04.4496 to exceed (~~thirty-~~
33 ~~two and one-half million dollars~~) \$32,500,000. The department must
34 provide notification on its website monthly on the total amount of
35 credits that have been applied for, the amount issued, and the amount
36 remaining before the statewide limit is reached. In addition, the
37 department must provide written notice to any person who has applied
38 to claim tax credits in excess of the limitation in this subsection.

1 (6) For the purposes of the limits provided in this section, a
2 credit must be counted against such limits for the calendar year in
3 which the credit is earned.

4 (7) To claim a credit under this section a person must
5 electronically file with the department all returns, forms, and any
6 other information required by the department, in an electronic format
7 as provided or approved by the department. No refunds may be granted
8 for credits under this section.

9 (8) To claim a credit under this section, the person applying
10 must:

11 (a) Complete an application for the credit which must include:

12 (i) The name, business address, and tax identification number of
13 the applicant;

14 (ii) A quote or unexecuted copy of the purchase requisition or
15 order for the vehicle, infrastructure, infrastructure components,
16 infrastructure construction, or infrastructure installation;

17 (iii) The type of alternative fuel to be used by the vehicle or
18 supported by the infrastructure;

19 (iv) The incremental cost of the alternative fuel system for
20 vehicle credits;

21 (v) The anticipated delivery date of the vehicle, the anticipated
22 delivery date of the infrastructure or infrastructure components, the
23 anticipated construction completion date of the infrastructure, or
24 the anticipated installation completion date of the infrastructure;

25 (vi) The estimated annual fuel use of the vehicle in the
26 anticipated duties or the estimated annual fuel to be supplied by the
27 infrastructure;

28 (vii) The gross weight of each vehicle for vehicle credits;

29 (viii) For leased vehicles, a copy of the lease contract that
30 includes the gross capitalized cost, residual value, and name of the
31 lessee; and

32 (ix) Any other information deemed necessary by the department to
33 support administration or reporting of the program.

34 (b) Within (~~fifteen~~) 15 days of notice of credit availability
35 from the department, provide notice of intent to claim the credit
36 including:

37 (i) A copy of the order for the vehicle or infrastructure-related
38 item, including the total cost for the vehicle or infrastructure-
39 related item;

1 (ii) The anticipated delivery date of the vehicle or
2 infrastructure or infrastructure component, which must be within one
3 year of acceptance of the credit;

4 (iii) The anticipated construction or installation completion
5 date of the infrastructure, which must be within two years of
6 acceptance of the credit; and

7 (iv) Any other information deemed necessary by the department to
8 support administration or reporting of the program.

9 (c) Provide final documentation within (~~thirty~~) 30 days of
10 receipt of the vehicle or infrastructure or infrastructure components
11 or of completion of construction or installation of the
12 infrastructure, including:

13 (i) A copy of the final invoice for the vehicle or
14 infrastructure-related items;

15 (ii) A copy of the factory build sheet or equivalent
16 documentation;

17 (iii) The vehicle identification number of each vehicle;

18 (iv) The incremental cost of the alternative fuel system for
19 vehicle credits;

20 (v) Attestations signed by both the seller and purchaser of the
21 vehicle attesting that the incremental cost of the alternative fuel
22 system includes only the costs necessary for the vehicle to run on
23 alternative fuel and no other vehicle options, equipment, or costs;
24 and

25 (vi) Any other information deemed necessary by the department to
26 support administration or reporting of the program.

27 (9) A person applying for credit under subsection (8) of this
28 section may apply for multiple vehicles on the same application, but
29 the application must include the required information for each
30 vehicle included in the application. A separate application is
31 required for infrastructure-related items, but all infrastructure-
32 related items at a single location may be included in a single
33 application provided the required information for each
34 infrastructure-related item is included in the application.

35 (10) To administer the credits, the department must, at a
36 minimum:

37 (a) Provide notification on its website monthly of the amount of
38 credits that have been applied for, claimed, and the amount remaining
39 before the statewide annual limit and total limit are reached;

1 (b) Within (~~fifteen~~) 15 days of receipt of the application,
2 notify persons applying of the availability of tax credits in the
3 year in which the vehicles or infrastructure applied for are
4 anticipated to be delivered, constructed, or installed;

5 (c) Within (~~fifteen~~) 15 days of receipt of the notice of intent
6 to claim the tax credit, notify the applicant of the approval,
7 denial, or missing information in their notice; and

8 (d) Within (~~fifteen~~) 15 days of receipt of final documentation,
9 review the documentation and notify the person applying of the
10 acceptance of their final documentation.

11 (11) If a person fails to supply the information as required in
12 subsection (8) of this section, the department must deny the
13 application.

14 (12)(a) Taxpayers are only eligible for a credit under this
15 section based on:

16 (i) Sales or leases of new commercial vehicles and qualifying
17 used commercial vehicles with propulsion units that are principally
18 powered by a clean alternative fuel;

19 (ii) Costs to modify a commercial vehicle, including sales of
20 tangible personal property incorporated into the vehicle and labor or
21 service expenses incurred in modifying the vehicle, to be principally
22 powered by a clean alternative fuel; or

23 (iii) Sales of alternative fuel vehicle infrastructure or
24 infrastructure components, or the cost of construction or
25 installation of alternative fuel vehicle infrastructure.

26 (b) A credit is earned when the purchaser or the lessee takes
27 receipt of the qualifying commercial vehicle or infrastructure-
28 related item, the vehicle conversion is complete, or the construction
29 or installation of the infrastructure is complete.

30 (13) The definitions in RCW 82.04.4496 apply to this section.

31 (14) A credit earned during one calendar year may be carried over
32 to be credited against taxes incurred in the subsequent calendar
33 year, but may not be carried over a second year.

34 (15) (~~((a) Beginning November 25, 2015, and on the 25th of~~
35 ~~February, May, August, and November of each year thereafter, the~~
36 ~~department must notify the state treasurer of the amount of credits~~
37 ~~taken under this section as reported on returns filed with the~~
38 ~~department during the preceding calendar quarter ending on the last~~
39 ~~day of December, March, June, and September, respectively.~~

1 ~~(b) On the last day of March, June, September, and December of~~
2 ~~each year, the state treasurer, based upon information provided by~~
3 ~~the department, must transfer a sum equal to the dollar amount of the~~
4 ~~credit provided under this section from the multimodal transportation~~
5 ~~account to the general fund.~~

6 ~~(16))~~ Credits may be earned under this section from January 1,
7 2016, until the maximum total credit amount in subsection (1)(b) of
8 this section is reached, except for credits for leased vehicles,
9 which may be earned from July 1, 2016, until the maximum total credit
10 amount in subsection (1)(b) of this section is reached.

11 **Sec. 309.** RCW 82.08.816 and 2019 c 287 s 11 are each amended to
12 read as follows:

13 (1) The tax imposed by RCW 82.08.020 does not apply to:

14 (a) The sale of batteries or fuel cells for electric vehicles,
15 including batteries or fuel cells sold as a component of an electric
16 bus at the time of the vehicle's sale;

17 (b) The sale of or charge made for labor and services rendered in
18 respect to installing, repairing, altering, or improving electric
19 vehicle batteries or fuel cells;

20 (c) The sale of or charge made for labor and services rendered in
21 respect to installing, constructing, repairing, or improving battery
22 or fuel cell electric vehicle infrastructure, including hydrogen
23 fueling stations;

24 (d) The sale of tangible personal property that will become a
25 component of battery or fuel cell electric vehicle infrastructure
26 during the course of installing, constructing, repairing, or
27 improving battery or fuel cell electric vehicle infrastructure; and

28 (e) The sale of zero emissions buses.

29 (2) Sellers may make tax exempt sales under this section only if
30 the buyer provides the seller with an exemption certificate in a form
31 and manner prescribed by the department. The seller must retain a
32 copy of the certificate for the seller's files.

33 ~~(3) ((On the last day of January, April, July, and October of~~
34 ~~each year, the state treasurer, based upon information provided by~~
35 ~~the department, must transfer from the multimodal transportation~~
36 ~~account to the general fund a sum equal to the dollar amount that~~
37 ~~would otherwise have been deposited into the general fund during the~~
38 ~~prior calendar quarter but for the exemption provided in this~~
39 ~~section. Information provided by the department to the state~~

1 ~~treasurer must be based on the best available data, except that the~~
2 ~~department may provide estimates of taxes exempted under this section~~
3 ~~until such time as retailers are able to report such exempted amounts~~
4 ~~on their tax returns.~~

5 (4)) The definitions in this subsection apply throughout this
6 section unless the context clearly requires otherwise.

7 (a) "Battery charging station" means an electrical component
8 assembly or cluster of component assemblies designed specifically to
9 charge batteries within electric vehicles, which meet or exceed any
10 standards, codes, and regulations set forth by chapter 19.28 RCW and
11 consistent with rules adopted under RCW 19.27.540.

12 (b) "Battery exchange station" means a fully automated facility
13 that will enable an electric vehicle with a swappable battery to
14 enter a drive lane and exchange the depleted battery with a fully
15 charged battery through a fully automated process, which meets or
16 exceeds any standards, codes, and regulations set forth by chapter
17 19.28 RCW and consistent with rules adopted under RCW 19.27.540.

18 (c) "Electric vehicle infrastructure" means structures,
19 machinery, and equipment necessary and integral to support a battery
20 or fuel cell electric vehicle, including battery charging stations,
21 rapid charging stations, battery exchange stations, fueling stations
22 that provide hydrogen for fuel cell electric vehicles, and renewable
23 hydrogen production facilities.

24 (d) "Rapid charging station" means an industrial grade electrical
25 outlet that allows for faster recharging of electric vehicle
26 batteries through higher power levels, which meets or exceeds any
27 standards, codes, and regulations set forth by chapter 19.28 RCW and
28 consistent with rules adopted under RCW 19.27.540.

29 (e) "Renewable hydrogen" means hydrogen produced using renewable
30 resources both as the source for hydrogen and the source for the
31 energy input into the production process.

32 (f) "Renewable resource" means (i) water; (ii) wind; (iii) solar
33 energy; (iv) geothermal energy; (v) renewable natural gas; (vi)
34 renewable hydrogen; (vii) wave, ocean, or tidal power; (viii)
35 biodiesel fuel that is not derived from crops raised on land cleared
36 from old growth or first growth forests; or (ix) biomass energy.

37 (g) "Zero emissions bus" means a bus that emits no exhaust gas
38 from the onboard source of power, other than water vapor.

39 ((5)) (4) This section expires July 1, 2025.

1 **Sec. 310.** RCW 82.12.816 and 2019 c 287 s 12 are each amended to
2 read as follows:

3 (1) The tax imposed by RCW 82.12.020 does not apply to the use
4 of:

5 (a) Electric vehicle batteries or fuel cells, including batteries
6 or fuel cells sold as a component of an electric bus at the time of
7 the vehicle's sale;

8 (b) Labor and services rendered in respect to installing,
9 repairing, altering, or improving electric vehicle batteries or fuel
10 cells;

11 (c) Tangible personal property that will become a component of
12 battery or fuel cell electric vehicle infrastructure during the
13 course of installing, constructing, repairing, or improving battery
14 or fuel cell electric vehicle infrastructure; and

15 (d) Zero emissions buses.

16 (2) The definitions in this subsection apply throughout this
17 section unless the context clearly requires otherwise.

18 (a) "Battery charging station" means an electrical component
19 assembly or cluster of component assemblies designed specifically to
20 charge batteries within electric vehicles, which meet or exceed any
21 standards, codes, and regulations set forth by chapter 19.28 RCW and
22 consistent with rules adopted under RCW 19.27.540.

23 (b) "Battery exchange station" means a fully automated facility
24 that will enable an electric vehicle with a swappable battery to
25 enter a drive lane and exchange the depleted battery with a fully
26 charged battery through a fully automated process, which meets or
27 exceeds any standards, codes, and regulations set forth by chapter
28 19.28 RCW and consistent with rules adopted under RCW 19.27.540.

29 (c) "Electric vehicle infrastructure" means structures,
30 machinery, and equipment necessary and integral to support a battery
31 or fuel cell electric vehicle, including battery charging stations,
32 rapid charging stations, battery exchange stations, fueling stations
33 that provide hydrogen for fuel cell electric vehicles, and renewable
34 hydrogen production facilities.

35 (d) "Rapid charging station" means an industrial grade electrical
36 outlet that allows for faster recharging of electric vehicle
37 batteries through higher power levels, which meets or exceeds any
38 standards, codes, and regulations set forth by chapter 19.28 RCW and
39 consistent with rules adopted under RCW 19.27.540.

1 (e) "Renewable hydrogen" means hydrogen produced using renewable
2 resources both as the source for hydrogen and the source for the
3 energy input into the production process.

4 (f) "Renewable resource" means (i) water; (ii) wind; (iii) solar
5 energy; (iv) geothermal energy; (v) renewable natural gas; (vi)
6 renewable hydrogen; (vii) wave, ocean, or tidal power; (viii)
7 biodiesel fuel that is not derived from crops raised on land cleared
8 from old growth or first growth forests; or (ix) biomass energy.

9 (g) "Zero emissions bus" means a bus that emits no exhaust gas
10 from the onboard source of power, other than water vapor.

11 ~~(3) ((On the last day of January, April, July, and October of~~
12 ~~each year, the state treasurer, based upon information provided by~~
13 ~~the department, must transfer from the multimodal transportation~~
14 ~~account to the general fund a sum equal to the dollar amount that~~
15 ~~would otherwise have been deposited into the general fund during the~~
16 ~~prior calendar quarter but for the exemption provided in this~~
17 ~~section. Information provided by the department to the state~~
18 ~~treasurer must be based on the best available data, except that the~~
19 ~~department may provide estimates of taxes exempted under this section~~
20 ~~until such time as retailers are able to report such exempted amounts~~
21 ~~on their tax returns.~~

22 ~~(4))~~ This section expires July 1, 2025.

23 **Sec. 311.** RCW 82.70.040 and 2016 c 32 s 3 are each amended to
24 read as follows:

25 (1)(a) The department must keep a running total of all credits
26 allowed under RCW 82.70.020 during each fiscal year. The department
27 may not allow any credits that would cause the total amount allowed
28 to exceed ~~((two million seven hundred fifty thousand dollars))~~
29 \$2,750,000 in any fiscal year.

30 (b) If the total amount of credit applied for by all applicants
31 in any year exceeds the limit in this subsection, the department must
32 ratably reduce the amount of credit allowed for all applicants so
33 that the limit in this subsection is not exceeded. If a credit is
34 reduced under this subsection, the amount of the reduction may not be
35 carried forward and claimed in subsequent fiscal years.

36 (2)(a) Tax credits under RCW 82.70.020 may not be claimed in
37 excess of the amount of tax otherwise due under chapter 82.04 or
38 82.16 RCW.

1 (b) Through June 30, 2005, a person with taxes equal to or in
2 excess of the credit under RCW 82.70.020, and therefore not subject
3 to the limitation in (a) of this subsection, may elect to defer tax
4 credits for a period of not more than three years after the year in
5 which the credits accrue. For credits approved by the department
6 through June 30, 2015, the approved credit may be carried forward and
7 used for tax reporting periods through December 31, 2016. Credits
8 approved after June 30, 2015, must be used for tax reporting periods
9 within the calendar year for which they are approved by the
10 department and may not be carried forward to subsequent tax reporting
11 periods. Credits carried forward as authorized by this subsection are
12 subject to the limitation in subsection (1)(a) of this section for
13 the fiscal year for which the credits were originally approved.

14 (3) No person may be approved for tax credits under RCW 82.70.020
15 in excess of (~~one hundred thousand dollars~~) \$100,000 in any fiscal
16 year. This limitation does not apply to credits carried forward from
17 prior years under subsection (2)(b) of this section.

18 (4) No person may claim tax credits after June 30, 2024.

19 (~~(5) No person is eligible for tax credits under RCW 82.70.020~~
20 ~~if the additional revenues for the multimodal transportation account~~
21 ~~created by chapter 361, Laws of 2003 are terminated.~~)

22 **Sec. 312.** RCW 82.70.050 and 2015 3rd sp.s. c 44 s 415 are each
23 amended to read as follows:

24 (~~(1)~~) The director must on the 25th of February, May, August,
25 and November of each year advise the state treasurer of the amount of
26 credit taken under RCW 82.70.020 during the preceding calendar
27 quarter ending on the last day of December, March, June, and
28 September, respectively.

29 (~~(2) On the last day of March, June, September, and December of~~
30 ~~each year, the state treasurer, based upon information provided by~~
31 ~~the department, must deposit to the general fund a sum equal to the~~
32 ~~dollar amount of the credit provided under RCW 82.70.020 from the~~
33 ~~multimodal transportation account.~~

34 (~~(3) This section expires January 1, 2025.~~)

35 **Sec. 313.** RCW 82.21.030 and 2021 c 333 s 705 are each amended to
36 read as follows:

37 (1)(a) A tax is imposed on the privilege of possession of
38 hazardous substances in this state. Except as provided in (b) of this

1 subsection, the rate of the tax is seven-tenths of one percent
2 multiplied by the wholesale value of the substance. Moneys collected
3 under this subsection (1)(a) must be deposited in the model toxics
4 control capital account.

5 (b) Beginning July 1, 2019, the rate of the tax on petroleum
6 products is one dollar and nine cents per barrel. The tax collected
7 under this subsection (1)(b) on petroleum products must be deposited
8 as follows, after first depositing the tax as provided in (c) of this
9 subsection, except that during the 2021-2023 biennium the deposit as
10 provided in (c) of this subsection may be prorated equally across
11 each month of the biennium:

12 (i) Sixty percent to the model toxics control operating account
13 created under RCW 70A.305.180;

14 (ii) Twenty-five percent to the model toxics control capital
15 account created under RCW 70A.305.190; and

16 (iii) Fifteen percent to the model toxics control stormwater
17 account created under RCW 70A.305.200.

18 (c) Until the beginning of the ensuing biennium after the
19 enactment of an additive transportation funding act, (~~(fifty million~~
20 ~~dollars))~~ \$50,000,000 per biennium to the motor vehicle fund to be
21 used exclusively for transportation stormwater activities and
22 projects. For purposes of this subsection, "additive transportation
23 funding act" means an act enacted after June 30, 2023, in which the
24 combined total of new revenues deposited into the motor vehicle fund
25 and the multimodal transportation account exceed (~~(two billion~~
26 ~~dollars))~~ \$2,000,000,000 per biennium attributable solely to an
27 increase in revenue from the enactment of the act.

28 (d) The department must compile a list of petroleum products that
29 are not easily measured on a per barrel basis. Petroleum products
30 identified on the list are subject to the rate under (a) of this
31 subsection in lieu of the volumetric rate under (b) of this
32 subsection. The list will be made in a form and manner prescribed by
33 the department and must be made available on the department's
34 internet website. In compiling the list, the department may accept
35 technical assistance from persons that sell, market, or distribute
36 petroleum products and consider any other resource the department
37 finds useful in compiling the list.

38 (2) Chapter 82.32 RCW applies to the tax imposed in this chapter.
39 The tax due dates, reporting periods, and return requirements

1 applicable to chapter 82.04 RCW apply equally to the tax imposed in
2 this chapter.

3 (3) Beginning July 1, 2020, and every July 1st thereafter, the
4 rate specified in subsection (1)(b) of this section must be adjusted
5 to reflect the percentage change in the implicit price deflator for
6 nonresidential structures as published by the United States
7 department of commerce, bureau of economic analysis for the most
8 recent (~~twelve-month~~) 12-month period ending December 31st of the
9 prior year.

10 **Part IV**

11 **Account Creation, Local Options, and**
12 **Other Provisions**

13 NEW SECTION. **Sec. 401.** A new section is added to chapter 46.68
14 RCW to read as follows:

15 The move ahead WA account is created in the motor vehicle fund.
16 Moneys in the account may be spent only after appropriation.
17 Expenditures from the account must be used only for projects or
18 improvements identified as move ahead WA projects or improvements in
19 an omnibus transportation appropriations act, including any principal
20 and interest on bonds authorized for the projects or improvements.

21 NEW SECTION. **Sec. 402.** A new section is added to chapter 46.68
22 RCW to read as follows:

23 The move ahead WA flexible account is created in the state
24 treasury. Moneys in the account may be spent only after
25 appropriation. Expenditures from the account may be used only for
26 transportation projects, programs, or activities identified as move
27 ahead WA projects, programs, or activities in an omnibus
28 transportation appropriations act.

29 **Sec. 403.** RCW 43.84.092 and 2021 c 199 s 504 are each amended to
30 read as follows:

31 (1) All earnings of investments of surplus balances in the state
32 treasury shall be deposited to the treasury income account, which
33 account is hereby established in the state treasury.

34 (2) The treasury income account shall be utilized to pay or
35 receive funds associated with federal programs as required by the
36 federal cash management improvement act of 1990. The treasury income

1 account is subject in all respects to chapter 43.88 RCW, but no
2 appropriation is required for refunds or allocations of interest
3 earnings required by the cash management improvement act. Refunds of
4 interest to the federal treasury required under the cash management
5 improvement act fall under RCW 43.88.180 and shall not require
6 appropriation. The office of financial management shall determine the
7 amounts due to or from the federal government pursuant to the cash
8 management improvement act. The office of financial management may
9 direct transfers of funds between accounts as deemed necessary to
10 implement the provisions of the cash management improvement act, and
11 this subsection. Refunds or allocations shall occur prior to the
12 distributions of earnings set forth in subsection (4) of this
13 section.

14 (3) Except for the provisions of RCW 43.84.160, the treasury
15 income account may be utilized for the payment of purchased banking
16 services on behalf of treasury funds including, but not limited to,
17 depository, safekeeping, and disbursement functions for the state
18 treasury and affected state agencies. The treasury income account is
19 subject in all respects to chapter 43.88 RCW, but no appropriation is
20 required for payments to financial institutions. Payments shall occur
21 prior to distribution of earnings set forth in subsection (4) of this
22 section.

23 (4) Monthly, the state treasurer shall distribute the earnings
24 credited to the treasury income account. The state treasurer shall
25 credit the general fund with all the earnings credited to the
26 treasury income account except:

27 (a) The following accounts and funds shall receive their
28 proportionate share of earnings based upon each account's and fund's
29 average daily balance for the period: The abandoned recreational
30 vehicle disposal account, the aeronautics account, the Alaskan Way
31 viaduct replacement project account, the ambulance transport fund,
32 the brownfield redevelopment trust fund account, the budget
33 stabilization account, the capital vessel replacement account, the
34 capitol building construction account, the Central Washington
35 University capital projects account, the charitable, educational,
36 penal and reformatory institutions account, the Chehalis basin
37 account, the Chehalis basin taxable account, the cleanup settlement
38 account, the climate active transportation account, the climate
39 transit programs account, the Columbia river basin water supply
40 development account, the Columbia river basin taxable bond water

1 supply development account, the Columbia river basin water supply
2 revenue recovery account, the common school construction fund, the
3 community forest trust account, the connecting Washington account,
4 the county arterial preservation account, the county criminal justice
5 assistance account, the deferred compensation administrative account,
6 the deferred compensation principal account, the department of
7 licensing services account, the department of retirement systems
8 expense account, the developmental disabilities community services
9 account, the diesel idle reduction account, the drinking water
10 assistance account, the administrative subaccount of the drinking
11 water assistance account, the early learning facilities development
12 account, the early learning facilities revolving account, the Eastern
13 Washington University capital projects account, the education
14 construction fund, the education legacy trust account, the election
15 account, the electric vehicle account, the energy freedom account,
16 the energy recovery act account, the essential rail assistance
17 account, The Evergreen State College capital projects account, the
18 fair start for kids account, the ferry bond retirement fund, the
19 fish, wildlife, and conservation account, the freight mobility
20 investment account, the freight mobility multimodal account, the
21 grade crossing protective fund, the public health services account,
22 the state higher education construction account, the higher education
23 construction account, the higher education retirement plan
24 supplemental benefit fund, the highway bond retirement fund, the
25 highway infrastructure account, the highway safety fund, the hospital
26 safety net assessment fund, the Interstate 405 and state route number
27 167 express toll lanes account, the judges' retirement account, the
28 judicial retirement administrative account, the judicial retirement
29 principal account, the limited fish and wildlife account, the local
30 leasehold excise tax account, the local real estate excise tax
31 account, the local sales and use tax account, the marine resources
32 stewardship trust account, the medical aid account, the money-
33 purchase retirement savings administrative account, the money-
34 purchase retirement savings principal account, the motor vehicle
35 fund, the motorcycle safety education account, the move ahead WA
36 account, the move ahead WA flexible account, the multimodal
37 transportation account, the multiuse roadway safety account, the
38 municipal criminal justice assistance account, the oyster reserve
39 land account, the pension funding stabilization account, the
40 perpetual surveillance and maintenance account, the pilotage account,

1 the pollution liability insurance agency underground storage tank
2 revolving account, the public employees' retirement system plan 1
3 account, the public employees' retirement system combined plan 2 and
4 plan 3 account, the public facilities construction loan revolving
5 account, the public health supplemental account, the public works
6 assistance account, the Puget Sound capital construction account, the
7 Puget Sound ferry operations account, the Puget Sound Gateway
8 facility account, the Puget Sound taxpayer accountability account,
9 the real estate appraiser commission account, the recreational
10 vehicle account, the regional mobility grant program account, the
11 resource management cost account, the rural arterial trust account,
12 the rural mobility grant program account, the rural Washington loan
13 fund, the sexual assault prevention and response account, the site
14 closure account, the skilled nursing facility safety net trust fund,
15 the small city pavement and sidewalk account, the special category C
16 account, the special wildlife account, the state investment board
17 expense account, the state investment board commingled trust fund
18 accounts, the state patrol highway account, the state reclamation
19 revolving account, the state route number 520 civil penalties
20 account, the state route number 520 corridor account, the statewide
21 broadband account, the statewide tourism marketing account, the
22 supplemental pension account, the Tacoma Narrows toll bridge account,
23 the teachers' retirement system plan 1 account, the teachers'
24 retirement system combined plan 2 and plan 3 account, the tobacco
25 prevention and control account, the tobacco settlement account, the
26 toll facility bond retirement account, the transportation 2003
27 account (nickel account), the transportation equipment fund, the
28 transportation future funding program account, the transportation
29 improvement account, the transportation improvement board bond
30 retirement account, the transportation infrastructure account, the
31 transportation partnership account, the traumatic brain injury
32 account, the University of Washington bond retirement fund, the
33 University of Washington building account, the voluntary cleanup
34 account, the volunteer firefighters' and reserve officers' relief and
35 pension principal fund, the volunteer firefighters' and reserve
36 officers' administrative fund, the vulnerable roadway user education
37 account, the Washington judicial retirement system account, the
38 Washington law enforcement officers' and firefighters' system plan 1
39 retirement account, the Washington law enforcement officers' and
40 firefighters' system plan 2 retirement account, the Washington public

1 safety employees' plan 2 retirement account, the Washington school
2 employees' retirement system combined plan 2 and 3 account, the
3 Washington state patrol retirement account, the Washington State
4 University building account, the Washington State University bond
5 retirement fund, the water pollution control revolving administration
6 account, the water pollution control revolving fund, the Western
7 Washington University capital projects account, the Yakima integrated
8 plan implementation account, the Yakima integrated plan
9 implementation revenue recovery account, and the Yakima integrated
10 plan implementation taxable bond account. Earnings derived from
11 investing balances of the agricultural permanent fund, the normal
12 school permanent fund, the permanent common school fund, the
13 scientific permanent fund, and the state university permanent fund
14 shall be allocated to their respective beneficiary accounts.

15 (b) Any state agency that has independent authority over accounts
16 or funds not statutorily required to be held in the state treasury
17 that deposits funds into a fund or account in the state treasury
18 pursuant to an agreement with the office of the state treasurer shall
19 receive its proportionate share of earnings based upon each account's
20 or fund's average daily balance for the period.

21 (5) In conformance with Article II, section 37 of the state
22 Constitution, no treasury accounts or funds shall be allocated
23 earnings without the specific affirmative directive of this section.

24 **Sec. 404.** RCW 43.84.092 and 2021 c 199 s 505 are each amended to
25 read as follows:

26 (1) All earnings of investments of surplus balances in the state
27 treasury shall be deposited to the treasury income account, which
28 account is hereby established in the state treasury.

29 (2) The treasury income account shall be utilized to pay or
30 receive funds associated with federal programs as required by the
31 federal cash management improvement act of 1990. The treasury income
32 account is subject in all respects to chapter 43.88 RCW, but no
33 appropriation is required for refunds or allocations of interest
34 earnings required by the cash management improvement act. Refunds of
35 interest to the federal treasury required under the cash management
36 improvement act fall under RCW 43.88.180 and shall not require
37 appropriation. The office of financial management shall determine the
38 amounts due to or from the federal government pursuant to the cash
39 management improvement act. The office of financial management may

1 direct transfers of funds between accounts as deemed necessary to
2 implement the provisions of the cash management improvement act, and
3 this subsection. Refunds or allocations shall occur prior to the
4 distributions of earnings set forth in subsection (4) of this
5 section.

6 (3) Except for the provisions of RCW 43.84.160, the treasury
7 income account may be utilized for the payment of purchased banking
8 services on behalf of treasury funds including, but not limited to,
9 depository, safekeeping, and disbursement functions for the state
10 treasury and affected state agencies. The treasury income account is
11 subject in all respects to chapter 43.88 RCW, but no appropriation is
12 required for payments to financial institutions. Payments shall occur
13 prior to distribution of earnings set forth in subsection (4) of this
14 section.

15 (4) Monthly, the state treasurer shall distribute the earnings
16 credited to the treasury income account. The state treasurer shall
17 credit the general fund with all the earnings credited to the
18 treasury income account except:

19 (a) The following accounts and funds shall receive their
20 proportionate share of earnings based upon each account's and fund's
21 average daily balance for the period: The abandoned recreational
22 vehicle disposal account, the aeronautics account, the Alaskan Way
23 viaduct replacement project account, the brownfield redevelopment
24 trust fund account, the budget stabilization account, the capital
25 vessel replacement account, the capitol building construction
26 account, the Central Washington University capital projects account,
27 the charitable, educational, penal and reformatory institutions
28 account, the Chehalis basin account, the Chehalis basin taxable
29 account, the cleanup settlement account, the climate active
30 transportation account, the climate transit programs account, the
31 Columbia river basin water supply development account, the Columbia
32 river basin taxable bond water supply development account, the
33 Columbia river basin water supply revenue recovery account, the
34 common school construction fund, the community forest trust account,
35 the connecting Washington account, the county arterial preservation
36 account, the county criminal justice assistance account, the deferred
37 compensation administrative account, the deferred compensation
38 principal account, the department of licensing services account, the
39 department of retirement systems expense account, the developmental
40 disabilities community services account, the diesel idle reduction

1 account, the drinking water assistance account, the administrative
2 subaccount of the drinking water assistance account, the early
3 learning facilities development account, the early learning
4 facilities revolving account, the Eastern Washington University
5 capital projects account, the education construction fund, the
6 education legacy trust account, the election account, the electric
7 vehicle account, the energy freedom account, the energy recovery act
8 account, the essential rail assistance account, The Evergreen State
9 College capital projects account, the fair start for kids account,
10 the ferry bond retirement fund, the fish, wildlife, and conservation
11 account, the freight mobility investment account, the freight
12 mobility multimodal account, the grade crossing protective fund, the
13 public health services account, the state higher education
14 construction account, the higher education construction account, the
15 higher education retirement plan supplemental benefit fund, the
16 highway bond retirement fund, the highway infrastructure account, the
17 highway safety fund, the hospital safety net assessment fund, the
18 Interstate 405 and state route number 167 express toll lanes account,
19 the judges' retirement account, the judicial retirement
20 administrative account, the judicial retirement principal account,
21 the limited fish and wildlife account, the local leasehold excise tax
22 account, the local real estate excise tax account, the local sales
23 and use tax account, the marine resources stewardship trust account,
24 the medical aid account, the money-purchase retirement savings
25 administrative account, the money-purchase retirement savings
26 principal account, the motor vehicle fund, the motorcycle safety
27 education account, the move ahead WA account, the move ahead WA
28 flexible account, the multimodal transportation account, the multiuse
29 roadway safety account, the municipal criminal justice assistance
30 account, the oyster reserve land account, the pension funding
31 stabilization account, the perpetual surveillance and maintenance
32 account, the pilotage account, the pollution liability insurance
33 agency underground storage tank revolving account, the public
34 employees' retirement system plan 1 account, the public employees'
35 retirement system combined plan 2 and plan 3 account, the public
36 facilities construction loan revolving account, the public health
37 supplemental account, the public works assistance account, the Puget
38 Sound capital construction account, the Puget Sound ferry operations
39 account, the Puget Sound Gateway facility account, the Puget Sound
40 taxpayer accountability account, the real estate appraiser commission

1 account, the recreational vehicle account, the regional mobility
2 grant program account, the resource management cost account, the
3 rural arterial trust account, the rural mobility grant program
4 account, the rural Washington loan fund, the sexual assault
5 prevention and response account, the site closure account, the
6 skilled nursing facility safety net trust fund, the small city
7 pavement and sidewalk account, the special category C account, the
8 special wildlife account, the state investment board expense account,
9 the state investment board commingled trust fund accounts, the state
10 patrol highway account, the state reclamation revolving account, the
11 state route number 520 civil penalties account, the state route
12 number 520 corridor account, the statewide broadband account, the
13 statewide tourism marketing account, the supplemental pension
14 account, the Tacoma Narrows toll bridge account, the teachers'
15 retirement system plan 1 account, the teachers' retirement system
16 combined plan 2 and plan 3 account, the tobacco prevention and
17 control account, the tobacco settlement account, the toll facility
18 bond retirement account, the transportation 2003 account (nickel
19 account), the transportation equipment fund, the transportation
20 future funding program account, the transportation improvement
21 account, the transportation improvement board bond retirement
22 account, the transportation infrastructure account, the
23 transportation partnership account, the traumatic brain injury
24 account, the University of Washington bond retirement fund, the
25 University of Washington building account, the voluntary cleanup
26 account, the volunteer firefighters' and reserve officers' relief and
27 pension principal fund, the volunteer firefighters' and reserve
28 officers' administrative fund, the vulnerable roadway user education
29 account, the Washington judicial retirement system account, the
30 Washington law enforcement officers' and firefighters' system plan 1
31 retirement account, the Washington law enforcement officers' and
32 firefighters' system plan 2 retirement account, the Washington public
33 safety employees' plan 2 retirement account, the Washington school
34 employees' retirement system combined plan 2 and 3 account, the
35 Washington state patrol retirement account, the Washington State
36 University building account, the Washington State University bond
37 retirement fund, the water pollution control revolving administration
38 account, the water pollution control revolving fund, the Western
39 Washington University capital projects account, the Yakima integrated
40 plan implementation account, the Yakima integrated plan

1 implementation revenue recovery account, and the Yakima integrated
2 plan implementation taxable bond account. Earnings derived from
3 investing balances of the agricultural permanent fund, the normal
4 school permanent fund, the permanent common school fund, the
5 scientific permanent fund, and the state university permanent fund
6 shall be allocated to their respective beneficiary accounts.

7 (b) Any state agency that has independent authority over accounts
8 or funds not statutorily required to be held in the state treasury
9 that deposits funds into a fund or account in the state treasury
10 pursuant to an agreement with the office of the state treasurer shall
11 receive its proportionate share of earnings based upon each account's
12 or fund's average daily balance for the period.

13 (5) In conformance with Article II, section 37 of the state
14 Constitution, no treasury accounts or funds shall be allocated
15 earnings without the specific affirmative directive of this section.

16 **Sec. 405.** RCW 82.47.020 and 1991 c 173 s 1 are each amended to
17 read as follows:

18 (1) The legislative authority of a border area jurisdiction may,
19 by resolution for the purposes authorized in this chapter and by
20 approval of a majority of the registered voters of the jurisdiction
21 voting on the proposition at a general or special election, fix and
22 impose an excise tax on the retail sale of motor vehicle fuel and
23 special fuel within the jurisdiction. An election held under this
24 section must be held not more than (~~twelve~~) 12 months before the
25 date on which the proposed tax is to be levied. The ballot setting
26 forth the proposition (~~shall~~) must state the tax rate that is
27 proposed. The rate of such tax (~~shall be in increments of one-tenth~~
28 of a cent per gallon and shall) may not exceed (~~one cent~~) two
29 cents per gallon for ballot propositions submitted in calendar year
30 2022. For ballot propositions submitted after calendar year 2022,
31 this two cents per gallon maximum tax rate may be adjusted to reflect
32 the percentage change in the implicit price deflator for personal
33 consumption expenditures for the United States as published by the
34 bureau of economic analysis of the federal department of commerce,
35 for the period of time between calendar year 2022 and when the tax is
36 placed on the ballot for voter approval.

37 (2) The tax imposed in this section shall be collected and paid
38 to the jurisdiction but once in respect to any motor vehicle fuel or

1 special fuel. This tax shall be in addition to any other tax
2 authorized or imposed by law.

3 (3) For purposes of this chapter, the term "border area
4 jurisdictions" means all cities and towns within (~~ten~~) 10 miles of
5 an international border crossing and any transportation benefit
6 district established under RCW 36.73.020 which has within its
7 boundaries an international border crossing.

8 **Sec. 406.** RCW 36.73.065 and 2015 3rd sp.s. c 44 s 309 are each
9 amended to read as follows:

10 (1) Except as provided in subsection (4) of this section, taxes,
11 fees, charges, and tolls may not be imposed by a district without
12 approval of a majority of the voters in the district voting on a
13 proposition at a general or special election. The proposition must
14 include a specific description of: (a) The transportation improvement
15 or improvements proposed by the district; (b) any rebate program
16 proposed to be established under RCW 36.73.067; and (c) the proposed
17 taxes, fees, charges, and the range of tolls imposed by the district
18 to raise revenue to fund the improvement or improvements or rebate
19 program, as applicable.

20 (2) Voter approval under this section must be accorded
21 substantial weight regarding the validity of a transportation
22 improvement as defined in RCW 36.73.015.

23 (3) A district may not increase any taxes, fees, charges, or
24 range of tolls imposed or change a rebate program under this chapter
25 once the taxes, fees, charges, tolls, or rebate program takes effect,
26 except:

27 (a) If authorized by the district voters pursuant to RCW
28 36.73.160;

29 (b) With respect to a change in a rebate program, a material
30 change policy adopted pursuant to RCW 36.73.160 is followed and the
31 change does not reduce the percentage level or rebate amount;

32 (c) For up to (~~forty dollars~~) \$40 of the vehicle fee authorized
33 in RCW 82.80.140 by the governing board of the district if a vehicle
34 fee of (~~twenty dollars~~) \$20 has been imposed for at least (~~twenty-~~
35 ~~four~~) 24 months; (~~or~~)

36 (d) For up to (~~fifty dollars~~) \$50 of the vehicle fee authorized
37 in RCW 82.80.140 by the governing board of the district if a vehicle
38 fee of (~~forty dollars~~) \$40 has been imposed for at least (~~twenty-~~

1 ~~four~~) 24 months and a district has met the requirements of
2 subsection (6) of this section; or

3 (e) For up to three-tenths of one percent of the selling price,
4 in the case of a sales tax, or value of the article used, in the case
5 of a use tax, pursuant to the sales and use tax authorized in RCW
6 82.14.0455.

7 (4) (a) A district that includes all the territory within the
8 boundaries of the jurisdiction, or jurisdictions, establishing the
9 district may impose by a majority vote of the governing board of the
10 district the following fees, taxes, and charges:

11 (i) Up to (~~twenty dollars~~) \$20 of the vehicle fee authorized in
12 RCW 82.80.140;

13 (ii) Up to (~~forty dollars~~) \$40 of the vehicle fee authorized in
14 RCW 82.80.140 if a vehicle fee of (~~twenty dollars~~) \$20 has been
15 imposed for at least (~~twenty-four~~) 24 months;

16 (iii) Up to (~~fifty dollars~~) \$50 of the vehicle fee authorized
17 in RCW 82.80.140 if a vehicle fee of forty dollars has been imposed
18 for at least (~~twenty-four~~) 24 months and a district has met the
19 requirements of subsection (6) of this section; (~~or~~)

20 (iv) A fee or charge in accordance with RCW 36.73.120; or

21 (v) Up to one-tenth of one percent of the sales and use tax in
22 accordance with RCW 82.14.0455.

23 (b) The vehicle fee authorized in (a) of this subsection may only
24 be imposed for a passenger-only ferry transportation improvement if
25 the vehicle fee is first approved by a majority of the voters within
26 the jurisdiction of the district.

27 (c) (i) A district solely comprised of a city or cities may not
28 impose the fees or charges identified in (a) of this subsection
29 within (~~one hundred eighty~~) 180 days after July 22, 2007, unless
30 the county in which the city or cities reside, by resolution,
31 declares that it will not impose the fees or charges identified in
32 (a) of this subsection within the (~~one hundred eighty-day~~) 180-day
33 period; or

34 (ii) A district solely comprised of a city or cities identified
35 in RCW 36.73.020(6)(b) may not impose the fees or charges until after
36 May 22, 2008, unless the county in which the city or cities reside,
37 by resolution, declares that it will not impose the fees or charges
38 identified in (a) of this subsection through May 22, 2008.

39 (5) If the interlocal agreement in RCW 82.80.140(2)(a) cannot be
40 reached, a district that includes only the unincorporated territory

1 of a county may impose by a majority vote of the governing body of
2 the district up to: (a) (~~Twenty dollars~~) \$20 of the vehicle fee
3 authorized in RCW 82.80.140, (b) (~~forty dollars~~) \$40 of the vehicle
4 fee authorized in RCW 82.80.140 if a fee of (~~twenty dollars~~) \$20
5 has been imposed for at least (~~twenty-four~~) 24 months, or (c)
6 (~~fifty dollars~~) \$50 of the vehicle fee authorized in RCW 82.80.140
7 if a vehicle fee of (~~forty dollars~~) \$40 has been imposed for at
8 least (~~twenty-four~~) 24 months and a district has met the
9 requirements of subsection (6) of this section.

10 (6) If a district intends to impose a vehicle fee of more than
11 (~~forty dollars~~) \$40 by a majority vote of the governing body of the
12 district, the governing body must publish notice of this intention,
13 in one or more newspapers of general circulation within the district,
14 by April 1st of the year in which the vehicle fee is to be imposed.
15 If within (~~ninety~~) 90 days of the date of publication a petition is
16 filed with the county auditor containing the signatures of eight
17 percent of the number of voters registered and voting in the district
18 for the office of the governor at the last preceding gubernatorial
19 election, the county auditor must canvass the signatures in the same
20 manner as prescribed in RCW 29A.72.230 and certify their sufficiency
21 to the governing body within two weeks. The proposition to impose the
22 vehicle fee must then be submitted to the voters of the district at a
23 special election, called for this purpose, no later than the date on
24 which a primary election would be held under RCW 29A.04.311. The
25 vehicle fee may then be imposed only if approved by a majority of the
26 voters of the district voting on the proposition.

27 **Sec. 407.** RCW 82.14.0455 and 2010 c 105 s 3 are each amended to
28 read as follows:

29 (1) Subject to the provisions in RCW 36.73.065, a transportation
30 benefit district under chapter 36.73 RCW may fix and impose a sales
31 and use tax in accordance with the terms of this chapter. The tax
32 authorized in this section is in addition to any other taxes
33 authorized by law and shall be collected from those persons who are
34 taxable by the state under chapters 82.08 and 82.12 RCW upon the
35 occurrence of any taxable event within the boundaries of the
36 district. The rate of tax shall not exceed (~~two-tenths~~) three-
37 tenths of one percent of the selling price in the case of a sales
38 tax, or value of the article used, in the case of a use tax. Except
39 as provided in subsection (2) of this section, the tax may not be

1 imposed for a period exceeding (~~ten~~) 10 years (~~(. This tax, if not~~
2 ~~imposed under the conditions of subsection (2) of this section, may~~
3 ~~be extended for a period not exceeding ten years)) unless renewed
4 with an affirmative vote of the voters voting at (~~the~~) an election
5 or a majority vote of the governing board of the district. Each
6 renewal by the voters may extend the tax for additional periods not
7 exceeding 10 years. The governing board of the district may only fix,
8 impose, or extend a sales and use tax of up to one-tenth of one
9 percent of the selling price in the case of a sales tax, or value of
10 the article used, in the case of a use tax.~~

11 (2) The voter-approved sales tax initially imposed under this
12 section after July 1, 2010, may be imposed for a period exceeding
13 (~~ten~~) 10 years if the moneys received under this section are
14 dedicated for the repayment of indebtedness incurred in accordance
15 with the requirements of chapter 36.73 RCW.

16 (3) Money received from the tax imposed under this section must
17 be spent in accordance with the requirements of chapter 36.73 RCW.

18 NEW SECTION. Sec. 408. A new section is added to chapter
19 70A.535 RCW to read as follows:

20 (1) The department shall adopt rules that establish standards
21 that reduce carbon intensity in transportation fuels used in
22 Washington. The standards established by the rules must be based on
23 the carbon intensity of gasoline and gasoline substitutes and the
24 carbon intensity of diesel and diesel substitutes. The standards:

25 (a) Must reduce the overall, aggregate carbon intensity of
26 transportation fuels used in Washington;

27 (b) May only require carbon intensity reductions at the aggregate
28 level of all transportation fuels and may not require a reduction in
29 carbon intensity to be achieved by any individual type of
30 transportation fuel;

31 (c) Must assign a compliance obligation to fuels whose carbon
32 intensity exceeds the standards adopted by the department, consistent
33 with the requirements of RCW 70A.535.030; and

34 (d) Must assign credits that can be used to satisfy or offset
35 compliance obligations to fuels whose carbon intensity is below the
36 standards adopted by the department and that elect to participate in
37 the program, consistent with the requirements of RCW 70A.535.030.

38 (2) The clean fuels program adopted by the department must be
39 designed such that:

1 (a) Regulated parties generate deficits and may reconcile the
2 deficits, and thus comply with the clean fuels program standards for
3 a compliance period, by obtaining and retiring credits;

4 (b) Regulated parties and credit generators may generate credits
5 for fuels used as substitutes or alternatives for gasoline or diesel;

6 (c) Regulated parties, credit generators, and credit aggregators
7 shall have opportunities to trade credits; and

8 (d) Regulated parties shall be allowed to carry over to the next
9 compliance period a small deficit without penalty.

10 (3) The department shall, throughout a compliance period,
11 regularly monitor the availability of fuels needed for compliance
12 with the clean fuels program.

13 (4)(a) Under the clean fuels program, the department shall
14 monthly calculate the volume-weighted average price of credits and,
15 no later than the last day of the month immediately following the
16 month for which the calculation is completed, post the formula and
17 the nonaggregated data the department used for the calculation and
18 the results of the calculation on the department's website.

19 (b) In completing the calculation required by this subsection,
20 the department may exclude from the data set credit transfers without
21 a price or other credit transfers made for a price that falls two
22 standard deviations outside of the mean credit price for the month.
23 Data posted on the department's website under this section may not
24 include any individually identifiable information or information that
25 would constitute a trade secret.

26 (5)(a) Except as provided in this section, the rules adopted
27 under this section must reduce the greenhouse gas emissions
28 attributable to each unit of the fuels to 20 percent below 2017
29 levels by 2038 based on the following schedule:

30 (i) No more than 0.5 percent each year in 2023 and 2024;

31 (ii) No more than an additional one percent each year beginning
32 in 2025 through 2027;

33 (iii) No more than an additional 1.5 percent each year beginning
34 in 2028 through 2031; and

35 (iv) No change in 2032 and 2033.

36 (b) The rules must establish a start date for the clean fuels
37 program of no later than January 1, 2023.

38 (6) Beginning with the program year beginning in calendar year
39 2028, the department may not increase the carbon intensity reductions
40 required by the applicable clean fuels program standard adopted by

1 the department under subsection (5) of this section beyond a 10
2 percent reduction in carbon intensity until the department
3 demonstrates that the following have occurred:

4 (a) At least a 15 percent net increase in the volume of in-state
5 liquid biofuel production and the use of feedstocks grown or produced
6 within the state relative to the start of the program; and

7 (b) At least one new or expanded biofuel production facility
8 representing an increase in production capacity or producing, in
9 total, in excess of 60,000,000 gallons of biofuels per year has or
10 have received after July 1, 2021, all necessary siting, operating,
11 and environmental permits post all timely and applicable appeals. As
12 part of the threshold of 60,000,000 gallons of biofuel under this
13 subsection, at least one new facility producing at least 10,000,000
14 gallons per year must have received all necessary siting, operating,
15 and environmental permits. Timely and applicable appeals must be
16 determined by the attorney general's office.

17 (7) Beginning with the program year beginning in calendar year
18 2031, the department may not increase the carbon intensity reductions
19 required by the applicable clean fuels program standard adopted by
20 the department under subsection (5) of this section beyond a 10
21 percent reduction in carbon intensity until the:

22 (a) Joint legislative audit and review committee report required
23 in RCW 70A.535.140 has been completed; and

24 (b) 2033 regular legislative session has adjourned, in order to
25 allow an opportunity for the legislature to amend the requirements of
26 this chapter in light of the report required in (a) of this
27 subsection.

28 (8) Transportation fuels exported from Washington are not subject
29 to the greenhouse gas emissions reduction requirements in this
30 section.

31 (9) To the extent the requirements of this chapter conflict with
32 the requirements of chapter 19.112 RCW, the requirements of this
33 chapter prevail.

34 **Sec. 409.** RCW 70A.535.010 and 2021 c 317 s 2 are each amended to
35 read as follows:

36 The definitions in this section apply throughout this chapter
37 unless the context clearly indicates otherwise.

38 (1) "Carbon dioxide equivalents" has the same meaning as defined
39 in RCW 70A.45.010.

1 (2) "Carbon intensity" means the quantity of life-cycle
2 greenhouse gas emissions, per unit of fuel energy, expressed in grams
3 of carbon dioxide equivalent per megajoule (gCO₂e/MJ).

4 (3) "Clean fuels program" means the requirements established
5 under this chapter.

6 (4) "Cost" means an expense connected to the manufacture,
7 distribution, or other aspects of the provision of a transportation
8 fuel product.

9 (5) "Credit" means a unit of measure generated when a
10 transportation fuel with a carbon intensity that is less than the
11 applicable standard adopted by the department under ((RCW
12 ~~70A.535.020~~)) section 408 of this act is produced, imported, or
13 dispensed for use in Washington, such that one credit is equal to one
14 metric ton of carbon dioxide equivalents. A credit may also be
15 generated through other activities consistent with this chapter.

16 (6) "Deficit" means a unit of measure generated when a
17 transportation fuel with a carbon intensity that is greater than the
18 applicable standard adopted by the department under ((RCW
19 ~~70A.535.020~~)) section 408 of this act is produced, imported, or
20 dispensed for use in Washington, such that one deficit is equal to
21 one metric ton of carbon dioxide equivalents.

22 (7) "Department" means the department of ecology.

23 (8) "Electric utility" means a consumer-owned utility or
24 investor-owned utility, as those terms are defined in RCW 19.29A.010.

25 (9) "Greenhouse gas" has the same meaning as defined in RCW
26 70A.45.010.

27 (10) "Military tactical vehicle" means a motor vehicle owned by
28 the United States department of defense or the United States military
29 services and that is used in combat, combat support, combat service
30 support, tactical or relief operations, or training for such
31 operations.

32 (11) "Motor vehicle" has the same meaning as defined in RCW
33 46.04.320.

34 (12) "Price" means the amount of payment or compensation provided
35 as consideration for a specified quantity of transportation fuel by a
36 consumer or end user of the transportation fuel.

37 (13) "Regulated party" means a producer or importer of any amount
38 of a transportation fuel that is ineligible to generate credits under
39 this chapter.

1 (14) (a) "Tactical support equipment" means equipment using a
2 portable engine, including turbines, that meets military
3 specifications, owned by the United States military services or its
4 allies, and that is used in combat, combat support, combat service
5 support, tactical or relief operations, or training for such
6 operations.

7 (b) "Tactical support equipment" includes, but is not limited to,
8 engines associated with portable generators, aircraft start carts,
9 heaters, and lighting carts.

10 (15) "Transportation fuel" means electricity and any liquid or
11 gaseous fuel sold, supplied, offered for sale, or used for the
12 propulsion of a motor vehicle or that is intended for use for
13 transportation purposes.

14 **Sec. 410.** RCW 70A.535.030 and 2021 c 317 s 4 are each amended to
15 read as follows:

16 The rules adopted by the department to achieve the greenhouse gas
17 emissions reductions per unit of fuel energy specified in ((RCW
18 ~~70A.535.020~~)) section 408 of this act must include, but are not
19 limited to, the following:

20 (1) Standards for greenhouse gas emissions attributable to the
21 transportation fuels throughout their life cycles, including but not
22 limited to emissions from the production, storage, transportation,
23 and combustion of transportation fuels and from changes in land use
24 associated with transportation fuels and any permanent greenhouse gas
25 sequestration activities.

26 (a) The rules adopted by the department under this subsection (1)
27 may:

28 (i) Include provisions to address the efficiency of a fuel as
29 used in a powertrain as compared to a reference fuel;

30 (ii) Consider carbon intensity calculations for transportation
31 fuels developed by national laboratories or used by similar programs
32 in other states; and

33 (iii) Consider changes in land use and any permanent greenhouse
34 gas sequestration activities associated with the production of any
35 type of transportation fuel.

36 (b) The rules adopted by the department under this subsection (1)
37 must:

38 (i) Neutrally consider the life-cycle emissions associated with
39 transportation fuels with respect to the political jurisdiction in

1 which the fuels originated and may not discriminate against fuels on
2 the basis of having originated in another state or jurisdiction.
3 Nothing in this subsection may be construed to prohibit inclusion or
4 assessment of emissions related to fuel production, storage,
5 transportation, or combustion or associated changes in land use in
6 determining the carbon intensity of a fuel;

7 (ii) Measure greenhouse gas emissions associated with electricity
8 and hydrogen based on a mix of generation resources specific to each
9 electric utility participating in the clean fuels program. The
10 department may apply an asset-controlling supplier emission factor
11 certified or approved by a similar program to reduce the greenhouse
12 gas emissions associated with transportation fuels in another state;

13 (iii) Include mechanisms for certifying electricity that has a
14 carbon intensity of zero. This electricity must include, at minimum,
15 electricity:

16 (A) For which a renewable energy credit or other environmental
17 attribute has been retired or used; and

18 (B) Produced using a zero emission resource including, but not
19 limited to, solar, wind, geothermal, or the industrial combustion of
20 biomass consistent with RCW 70A.45.020(3), that is directly supplied
21 as a transportation fuel by the generator of the electricity to a
22 metered customer for electric vehicle charging or refueling;

23 (iv) Allow the generation of credits associated with electricity
24 with a carbon intensity lower than that of standard adopted by the
25 department. The department may not require electricity to have a
26 carbon intensity of zero in order to be eligible to generate credits
27 from use as a transportation fuel; and

28 (v) Include procedures for setting and adjusting the amounts of
29 greenhouse gas emissions per unit of fuel energy that is assigned to
30 transportation fuels under this subsection.

31 (c) If the department determines that it is necessary for
32 purposes of accurately measuring greenhouse gas emissions associated
33 with transportation fuels, the department may require transportation
34 fuel suppliers to submit data or information to be used for purposes
35 of calculating greenhouse gas emissions that is different from or
36 additional to the greenhouse gas emissions data reported under RCW
37 70A.15.2200(5)(a)(iii).

38 (d) If the department determines that it is necessary for
39 purposes of accurately measuring greenhouse gas emissions associated
40 with electricity supplied to retail customers or hydrogen production

1 facilities by an electric utility, the department may require
2 electric utilities participating in the clean fuels program to submit
3 data or information to be used for purposes of calculating greenhouse
4 gas emissions that is different from or additional to the fuel mix
5 disclosure information submitted under chapter 19.29A RCW. To the
6 extent practicable, rules adopted by the department may allow data
7 requested of utilities to be submitted in a form and manner
8 consistent with other required state or federal data submissions;

9 (2) Provisions allowing for the achievement of limits on the
10 greenhouse gas emissions intensity of transportation fuels in ((RCW
11 ~~70A.535.020~~)) section 408 of this act to be achieved by any
12 combination of credit generating activities capable of meeting such
13 standards. Where such provisions would not produce results counter to
14 the emission reduction goals of the program or prove administratively
15 burdensome for the department, the rules should provide each
16 participant in the clean fuels program with the opportunity to
17 demonstrate appropriate carbon intensity values taking into account
18 both emissions from production facilities and elsewhere in the
19 production cycle, including changes in land use and permanent
20 greenhouse gas sequestration activities;

21 (3) (a) Methods for assigning compliance obligations and methods
22 for tracking tradable credits. The department may assign the
23 generation of a credit when a fuel with associated life-cycle
24 greenhouse gas emissions that are lower than the applicable per-unit
25 standard adopted by the department under ((RCW ~~70A.535.020~~)) section
26 408 of this act is produced, imported, or dispensed for use in
27 Washington, or when specified activities are undertaken that support
28 the reduction of greenhouse gas emissions associated with
29 transportation in Washington;

30 (b) Mechanisms that allow credits to be traded and to be banked
31 for future compliance periods; and

32 (c) Procedures for verifying the validity of credits and deficits
33 generated under the clean fuels program;

34 (4) Mechanisms to elect to participate in the clean fuels program
35 for persons associated with the supply chains of transportation fuels
36 that are eligible to generate credits consistent with subsection (3)
37 of this section, including producers, importers, distributors, users,
38 or retailers of such fuels, and electric vehicle manufacturers;

39 (5) Mechanisms for persons associated with the supply chains of
40 transportation fuels that are used for purposes that are exempt from

1 the clean fuels program compliance obligations including, but not
2 limited to, fuels used by aircraft, vessels, railroad locomotives,
3 and other exempt fuels specified in RCW 70A.535.040, to elect to
4 participate in the clean fuels program by earning credits for the
5 production, import, distribution, use, or retail of exempt fuels with
6 associated life-cycle greenhouse gas emissions lower than the per-
7 unit standard established in ((RCW 70A.535.020)) section 408 of this
8 act;

9 (6) Mechanisms that allow for the assignment of credits to an
10 electric utility for electricity used within its utility service
11 area, at minimum, for residential electric vehicle charging or
12 fueling;

13 (7) Cost containment mechanisms.

14 (a) Cost containment mechanisms must include the credit clearance
15 market specified in subsection (8) of this section and may also
16 include, but are not limited to:

17 (i) Procedures similar to the credit clearance market required in
18 subsection (8) of this section that provide a means of compliance
19 with the clean fuels program requirements in the event that a
20 regulated person has not been able to acquire sufficient volumes of
21 credits at the end of a compliance period; or

22 (ii) Similar procedures that ensure that credit prices do not
23 significantly exceed credit prices in other jurisdictions that have
24 adopted similar programs to reduce the carbon intensity of
25 transportation fuels.

26 (b) Any cost containment mechanisms must be designed to provide
27 financial disincentive for regulated persons to rely on the cost
28 containment mechanism for purposes of program compliance instead of
29 seeking to generate or acquire sufficient credits under the program.

30 (c) The department shall harmonize the program's cost containment
31 mechanisms with the cost containment rules in the states specified in
32 RCW 70A.535.060(1).

33 (d) The department shall consider mechanisms such as the
34 establishment of a credit price cap or other alternative cost
35 containment measures if deemed necessary to harmonize market credit
36 costs with those in the states specified in RCW 70A.535.060(1);

37 (8) (a) (i) A credit clearance market for any compliance period in
38 which at least one regulated party reports that the regulated party
39 has a net deficit balance at the end of the compliance period, after
40 retirement of all credits held by the regulated party, that is

1 greater than a small deficit. A regulated party described by this
2 subsection is required to participate in the credit clearance market.

3 (ii) If a regulated party has a small deficit at the end of a
4 compliance period, the regulated party shall notify the department
5 that it will achieve compliance with the clean fuels program during
6 the compliance period by either: (A) Participating in a credit
7 clearance market; or (B) carrying forward the small deficit.

8 (b) For the purposes of administering a credit clearance market
9 required by this section, the department shall:

10 (i) Allow any regulated party, credit generator, or credit
11 aggregator that holds excess credits at the end of the compliance
12 period to voluntarily participate in the credit clearance market as a
13 seller by pledging a specified number of credits for sale in the
14 market;

15 (ii) Require each regulated party participating in the credit
16 clearance market as purchaser of credits to:

17 (A) Have retired all credits in the regulated party's possession
18 prior to participating in the credit clearance market; and

19 (B) Purchase the specified number of the total pledged credits
20 that the department has determined are that regulated party's pro
21 rata share of the pledged credits;

22 (iii) Require all sellers to:

23 (A) Agree to sell pledged credits at a price no higher than a
24 maximum price for credits;

25 (B) Accept all offers to purchase pledged credits at the maximum
26 price for credits; and

27 (C) Agree to withhold any pledged credits from sale in any
28 transaction outside of the credit clearance market until the end of
29 the credit clearance market, or if no credit clearance market is held
30 in a given year, then until the date on which the department
31 announces it will not be held.

32 (c)(i) The department shall set a maximum price for credits in a
33 credit clearance market, consistent with states that have adopted
34 similar clean fuels programs, not to exceed \$200 in 2018 dollars for
35 2023.

36 (ii) For 2024 and subsequent years, the maximum price may exceed
37 \$200 in 2018 dollars, but only to the extent that a greater maximum
38 price for credits is necessary to annually adjust for inflation,
39 beginning on January 1, 2024, pursuant to the increase, if any, from
40 the preceding calendar year in the consumer price index for all urban

1 consumers, west region (all items), as published by the bureau of
2 labor statistics of the United States department of labor.

3 (d) A regulated party that has a net deficit balance after the
4 close of a credit clearance market:

5 (i) Must carry over the remaining deficits into the next
6 compliance period; and

7 (ii) May not be subject to interest greater than five percent,
8 penalties, or assertions of noncompliance that accrue based on the
9 carryover of deficits under this subsection.

10 (e) If a regulated party has been required under (a) of this
11 subsection to participate as a purchaser in two consecutive credit
12 clearance markets and continues to have a net deficit balance after
13 the close of the second consecutive credit clearance market, the
14 department shall complete, no later than two months after the close
15 of the second credit clearance market, an analysis of the root cause
16 of an inability of the regulated party to retire the remaining
17 deficits. The department may recommend and implement any remedy that
18 the department determines is necessary to address the root cause
19 identified in the analysis including, but not limited to, issuing a
20 deferral, provided that the remedy implemented does not:

21 (i) Require a regulated party to purchase credits for an amount
22 that exceeds the maximum price for credits in the most recent credit
23 clearance market; or

24 (ii) Compel a person to sell credits.

25 (f) If credits sold in a credit clearance market are subsequently
26 invalidated as a result of fraud or any other form of noncompliance
27 on the part of the generator of the credit, the department may not
28 pursue civil penalties against, or require credit replacement by, the
29 regulated party that purchased the credits unless the regulated party
30 was a party to the fraud or other form of noncompliance.

31 (g) The department may not disclose the deficit balances or pro
32 rata share purchase requirements of a regulated party that
33 participates in the credit clearance market;

34 (9) Authority for the department to designate an entity to
35 aggregate and use unclaimed credits associated with persons that
36 elect not to participate in the clean fuels program under subsection
37 (4) of this section.

38 **Sec. 411.** RCW 70A.535.040 and 2021 c 317 s 5 are each amended to
39 read as follows:

1 (1) The rules adopted under RCW (~~70A.535.020~~ and) 70A.535.030
2 and section 408 of this act must include exemptions for, at minimum,
3 the following transportation fuels:

4 (a) Fuels used in volumes below thresholds adopted by the
5 department;

6 (b) Fuels used for the propulsion of all aircraft, vessels, and
7 railroad locomotives; and

8 (c) Fuels used for the operation of military tactical vehicles
9 and tactical support equipment.

10 (2) (a) The rules adopted under RCW (~~70A.535.020~~ and)
11 70A.535.030 and section 408 of this act must exempt the following
12 transportation fuels from greenhouse gas emissions intensity
13 reduction requirements until January 1, 2028:

14 (i) Special fuel used off-road in vehicles used primarily to
15 transport logs;

16 (ii) Dyed special fuel used in vehicles that are not designed
17 primarily to transport persons or property, that are not designed to
18 be primarily operated on highways, and that are used primarily for
19 construction work including, but not limited to, mining and timber
20 harvest operations; and

21 (iii) Dyed special fuel used for agricultural purposes exempt
22 from chapter 82.38 RCW.

23 (b) Prior to January 1, 2028, fuels identified in this subsection
24 (2) are eligible to generate credits, consistent with subsection (5)
25 of this section. Beginning January 1, 2028, the fuels identified in
26 this subsection (2) are subject to the greenhouse gas emissions
27 intensity reduction requirements applicable to transportation fuels
28 specified in (~~RCW 70A.535.020~~) section 408 of this act.

29 (3) The department may adopt rules to specify the standards for
30 persons to qualify for the exemptions provided in this section. The
31 department may implement the exemptions under subsection (2) of this
32 section to align with the implementation of exemptions for similar
33 fuels exempt from chapter 82.38 RCW.

34 (4) The rules adopted under RCW (~~70A.535.020~~ and) 70A.535.030
35 and section 408 of this act may include exemptions in addition to
36 those described in subsections (1) and (2) of this section, but only
37 if such exemptions are necessary, with respect to the relationship
38 between the program and similar greenhouse gas emissions requirements
39 or low carbon fuel standards, in order to avoid:

40 (a) Mismatched incentives across programs;

1 (b) Fuel shifting between markets; or
2 (c) Other results that are counter to the intent of this chapter.
3 (5) Nothing in this chapter precludes the department from
4 adopting rules under RCW (~~70A.535.020~~ and) 70A.535.030 and section
5 408 of this act that allow the generation of credits associated with
6 electric or alternative transportation infrastructure that existed
7 prior to July 25, 2021, or to the start date of program requirements.
8 The department must apply the same baseline years to credits
9 associated with electric or alternative transportation infrastructure
10 that apply to gasoline and diesel liquid fuels in any market-based
11 program enacted by the legislature that establishes a cap on
12 greenhouse gas emissions.

13 **Sec. 412.** RCW 70A.535.050 and 2021 c 317 s 6 are each amended to
14 read as follows:

15 (1) The rules adopted under RCW (~~70A.535.020~~ and) 70A.535.030
16 and section 408 of this act may allow the generation of credits from
17 activities that support the reduction of greenhouse gas emissions
18 associated with transportation in Washington, including but not
19 limited to:

20 (a) Carbon capture and sequestration projects, including but not
21 limited to:

22 (i) Innovative crude oil production projects that include carbon
23 capture and sequestration;

24 (ii) Project-based refinery greenhouse gas mitigation including,
25 but not limited to, process improvements, renewable hydrogen use, and
26 carbon capture and sequestration; or

27 (iii) Direct air capture projects;

28 (b) Investments and activities that support deployment of
29 machinery and equipment used to produce gaseous and liquid fuels from
30 nonfossil feedstocks, and derivatives thereof;

31 (c) The fueling of battery or fuel cell electric vehicles by a
32 commercial, nonprofit, or public entity that is not an electric
33 utility, which may include, but is not limited to, the fueling of
34 vehicles using electricity certified by the department to have a
35 carbon intensity of zero; and

36 (d) The use of smart vehicle charging technology that results in
37 the fueling of an electric vehicle during times when the carbon
38 intensity of grid electricity is comparatively low.

1 (2) (a) The rules adopted under RCW (~~70A.535.020~~ and)
2 70A.535.030 and section 408 of this act must allow the generation of
3 credits based on capacity for zero emission vehicle refueling
4 infrastructure, including DC fast charging infrastructure and
5 hydrogen refueling infrastructure.

6 (b) The rules adopted under RCW (~~70A.535.020~~ and) 70A.535.030
7 and section 408 of this act may allow the generation of credits from
8 the provision of low carbon fuel infrastructure not specified in (a)
9 of this subsection.

10 (3) The rules adopted under RCW (~~70A.535.020~~ and) 70A.535.030
11 and section 408 of this act must allow the generation of credits from
12 state transportation investments funded in an omnibus transportation
13 appropriations act for activities and projects that reduce greenhouse
14 gas emissions and decarbonize the transportation sector. These
15 include, but are not limited to: (a) Electrical grid and hydrogen
16 fueling infrastructure investments; (b) ferry operating and capital
17 investments; (c) electrification of the state ferry fleet; (d)
18 alternative fuel vehicle rebate programs; (e) transit grants; (f)
19 infrastructure and other costs associated with the adoption of
20 alternative fuel use by transit agencies; (g) bike and pedestrian
21 grant programs and other activities; (h) complete streets and safe
22 walking grants and allocations; (i) rail funding; and (j) multimodal
23 investments.

24 (4) The rules adopted by the department may establish limits for
25 the number of credits that may be earned each year by persons
26 participating in the program for some or all of the activities
27 specified in subsections (1) and (2) of this section. The department
28 must limit the number of credits that may be earned each year under
29 subsection (3) of this section to 10 percent of the total program
30 credits. Any limits established under this subsection must take into
31 consideration the return on investment required in order for an
32 activity specified in subsection (2) of this section to be
33 financially viable.

34 (5) (a) In coordination with the department, the Washington state
35 department of transportation must immediately begin work on
36 identifying the amount of credit revenues likely to be generated
37 under subsection (3) of this section from the state transportation
38 investments funded in an omnibus transportation appropriations act,
39 including the move ahead WA transportation package. It is the intent
40 of the legislature that these credits will be maximized to allow

1 further investment in efforts to reduce greenhouse gas emissions and
2 decarbonize the transportation sector including, but not limited to,
3 additional funding in future years, for ferry electrification beyond
4 four new hybrid electric vessels, active transportation, and transit
5 programs and projects.

6 (b) Beginning November 1, 2022, and annually thereafter, the
7 Washington state department of transportation must present a detailed
8 projection of the credit revenues generated under subsection (3) of
9 this section and a preferred reinvestment strategy for the revenues
10 for the following 10-year time period to the joint transportation
11 committee.

12 **Sec. 413.** RCW 70A.535.120 and 2021 c 317 s 13 are each amended
13 to read as follows:

14 (1) The director of the department may issue an order declaring
15 an emergency deferral of compliance with the carbon intensity
16 standard established under (~~RCW 70A.535.020~~) section 408 of this
17 act no later than 15 calendar days after the date the department
18 determines, in consultation with the governor's office and the
19 department of commerce, that:

20 (a) Extreme and unusual circumstances exist that prevent the
21 distribution of an adequate supply of renewable fuels needed for
22 regulated parties to comply with the clean fuels program taking into
23 consideration all available methods of obtaining sufficient credits
24 to comply with the standard;

25 (b) The extreme and unusual circumstances are the result of a
26 natural disaster, an act of God, a significant supply chain
27 disruption or production facility equipment failure, or another event
28 that could not reasonably have been foreseen or prevented and not the
29 lack of prudent planning on the part of the suppliers of the fuels to
30 the state; and

31 (c) It is in the public interest to grant the deferral such as
32 when a deferral is necessary to meet projected temporary shortfalls
33 in the supply of the renewable fuel in the state and that other
34 methods of obtaining compliance credits are unavailable to compensate
35 for the shortage of renewable fuel supply.

36 (2) If the director of the department makes the determination
37 required under subsection (1) of this section, such a temporary
38 extreme and unusual deferral is permitted only if:

1 (a) The deferral applies only for the shortest time necessary to
2 address the extreme and unusual circumstances;

3 (b) The deferral is effective for the shortest practicable time
4 period the director of the department determines necessary to permit
5 the correction of the extreme and unusual circumstances; and

6 (c) The director has given public notice of a proposed deferral.

7 (3) An order declaring an emergency deferral under this section
8 must set forth:

9 (a) The duration of the emergency deferral;

10 (b) The types of fuel to which the emergency deferral applies;

11 (c) Which of the following methods the department has selected
12 for deferring compliance with the clean fuels program during the
13 emergency deferral:

14 (i) Temporarily adjusting the scheduled applicable carbon
15 intensity standard to a standard identified in the order that better
16 reflects the availability of credits during the emergency deferral
17 and requiring regulated parties to comply with the temporary
18 standard;

19 (ii) Allowing for the carryover of deficits accrued during the
20 emergency deferral into the next compliance period without penalty;
21 or

22 (iii) Suspending deficit accrual during the emergency deferral
23 period.

24 (4) An emergency deferral may be terminated prior to the
25 expiration date of the emergency deferral if new information becomes
26 available indicating that the shortage that provided the basis for
27 the emergency deferral has ended. The director of the department
28 shall consult with the department of commerce and the governor's
29 office in making an early termination decision. Termination of an
30 emergency deferral is effective 15 calendar days after the date that
31 the order declaring the termination is adopted.

32 (5)(a) In addition to the emergency deferral specified in
33 subsection (1) of this section, the department may issue a full or
34 partial deferral for one calendar quarter of a person's obligation to
35 furnish credits for compliance under RCW 70A.535.030 if it finds that
36 the person is unable to comply with the requirements of this chapter
37 due to reasons beyond the person's reasonable control. The department
38 may initiate a deferral under this subsection at its own discretion
39 or at the request of a person regulated under this chapter. The
40 department may renew issued deferrals. In evaluating whether to issue

1 a deferral under this subsection, the department may consider the
2 results of the fuel supply forecast in RCW 70A.535.100, but is not
3 bound in its decision-making discretion by the results of the
4 forecast.

5 (b) If the department issues a deferral pursuant to this
6 subsection, the department may:

7 (i) Direct the person subject to the deferral to file a progress
8 report on achieving full compliance with the requirements of this
9 chapter within an amount of time determined to be reasonable by the
10 department; and

11 (ii) Direct the person to take specific actions to achieve full
12 compliance with the requirements of this chapter.

13 (c) The issuance of a deferral under this subsection does not
14 permanently relieve the deferral recipient of the obligation to
15 comply with the requirements of this chapter.

16 NEW SECTION. **Sec. 414.** RCW 70A.535.020 (Carbon intensity of
17 transportation fuels—Standards to reduce carbon intensity—Adoption
18 of rules) and 2021 c 317 s 3 are each repealed.

19 NEW SECTION. **Sec. 415.** (1) A target is established for the
20 state that all publicly owned and privately owned passenger and light
21 duty vehicles of model year 2030 or later that are sold, purchased,
22 or registered in Washington state be electric vehicles.

23 (2) On or before December 31, 2023, the interagency electric
24 vehicle coordinating council created in section 428 of this act shall
25 complete a scoping plan for achieving the 2030 target.

26 NEW SECTION. **Sec. 416.** A new section is added to chapter 47.66
27 RCW to read as follows:

28 (1) The department shall establish a bus and bus facilities grant
29 program. The purpose of this competitive grant program is to provide
30 grants to any transit authority for the replacement, expansion,
31 rehabilitation, and purchase of transit rolling stock; construction,
32 modification, or rehabilitation of transit facilities; and funding to
33 adapt to technological change or innovation through the retrofitting
34 of transit rolling stock and facilities.

35 (2) (a) The department must incorporate environmental justice
36 principles into the grant selection process, with the goal of
37 increasing the distribution of funding to communities based on

1 addressing environmental harms and provide environmental benefits for
2 overburdened communities, as defined in RCW 70A.02.010, and
3 vulnerable populations.

4 (b) The department must incorporate geographic diversity into the
5 grant selection process.

6 (c) No grantee may receive more than 35 percent of the amount
7 appropriated for the grant program in a particular biennium.

8 (d) Fuel type may not be a factor in the grant selection process.

9 (3) The department must establish an advisory committee to carry
10 out the mandates of this section, including assisting with the
11 establishment of grant criteria.

12 (4) The department must report annually to the transportation
13 committees of the legislature on the status of any grant projects
14 funded by the program created under this section.

15 (5) For the purposes of this section:

16 (a) "Transit authority" means a city transit system under RCW
17 35.58.2721 or chapter 35.95A RCW, a county public transportation
18 authority under chapter 36.57 RCW, a metropolitan municipal
19 corporation transit system under chapter 36.56 RCW, a public
20 transportation benefit area under chapter 36.57A RCW, an
21 unincorporated transportation benefit area under RCW 36.57.100, or
22 any special purpose district formed to operate a public
23 transportation system.

24 (b) "Transit rolling stock" means transit vehicles including, but
25 not limited to, buses, ferries, and vans.

26 NEW SECTION. **Sec. 417.** A new section is added to chapter 47.04
27 RCW to read as follows:

28 (1) The legislature finds that many communities across Washington
29 state have not equitably benefited from investments in the active
30 transportation network. The legislature also finds that legacy state
31 transportation facilities designed primarily for vehicle use caused
32 disconnections in safe routes for people who walk, bike, and roll to
33 work and to carry out other daily activities.

34 (2) To address these investment gaps, the connecting communities
35 program is established within the department. The purpose of the
36 program is to improve active transportation connectivity in
37 communities by:

1 (a) Providing safe, continuous routes for pedestrians,
2 bicyclists, and other nonvehicle users carrying out their daily
3 activities;

4 (b) Mitigating for the health, safety, and access impacts of
5 transportation infrastructure that bisects communities and creates
6 obstacles in the local active transportation network;

7 (c) Investing in greenways providing protected routes for a wide
8 variety of nonvehicular users; and

9 (d) Facilitating the planning, development, and implementation of
10 projects and activities that will improve the connectivity and safety
11 of the active transportation network.

12 (3) The department must select projects to propose to the
13 legislature for funding. In selecting projects, the department must
14 consider, at a minimum, the following criteria:

15 (a) Access to a transit facility, community facility, commercial
16 center, or community-identified assets;

17 (b) The use of minority and women-owned businesses and community-
18 based organizations in planning, community engagement, design, and
19 construction of the project;

20 (c) Whether the project will serve:

21 (i) Overburdened communities as defined in RCW 70A.02.010 to mean
22 a geographic area where vulnerable populations face combined,
23 multiple environmental harms and health impacts, and includes, but is
24 not limited to, highly impacted communities as defined in RCW
25 19.405.020;

26 (ii) Vulnerable populations as defined in RCW 70A.02.010 to mean
27 population groups that are more likely to be at higher risk for poor
28 health outcomes in response to environmental harms, due to adverse
29 socioeconomic factors, such as unemployment, high housing, and
30 transportation costs relative to income, limited access to nutritious
31 food and adequate health care, linguistic isolation, and other
32 factors that negatively affect health outcomes and increase
33 vulnerability to the effects of environmental harms; and sensitivity
34 factors, such as low birth weight and higher rates of
35 hospitalization. Vulnerable populations include, but are not limited
36 to: Racial or ethnic minorities, low-income populations, populations
37 disproportionately impacted by environmental harms, and populations
38 of workers experiencing environmental harms;

39 (iii) Household incomes at or below 200 percent of the federal
40 poverty level; and

1 (iv) People with disabilities;

2 (d) Environmental health disparities, such as those indicated by
3 the diesel pollution burden portion of the Washington environmental
4 health disparities map developed by the department of health, or
5 other similar indicators;

6 (e) Location on or adjacent to tribal lands or locations
7 providing essential services to tribal members;

8 (f) Crash experience involving pedestrians and bicyclists; and

9 (g) Identified need by the community, for example in the state
10 active transportation plan or a regional, county, or community plan.

11 (4) It is the intent of the legislature that the connecting
12 communities program comply with the requirements of chapter 314, Laws
13 of 2021.

14 (5) The department shall submit a report to the transportation
15 committees of the legislature by December 1, 2022, and each December
16 1st thereafter identifying the selected connecting communities
17 projects for funding by the legislature. The report must also include
18 the status of previously funded projects.

19 (6) This section expires July 1, 2027.

20 NEW SECTION. **Sec. 418.** A new section is added to chapter 47.24
21 RCW to read as follows:

22 (1) In order to improve the safety, mobility, and accessibility
23 of state highways, it is the intent of the legislature that the
24 department must incorporate the principles of complete streets with
25 facilities that provide street access with all users in mind,
26 including pedestrians, bicyclists, and public transportation users,
27 notwithstanding the provisions of RCW 47.24.020 concerning
28 responsibility beyond the curb of state rights-of-way. As such, state
29 transportation projects starting design on or after July 1, 2022, and
30 that are \$500,000 or more, must:

31 (a) Identify those locations on state rights-of-way that do not
32 have a complete and Americans with disabilities act accessible
33 sidewalk or shared-use path, that do not have bicycle facilities in
34 the form of a bike lane or adjacent parallel trail or shared-use
35 path, that have such facilities on a state route within a population
36 center that has a posted speed in excess of 30 miles per hour and no
37 buffer or physical separation from vehicular traffic for pedestrians
38 and bicyclists, and/or that have a design that hampers the ability of

1 motorists to see a crossing pedestrian with sufficient time to stop
2 given posted speed limits and roadway configuration;

3 (b) Consult with local jurisdictions to confirm existing and
4 planned active transportation connections along or across the
5 location; identification of connections to existing and planned
6 public transportation services, ferry landings, commuter and
7 passenger rail, and airports; the existing and planned facility
8 type(s) within the local jurisdiction that connect to the location;
9 and the potential use of speed management techniques to minimize
10 crash exposure and severity;

11 (c) Adjust the speed limit to a lower speed with appropriate
12 modifications to roadway design and operations to achieve the desired
13 operating speed in those locations where this speed management
14 approach aligns with local plans or ordinances, particularly in those
15 contexts that present a higher possibility of serious injury or fatal
16 crashes occurring based on land use context, observed crash data,
17 crash potential, roadway characteristics that are likely to increase
18 exposure, or a combination thereof, in keeping with a safe system
19 approach and with the intention of ultimately eliminating serious and
20 fatal crashes; and

21 (d) Plan, design, and construct facilities providing context-
22 sensitive solutions that contribute to network connectivity and
23 safety for pedestrians, bicyclists, and people accessing public
24 transportation and other modal connections, such facilities to
25 include Americans with disabilities act accessible sidewalks or
26 shared-use paths, bicyclist facilities, and crossings as needed to
27 integrate the state route into the local network.

28 (2) Projects undertaken for emergent work required to reopen a
29 state highway in the event of a natural disaster or other emergency
30 repair are not required to comply with the provisions of this
31 section.

32 (3) Maintenance of facilities constructed under this provision
33 shall be as provided under existing law.

34 (4) This section does not create a private right of action.

35 NEW SECTION. **Sec. 419.** A new section is added to chapter 47.04
36 RCW to read as follows:

37 (1) The department shall establish a statewide school-based
38 bicycle education grant program. The grant will support two programs:
39 One for elementary and middle school; and one for junior high and

1 high school aged youth to develop the skills and street safety
2 knowledge to be more confident bicyclists for transportation and/or
3 recreation. In development of the grant program, the department is
4 encouraged to consult with the environmental justice council and the
5 office of equity.

6 (2) (a) For the elementary and middle school program, the
7 department shall contract with a nonprofit organization with relevant
8 reach and experience, including a statewide footprint and
9 demonstrable experience deploying bicycling and road safety education
10 curriculum via a train the trainer model in schools. The selected
11 nonprofit shall identify partner schools that serve target
12 populations, based on the criteria in subsection (3) of this section.
13 Partner schools shall receive from the nonprofit: In-school bike and
14 pedestrian safety education curriculum, materials, equipment guidance
15 and consultation, and physical education teacher trainings. Youth
16 grades three through eight are eligible for the program.

17 (b) Selected school districts shall receive and maintain a fleet
18 of bicycles for the youth in the program. Youth and families
19 participating in the school-base bicycle education grant program
20 shall have an opportunity to receive a bike, lock, helmet, and lights
21 free of cost.

22 (3) For the junior high and high school program, the department
23 shall contract with a nonprofit organization with relevant reach and
24 experience, including a statewide footprint; demonstrable experience
25 developing and managing youth-based programming serving youth of
26 color in an after-school and/or community setting; and deploying
27 bicycling and road safety education curriculum via a train the
28 trainer model. The selected nonprofit shall use the equity-based
29 criteria in subsection (4) of this section to identify target
30 populations and partner organizations including, but not limited to,
31 schools, community-based organizations, housing authorities, and
32 parks and recreation departments, that work with the eligible
33 populations of youth ages 14 to 18. Partner organizations shall
34 receive from the nonprofit: Education curriculum, materials,
35 equipment guidance and consultation, and initial instructor/volunteer
36 training, as well as ongoing support.

37 (4) In selecting schools and partner organizations for the
38 school-based bicycle education grant program, the department and
39 nonprofit must consider, at a minimum, the following criteria:

- 1 (a) Population impacted by poverty, as measured by free and
2 reduced lunch population or 200 percent federal poverty level;
3 (b) People of color;
4 (c) People of Hispanic heritage;
5 (d) People with disabilities;
6 (e) Environmental health disparities, such as those indicated by
7 the diesel pollution burden portion of the Washington environmental
8 health disparities map developed by the department of health, or
9 other similar indicators;
10 (f) Location on or adjacent to an Indian reservation;
11 (g) Geographic location throughout the state;
12 (h) Crash experience involving pedestrians and bicyclists;
13 (i) Access to a community facility or commercial center; and
14 (j) Identified need in the state active transportation plan or a
15 regional, county, or community plan.

16 (5) The department shall submit a report for both programs to the
17 transportation committees of the legislature by December 1, 2022, and
18 each December 1st thereafter identifying the selected programs and
19 school districts for funding by the legislature. The report must also
20 include the status of previously funded programs.

21 NEW SECTION. **Sec. 420.** A new section is added to chapter 47.04
22 RCW to read as follows:

23 For the purposes of submitting a request by October 1, 2022, to
24 Amtrak to adopt a fare policy change, the department shall negotiate
25 with the Oregon department of transportation to determine ridership,
26 revenue, and policy impacts relating to elimination of fares for
27 Amtrak Cascades passengers 18 years of age and younger. It is the
28 intent of the legislature that fares for passengers 18 years of age
29 and younger for service on the Amtrak Cascades corridor be
30 eliminated. The department shall report back to the transportation
31 committees of the legislature with results of negotiations with the
32 Oregon department of transportation and the status of fare policy
33 requests submitted to Amtrak by December 1, 2022.

34 NEW SECTION. **Sec. 421.** A new section is added to chapter 47.60
35 RCW to read as follows:

36 Consistent with RCW 47.60.315(1)(b), the commission shall adopt
37 an annual fare policy for Washington state ferries to allow all
38 riders 18 years of age and younger to ride free of charge on all

1 system routes. This fare change must apply to both walk-on passengers
2 and passengers in vehicles. The commission is directed to make the
3 initial fare policy change effective no later than October 1, 2022.

4 NEW SECTION. **Sec. 422.** A new section is added to chapter 47.66
5 RCW to read as follows:

6 (1) The department shall establish a transit support grant
7 program for the purpose of providing financial support to transit
8 agencies for operating and capital expenses only. Public transit
9 agencies must maintain or increase their local sales tax authority on
10 or after January 1, 2022, in order to qualify for the grants.

11 (a) Grants for transit agencies must be prorated based on the
12 amount expended for operations in the most recently published report
13 of "Summary of Public Transportation" published by the department.

14 (b) No transit agency may receive more than 35 percent of these
15 distributions.

16 (c) Fuel type may not be a factor in the grant selection process.

17 (2) To be eligible to receive a grant, the transit agency must
18 have adopted, at a minimum, a zero-fare policy that allows passengers
19 18 years of age and younger to ride free of charge on all modes
20 provided by the agency. Transit agencies must submit documentation of
21 a zero-fare policy for 18 years of age and under by October 1, 2022,
22 to be eligible for the 2023-2025 biennium. Transit agencies that
23 submit such fare policy documentation following the October 1, 2022,
24 deadline shall become eligible for the next biennial distribution.

25 (3) The department shall, for the purposes of the "Summary of
26 Public Transportation" report, require grantees to report the number
27 of trips that were taken under this program.

28 (4) For the purposes of this section, "transit agency" or
29 "agency" means a city transit system under RCW 35.58.2721 or chapter
30 35.95A RCW, a county public transportation authority under chapter
31 36.57 RCW, a metropolitan municipal corporation transit system under
32 chapter 36.56 RCW, a public transportation benefit area under chapter
33 36.57A RCW, an unincorporated transportation benefit area under RCW
34 36.57.100, or any special purpose district formed to operate a public
35 transportation system.

36 **Sec. 423.** RCW 46.63.170 and 2020 c 224 s 1 are each amended to
37 read as follows:

1 (1) The use of automated traffic safety cameras for issuance of
2 notices of infraction is subject to the following requirements:

3 (a) Except for proposed locations used solely for the pilot
4 program purposes permitted under subsection (6) of this section, the
5 appropriate local legislative authority must prepare an analysis of
6 the locations within the jurisdiction where automated traffic safety
7 cameras are proposed to be located: (i) Before enacting an ordinance
8 allowing for the initial use of automated traffic safety cameras; and
9 (ii) before adding additional cameras or relocating any existing
10 camera to a new location within the jurisdiction. Automated traffic
11 safety cameras may be used to detect one or more of the following:
12 Stoplight, railroad crossing, ~~((~~+~~))~~ school speed zone
13 violations~~((~~+~~))~~, speed violations on any roadway identified in a
14 school walk area as defined in RCW 28A.160.160, speed violations in
15 public park speed zones, hospital speed zones, speed violations
16 subject to (c) or (d) of this subsection~~((~~+~~))~~, or violations included
17 in subsection (6) of this section for the duration of the pilot
18 program authorized under subsection (6) of this section. At a
19 minimum, the local ordinance must contain the restrictions described
20 in this section and provisions for public notice and signage. Cities
21 and counties using automated traffic safety cameras before July 24,
22 2005, are subject to the restrictions described in this section, but
23 are not required to enact an authorizing ordinance. Beginning one
24 year after June 7, 2012, cities and counties using automated traffic
25 safety cameras must post an annual report of the number of traffic
26 accidents that occurred at each location where an automated traffic
27 safety camera is located as well as the number of notices of
28 infraction issued for each camera and any other relevant information
29 about the automated traffic safety cameras that the city or county
30 deems appropriate on the city's or county's website.

31 (b) (i) Except as provided in (c) and (d) of this subsection and
32 subsection (6) of this section, use of automated traffic safety
33 cameras is restricted to the following locations only: ~~((~~+~~))~~ (A)
34 Intersections of two or more arterials with traffic control signals
35 that have yellow change interval durations in accordance with RCW
36 47.36.022, which interval durations may not be reduced after
37 placement of the camera; ~~((~~+~~))~~ (B) railroad crossings; ~~((~~+~~))~~
38 ~~((~~+~~))~~ (C) school speed zones; (D) roadways identified in a school
39 walk area as defined in RCW 28A.160.160; (E) public park speed zones,

1 as defined in (b)(ii) of this subsection; and (F) hospital speed
2 zones, as defined in (b)(ii) of this subsection.

3 (ii) For the purposes of this section:

4 (A) "Public park speed zone" means the marked area within public
5 park property and extending 300 feet from the border of public park
6 property (I) consistent with active park use; and (II) where signs
7 are posted to indicate the location is within a public park speed
8 zone.

9 (B) "Hospital speed zone" means the marked area within hospital
10 property and extending 300 feet from the border of hospital property
11 (I) consistent with hospital use; and (II) where signs are posted to
12 indicate the location is within a hospital speed zone, where
13 "hospital" has the same meaning as in RCW 70.41.020.

14 (c) ((Any)) In addition to the automated traffic safety cameras
15 authorized under (d) of this subsection, any city west of the Cascade
16 mountains with a population of more than ((one hundred ninety-five
17 thousand)) 195,000 located in a county with a population of fewer
18 than ((one million five hundred thousand)) 1,500,000 may operate an
19 automated traffic safety camera to detect speed violations subject to
20 the following limitations:

21 (i) A city may only operate one such automated traffic safety
22 camera within its respective jurisdiction; and

23 (ii) The use and location of the automated traffic safety camera
24 must have first been authorized by the Washington state legislature
25 as a pilot project for at least one full year.

26 (d)(i) Cities may operate at least one automated traffic safety
27 camera under this subsection to detect speed violations, subject to
28 the requirements of (d)(ii) of this subsection. Cities may operate
29 one additional automated traffic safety camera to detect speed
30 violations for every 10,000 residents included in the city's
31 population. Cameras must be placed in locations that comply with one
32 of the following:

33 (A) The location has been identified as a priority location in a
34 local road safety plan that a city has submitted to the Washington
35 state department of transportation and where other speed reduction
36 measures are not feasible or have not been sufficiently effective at
37 reducing travel speed;

38 (B) The location has a significantly higher rate of collisions
39 than the city average in a period of at least three years prior to

1 installation and other speed reduction measures are not feasible or
2 have not been sufficiently effective at reducing travel speed; or

3 (C) The location is in an area within the city limits designated
4 by local ordinance as a zone subject to specified restrictions and
5 penalties on racing and race attendance.

6 (ii) A city locating an automated traffic safety camera under
7 this subsection (1)(d) must complete an equity analysis that
8 evaluates livability, accessibility, economics, education, and
9 environmental health, and shall consider the outcome of that analysis
10 when identifying where to locate an automated traffic safety camera.

11 (e) All locations where an automated traffic safety camera is
12 used to detect speed violations on roadways identified in a school
13 walk area, speed violations in public park speed zones, speed
14 violations in hospital speed zones, or speed violations under (d) of
15 this subsection must be clearly marked by placing signs in locations
16 that clearly indicate to a driver either: (i) That the driver is
17 within a school walk area, public park speed zone, or hospital speed
18 zone; or (ii) that the driver is entering an area where speed
19 violations are enforced by an automated traffic safety camera. Signs
20 placed in automated traffic safety camera locations after June 7,
21 2012, must follow the specifications and guidelines under the manual
22 of uniform traffic control devices for streets and highways as
23 adopted by the department of transportation under chapter 47.36 RCW.

24 (f) Automated traffic safety cameras may only take pictures of
25 the vehicle and vehicle license plate and only while an infraction is
26 occurring. The picture must not reveal the face of the driver or of
27 passengers in the vehicle. The primary purpose of camera placement is
28 to take pictures of the vehicle and vehicle license plate when an
29 infraction is occurring. Cities and counties shall consider
30 installing cameras in a manner that minimizes the impact of camera
31 flash on drivers.

32 ~~((e))~~ (g) A notice of infraction must be mailed to the
33 registered owner of the vehicle within ~~((fourteen))~~ 14 days of the
34 violation, or to the renter of a vehicle within ~~((fourteen))~~ 14 days
35 of establishing the renter's name and address under subsection (3)(a)
36 of this section. The law enforcement officer issuing the notice of
37 infraction shall include with it a certificate or facsimile thereof,
38 based upon inspection of photographs, microphotographs, or electronic
39 images produced by an automated traffic safety camera, stating the
40 facts supporting the notice of infraction. This certificate or

1 facsimile is prima facie evidence of the facts contained in it and is
2 admissible in a proceeding charging a violation under this chapter.
3 The photographs, microphotographs, or electronic images evidencing
4 the violation must be available for inspection and admission into
5 evidence in a proceeding to adjudicate the liability for the
6 infraction. A person receiving a notice of infraction based on
7 evidence detected by an automated traffic safety camera may respond
8 to the notice by mail.

9 ~~((f))~~ (h) The registered owner of a vehicle is responsible for
10 an infraction under RCW 46.63.030(1)(d) unless the registered owner
11 overcomes the presumption in RCW 46.63.075, or, in the case of a
12 rental car business, satisfies the conditions under subsection (3) of
13 this section. If appropriate under the circumstances, a renter
14 identified under subsection (3)(a) of this section is responsible for
15 an infraction.

16 ~~((g))~~ (i) Notwithstanding any other provision of law, all
17 photographs, microphotographs, or electronic images, or any other
18 personally identifying data prepared under this section are for the
19 exclusive use of law enforcement in the discharge of duties under
20 this section and are not open to the public and may not be used in a
21 court in a pending action or proceeding unless the action or
22 proceeding relates to a violation under this section. No photograph,
23 microphotograph, or electronic image, or any other personally
24 identifying data may be used for any purpose other than enforcement
25 of violations under this section nor retained longer than necessary
26 to enforce this section.

27 ~~((h))~~ (j) All locations where an automated traffic safety
28 camera is used must be clearly marked at least ~~((thirty))~~ 30 days
29 prior to activation of the camera by placing signs in locations that
30 clearly indicate to a driver that he or she is entering a zone where
31 traffic laws are enforced by an automated traffic safety camera.
32 Signs placed in automated traffic safety camera locations after June
33 7, 2012, must follow the specifications and guidelines under the
34 manual of uniform traffic control devices for streets and highways as
35 adopted by the department of transportation under chapter 47.36 RCW.

36 ~~((i))~~ (k) If a county or city has established an authorized
37 automated traffic safety camera program under this section, the
38 compensation paid to the manufacturer or vendor of the equipment used
39 must be based only upon the value of the equipment and services
40 provided or rendered in support of the system, and may not be based

1 upon a portion of the fine or civil penalty imposed or the revenue
2 generated by the equipment.

3 (1) If a city is operating an automated traffic safety camera to
4 detect speed violations on roadways identified in a school walk area,
5 speed violations in public park speed zones, speed violations in
6 hospital speed zones, or speed violations under (d) of this
7 subsection, the city shall remit monthly to the state 50 percent of
8 the noninterest money received for infractions issued by those
9 cameras excess of the cost to administer, install, operate, and
10 maintain the automated traffic safety cameras, including the cost of
11 processing infractions. Money remitted under this subsection to the
12 state treasurer shall be deposited in the Cooper Jones active
13 transportation safety account created in RCW 46.68.480. This
14 subsection (1)(1) does not apply to automated traffic safety cameras
15 authorized for stoplight, railroad crossing, or school speed zone
16 violations.

17 (2) Infractions detected through the use of automated traffic
18 safety cameras are not part of the registered owner's driving record
19 under RCW 46.52.101 and 46.52.120. Additionally, infractions
20 generated by the use of automated traffic safety cameras under this
21 section shall be processed in the same manner as parking infractions,
22 including for the purposes of RCW 3.50.100, 35.20.220, 46.16A.120,
23 and 46.20.270(2). Except as provided otherwise in subsection (6) of
24 this section, the amount of the fine issued for an infraction
25 generated through the use of an automated traffic safety camera shall
26 not exceed the amount of a fine issued for other parking infractions
27 within the jurisdiction. However, the amount of the fine issued for a
28 traffic control signal violation detected through the use of an
29 automated traffic safety camera shall not exceed the monetary penalty
30 for a violation of RCW 46.61.050 as provided under RCW 46.63.110,
31 including all applicable statutory assessments.

32 (3) If the registered owner of the vehicle is a rental car
33 business, the law enforcement agency shall, before a notice of
34 infraction being issued under this section, provide a written notice
35 to the rental car business that a notice of infraction may be issued
36 to the rental car business if the rental car business does not,
37 within (~~eighteen~~) 18 days of receiving the written notice, provide
38 to the issuing agency by return mail:

1 (a) A statement under oath stating the name and known mailing
2 address of the individual driving or renting the vehicle when the
3 infraction occurred; or

4 (b) A statement under oath that the business is unable to
5 determine who was driving or renting the vehicle at the time the
6 infraction occurred because the vehicle was stolen at the time of the
7 infraction. A statement provided under this subsection must be
8 accompanied by a copy of a filed police report regarding the vehicle
9 theft; or

10 (c) In lieu of identifying the vehicle operator, the rental car
11 business may pay the applicable penalty.

12 Timely mailing of this statement to the issuing law enforcement
13 agency relieves a rental car business of any liability under this
14 chapter for the notice of infraction.

15 (4) Nothing in this section prohibits a law enforcement officer
16 from issuing a notice of traffic infraction to a person in control of
17 a vehicle at the time a violation occurs under RCW 46.63.030(1) (a),
18 (b), or (c).

19 (5)(a) For the purposes of this section, "automated traffic
20 safety camera" means a device that uses a vehicle sensor installed to
21 work in conjunction with an intersection traffic control system, a
22 railroad grade crossing control system, or a speed measuring device,
23 and a camera synchronized to automatically record one or more
24 sequenced photographs, microphotographs, or electronic images of the
25 rear of a motor vehicle at the time the vehicle fails to stop when
26 facing a steady red traffic control signal or an activated railroad
27 grade crossing control signal, or exceeds a speed limit as detected
28 by a speed measuring device.

29 (b) For the purposes of the pilot program authorized under
30 subsection (6) of this section, "automated traffic safety camera"
31 also includes a device used to detect stopping at intersection or
32 crosswalk violations; stopping when traffic obstructed violations;
33 public transportation only lane violations; and stopping or traveling
34 in restricted lane violations. The device, including all technology
35 defined under "automated traffic safety camera," must not reveal the
36 face of the driver or the passengers in vehicles, and must not use
37 any facial recognition technology in real time or after capturing any
38 information. If the face of any individual in a crosswalk or
39 otherwise within the frame is incidentally captured, it may not be
40 made available to the public nor used for any purpose including, but

1 not limited to, any law enforcement action, except in a pending
2 action or proceeding related to a violation under this section.

3 (6) (a) (i) A city with a population greater than (~~five hundred~~
4 ~~thousand~~) 500,000 may adopt an ordinance creating a pilot program
5 authorizing automated traffic safety cameras to be used to detect one
6 or more of the following violations: Stopping when traffic obstructed
7 violations; stopping at intersection or crosswalk violations; public
8 transportation only lane violations; and stopping or traveling in
9 restricted lane violations. Under the pilot program, stopping at
10 intersection or crosswalk violations may only be enforced at the
11 (~~twenty~~) 20 intersections where the city would most like to address
12 safety concerns related to stopping at intersection or crosswalk
13 violations. At a minimum, the local ordinance must contain the
14 restrictions described in this section and provisions for public
15 notice and signage.

16 (ii) Except where specifically exempted, all of the rules and
17 restrictions applicable to the use of automated traffic safety
18 cameras in this section apply to the use of automated traffic safety
19 cameras in the pilot program established in this subsection (6).

20 (iii) As used in this subsection (6), "public transportation
21 vehicle" means any motor vehicle, streetcar, train, trolley vehicle,
22 ferry boat, or any other device, vessel, or vehicle that is owned or
23 operated by a transit authority or an entity providing service on
24 behalf of a transit authority that is used for the purpose of
25 carrying passengers and that operates on established routes. "Transit
26 authority" has the meaning provided in RCW 9.91.025.

27 (b) Use of automated traffic safety cameras as authorized in this
28 subsection (6) is restricted to the following locations only:
29 Locations authorized in subsection (1)(b) of this section; and
30 midblock on arterials. Additionally, the use of automated traffic
31 safety cameras as authorized in this subsection (6) is further
32 limited to the following:

33 (i) The portion of state and local roadways in downtown areas of
34 the city used for office and commercial activities, as well as retail
35 shopping and support services, and that may include mixed residential
36 uses;

37 (ii) The portion of state and local roadways in areas in the city
38 within one-half mile north of the boundary of the area described in
39 (b) (i) of this subsection;

1 (iii) Portions of roadway systems in the city that travel into
2 and out of (b)(ii) of this subsection that are designated by the
3 Washington state department of transportation as noninterstate
4 freeways for up to four miles; and

5 (iv) Portions of roadway systems in the city connected to the
6 portions of the noninterstate freeways identified in (b)(iii) of this
7 subsection that are designated by the Washington state department of
8 transportation as arterial roadways for up to one mile from the
9 intersection of the arterial roadway and the noninterstate freeway.

10 (c) However, automated traffic safety cameras may not be used on
11 an on-ramp to an interstate.

12 (d) From June 11, 2020, through December 31, 2020, a warning
13 notice with no penalty must be issued to the registered owner of the
14 vehicle for a violation generated through the use of an automated
15 traffic safety camera authorized in this subsection (6). Beginning
16 January 1, 2021, a notice of infraction must be issued, in a manner
17 consistent with subsections (1)~~((+e))~~ (g) and (3) of this section,
18 for a violation generated through the use of an automated traffic
19 safety camera authorized in this subsection (6). However, the penalty
20 for the violation may not exceed ~~((seventy-five dollars))~~ \$75.

21 (e) For infractions issued as authorized in this subsection (6),
22 a city with a pilot program shall remit monthly to the state
23 ~~((fifty))~~ 50 percent of the noninterest money received under this
24 subsection (6) in excess of the cost to install, operate, and
25 maintain the automated traffic safety cameras for use in the pilot
26 program. Money remitted under this subsection to the state treasurer
27 shall be deposited in the Cooper Jones active transportation safety
28 account created in RCW 46.68.480. The remaining ~~((fifty))~~ 50 percent
29 retained by the city must be used only for improvements to
30 transportation that support equitable access and mobility for persons
31 with disabilities.

32 (f) A transit authority may not take disciplinary action,
33 regarding a warning or infraction issued pursuant to this subsection
34 (6), against an employee who was operating a public transportation
35 vehicle at the time the violation that was the basis of the warning
36 or infraction was detected.

37 (g) A city that implements a pilot program under this subsection
38 (6) must provide a preliminary report to the transportation
39 committees of the legislature by June 30, ~~((2022))~~ 2024, and a final
40 report by January 1, ~~((2023))~~ 2025, on the pilot program that

1 includes the locations chosen for the automated traffic safety
2 cameras used in the pilot program, the number of warnings and traffic
3 infractions issued under the pilot program, the number of traffic
4 infractions issued with respect to vehicles registered outside of the
5 county in which the city is located, the infrastructure improvements
6 made using the penalty moneys as required under (e) of this
7 subsection, an equity analysis that includes any disproportionate
8 impacts, safety, and on-time performance statistics related to the
9 impact on driver behavior of the use of automated traffic safety
10 cameras in the pilot program, and any recommendations on the use of
11 automated traffic safety cameras to enforce the violations that these
12 cameras were authorized to detect under the pilot program.

13 **Sec. 424.** RCW 46.63.170 and 2015 3rd sp.s. c 44 s 406 are each
14 amended to read as follows:

15 (1) The use of automated traffic safety cameras for issuance of
16 notices of infraction is subject to the following requirements:

17 (a) The appropriate local legislative authority must prepare an
18 analysis of the locations within the jurisdiction where automated
19 traffic safety cameras are proposed to be located: (i) Before
20 enacting an ordinance allowing for the initial use of automated
21 traffic safety cameras; and (ii) before adding additional cameras or
22 relocating any existing camera to a new location within the
23 jurisdiction. Automated traffic safety cameras may be used to detect
24 one or more of the following: Stoplight, railroad crossing, ~~((\oplus))~~
25 school speed zone violations~~((\oplus))~~, speed violations on any roadway
26 identified in a school walk area as defined in RCW 28A.160.160, speed
27 violations in public park speed zones, hospital speed zones, or speed
28 violations subject to (c) or (d) of this subsection. At a minimum,
29 the local ordinance must contain the restrictions described in this
30 section and provisions for public notice and signage. Cities and
31 counties using automated traffic safety cameras before July 24, 2005,
32 are subject to the restrictions described in this section, but are
33 not required to enact an authorizing ordinance. Beginning one year
34 after June 7, 2012, cities and counties using automated traffic
35 safety cameras must post an annual report of the number of traffic
36 accidents that occurred at each location where an automated traffic
37 safety camera is located as well as the number of notices of
38 infraction issued for each camera and any other relevant information

1 about the automated traffic safety cameras that the city or county
2 deems appropriate on the city's or county's website.

3 (b) (i) Except as provided in (c) and (d) of this subsection, use
4 of automated traffic safety cameras is restricted to the following
5 locations only: ~~((+i))~~ (A) Intersections of two arterials with
6 traffic control signals that have yellow change interval durations in
7 accordance with RCW 47.36.022, which interval durations may not be
8 reduced after placement of the camera; ~~((+ii))~~ (B) railroad
9 crossings; ~~(and—(iii))~~ (C) school speed zones; (D) roadways
10 identified in a school walk area as defined in RCW 28A.160.160; (E)
11 public park speed zones, as defined in (b)(ii) of this subsection;
12 and (F) hospital speed zones, as defined in (b)(ii) of this
13 subsection.

14 (ii) For the purposes of this section:

15 (A) "Public park speed zone" means the marked area within public
16 park property and extending 300 feet from the border of public park
17 property (I) consistent with active park use; and (II) where signs
18 are posted to indicate the location is within a public park speed
19 zone.

20 (B) "Hospital speed zone" means the marked area within hospital
21 property and extending 300 feet from the border of hospital property
22 (I) consistent with hospital use; and (II) where signs are posted to
23 indicate the location is within a hospital speed zone, where
24 "hospital" has the same meaning as in RCW 70.41.020.

25 (c) ~~((Any))~~ In addition to the automated traffic safety cameras
26 authorized under (d) of this subsection, any city west of the Cascade
27 mountains with a population of more than ~~((one hundred ninety-five~~
28 ~~thousand)) 195,000 located in a county with a population of fewer~~
29 than ~~((one million five hundred thousand)) 1,500,000 may operate an~~
30 automated traffic safety camera to detect speed violations subject to
31 the following limitations:

32 (i) A city may only operate one such automated traffic safety
33 camera within its respective jurisdiction; and

34 (ii) The use and location of the automated traffic safety camera
35 must have first been authorized by the Washington state legislature
36 as a pilot project for at least one full year.

37 (d) (i) Cities may operate at least one automated traffic safety
38 camera under this subsection to detect speed violations, subject to
39 the requirements of (d)(ii) of this subsection. Cities may operate
40 one additional automated traffic safety camera to detect speed

1 violations for every 10,000 residents included in the city's
2 population. Cameras must be placed in locations that comply with one
3 of the following:

4 (A) The location has been identified as a priority location in a
5 local road safety plan that a city has submitted to the Washington
6 state department of transportation and where other speed reduction
7 measures are not feasible or have not been sufficiently effective at
8 reducing travel speed;

9 (B) The location has a significantly higher rate of collisions
10 than the city average in a period of at least three years prior to
11 installation and other speed reduction measures are not feasible or
12 have not been sufficiently effective at reducing travel speed; or

13 (C) The location is in an area within the city limits designated
14 by local ordinance as a zone subject to specified restrictions and
15 penalties on racing and race attendance.

16 (ii) A city locating an automated traffic safety camera under
17 this subsection (1)(d) must complete an equity analysis that
18 evaluates livability, accessibility, economics, education, and
19 environmental health, and shall consider the outcome of that analysis
20 when identifying where to locate an automated traffic safety camera.

21 (e) All locations where an automated traffic safety camera is
22 used to detect speed violations on roadways identified in a school
23 walk area, speed violations in public park speed zones, speed
24 violations in hospital speed zones, or speed violations under (d) of
25 this subsection must be clearly marked by placing signs in locations
26 that clearly indicate to a driver either: (i) That the driver is
27 within a school walk area, public park speed zone, or hospital speed
28 zone; or (ii) that the driver is entering an area where speed
29 violations are enforced by an automated traffic safety camera. Signs
30 placed in automated traffic safety camera locations after June 7,
31 2012, must follow the specifications and guidelines under the manual
32 of uniform traffic control devices for streets and highways as
33 adopted by the department of transportation under chapter 47.36 RCW.

34 (f) Automated traffic safety cameras may only take pictures of
35 the vehicle and vehicle license plate and only while an infraction is
36 occurring. The picture must not reveal the face of the driver or of
37 passengers in the vehicle. The primary purpose of camera placement is
38 to take pictures of the vehicle and vehicle license plate when an
39 infraction is occurring. Cities and counties shall consider

1 installing cameras in a manner that minimizes the impact of camera
2 flash on drivers.

3 ~~((e))~~ (g) A notice of infraction must be mailed to the
4 registered owner of the vehicle within ~~((fourteen))~~ 14 days of the
5 violation, or to the renter of a vehicle within ~~((fourteen))~~ 14 days
6 of establishing the renter's name and address under subsection (3)(a)
7 of this section. The law enforcement officer issuing the notice of
8 infraction shall include with it a certificate or facsimile thereof,
9 based upon inspection of photographs, microphotographs, or electronic
10 images produced by an automated traffic safety camera, stating the
11 facts supporting the notice of infraction. This certificate or
12 facsimile is prima facie evidence of the facts contained in it and is
13 admissible in a proceeding charging a violation under this chapter.
14 The photographs, microphotographs, or electronic images evidencing
15 the violation must be available for inspection and admission into
16 evidence in a proceeding to adjudicate the liability for the
17 infraction. A person receiving a notice of infraction based on
18 evidence detected by an automated traffic safety camera may respond
19 to the notice by mail.

20 ~~((f))~~ (h) The registered owner of a vehicle is responsible for
21 an infraction under RCW 46.63.030(1)(d) unless the registered owner
22 overcomes the presumption in RCW 46.63.075, or, in the case of a
23 rental car business, satisfies the conditions under subsection (3) of
24 this section. If appropriate under the circumstances, a renter
25 identified under subsection (3)(a) of this section is responsible for
26 an infraction.

27 ~~((g))~~ (i) Notwithstanding any other provision of law, all
28 photographs, microphotographs, or electronic images prepared under
29 this section are for the exclusive use of law enforcement in the
30 discharge of duties under this section and are not open to the public
31 and may not be used in a court in a pending action or proceeding
32 unless the action or proceeding relates to a violation under this
33 section. No photograph, microphotograph, or electronic image may be
34 used for any purpose other than enforcement of violations under this
35 section nor retained longer than necessary to enforce this section.

36 ~~((h))~~ (j) All locations where an automated traffic safety
37 camera is used must be clearly marked at least ~~((thirty))~~ 30 days
38 prior to activation of the camera by placing signs in locations that
39 clearly indicate to a driver that he or she is entering a zone where
40 traffic laws are enforced by an automated traffic safety camera.

1 Signs placed in automated traffic safety camera locations after June
2 7, 2012, must follow the specifications and guidelines under the
3 manual of uniform traffic control devices for streets and highways as
4 adopted by the department of transportation under chapter 47.36 RCW.

5 ~~((i))~~ (k) If a county or city has established an authorized
6 automated traffic safety camera program under this section, the
7 compensation paid to the manufacturer or vendor of the equipment used
8 must be based only upon the value of the equipment and services
9 provided or rendered in support of the system, and may not be based
10 upon a portion of the fine or civil penalty imposed or the revenue
11 generated by the equipment.

12 (1) If a city is operating an automated traffic safety camera to
13 detect speed violations on roadways identified in a school walk area,
14 speed violations in public park speed zones, speed violations in
15 hospital speed zones, or speed violations under (d) of this
16 subsection, the city shall remit monthly to the state 50 percent of
17 the noninterest money received for infractions issued by those
18 cameras excess of the cost to administer, install, operate, and
19 maintain the automated traffic safety cameras, including the cost of
20 processing infractions. Money remitted under this subsection to the
21 state treasurer shall be deposited in the Cooper Jones active
22 transportation safety account created in RCW 46.68.480. This
23 subsection (1)(1) does not apply to automated traffic safety cameras
24 authorized for stoplight, railroad crossing, or school speed zone
25 violations.

26 (2) Infractions detected through the use of automated traffic
27 safety cameras are not part of the registered owner's driving record
28 under RCW 46.52.101 and 46.52.120. Additionally, infractions
29 generated by the use of automated traffic safety cameras under this
30 section shall be processed in the same manner as parking infractions,
31 including for the purposes of RCW 3.50.100, 35.20.220, 46.16A.120,
32 and 46.20.270(2). The amount of the fine issued for an infraction
33 generated through the use of an automated traffic safety camera shall
34 not exceed the amount of a fine issued for other parking infractions
35 within the jurisdiction. However, the amount of the fine issued for a
36 traffic control signal violation detected through the use of an
37 automated traffic safety camera shall not exceed the monetary penalty
38 for a violation of RCW 46.61.050 as provided under RCW 46.63.110,
39 including all applicable statutory assessments.

1 (3) If the registered owner of the vehicle is a rental car
2 business, the law enforcement agency shall, before a notice of
3 infraction being issued under this section, provide a written notice
4 to the rental car business that a notice of infraction may be issued
5 to the rental car business if the rental car business does not,
6 within (~~eighteen~~) 18 days of receiving the written notice, provide
7 to the issuing agency by return mail:

8 (a) A statement under oath stating the name and known mailing
9 address of the individual driving or renting the vehicle when the
10 infraction occurred; or

11 (b) A statement under oath that the business is unable to
12 determine who was driving or renting the vehicle at the time the
13 infraction occurred because the vehicle was stolen at the time of the
14 infraction. A statement provided under this subsection must be
15 accompanied by a copy of a filed police report regarding the vehicle
16 theft; or

17 (c) In lieu of identifying the vehicle operator, the rental car
18 business may pay the applicable penalty.

19 Timely mailing of this statement to the issuing law enforcement
20 agency relieves a rental car business of any liability under this
21 chapter for the notice of infraction.

22 (4) Nothing in this section prohibits a law enforcement officer
23 from issuing a notice of traffic infraction to a person in control of
24 a vehicle at the time a violation occurs under RCW 46.63.030(1) (a),
25 (b), or (c).

26 (5) For the purposes of this section, "automated traffic safety
27 camera" means a device that uses a vehicle sensor installed to work
28 in conjunction with an intersection traffic control system, a
29 railroad grade crossing control system, or a speed measuring device,
30 and a camera synchronized to automatically record one or more
31 sequenced photographs, microphotographs, or electronic images of the
32 rear of a motor vehicle at the time the vehicle fails to stop when
33 facing a steady red traffic control signal or an activated railroad
34 grade crossing control signal, or exceeds a speed limit as detected
35 by a speed measuring device.

36 (6) During the 2011-2013 and 2013-2015 fiscal biennia, this
37 section does not apply to automated traffic safety cameras for the
38 purposes of section 216(5), chapter 367, Laws of 2011 and section
39 216(6), chapter 306, Laws of 2013.

1 NEW SECTION. **Sec. 425.** A new section is added to chapter 47.56
2 RCW to read as follows:

3 The legislature recognizes the need to reduce congestion and
4 improve mobility on the Interstate 405 and state route number 167
5 corridors, and finds that performance on the corridors has not met
6 the goal that average vehicle speeds in the express toll lanes remain
7 above 45 miles per hour at least 90 percent of the time during peak
8 hours. Therefore, the legislature intends that the commission
9 reevaluate options at least every two years to improve performance on
10 the Interstate 405 and state route number 167 corridors, pursuant to
11 RCW 47.56.880 and 47.56.850.

12 **Sec. 426.** RCW 70A.65.230 and 2021 c 316 s 26 are each amended to
13 read as follows:

14 (1) It is the intent of the legislature that each year the total
15 investments made through the carbon emissions reduction account
16 created in RCW 70A.65.240, the climate commitment account created in
17 RCW 70A.65.260, the natural climate solutions account created in RCW
18 70A.65.270, (~~and~~) the air quality and health disparities
19 improvement account created in RCW 70A.65.280, the climate transit
20 programs account created in section 103 of this act, and the climate
21 active transportation account created in section 102 of this act,
22 achieve the following:

23 (a) A minimum of not less than 35 percent and a goal of 40
24 percent of total investments that provide direct and meaningful
25 benefits to vulnerable populations within the boundaries of
26 overburdened communities identified under chapter 314, Laws of 2021;
27 and

28 (b) In addition to the requirements of (a) of this subsection, a
29 minimum of not less than 10 percent of total investments that are
30 used for programs, activities, or projects formally supported by a
31 resolution of an Indian tribe, with priority given to otherwise
32 qualifying projects directly administered or proposed by an Indian
33 tribe. An investment that meets the requirements of both this
34 subsection (1)(b) and (a) of this subsection may count toward the
35 minimum percentage targets for both subsections.

36 (2) The expenditure of moneys under this chapter must be
37 consistent with applicable federal, state, and local laws, and treaty
38 rights including, but not limited to, prohibitions on uses of funds
39 imposed by the state Constitution.

1 (3) For the purposes of this section, "benefits" means
2 investments or activities that:

3 (a) Reduce vulnerable population characteristics, environmental
4 burdens, or associated risks that contribute significantly to the
5 cumulative impact designation of highly impacted communities;

6 (b) Meaningfully protect an overburdened community from, or
7 support community response to, the impacts of air pollution or
8 climate change; or

9 (c) Meet a community need identified by vulnerable members of the
10 community that is consistent with the intent of this chapter.

11 (4) The state must develop a process by which to evaluate the
12 impacts of the investments made under this chapter, work across state
13 agencies to develop and track priorities across the different
14 eligible funding categories, and work with the environmental justice
15 council pursuant to RCW 70A.65.040.

16 ~~((5) No expenditures may be made from the carbon emissions
17 reduction account created in RCW 70A.65.240, the climate investment
18 account created in RCW 70A.65.250, or the air quality and health
19 disparities improvement account created in RCW 70A.65.280 if, by
20 April 1, 2023, the legislature has not considered and enacted request
21 legislation brought forth by the department under RCW 70A.65.060 that
22 outlines a compliance pathway specific to emissions-intensive, trade-
23 exposed businesses for achieving their proportionate share of the
24 state's emissions reduction limits through 2050.))~~

25 NEW SECTION. **Sec. 427.** The legislature finds that in order to
26 meet the statewide greenhouse gas emissions limits in RCW 70A.45.020
27 and 70A.45.050, the state must drastically reduce vehicle greenhouse
28 gas emissions. A critical strategy to meet those goals is
29 transitioning to zero emissions vehicles and this transition requires
30 ongoing purposeful interagency coordination and cooperation. As such,
31 it is the intent of the legislature to create a formal interagency
32 council responsible for coordinating the state's transportation
33 electrification efforts to ensure the state is leveraging state and
34 federal resources to the best extent possible and to ensure zero
35 emissions incentives, infrastructure, and opportunities are available
36 and accessible to all Washingtonians.

37 The legislature further finds that in order to meet the statewide
38 greenhouse gas emissions limits in the transportation sector of the
39 economy, more resources must be directed toward achieving zero

1 emissions transportation and transit, while continuing to relieve
2 energy burdens that exist in overburdened communities.

3 NEW SECTION. **Sec. 428.** (1) There is hereby created an
4 interagency electric vehicle coordinating council jointly led by the
5 Washington state department of commerce and the Washington state
6 department of transportation with participation from the following
7 agencies:

- 8 (a) The office of financial management;
- 9 (b) The department of ecology;
- 10 (c) The department of enterprise services;
- 11 (d) The state efficiency and environmental performance office;
- 12 (e) The department of agriculture;
- 13 (f) The department of health;
- 14 (g) The utilities and transportation commission;
- 15 (h) A representative from the office of the superintendent of
16 public instruction knowledgeable on issues pertaining to student
17 transportation; and
- 18 (i) Other agencies with key roles in electrifying the
19 transportation sector.

20 (2) The Washington state department of commerce and Washington
21 state department of transportation shall assign staff in each agency
22 to lead the council's coordination work and provide ongoing reports
23 to the governor and legislature including, but not limited to, the
24 transportation, energy, economic development, and other appropriate
25 legislative committees.

26 NEW SECTION. **Sec. 429.** (1) Interagency electric vehicle
27 coordinating council responsibilities include, but are not limited
28 to:

- 29 (a) Development of a statewide transportation electrification
30 strategy to ensure market and infrastructure readiness for all new
31 vehicle sales;
- 32 (b) Identification of all electric vehicle infrastructure grant-
33 related funding to include existing and future opportunities,
34 including state, federal, and other funds;
- 35 (c) Coordination of grant funding criteria across agency grant
36 programs to most efficiently distribute state and federal electric
37 vehicle-related funding in a manner that is most beneficial to the

1 state, advances best practices, and recommends additional criteria
2 that could be useful in advancing transportation electrification;

3 (d) Development of a robust public and private outreach plan that
4 includes engaging with:

5 (i) Community organizers and the environmental justice council to
6 develop community-driven programs to address zero emissions
7 transportation needs and priorities in overburdened communities; and

8 (ii) Local governments to explore procurement opportunities and
9 work with local government and community programs to support
10 electrification;

11 (e) Creation of an industry electric vehicle advisory committee;
12 and

13 (f) Ensuring the statewide transportation electrification
14 strategy, grant distribution, programs, and activities associated
15 with advancing transportation electrification benefit vulnerable and
16 overburdened communities.

17 (2) The council shall provide an annual report to the appropriate
18 committees of the legislature summarizing electric vehicle
19 implementation progress, gaps, and resource needs.

20 **Sec. 430.** RCW 46.68.480 and 2020 c 224 s 2 are each amended to
21 read as follows:

22 The Cooper Jones active transportation safety account is created
23 in the state treasury. All receipts from penalties collected under
24 RCW 46.63.170(~~(+6)~~(~~e~~)) shall be deposited into the account.
25 Expenditures from the account may be used only to fund grant projects
26 or programs for bicycle, pedestrian, and nonmotorist safety
27 improvement administered by the Washington traffic safety commission.
28 The account is subject to allotment procedures under chapter 43.88
29 RCW. Moneys in the account may be spent only after appropriation.

30 NEW SECTION. **Sec. 431.** A new section is added to chapter 47.60
31 RCW to read as follows:

32 It is the intent of the legislature to fully fund the vessel and
33 terminal electrification program in accordance with the Washington
34 state ferries 2040 long range plan. The legislature finds that to
35 attain the 2040 target fleet size of 26 vessels, a biennial
36 replacement schedule is necessary to ensure the level of ferry
37 service and reliability expected by the public. Therefore, by June
38 30, 2025, the legislature will secure funding options, including but

1 not limited to a vessel surcharge, to devote the resources necessary
2 to fulfill the vessel and terminal needs outlined in the 2040 long
3 range plan.

4 NEW SECTION. **Sec. 432.** Washington state's target zero program
5 envisions Washington having policies that will lead to zero deaths of
6 people using the transportation system. For almost two decades more
7 than 200 people have lost their lives annually in circumstances where
8 a vehicle unintentionally left its lane of travel. Such fatalities
9 made up 48 percent of all traffic-related fatalities in 2019. There
10 are multiple ways to make improvements on the highway system that
11 have been proven in other locations to help reduce lane departures
12 and fatalities. Sections 433 and 434 of this act are intended to
13 direct resources towards deploying such improvements by requiring the
14 Washington state department of transportation to create a program
15 that is focused on addressing this specific safety concern.

16 NEW SECTION. **Sec. 433.** A new section is added to chapter 47.04
17 RCW to read as follows:

18 (1)(a) When an appropriation is made for this purpose, the
19 department shall establish a reducing rural roadway departures
20 program to provide funding for safety improvements specific to
21 preventing lane departures in areas where the departure is likely to
22 cause serious injuries or death. The program must use data driven
23 methods to determine potential projects, and associated ranking
24 methods for prioritization of funding consistent with chapter 47.05
25 RCW. Funding under this program may be used to:

26 (i) Widen roadway shoulders or modify roadway design to improve
27 visibility or reduce lane departure risks;

28 (ii) Improve markings and paint on roadways, including making
29 markings on roads more visible for vehicles with lane departure
30 technology;

31 (iii) Apply high friction surface treatments;

32 (iv) Install rumble strips, signage, lighting, raised barriers,
33 medians, guardrails, cable barriers, or other safety equipment,
34 including deployment of innovative technology and connected
35 infrastructure devices;

36 (v) Remove or relocate fixed objects from rights-of-way that pose
37 a significant risk of serious injury or death if a vehicle were to
38 collide with the object due to a lane departure;

1 (vi) Repair or replace existing barriers that are damaged or
2 nonfunctional; or

3 (vii) Take other reasonable actions that are deemed likely to
4 address or prevent vehicle lane departures in specific areas of
5 concern.

6 (b) The department must create a program whereby it can
7 distribute funding or install safety improvements based on the
8 prioritization process established under (a) of this subsection. Any
9 installation of safety measures that are not under the jurisdiction
10 of the department must be done with permission from the entity that
11 is responsible for operation and maintenance of the roadway.

12 (c) The department's program must create a form and application
13 process whereby towns, small cities, counties, and transportation
14 benefit districts may apply for program funding for high risk areas
15 in their jurisdictions in need of safety improvements.

16 (d) Subject to the availability of amounts appropriated for this
17 specific purpose, the department must issue program funding for
18 purposes defined in (a) and (b) of this subsection in a
19 geographically diverse manner throughout the state. Criteria used to
20 assess a location can include the communities inability or lack of
21 resources to make the corrections themselves and to make corrections
22 where there has been historic disparate impacts.

23 (e) By December 31st of each year when there is funding
24 distributed in accordance with this program, the department must
25 provide the transportation committees of the legislature and the
26 traffic safety commission with a list of locations that received
27 funding and a description of the safety improvements installed there.

28 (2) During the first five years of the program, the department
29 must track incidence of lane departures at the locations where the
30 new infrastructure is installed and evaluate the effectiveness of the
31 safety improvements.

32 **Sec. 434.** RCW 46.68.060 and 2021 c 333 s 706 are each amended to
33 read as follows:

34 There is hereby created in the state treasury a fund to be known
35 as the highway safety fund to the credit of which must be deposited
36 all moneys directed by law to be deposited therein. This fund must be
37 used for carrying out the provisions of law relating to driver
38 licensing, driver improvement, financial responsibility, cost of
39 furnishing abstracts of driving records and maintaining such case

1 records, and to carry out the purposes set forth in RCW 43.59.010,
2 (~~and~~) chapters 46.72 and 46.72A RCW, and section 433 of this act.
3 During the 2013-2015 and 2015-2017 fiscal biennia, the legislature
4 may transfer from the highway safety fund to the Puget Sound ferry
5 operations account, the motor vehicle fund, and the multimodal
6 transportation account such amounts as reflect the excess fund
7 balance of the highway safety fund. During the 2017-2019, 2019-2021,
8 and 2021-2023 fiscal biennia, the legislature may direct the state
9 treasurer to make transfers of moneys in the highway safety fund to
10 the multimodal transportation account and the state patrol highway
11 account.

12 **Sec. 435.** RCW 46.68.396 and 2015 3rd sp.s. c 12 s 2 are each
13 amended to read as follows:

14 The JUDY transportation future funding program account is created
15 in the connecting Washington account established in chapter 44, Laws
16 of 2015 3rd sp. sess. Moneys in the account may be spent only after
17 appropriation. Expenditures from the account must be used only for
18 preservation projects, to accelerate the schedule of connecting
19 Washington projects identified in chapter 43, Laws of 2015 3rd sp.
20 sess., for new connecting Washington projects, and for principal and
21 interest on bonds authorized for the projects. It is the
22 legislature's intent that moneys not be appropriated from the account
23 until 2024 and that moneys in the account be expended in equal
24 amounts between preservation and improvement projects. Moneys in the
25 account may not be expended on the state route number 99 Alaskan Way
26 viaduct replacement project.

27 **Sec. 436.** RCW 47.01.480 and 2015 3rd sp.s. c 12 s 1 are each
28 amended to read as follows:

29 (1)(a) For projects identified as connecting Washington projects
30 and supported by revenues under chapter 44, Laws of 2015 3rd sp.
31 sess., it is the priority of the legislature that the department
32 deliver the named projects. The legislature encourages the department
33 to continue to institutionalize innovation and collaboration in
34 design and project delivery with an eye toward the most efficient use
35 of resources. In doing so, the legislature expects that, for some
36 projects, costs will be reduced during the project design phase due
37 to the application of practical design. However, significant changes
38 to a project title or scope arising from the application of practical

1 design requires legislative approval. The legislature will utilize
2 existing mechanisms and processes to ensure timely and efficient
3 approval. Practical design-related changes to the scope may be
4 proposed by the department, for the legislature's approval, only if
5 the project's intended performance is substantially unchanged and the
6 local governments and interested stakeholders impacted by the project
7 have been consulted and have reviewed the proposed changes.

8 (b) To the greatest extent practicable, a contract for the
9 construction of a project with any change to the title or scope,
10 whether significant or not, arising from the application of practical
11 design must not be let until the department has provided a detailed
12 notice describing the change to the chairs and ranking members of the
13 house of representatives and senate transportation committees or, if
14 during the interim, to the joint transportation committee.

15 (c) To determine the savings attributable to practical design,
16 each connecting Washington project must be evaluated. For design-bid-
17 build projects, the evaluation must occur at the end of the project
18 design phase. For design-build projects, the evaluation must occur at
19 the completion of (~~thirty~~) 30 percent design. Each year as a part
20 of its annual budget submittal, the department must include a
21 detailed summary of how practical design has been applied and the
22 associated savings gained. The annual summary must also include for
23 each project: Details regarding any savings gained specifically
24 through changes in the cost of materials, changes in the scope of a
25 project and associated impacts on risk, the retirement of any risk
26 reserves, and unused contingency funds.

27 (2)(a) The transportation future funding program is intended to
28 provide for future emergent transportation projects, accelerating the
29 schedule for existing connecting Washington projects, and highway
30 preservation investments, beginning in fiscal year 2024, based on
31 savings accrued from the application of practical design and any
32 retired risk or unused contingency funding on connecting Washington
33 projects.

34 (b) Beginning July 1, 2016, the department must submit a report
35 to the state treasurer and the transportation committees of the
36 legislature once every six months identifying the amount of savings
37 attributable to the application of practical design, retired risk,
38 and unused contingency funding, and report when the savings become
39 available. The state treasurer must transfer the available amounts

1 identified in the report to the JUDY transportation future funding
2 program account created in RCW 46.68.396.

3 (c) Beginning in fiscal year 2024, as a part of its budget
4 submittal, the department may provide a list of highway improvement
5 projects or preservation investments for potential legislative
6 approval as part of the transportation future funding program.
7 Highway improvement projects considered for inclusion under the
8 transportation future funding program may include new connecting
9 Washington projects, or accelerate the schedule for existing
10 connecting Washington projects, and must: Address significant safety
11 concerns; alleviate congestion and advance mobility; provide
12 compelling economic development gains; leverage partnership funds
13 from local, federal, or other sources; or require a next phase of
14 funding to build upon initial investments provided by the
15 legislature.

16 (d) It is the intent of the legislature that if savings
17 attributable to the application of practical design are used to
18 accelerate existing connecting Washington projects, savings must also
19 be used for new connecting Washington projects of equal cost.

20 NEW SECTION. **Sec. 437.** A new section is added to chapter 47.06A
21 RCW to read as follows:

22 A railroad crossing grant program is hereby created in the
23 department, local programs division. The department shall develop a
24 prioritization process to make awards for cities and counties with
25 projects that eliminate at grade highway-rail crossings, improving
26 safety and expediting the movement of vehicles. Awards must be made
27 for matching funds to federal grants.

28 **Sec. 438.** RCW 81.104.160 and 2015 3rd sp.s. c 44 s 319 are each
29 amended to read as follows:

30 (1) Regional transit authorities that include a county with a
31 population of more than (~~one million five hundred thousand~~)
32 1,500,000 may submit an authorizing proposition to the voters, and if
33 approved, may levy and collect an excise tax, at a rate approved by
34 the voters, but not exceeding eight-tenths of one percent on the
35 value, under chapter 82.44 RCW, of every motor vehicle owned by a
36 resident of the taxing district, solely for the purpose of providing
37 high capacity transportation service. The maximum tax rate under this
38 subsection does not include a motor vehicle excise tax approved

1 before July 15, 2015, if the tax will terminate on the date bond debt
2 to which the tax is pledged is repaid. This tax does not apply to
3 vehicles licensed under RCW 46.16A.455 except vehicles with an
4 unladen weight of (~~six thousand~~) 6,000 pounds or less, RCW
5 46.16A.425 or 46.17.335(2). Notwithstanding any other provision of
6 this subsection or chapter 82.44 RCW, a motor vehicle excise tax
7 imposed by a regional transit authority before or after July 15,
8 2015, must comply with chapter 82.44 RCW as it existed on January 1,
9 1996, until December 31st of the year in which the regional transit
10 authority repays bond debt to which a motor vehicle excise tax was
11 pledged before July 15, 2015. Motor vehicle taxes collected by
12 regional transit authorities after December 31st of the year in which
13 a regional transit authority repays bond debt to which a motor
14 vehicle excise tax was pledged before July 15, 2015, must comply with
15 chapter 82.44 RCW as it existed on the date the tax was approved by
16 voters.

17 (2) An agency and high capacity transportation corridor area may
18 impose a sales and use tax solely for the purpose of providing high
19 capacity transportation service, in addition to the tax authorized by
20 RCW 82.14.030, upon retail car rentals within the applicable
21 jurisdiction that are taxable by the state under chapters 82.08 and
22 82.12 RCW. The rate of tax may not exceed 2.172 percent. The rate of
23 tax imposed under this subsection must bear the same ratio of the
24 2.172 percent authorized that the rate imposed under subsection (1)
25 of this section bears to the rate authorized under subsection (1) of
26 this section. The base of the tax is the selling price in the case of
27 a sales tax or the rental value of the vehicle used in the case of a
28 use tax.

29 (3) Any motor vehicle excise tax previously imposed under the
30 provisions of (~~RCW 81.104.160(1)~~) subsection (1) of this section
31 shall be repealed, terminated, and expire on December 5, 2002, except
32 for a motor vehicle excise tax for which revenues have been
33 contractually pledged to repay a bonded debt issued before December
34 5, 2002, as determined by *Pierce County et al. v. State*, 159 Wn.2d
35 16, 148 P.3d 1002 (2006). In the case of bonds that were previously
36 issued, the motor vehicle excise tax must comply with chapter 82.44
37 RCW as it existed on January 1, 1996.

38 (4) If a regional transit authority imposes the tax authorized
39 under subsection (1) of this section, the authority may not receive
40 any state grant funds provided in an omnibus transportation

1 appropriations act except transit coordination grants created in
2 chapter 11, Laws of 2015 3rd sp. sess. and regional mobility grant
3 program funds. To be eligible to receive regional mobility grant
4 program funds, a regional transit authority must have adopted, at a
5 minimum, a zero-fare policy that allows passengers 18 years of age
6 and younger to ride free of charge on all modes provided by the
7 authority by October 1, 2022.

8 **Sec. 439.** RCW 47.66.120 and 2021 c 333 s 721 are each amended to
9 read as follows:

10 (1) (a) (~~(Subject to the availability of amounts appropriated for~~
11 ~~this specific purpose through the 2023-2025 biennium, the)) The
12 department's public transportation division shall establish a green
13 transportation capital grant program. The purpose of the grant
14 program is to aid any transit authority in funding cost-effective
15 capital projects to reduce the carbon intensity of the Washington
16 transportation system, examples of which include: Electrification of
17 vehicle fleets, including battery and fuel cell electric vehicles;
18 modification or replacement of capital facilities in order to
19 facilitate fleet electrification and/or hydrogen refueling; necessary
20 upgrades to electrical transmission and distribution systems; and
21 construction of charging and fueling stations. The department's
22 public transportation division shall identify projects and shall
23 submit a prioritized list of all projects requesting funding to the
24 legislature by December 1st of each even-numbered year.~~

25 (b) The department's public transportation division shall select
26 projects based on a competitive process that considers the following
27 criteria:

28 (i) The cost-effectiveness of the reductions in carbon emissions
29 provided by the project; and

30 (ii) The benefit provided to transitioning the entire state to a
31 transportation system with lower carbon intensity.

32 (2) The department's public transportation division must
33 establish an advisory committee to assist in identifying projects
34 under subsection (1) of this section. The advisory committee must
35 include representatives from the department of ecology, the
36 department of commerce, the utilities and transportation commission,
37 and at least one transit authority.

38 (3) In order to receive green transportation capital grant
39 program funding for a project, a transit authority must provide

1 matching funding for that project that is at least equal to twenty
2 percent of the total cost of the project.

3 (4) The department's public transportation division must report
4 annually to the transportation committees of the legislature on the
5 status of any grant projects funded by the program created under this
6 section.

7 (5) For purposes of this section, "transit authority" means a
8 city transit system under RCW 35.58.2721 or chapter 35.95A RCW, a
9 county public transportation authority under chapter 36.57 RCW, a
10 metropolitan municipal corporation transit system under chapter 36.56
11 RCW, a public transportation benefit area under chapter 36.57A RCW,
12 an unincorporated transportation benefit area under RCW 36.57.100, a
13 regional transit authority under chapter 81.112 RCW, or any special
14 purpose district formed to operate a public transportation system.

15 (6) During the 2021-2023 fiscal biennium, the department may
16 provide up to 20 percent of the total green transportation capital
17 grant program funding for zero emissions capital transition planning
18 projects.

19 **Part V**
20 **Miscellaneous**

21 NEW SECTION. **Sec. 501.** Sections 415 and 427 through 429 of this
22 act constitute a new chapter in Title 43 RCW.

23 NEW SECTION. **Sec. 502.** If any provision of this act or its
24 application to any person or circumstance is held invalid, the
25 remainder of the act or the application of the provision to other
26 persons or circumstances is not affected.

27 NEW SECTION. **Sec. 503.** Sections 311 and 403 of this act expire
28 July 1, 2024.

29 NEW SECTION. **Sec. 504.** Section 404 of this act takes effect
30 July 1, 2024.

31 **Sec. 505.** 2020 c 224 s 3 (uncodified) is amended to read as
32 follows:

33 Section 1 of this act expires June 30, (~~2023~~) 2025.

1 NEW SECTION. **Sec. 506.** Section 423 of this act expires June 30,
2 2025.

3 NEW SECTION. **Sec. 507.** Section 424 of this act takes effect
4 June 30, 2025.

5 NEW SECTION. **Sec. 508.** Sections 313, 408 through 414, and 421
6 of this act are necessary for the immediate preservation of the
7 public peace, health, or safety, or support of the state government
8 and its existing public institutions, and take effect immediately.

9 NEW SECTION. **Sec. 509.** Sections 205, 206, 209, and 210 of this
10 act take effect October 1, 2022.

11 NEW SECTION. **Sec. 510.** Sections 207 and 208 of this act take
12 effect January 1, 2023, and apply to registrations that become due on
13 or after that date.

14 NEW SECTION. **Sec. 511.** Sections 1, 101 through 105, 201 through
15 204, 211, 301 through 312, 401 through 407, 415 through 420, 422,
16 423, 425 through 439, and 505 of this act take effect July 1, 2022."

ESSB 5974 - CONF REPT
By Conference Committee

17 On page 1, line 1 of the title, after "resources;" strike the
18 remainder of the title and insert "amending RCW 70A.65.240,
19 70A.65.030, 70A.65.040, 82.42.020, 46.17.200, 46.17.120, 46.17.400,
20 46.52.130, 46.17.015, 46.17.025, 46.20.200, 46.68.041, 46.70.180,
21 82.32.385, 82.08.993, 82.12.817, 82.08.9999, 82.12.9999, 82.04.4496,
22 82.16.0496, 82.08.816, 82.12.816, 82.70.040, 82.70.050, 82.21.030,
23 43.84.092, 43.84.092, 82.47.020, 36.73.065, 82.14.0455, 70A.535.010,
24 70A.535.030, 70A.535.040, 70A.535.050, 70A.535.120, 46.63.170,
25 46.63.170, 70A.65.230, 46.68.480, 46.68.060, 46.68.396, 47.01.480,
26 81.104.160, and 47.66.120; amending 2020 c 224 s 3 (uncodified);
27 reenacting and amending RCW 46.20.202 and 43.155.050; adding new
28 sections to chapter 46.68 RCW; adding a new section to chapter
29 70A.535 RCW; adding new sections to chapter 47.66 RCW; adding new

1 sections to chapter 47.04 RCW; adding a new section to chapter 47.24
2 RCW; adding new sections to chapter 47.60 RCW; adding a new section
3 to chapter 47.56 RCW; adding a new section to chapter 47.06A RCW;
4 adding a new chapter to Title 43 RCW; creating new sections;
5 repealing RCW 70A.535.020; prescribing penalties; providing effective
6 dates; providing expiration dates; and declaring an emergency."

--- END ---