ONE HUNDRED FIRST DAY

House Chamber, Olympia, Wednesday, April 23, 2025

The House was called to order at 10:00 a.m. by the Speaker. The Clerk called the roll and a quorum was present.

The flags were escorted to the rostrum by a Sergeant at Arms Color Guard, Pages Halle Eckhardt and Kera Holm. The Speaker led the Chamber in the Pledge of Allegiance. The prayer was offered by Pastor Rob Henry, Westwood Baptist Church, Olympia.

Reading of the Journal of the previous day was dispensed with and it was ordered to stand approved.

RESOLUTION

HOUSE RESOLUTION NO. 2025-4663, by Representatives Jinkins, Engell, and Abell

WHEREAS, Mary Selecky grew up in a small town in Pennsylvania, the middle child of seven. Later she attended the University of Pennsylvania, earning degrees in political science and history before moving to Colville, Washington, in 1974; and

WHEREAS, Mary immersed herself in rural community life and made her home on the mountainside, often driving for hours after meetings or work to get back home to stargaze and wake up to the mountains; and

WHEREAS, In 1978, Mary joined the Northeast Tri-County Health District, eventually becoming its administrator, working tirelessly to understand all facets of local healthcare in Ferry, Pend Oreille, and Stevens Counties; and

WHEREAS, Under her leadership, the district operated direct services and population health programs such as disease prevention, environmental health, immunization services, and the Women Infants and Children program; and

WHEREAS, She was known around the community as a fierce, fearless advocate for public health, often distributing condoms or a memorable public health anecdote at bars, community events, and meetings; and

WHEREAS, In the late 1980's Mary was a central figure advocating for the creation of the Washington State Department of Health. She traveled across the state and became well known for her advocacy resulting in Governor Booth Gardner creating the Department of Health in 1989; and

WHEREAS, In 1998, under Governor Locke, Mary was appointed Secretary of Health, a position she was reappointed to in 2005 under Governor Gregoire and again in 2013 by Governor Inslee; and

WHEREAS, Her nearly 15 years as Washington's Secretary of Health made her one of the longest-serving state health leaders in the country; and

WHEREAS, During her tenure, the Department of Health bolstered its capacity to navigate large-scale public health threats, including flooding, other extreme weather events, bioterrorism, and monitoring radiation caused by the Fukushima disaster; and

WHEREAS, Mary helped lead the state's response to the H1N1 pandemic, as well as strengthened our state's emergency preparedness systems in response to the 2001 Nisqually earthquake; and

WHEREAS, She championed smoking cessation, which led to a decrease in the state's smoking rate by 30 percent, and she improved the state's childhood immunization rates from 46th to 16th in the nation; and

WHEREAS, Under Mary's leadership, the Department of Health made Washington one of the first states in the nation to achieve Public Health Accreditation; and

WHEREAS, Mary's impact and service extended beyond government. She served as president of the Association of State and Territorial Health Officials, on the board of directors for the National Association of City and County Health Officials; and

WHEREAS, In 2010, the American Medical Association honored her for outstanding government service; and

WHEREAS, Upon retirement, Mary kept busy by volunteering her time to her community in Stevens County, serving on the health district's Public Health Advisory Committee and working on statewide issues; and

WHEREAS, Mary also taught at the University of Washington's School of Public Health and served on countless state boards, including Providence Community Ministry; and

WHEREAS, Mary was a fierce champion for the underdog, for communities across our state, and those who were stigmatized. She embraced challenging public health issues, working on HIV/AIDS issues, and promoting communicable disease surveillance and protection for every community. She worked hard to ensure that the needs of both rural and eastern Washington communities were addressed; and

WHEREAS, Mary's dedication to Washington State is reflected in 38 years of service in public health and carried forward in those she worked with, mentored, and inspired, with a focus on the importance of relationships, working with state and local partners, and bringing people together to find solutions to public health issues; and

WHEREAS, Mary was there with a hug to celebrate the good times, and there to talk through tough times. She loved showcasing the work of public health and was one of its biggest cheerleaders; and

WHEREAS, Mary's success at building a strong public health system in Washington state is overshadowed only by her building up of people who provide leadership across Washington today and into our future;

NOW, THEREFORE, BE IT RESOLVED, That the members of the Washington State House of Representatives recognize the legacy of Mary Selecky's service and thank her for her leadership in protecting our state's health.

HOUSE RESOLUTION NO. 4663 was adopted.

SPEAKER'S PRIVILEGE

The Speaker introduced guests in the gallery who are here to honor Mary Selecky and her service to the state of Washington: Mary's children: Lexi Eusterbrock, Janet Thrasher, and Colin Shaw; the 22nd Governor of the state of Washington, the Honorable Chris Gregoire; Acting Secretary of Health Jessica Todorovich and staff from the Department of Health; Michelle Davis and Patty Hayes from the State Board of Health; the Washington State Association of Local Public Health Officials; the Washington State Public Health Association; and the Tacoma Pierce County, Snohomish County, and Mason County Health Departments.

SPEAKER'S PRIVILEGE

The Speaker introduced the family of Aysenur Ezgi Eygi, in the gallery, who was recognized in House Resolution No. 4661: sister, Ozden Bennett; husband, Hamid Ali; and father, Suat Eygi.

The Speaker called upon Representative Shavers to preside.

There being no objection, the House advanced to the third order of business.

MESSAGE FROM THE SENATE

Wednesday, April 23, 2025

Mme. Speaker:

The Senate has passed:

SUBSTITUTE HOUSE BILL NO. 1958

and the same is herewith transmitted.

Colleen Pehar, Deputy Secretary

MESSAGE FROM THE SENATE

Wednesday, April 23, 2025

Mme. Speaker:

The Senate receded from its amendment(s) to ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1232, and passed the bill without said amendments.

and the same is herewith transmitted.

Colleen Pehar, Deputy Secretary

MESSAGE FROM THE SENATE

Wednesday, April 23, 2025

Mme. Speaker:

The Senate concurred in the House amendment(s) to the following bills and passed the bills as amended by the House:

ENGROSSED SUBSTITUTE SENATE BILL NO. 5192
ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5284
SENATE BILL NO. 5319
SUBSTITUTE SENATE BILL NO. 5568

and the same are herewith transmitted.

Colleen Pehar, Deputy Secretary

MESSAGE FROM THE SENATE

Wednesday, April 23, 2025

Mme. Speaker:

The President has signed:

HOUSE BILL NO. 1009
HOUSE BILL NO. 1018
SUBSTITUTE HOUSE BILL NO. 1023
HOUSE BILL NO. 1039
SUBSTITUTE HOUSE BILL NO. 1576
SECOND SUBSTITUTE HOUSE BILL NO. 1587
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1596
SUBSTITUTE HOUSE BILL NO. 1621
ENGROSSED HOUSE BILL NO. 1628
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1651
HOUSE BILL NO. 1757
SUBSTITUTE HOUSE BILL NO. 1811
ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1813
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1829
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1837
ENGROSSED HOUSE BILL NO. 1874
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1878
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1946
HOUSE BILL NO. 1970
SECOND SUBSTITUTE HOUSE BILL NO. 1990

and the same are herewith transmitted.

Colleen Pehar, Deputy Secretary

MESSAGE FROM THE SENATE

Wednesday, April 23, 2025

Mme. Speaker:

The President has signed:

SUBSTITUTE HOUSE BILL NO. 1079
ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1102
ENGROSSED HOUSE BILL NO. 1106
HOUSE BILL NO. 1109
HOUSE BILL NO. 1130
SECOND SUBSTITUTE HOUSE BILL NO. 1154
HOUSE BILL NO. 1167
SUBSTITUTE HOUSE BILL NO. 1186
ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1213
ENGROSSED HOUSE BILL NO. 1219
SUBSTITUTE HOUSE BILL NO. 1253
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1258
SUBSTITUTE HOUSE BILL NO. 1264
SUBSTITUTE HOUSE BILL NO. 1271
ENGROSSED HOUSE BILL NO. 1382
SUBSTITUTE HOUSE BILL NO. 1392
SECOND SUBSTITUTE HOUSE BILL NO. 1409
SUBSTITUTE HOUSE BILL NO. 1418
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1562
HOUSE BILL NO. 1573

and the same are herewith transmitted.

Colleen Pehar, Deputy Secretary

There being no objection, the House advanced to the fifth order of business.

REPORTS OF STANDING COMMITTEES

April 23, 2025

SSB 5393 Prime Sponsor, Ways & Means: Closing the Rainier school by June 30, 2027. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Ormsby, Chair; Gregerson, Vice Chair; Macri, Vice Chair; Berg; Bergquist; Cortes; Doglio; Fitzgibbon; Lekanoff; Peterson; Pollet; Ryu; Springer; Stonier; Street; Thai and Tharinger.

MINORITY recommendation: Do not pass. Signed by Representatives Couture, Ranking Minority Member; Connors, Assistant Ranking Minority Member; Penner, Assistant Ranking Minority Member; Schmick, Assistant Ranking Minority Member; Burnett; Caldier; Corry; Dye; Keaton; Leavitt; Manjarrez; Marshall; and Rude.

MINORITY recommendation: Without recommendation. Signed by Representative Callan.

Referred to Committee on Rules for second reading

April 23, 2025

SSB 5444 Prime Sponsor, Transportation: Concerning special license plates and personalized license plates. Reported by Committee on Transportation

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 46.18.060 and 2017 3rd sp.s. c 25 s 40 are each amended to read as follows:

(1) The department must review and either approve or reject special license plate applications submitted by sponsoring organizations. Except for special license plates created under this act, the department may not issue any new special license plates until January 1, 2029, and therefore no applications for any new special license plates may be accepted until January 1, 2029. The department must prominently display this special license plate moratorium on its website.

(2) Duties of the department include, but are not limited to, the following:

(a) Review and approve the annual financial reports submitted by sponsoring organizations with active special license plate series and present those annual financial reports to the joint transportation committee;

(b) Report annually to the joint transportation committee on the special license plate applications that were considered by the department;

(c) Issue approval and rejection notification letters to sponsoring organizations, the executive committee of the joint transportation committee, and the legislative sponsors identified in each application. The letters must be issued within seven days of making a determination on the status of an application; and

(d) Review annually the number of plates sold for each special license plate series created after January 1, 2003. The department may submit a recommendation to discontinue a special plate series to the executive committee of the joint transportation committee.

NEW SECTION. **Sec. 2.** (1) The high cost of implementing a new special license plate series, coupled with the uncertainty of the state's ability to recoup its costs, has led the legislature to delay the implementation of new special license plates. In order to address these issues, it is the intent of the legislature to create a mechanism that will allow for the opportunity to review and evaluate the special license plate process, to ensure efficacy of the program, and to ensure this program does not result in undue costs to the state of Washington.

(2)(a) The department of licensing must convene a special license work group to conduct a comprehensive review of current provisions associated with special license plates.

(b) The membership of the work group will be determined by the department of licensing, but the interests represented must include internal and external entities involved in the approval, reporting, and issuance of special license plates.

(c) Each calendar year, the members of the joint transportation committee must be invited to attend at least one of the work group meetings.

(d) By December 1st of calendar years 2025 through 2026, the work group must provide a status update and give a presentation to the joint transportation committee.

(e) By November 15, 2027, the department of licensing must provide a preliminary final report and give a presentation to the joint transportation committee detailing its preliminary recommendations as specified in subsection (3) of this section.

(f) Based on the direction and input provided by the joint transportation committee, the department of licensing must then submit a final report with draft legislation to the transportation committees of the legislature by January 1, 2028.

(3) The special license work group must review, analyze, and make recommendations on the following issues:

(a) Developing more active review and oversight of special license plates by the joint transportation committee, including reviewing information submitted pursuant to RCW 46.18.060;

(b) Increasing the signature and other application requirements for creating special license plates;

(c) Removing the ability to create nonreviewed special license plates without meeting the signature and other application requirements;

(d) Modifying the current startup and other cost commitments to create a new special license plate;

(e) Making information more readily available to potential organizations sponsoring new special license plates of the average and likely net revenues raised by proposed special license plates before a sponsoring organization starts the application process;

(f) Improving the transparency and availability of financial and use of special license plate proceeds information provided by special license plate sponsoring organizations on an annual basis;

(g) Identifying metrics and methods by which the legislature and the department of licensing must use for the discontinuation of low performing special license plates; and

(h) Implementing other mechanisms to make the special license plate application, creation process, and use of funds more rigorous and accountable.

(4) This section expires January 15, 2028.

Sec. 3. RCW 44.04.300 and 2005 c 319 s 12 are each amended to read as follows:

(1) The joint transportation committee is created. The executive committee of the joint committee consists of the chairs and ranking members of the house and senate transportation committees. The chairs of the house and senate transportation committees shall serve as cochairs of the joint committee. All members of the house and senate standing committees on transportation are eligible for membership of the joint committee and shall serve when appointed by the executive committee.

(2) The joint transportation committee shall review and research transportation programs and issues in order to educate and promote the dissemination of transportation research to state and local government

policymakers, including legislators and associated staff. All four members of the executive committee shall approve the annual work plan. Membership of the committee may vary depending on the subject matter of oversight and research projects. The committee may also make recommendations for functional or performance audits to the transportation performance audit board.

(3) The executive committee shall adopt rules and procedures for its operations.

(4) By December 20, 2028, and at least every two years thereafter, the joint transportation committee must hold a work session on the implementation of special license plate process improvements established as a result of this act and other relevant issues as it may determine.

Sec. 4. RCW 46.17.220 and 2022 c 239 s 1 and 2022 c 117 s 1 are each reenacted and amended to read as follows:

In addition to all fees and taxes required to be paid upon application for a vehicle registration in chapter 46.16A RCW, the holder of a special license plate shall pay the appropriate special license plate fee as listed in this section.

PLATE TYPE	INITIAL FEE	RENEWAL FEE	DISTRIBUTED UNDER
(1) 4-H	$ 40.00	$ 30.00	RCW 46.68.420
(2) Amateur radio license	$ 5.00	N/A	RCW 46.68.070
(3) Armed forces	$ 40.00	$ 30.00	RCW 46.68.425
(4) Breast cancer awareness	$ 40.00	$ 30.00	RCW 46.68.425
(5) Collector vehicle	$ 35.00	N/A	RCW 46.68.030
(6) Collegiate	$ 40.00	$ 30.00	RCW 46.68.430
(7) Donate life	$ 40.00	$ 30.00	RCW 46.68.420
(8) Endangered wildlife	$ 40.00	$ 30.00	RCW 46.68.425
((~~(8)~~)) (9) Firefighter memorial	$ 40.00	$ 30.00	RCW 46.68.420
(10) Fred Hutch	$ 40.00	$ 30.00	RCW 46.68.420
((~~(9)~~)) (11) Gonzaga University alumni association	$ 40.00	$ 30.00	RCW 46.68.420
((~~(10)~~)) (12) Helping kids speak	$ 40.00	$ 30.00	RCW 46.68.420
((~~(11)~~)) (13) Historical throwback	$ 40.00	$ 30.00	RCW 46.68.420
(14) Horseless carriage	$ 35.00	N/A	RCW 46.68.030
((~~(12)~~)) (15) Keep kids safe	$ 45.00	$ 30.00	RCW 46.68.425
((~~(13)~~)) (16) Keep Washington evergreen	$ 40.00	$ 30.00	RCW 46.68.425
(17) Law enforcement memorial	$ 40.00	$ 30.00	RCW 46.68.420
((~~(14)~~)) (18) LeMay-America's Car Museum	$ 40.00	$ 30.00	RCW 46.68.420
(19) Military affiliate radio system	$ 5.00	N/A	RCW 46.68.070
((~~(15)~~)) (20) Mount St. Helens	$40.00	$30.00	RCW 46.68.420
(21) Music matters	$ 40.00	$ 30.00	RCW 46.68.420
((~~(16)~~)) (22) Nautical Northwest	$40.00	$30.00	RCW 46.68.420
(23) Patches pal, or alternative name as designated by the department under RCW 46.04.383	$ 40.00	$ 30.00	RCW 46.68.420
((~~(17)~~)) (24) Professional firefighters and paramedics	$ 40.00	$ 30.00	RCW 46.68.420
((~~(18)~~)) (25) Purple Heart	$ 40.00	$ 30.00	RCW 46.68.425
((~~(19)~~)) (26) Ride share	$ 25.00	N/A	RCW 46.68.030
((~~(20)~~)) (27) San Juan Islands	$ 40.00	$ 30.00	RCW 46.68.420
((~~(21)~~)) (28) Seattle Mariners	$ 40.00	$ 30.00	RCW 46.68.420
((~~(22)~~)) (29) Seattle NHL hockey	$ 40.00	$ 30.00	RCW 46.68.420
((~~(23)~~)) (30) Seattle Reign FC	$ 40.00	$ 30.00	RCW 46.68.420
(31) Seattle Seahawks	$ 40.00	$ 30.00	RCW 46.68.420
((~~(24)~~)) (32) Seattle Sounders FC	$ 40.00	$ 30.00	RCW 46.68.420
((~~(25)~~)) (33) Seattle Storm	$ 40.00	$ 30.00	RCW 46.68.420
((~~(26)~~)) (34) Seattle University	$ 40.00	$ 30.00	RCW 46.68.420
((~~(27)~~)) (35) Share the road	$ 40.00	$ 30.00	RCW 46.68.420
((~~(28)~~)) (36) Ski & ride Washington	$ 40.00	$ 30.00	RCW 46.68.420
((~~(29)~~)) (37) Smokey Bear	$ 40.00	$ 30.00	RCW 46.68.425
(38) Square dancer	$ 40.00	N/A	RCW 46.68.070
((~~(30)~~)) (39) State flower	$ 40.00	$ 30.00	RCW 46.68.420
(40) State sport	$ 40.00	$ 30.00	RCW 46.68.420
((~~(31)~~)) (41) United States Naval Academy	$ 40.00	$ 30.00	RCW 46.68.425
(42) Volunteer firefighters	$ 40.00	$ 30.00	RCW 46.68.420
((~~(32)~~)) (43) Washington apples	$ 40.00	$ 30.00	RCW 46.68.420

((~~(33)~~))(44) Washington farmers and ranchers	$ 40.00	$ 30.00	RCW 46.68.420
((~~(34)~~))(45) Washington lighthouses	$ 40.00	$ 30.00	RCW 46.68.420
((~~(35)~~))(46) Washington state aviation	$ 40.00	$ 30.00	RCW 46.68.420
((~~(36)~~))(47) Washington state honey bees and pollinators	$ 40.00	$ 30.00	RCW 46.68.420
(48) Washington state parks	$ 40.00	$ 30.00	RCW 46.68.425
((~~(37)~~))(49) Washington state wrestling	$ 40.00	$ 30.00	RCW 46.68.420
((~~(38)~~))(50) Washington tennis	$ 40.00	$ 30.00	RCW 46.68.420
((~~(39)~~))(51) Washington wine	$ 40.00	$ 30.00	RCW 46.68.420
((~~(40)~~))(52) Washington's fish collection	$ 40.00	$ 30.00	RCW 46.68.425
((~~(41)~~))(53) Washington's national parks	$ 40.00	$ 30.00	RCW 46.68.420
((~~(42)~~))(54) Washington's wildlife collection	$ 40.00	$ 30.00	RCW 46.68.425
((~~(43)~~))(55) We love our pets	$ 40.00	$ 30.00	RCW 46.68.420
((~~(44)~~))(56) Wild on Washington	$ 40.00	$ 30.00	RCW 46.68.425
(57) Working forests	$ 40.00	$ 30.00	RCW 46.68.420

Sec. 5. RCW 46.18.200 and 2022 c 239 s 2 and 2022 c 117 s 2 are each reenacted and amended to read as follows:

(1) Special license plate series reviewed and approved by the department:

(a) May be issued in lieu of standard issue or personalized license plates for vehicles required to display one and two license plates unless otherwise specified;

(b) Must be issued under terms and conditions established by the department;

(c) Must not be issued for vehicles registered under chapter 46.87 RCW; and

(d) Must display a symbol or artwork approved by the department.

(2) The department approves and shall issue the following special license plates, subject to subsections (5) and (6) of this section:

LICENSE PLATE	DESCRIPTION, SYMBOL, OR ARTWORK
4-H	Displays the "4-H" logo.
Armed forces collection	Recognizes the contribution of veterans, active duty military personnel, reservists, and members of the national guard, and includes six separate designs, each containing a symbol representing a different branch of the armed forces to include army, navy, air force, marine corps, coast guard, and national guard.
Breast cancer awareness	Displays a pink ribbon symbolizing breast cancer awareness.
Donate life	Displays the donate life logo.
Endangered wildlife	Displays a symbol or artwork symbolizing endangered wildlife in Washington state.
Firefighter memorial	Displays a Maltese cross with the words "never forget."
Fred Hutch	Displays the Fred Hutch logo.
Gonzaga University alumni association	Recognizes the Gonzaga University alumni association.
Helping kids speak	Recognizes an organization that supports programs that provide no-cost speech pathology programs to children.
Historical throwback	Displays white lettering on a black background in a style similar to historical license plates issued in the early 20th century.
Keep kids safe	Recognizes efforts to prevent child abuse and neglect.
Keep Washington evergreen	Recognizes Washington as the evergreen state and funds electric charging stations. Displays green lettering on a white background in a style similar to the license plates issued by the department in the 1970s, but includes the words evergreen state along the bottom of the plate.
Law enforcement memorial	Honors law enforcement officers in Washington killed in the line of duty.
LeMay-America's Car Museum	Displays the LeMay-America's car museum logo, name, or related image.
Mount St. Helens	Displays an image of Mount St. Helens.
Music matters	Displays the "Music Matters" logo.
Nautical Northwest	Displays a Northwest maritime scene.

Patches pal, or alternative name as designated by the department under RCW 46.04.383	Displays the likenesses of the J.P. Patches and Gertrude characters from the J.P. Patches show, or characters otherwise identified in accordance with RCW 46.04.383.
Professional firefighters and paramedics	Recognizes professional firefighters and paramedics who are members of the Washington state council of firefighters.
San Juan Islands	Displays a symbol or artwork recognizing the San Juan Islands.
Seattle Mariners	Displays the "Seattle Mariners" logo.
Seattle NHL hockey	Displays the logo of the Seattle NHL hockey team.
Seattle Reign FC	Displays the "Seattle Reign FC" logo.
Seattle Seahawks	Displays the "Seattle Seahawks" logo.
Seattle Sounders FC	Displays the "Seattle Sounders FC" logo.
Seattle Storm	Displays the "Seattle Storm" logo.
Seattle University	Recognizes Seattle University.
Share the road	Recognizes an organization that promotes bicycle safety and awareness education.
Ski & ride Washington	Recognizes the Washington snowsports industry.
Smokey Bear	Displays the name, image, and likeness of Smokey Bear and messages for wildfire prevention.
State flower	Recognizes the Washington state flower.
State sport	Recognizes the Washington state sport of pickleball.
United States Naval Academy	Displays a design related to the United States Naval Academy.
Volunteer firefighters	Recognizes volunteer firefighters.
Washington apples	Displays the Washington apple logo that recognizes the state's apple industry, the growers and shippers who produce and pack the world famous apples, and the tree fruit community.
Washington farmers and ranchers	Recognizes farmers and ranchers in Washington state.
Washington lighthouses	Recognizes an organization that supports selected Washington state lighthouses and provides environmental education programs.
Washington state aviation	Displays a Stearman biplane in the foreground with an image of Mount Rainier in the background.
Washington state honey bees and pollinators	Displays honey bees and pollinators.
Washington state parks	Recognizes Washington state parks as premier destinations of uncommon quality that preserve significant natural, cultural, historical, and recreational resources.
Washington state wrestling	Promotes and supports college wrestling in the state of Washington.
Washington tennis	Builds awareness and year-round opportunities for tennis in Washington state. Displays a symbol or artwork recognizing tennis in Washington state.
Washington wine	Displays a landscape of Washington's wine regions.
Washington's fish collection	Recognizes Washington's fish.
Washington's national park fund	Builds awareness of Washington's national parks and supports priority park programs and projects in Washington's national parks, such as enhancing visitor experience, promoting volunteerism, engaging communities, and providing educational opportunities related to Washington's national parks.
Washington's wildlife collection	Recognizes Washington's wildlife.
We love our pets	Recognizes an organization that assists local member agencies of the federation of animal welfare and control agencies to promote and perform spay/neuter surgery on Washington state pets to reduce pet overpopulation.
Wild on Washington	Symbolizes wildlife viewing in Washington state.
Working forests	Displays an image embodying working forests.

(3) Applicants for initial and renewal professional firefighters and paramedics special license plates must show proof of eligibility by providing a certificate of

current membership from the Washington state council of firefighters.

(4) Applicants for initial volunteer firefighters special license plates must (a) have been a volunteer firefighter for at least ((~~ten~~))10 years or be a volunteer firefighter for one or more years and (b) have documentation of service from the district of the appropriate fire service. If the volunteer firefighter leaves firefighting service before ((~~ten~~))10 years of service have been completed, the volunteer firefighter shall surrender the license plates to the department on the registration renewal date. If the volunteer firefighter stays in service for at least ((~~ten~~))10 years and then leaves, the license plate may be retained by the former volunteer firefighter and as long as the license plate is retained for use the person will continue to pay the future registration renewals. A qualifying volunteer firefighter may have no more than one set of license plates per vehicle, and a maximum of two sets per applicant, for their personal vehicles. If the volunteer firefighter is convicted of a violation of RCW 46.61.502 or a felony, the license plates must be surrendered upon conviction.

(5) The department shall not issue the Seattle NHL hockey special license plate until the department receives signature sheets satisfying the requirements identified in RCW 46.18.110(2)(f).

(6) Except for special license plates created under this act and as specified in this subsection, the department may not issue any new special license plates until January 1, 2029.

(a) Beginning November 1, 2025, the department must begin the phased issuance of any of the special license plates created under this act for which the department has received signature sheets that satisfy the requirements identified in RCW 46.18.110(2)(f) before March 1, 2025, the keep Washington evergreen special license plate, and the historical throwback special license plate.

(b) The department must then begin the phased issuance of any of the special license plates created under this act for which the department has received signature sheets after March 1, 2025, that satisfy the requirements identified in RCW 46.18.110(2)(f), with the order of implementation occurring based on the 3,500 signature submission date and the department's ability to implement additional special license plates.

Sec. 6. RCW 46.68.420 and 2022 c 239 s 3, 2022 c 117 s 3, and 2022 c 96 s 4 are each reenacted and amended to read as follows:

(1) The department shall:

(a) Collect special license plate fees established under RCW 46.17.220;

(b) Deduct an amount not to exceed ((~~twelve dollars~~))$12 for initial issue and two dollars for renewal issue for administration and collection expenses incurred by it; and

(c) Remit the remaining proceeds to the custody of the state treasurer with a proper identifying detailed report.

(2) The state treasurer shall credit the proceeds to the motor vehicle fund until the department determines that the state has been reimbursed for the cost of implementing the special license plate. Upon determination by the department that the state has been reimbursed, the state treasurer shall credit the remaining special license plate fee amounts for each special license plate to the following appropriate account as created in this section in the custody of the state treasurer:

ACCOUNT	CONDITIONS FOR USE OF FUNDS
4-H programs	Support Washington 4-H programs
Donate life	Provides funds to life center Northwest to build awareness for organ donation and encourage a positive, inclusive sentiment around organ donation registration
Firefighter memorial	Provides funds first to the fallen firefighter memorial account for construction and maintenance of the firefighter memorial on the capitol campus with any amounts in excess of what is needed for the firefighter memorial to be provided to the Washington state council of firefighters memorial account
Fred Hutch	Support cancer research at the Fred Hutchinson cancer research center
Gonzaga University alumni association	Scholarship funds to needy and qualified students attending or planning to attend Gonzaga University
Helping kids speak	Provide free diagnostic and therapeutic services to families of children who suffer from a delay in language or speech development
Historical throwback	Provide funds for expanding and improving driver's education programs and activities
Law enforcement memorial	Provide support and assistance to survivors and families of law enforcement officers in Washington killed in the line of duty and to organize, finance, fund, construct, utilize, and maintain a memorial on the state capitol grounds to honor those fallen officers

LeMay-America's Car Museum	Provide funds to promote, encourage, and inspire students and the community to understand the role of automobiles in our culture and economy through education, interpretive programs, and job training; to open doors to learning through science, technology, engineering, the arts, and math (STEAM); and to inspire a new generation of skilled trade workers, engineers, designers, artists, and enthusiasts
Lighthouse environmental programs	Support selected Washington state lighthouses that are accessible to the public and staffed by volunteers; provide environmental education programs; provide grants for other Washington lighthouses to assist in funding infrastructure preservation and restoration; encourage and support interpretive programs by lighthouse docents
Mount St. Helens	Promote education, stewardship, and science at Mount St. Helens through the Mount St. Helens institute
Music matters awareness	Promote music education in schools throughout Washington
Nautical Northwest	Support historic resources of Whidbey Island's maritime communities
Patches pal, or alternative name as designated by the department under RCW 46.04.383	Provide funds to the Seattle children's hospital strong against cancer program
San Juan Islands programs	Provide funds to the Madrona institute
Seattle Mariners	Provide funds to the ((~~sports mentoring program and to support the Washington world fellows program in the following manner: (a) Seventy-five percent to the Washington state leadership board solely to administer the sports mentoring program established under RCW 43.388.040, to encourage youth who have economic needs or face adversities to experience spectator sports or get involved in youth sports, and (b) up to twenty-five percent to the Washington state leadership board solely to administer the Washington world fellows program, an equity focused program~~))Mariners care foundation, or its successor organization
Seattle NHL hockey	Provide funds to the NHL Seattle foundation and to support the boundless Washington program in the following manner: (a) ((~~Fifty~~))50 percent to the NHL Seattle foundation, or its successor organization, to help marginalized youth succeed in life through increased access to sports and other opportunities; (b) ((~~twenty-five~~))25 percent to the Washington state leadership board solely to administer the boundless Washington program to facilitate opportunities for young people with physical and sensory disabilities to enjoy and experience the outdoors; and (c) ((~~twenty-five~~))25 percent to the NHL Seattle foundation, or its successor organization, for providing financial support to allow youth to participate in hockey
Seattle Reign FC	Provide funds to the RAVE foundation to inspire youth in underserved communities using soccer as a vehicle

Seattle Seahawks	Provide funds to ((~~InvestED and to support the Washington world fellows program in the following manner: (a) Seventy-five percent, to InvestED, to encourage secondary students who have economic needs to stay in school, return to school, or get involved within their learning community; and (b) twenty-five percent to the Washington state leadership board solely to administer the Washington world fellows program, including the provision of fellowships~~))the Seattle Seahawks charitable foundation and to support the Washington state leadership board in the following manner: (a) Seventy-five percent to the Seattle Seahawks charitable foundation; and (b) 25 percent to the Washington state leadership board
Seattle Sounders FC	Provide funds to ((~~Washington state mentors and the Washington state leadership board in the following manner: (a) Seventy percent and the remaining proceeds, if any, to Washington state mentors, to increase the number of mentors in the state by offering mentoring grants throughout Washington state that foster positive youth development and academic success, with up to twenty percent of these proceeds authorized for program administration costs; and (b) up to thirty percent, not to exceed forty-thousand dollars annually as adjusted for inflation by the office of financial management, to the Washington state leadership board, to develop Washington state educational, veterans, international relations, and civics projects and to recognize the outstanding public service of individuals or groups in the state of Washington~~))the RAVE foundation and to support the Washington state leadership board in the following manner: (a) 75 percent to the RAVE foundation; and (b) 25 percent to the Washington state leadership board
Seattle Storm	Provide funds to the Washington state legislative youth advisory council and the Washington state leadership board in the following manner: ((~~Twenty-five thousand dollars~~))$25,000 per year of the net proceeds to the legislative youth advisory council, or its successor organization; and the remaining net proceeds on an annual basis, to the Washington state leadership board for the purpose of providing grants to support and enhance athletic, recreational, and other opportunities for women and girls, and especially those with disabilities
Seattle University	Fund scholarships for students attending or planning to attend Seattle University
Share the road	Promote bicycle safety and awareness education in communities throughout Washington
Ski & ride Washington	Promote winter snowsports, such as skiing and snowboarding, and related programs, such as ski and ride safety programs, underprivileged youth ski and ride programs, and active, healthy lifestyle programs
State flower	Support Meerkerk Rhododendron Gardens and provide for grants to other qualified nonprofit organizations' efforts to preserve rhododendrons
State sport	Provide funds to be placed in a trust account managed by the Seattle metro pickleball association to be used exclusively for the construction and maintenance of dedicated pickleball courts
Volunteer firefighters	Receive and disseminate funds for purposes on behalf of volunteer firefighters, their families, and others deemed in need

Washington apples	Provide scholarship funding to the tree fruit industry's official charity, the Washington apple education foundation, which provides financial support, professional employment preparedness training, and mentorship to students with ties to the apple industry pursuing a higher education
Washington farmers and ranchers	Provide funds to the Washington FFA Foundation for educational programs in Washington state
Washington state aviation	Provide funds to the department of transportation to support infrastructure improvements at public use airports in Washington state
Washington state council of firefighters benevolent fund	Receive and disseminate funds for charitable purposes on behalf of members of the Washington state council of firefighters, their families, and others deemed in need
Washington state honey bees and pollinators	Provide funds to the Washington state beekeepers association to support research and educational activities and materials about honey bees and pollinators within Washington state
Washington state wrestling	Provide funds to the Washington state wrestling foundation to fund new and existing college wrestling programs
Washington tennis	Provide funds to cities to assist in the construction and maintenance of a public tennis facility with at least four indoor tennis courts. A city is eligible for construction funds if the city does not already have a public or private facility with at least four indoor tennis courts. Funds for construction must first be made available to the most populous eligible city, according to the most recent census, for a time period not to exceed five years after January 1, 2017. After the five-year time period, the funds for construction must be made available to the next most populous eligible city. Funds for the maintenance of a public tennis facility with at least four indoor tennis courts must first be made available to the first eligible city that utilizes funds for construction provided by chapter 16, Laws of 2016
Washington wine	Provide funds to the state of Washington tourism to promote tourism throughout Washington state
Washington's national park fund	Build awareness of Washington's national parks and support priority park programs and projects in Washington's national parks, such as enhancing visitor experience, promoting volunteerism, engaging communities, and providing educational opportunities related to Washington's national parks
We love our pets	Support and enable the Washington federation of animal welfare and control agencies to promote and perform spay/neuter surgery of Washington state pets in order to reduce pet population
Working forests	Provide funds to the Washington tree farm program to support small forest landowners to sustainably manage over 400,000 acres of private forestland

(3) Except as otherwise provided in this section, only the director or the director's designee may authorize expenditures from the accounts described in subsection (2) of this section. The accounts are subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

(4) Except as otherwise provided in this section, funds in the special license plate accounts described in subsection (2) of this section must be disbursed subject to the conditions described in subsection (2) of this section and under contract between the department and qualified nonprofit organizations that provide the services described in subsection (2) of this section.

(5) Funds from the Seattle Seahawks account may be provided to the Washington state leadership board solely for the purpose of administering the Washington world fellows program. Of the amounts received by the Washington state leadership board under this subsection, at least ((~~ninety~~))90 percent must be provided as fellowships under the program.

(6) Beginning January 1, 2019, funds from the Seattle Mariners account may be provided to the Washington state leadership board solely for the purpose of administering the sports mentoring program. Of the amounts received by the Washington state leadership board, at least ((~~ninety~~))90 percent must be

applied towards services directly provided to youth participants.

(7) For the purposes of this section, a "qualified nonprofit organization" means a not-for-profit corporation operating in Washington that has received a determination of tax exempt status under 26 U.S.C. Sec. 501(c)(3). The qualified nonprofit organization must meet all the requirements under RCW 46.18.100(1).

Sec. 7. RCW 46.68.425 and 2016 c 31 s 3 and 2016 c 30 s 4 are each reenacted and amended to read as follows:

(1) The department shall:

(a) Collect special license plate fees established under RCW 46.17.220;

(b) Deduct an amount not to exceed ((~~twelve dollars~~))$12 for initial issue and ((~~two dollars~~))$2 for renewal issue for administration and collection expenses incurred by it; and

(c) Remit the remaining proceeds to the custody of the state treasurer with a proper identifying detailed report.

(2) The state treasurer shall credit the proceeds to the motor vehicle fund until the department determines that the state has been reimbursed for the cost of implementing the special license plate. Upon determination by the department that the state has been reimbursed, the state treasurer shall credit the remaining special license plate fees to the following accounts by special license plate type:

SPECIAL LICENSE PLATE TYPE	ACCOUNT	CONDITIONS FOR USE OF FUNDS
Armed forces	RCW 43.60A.140	As specified in RCW 43.60A.140(4)
Breast cancer awareness	RCW 43.70.327	Must be used only by the department of health for efforts consistent with the breast, cervical, and colon health program
Endangered wildlife	RCW 77.12.170	Must be used only for the department of fish and wildlife's endangered wildlife program activities
Historical throwback	RCW 46.68.060	Provides funds for expanding and improving driver's education programs and activities
Keep kids safe	RCW 43.121.100	As specified in RCW 43.121.100
Keep Washington evergreen	RCW 82.44.200	Support of electric charging stations throughout Washington
Purple Heart	RCW 43.60A.140	As specified in RCW 43.60A.140(4)
Smokey Bear wildfire prevention	RCW 76.04.511	Only for the department of natural resources to use for wildfire prevention programs
United States Naval Academy	RCW 43.60A.140	As specified in RCW 43.60A.140(4)
Washington state parks	RCW 79A.05.059	Provide public educational opportunities and enhancement of Washington state parks
Washington's fish collection	RCW 77.12.170	Only for the department of fish and wildlife's use to support steelhead species management activities including, but not limited to, activities supporting conservation, recovery, and research to promote healthy, fishable steelhead
Washington's wildlife collection	RCW 77.12.170	Only for the department of fish and wildlife's game species management activities
Wild on Washington	RCW 77.12.170	Dedicated to the department of fish and wildlife's watchable wildlife activities, as defined in RCW 77.32.560

Sec. 8. RCW 43.60A.140 and 2023 c 327 s 2 are each amended to read as follows:

(1) The veterans stewardship account is created in the custody of the state treasurer. Disbursements of funds must be on the authorization of the director or the director's designee, and only for the purposes stated in subsection (4) of this section. In order to maintain an effective expenditure and revenue control, funds are subject in all respects to chapter 43.88 RCW, but no appropriation is required to permit expenditure of the funds.

(2) The department may request and accept nondedicated contributions, grants, or gifts in cash or otherwise, including funds generated by the issuance of the armed forces license plate collection and the United States Naval Academy license plate under chapter 46.18 RCW.

(3) All receipts from the sale of armed forces license plates, United States Naval Academy license plates, and Purple Heart license plates as required under RCW 46.68.425(2) must be deposited into the veterans stewardship account.

(4) All moneys deposited into the veterans stewardship account must be used by the department for activities that benefit veterans or their families, including but not limited to, providing programs and services for homeless veterans; establishing memorials honoring veterans; and maintaining state veterans' cemeteries. Funds from the account may not be used to supplant existing funds received by the department.

NEW SECTION. **Sec. 9.** A new section is added to chapter 46.04 RCW to read as follows:

"Keep Washington evergreen license plate" means special license plates issued under RCW 46.18.200 that display green lettering on a white background in a style similar to the license plates issued by the department in the 1970s.

NEW SECTION. **Sec. 10.** A new section is added to chapter 46.18 RCW to read as follows:

(1) The department shall create, design, and issue a keep Washington evergreen license plate that may be used in lieu of standard issue or personalized license plates for motor vehicles required to display one or two license plates, excluding vehicles registered under chapter 46.87 RCW, upon terms and conditions established by the department.

(2) A registered owner may apply to the department, county auditor or other agent, or subagent appointed by the director for a keep Washington evergreen license plate. The registered owner shall pay the special license plate fee required under RCW 46.17.220(16), in addition to any other fee or tax required by law.

NEW SECTION. **Sec. 11.** A new section is added to chapter 46.04 RCW to read as follows:

"LeMay-America's Car Museum license plates" means special license plates issued under RCW 46.18.200 that display the LeMay-America's car museum logo, name, or related image.

NEW SECTION. **Sec. 12.** A new section is added to chapter 46.04 RCW to read as follows:

"Mount St. Helens license plates" means special license plates issued under RCW 46.18.200 that display an image of Mount St. Helens.

NEW SECTION. **Sec. 13.** A new section is added to chapter 46.04 RCW to read as follows:

"Nautical Northwest license plates" means special license plates issued under RCW 46.18.200 that display a Northwest maritime scene.

NEW SECTION. **Sec. 14.** A new section is added to chapter 46.04 RCW to read as follows:

"Smokey Bear license plates" means special license plates issued under RCW 46.18.200 that display the name, image, and likeness of Smokey Bear promoting wildfire prevention and the state department of natural resources' wildland wildfire program.

NEW SECTION. **Sec. 15.** A new section is added to chapter 46.04 RCW to read as follows:

"Working forests license plates" means special license plates issued under RCW 46.18.200 that display images embodying working forests.

NEW SECTION. **Sec. 16.** A new section is added to chapter 46.04 RCW to read as follows:

"State sport license plates" means special license plates issued under RCW 46.18.200 that recognize the state sport of pickleball.

NEW SECTION. **Sec. 17.** A new section is added to chapter 46.04 RCW to read as follows:

"Seattle Reign FC license plates" means special license plates issued under RCW 46.18.200 that display the logo of the Seattle Reign FC.

NEW SECTION. **Sec. 18.** A new section is added to chapter 46.04 RCW to read as follows:

"Washington honey bees and pollinators license plates" means special license plates issued under RCW 46.18.200 that display images of honey bees and pollinators.

NEW SECTION. **Sec. 19.** A new section is added to chapter 46.04 RCW to read as follows:

"Firefighter memorial license plates" means special license plates issued under RCW 46.18.200 that display the Maltese cross with the words "never forget."

NEW SECTION. **Sec. 20.** A new section is added to chapter 46.04 RCW to read as follows:

"Donate life license plates" means special license plates issued under RCW 46.18.200 that displays the donate life logo.

NEW SECTION. **Sec. 21.** A new section is added to chapter 46.04 RCW to read as follows:

"United States Naval Academy license plates" means special license plates issued

under RCW 46.18.200 that display a design related to the United States Naval Academy.

NEW SECTION. **Sec. 22.** A new section is added to chapter 46.04 RCW to read as follows:

"Historical throwback license plates" means special license plates issued under RCW 46.18.200 that display white lettering on a black background in a style similar to historical license plates issued in the early 20th century.

Sec. 23. RCW 46.17.210 and 2013 c 329 s 6 are each amended to read as follows:

In addition to all fees and taxes required to be paid upon application for a vehicle registration under chapter 46.16A RCW, the holder of a personalized license plate shall pay an initial fee of ((~~fifty-two dollars~~))$52 and ((~~forty-two dollars~~)) $52 for each renewal. The personalized license plate fee must be distributed as provided in RCW 46.68.435.

NEW SECTION. **Sec. 24.** RCW 43.388.040 (Sports mentoring program) and 2022 c 96 s 7 & 2018 c 67 s 3 are each repealed.

NEW SECTION. **Sec. 25.** Sections 3 through 24 of this act take effect November 1, 2025."

Correct the title.

Signed by Representatives Fey, Chair; Bernbaum, Vice Chair; Donaghy, Vice Chair; Reed, Vice Chair; Barkis, Ranking Minority Member; Low, Assistant Ranking Minority Member; Mendoza, Assistant Ranking Minority Member; Schmidt, Assistant Ranking Minority Member; Bronoske; Dent; Duerr; Entenman; Griffey; Hunt; Klicker; Ley; Nance; Orcutt; Paul; Ramel; Richards; Stuebe; Taylor; Timmons; Volz; Wylie and Zahn.

Referred to Committee on Rules for second reading

April 23, 2025

SSB 5785 Prime Sponsor, Ways & Means: Amending the Washington college grant and college bound scholarship. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 28B.92.030 and 2022 c 166 s 1 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Council" means the student achievement council.

(2) "Financial aid" means either loans, grants, or both, to students who demonstrate financial need enrolled or accepted for enrollment as a student at institutions of higher education.

(3) "Financial need" means a demonstrated financial inability to bear the total cost of education as directed in rule by the office.

(4) "Institution" or "institutions of higher education" means:

(a) Any public university, college, community college, or technical college operated by the state of Washington or any political subdivision thereof; or

(b) Any other university, college, school, or institute in the state of Washington offering instruction beyond the high school level that is a member institution of an accrediting association recognized by rule of the council for the purposes of this section and that agrees to and complies with program rules adopted pursuant to RCW 28B.92.150. However, any institution, branch, extension or facility operating within the state of Washington that is affiliated with an institution operating in another state must be:

(i) A separately accredited member institution of any such accrediting association;

(ii) A branch of a member institution of an accrediting association recognized by rule of the council for purposes of this section, that is eligible for federal student financial aid assistance and has operated as a nonprofit college or university delivering on-site classroom instruction for a minimum of ((~~twenty~~))20 consecutive years within the state of Washington, and has an annual enrollment of at least ((~~seven hundred~~))700 full-time equivalent students;

(iii) A nonprofit institution recognized by the state of Washington as provided in RCW 28B.77.240; or

(iv) An approved apprenticeship program under chapter 49.04 RCW.

(5) "Maximum Washington college grant":

(a) For students attending two or four-year institutions of higher education as defined in RCW 28B.10.016, is tuition and estimated fees for ((~~fifteen~~))15 quarter credit hours or the equivalent, as determined by the office, including operating fees, building fees, and services and activities fees.

(b) For students attending private four-year not-for-profit institutions of higher education in Washington((~~, in~~)):

(i) In the 2019-20 academic year, is ((~~nine thousand seven hundred thirty-nine dollars~~))$9,739 and may increase each year afterwards by no more than the tuition growth factor through the end of the 2025-26 academic year; and

(ii) Beginning in the 2026-27 academic year, is 50 percent of the average of awards for the same academic year granted to students at the public research institutions in Washington.

(c) For students attending two-year private not-for-profit institutions of higher education in Washington, in the 2019-20 academic year, is ((~~three thousand six hundred ninety-four dollars~~))$3,694 and may increase each year afterwards by no more than the tuition growth factor.

(d) For students attending four-year private for-profit institutions of higher education in Washington, in the 2019-20 academic year, is eight thousand five hundred seventeen dollars and may increase

each year afterwards by no more than the tuition growth factor, until the end of the 2025-26 academic year.

(e) For students attending two-year private for-profit institutions of higher education in Washington, in the 2019-20 academic year, is two thousand eight hundred twenty-three dollars and may increase each year afterwards by no more than the tuition growth factor, until the end of the 2025-26 academic year.

(f) For students attending Western Governors University-Washington, as established in RCW 28B.77.240((~~, in~~)):

(i) In the 2019-20 academic year, is ((~~five thousand six hundred nineteen dollars~~))$5,619 and may increase each year afterwards by no more than the tuition growth factor through the 2025-26 academic year; and

(ii) Beginning in the 2026-27 academic year, is $4,150 and may increase each year afterwards by no more than the tuition growth factor.

((~~(g)~~))(e) For students attending approved apprenticeship programs((~~, beginning in~~)):

(i) In the 2022-23 academic year, is the same amount as the maximum Washington college grant for students attending two-year institutions of higher education as defined in (a) of this subsection to be used for tuition and fees, program supplies and equipment, and other costs that facilitate educational endeavors through the 2025-26 academic year; and

(ii) Beginning in the 2026-27 academic year, is 50 percent of the maximum Washington college grant award for students attending two-year institutions of higher education as defined in (a) of this subsection to be used for tuition and fees, program supplies and equipment, and other costs that facilitate educational endeavors.

(6) "Office" means the office of student financial assistance.

(7) "Tuition growth factor" means an increase of no more than the average annual percentage growth rate of the median hourly wage for Washington for the previous ((~~fourteen~~))14 years as the wage is determined by the federal bureau of labor statistics.

Sec. 2. RCW 28B.92.205 and 2023 c 475 s 923 are each amended to read as follows:

In addition to other eligibility requirements outlined in this chapter, students who demonstrate financial need are eligible to receive the Washington college grant. ((~~Financial need is as follows:~~

~~(1) Until academic year 2020-21, students with family incomes between zero and fifty percent of the state median family income, adjusted for family size, shall receive the maximum Washington college grant as defined in RCW 28B.92.030. Grants for students with incomes between fifty-one and seventy percent of the state median family income, adjusted for family size, shall be prorated at the following percentages of the maximum Washington college grant amount:~~

~~(a) Seventy percent for students with family incomes between fifty-one and fifty-five percent of the state median family income;~~

~~(b) Sixty-five percent for students with family incomes between fifty-six and sixty percent of the state median family income;~~

~~(c) Sixty percent for students with family incomes between sixty-one and sixty-five percent of the state median family income; and~~

~~(d) Fifty percent for students with family incomes between sixty-six and seventy percent of the state median family income.~~

~~(2) Beginning with academic year 2020-21, except during the 2022-23, 2023-24, and 2024-25 academic years~~))Beginning with the 2025-26 academic year, students with family incomes between zero and ((~~fifty-five~~))60 percent of the state median family income, adjusted for family size, shall receive the maximum Washington college grant as defined in RCW 28B.92.030. ((~~During the 2022-23, 2023-24, and 2024-25 academic years, students with family incomes between zero and sixty percent of the state median family income, adjusted for family size, shall receive the maximum Washington college grant.~~)) Grants for students with incomes between ((~~fifty-six~~))61 and ((~~one hundred~~))100 percent of the state median family income, adjusted for family size, shall be prorated at the following percentages of the maximum Washington college grant amount:

((~~(a) Seventy percent for students with family incomes between fifty-six and sixty percent of the state median family income, except during the 2022-23, 2023-24, and 2024-25 academic years;~~

~~(b) Sixty~~))(1) 60 percent for students with family incomes between ((~~sixty-one~~))61 and ((~~sixty-five~~))65 percent of the state median family income((~~, except during the 2023-24 and 2024-25 academic years when student grant award shall not be prorated and students shall receive the maximum award~~));

((~~(c) Fifty~~))(2) 50 percent for students with family incomes between ((~~sixty-six~~))66 and ((~~seventy~~))70 percent of the state median family income;

((~~(d) Twenty-four and one-half~~))(3) 24.5 percent for students with family incomes between ((~~seventy-one~~))71 and ((~~seventy-five~~))75 percent of the state median family income; and

((~~(e) Ten~~))(4) 10 percent for students with family incomes between ((~~seventy-six~~))76 and ((~~one hundred~~))100 percent of the state median family income.

Sec. 3. RCW 28B.118.010 and 2024 c 323 s 2 are each amended to read as follows:

The office of student financial assistance shall design the Washington college bound scholarship program in accordance with this section and in alignment with the Washington college grant program in chapter 28B.92 RCW unless otherwise provided in this section. The right of an eligible student to receive a college bound scholarship vest upon enrollment in the program that is earned by meeting the requirements of this section as it exists at the time of the student's

enrollment under subsection (2) of this section.

(1) "Eligible students" are those students who:

(a) Qualify for free or reduced-price lunches.

(i) If a student qualifies in the seventh or eighth grade, the student remains eligible even if the student does not receive free or reduced-price lunches thereafter.

(ii) Beginning in the 2019-20 academic year, if a student qualifies for free or reduced-price lunches in the ninth grade and was previously ineligible during the seventh or eighth grade while he or she was a student in Washington, the student is eligible for the college bound scholarship program;

(b) Are dependent pursuant to chapter 13.34 RCW and:

(i) In grade seven through 12; or

(ii) Are between the ages of 18 and 21 and have not graduated from high school; or

(c) Were dependent pursuant to chapter 13.34 RCW and were adopted between the ages of 14 and 18 with a negotiated adoption agreement that includes continued eligibility for the Washington state college bound scholarship program pursuant to RCW 74.13A.025.

(2)(a) Every eligible student shall be automatically enrolled by the office of student financial assistance, with no action necessary by the student, student's family, or student's guardians.

(b) Eligible students and the students' parents or guardians shall be notified of the student's enrollment in the Washington college bound scholarship program and the requirements for award of the scholarship by the office of student financial assistance. To the maximum extent practicable, an eligible student must acknowledge enrollment in the college bound scholarship program and receipt of the requirements for award of the scholarship.

(c) The office of the superintendent of public instruction and the department of children, youth, and families must provide the office of student financial assistance with a list of eligible students when requested. The office of student financial assistance must determine the most effective methods, including timing and frequency, to notify eligible students of enrollment in the Washington college bound scholarship program. The office of student financial assistance must take reasonable steps to ensure that eligible students acknowledge enrollment in the college bound scholarship program and receipt of the requirements for award of the scholarship. The office of student financial assistance shall also make available to every school district information, brochures, and posters to increase awareness and to enable school districts to notify eligible students directly or through school teachers, counselors, or school activities.

(3) Except as provided in subsection (4) of this section, an eligible student must:

(a)(i) Graduate from a public high school under RCW 28A.150.010, an approved private high school under chapter 28A.195 RCW in Washington, or have received home-based instruction under chapter 28A.200 RCW; and

(ii) For eligible students enrolling in a postsecondary educational institution for the first time beginning with the 2023-24 academic year, graduate with at least a "C" average for consideration of direct admission to a public or private four-year institution of higher education;

(b) Have no felony convictions;

(c) Be a resident student as defined in RCW 28B.15.012(2) (a) through (e); and

(d) Have a family income that does not exceed 65 percent of the state median family income at the time of high school graduation.

(4)(a) An eligible student who is a resident student under RCW 28B.15.012(2)(e) must also provide the institution, as defined in RCW 28B.15.012, an affidavit indicating that the individual will file an application to become a permanent resident at the earliest opportunity the individual is eligible to do so and a willingness to engage in any other activities necessary to acquire citizenship, including but not limited to citizenship or civics review courses.

(b) For eligible students as defined in subsection (1)(b) and (c) of this section, a student may also meet the requirement in subsection (3)(a) of this section by receiving a high school equivalency certificate as provided in RCW 28B.50.536.

(5)(a) For students attending two or four-year institutions of higher education as defined in RCW 28B.10.016, the value of the award shall be (i) the difference between the student's tuition and required fees, less the value of any state-funded grant, scholarship, or waiver assistance the student receives; (ii) plus ((~~five hundred dollars~~))$500 for books and materials.

(b)(i) For students attending private four-year institutions of higher education in Washington, the award amount shall be the ((~~representative~~)) average of awards granted to students in public research universities in Washington or the ((~~representative~~)) average of awards granted to students in public research universities in Washington in the 2014-15 academic year, whichever is greater, through the 2026-27 academic year.

(ii) Beginning in the 2027-28 academic year, for students attending private four-year not-for-profit institutions of higher education in Washington, the award amount shall be 50 percent of the average of awards for the same academic year granted to students in public research universities in Washington.

(c)(i) For students attending private vocational schools in Washington, the award amount shall be the ((~~representative~~)) average of awards granted to students in public community and technical colleges in Washington or the ((~~representative~~)) average of awards granted to students in public community and technical colleges in Washington in the 2014-15 academic year, whichever is greater, through the 2026-27 academic year.

(ii) Beginning in the 2027-28 academic year, for students attending two-year private not-for-profit schools in Washington, the award amount shall be the

average of awards granted in the same academic year to students in public community and technical colleges in Washington, or the average of awards granted to students in public community and technical colleges in Washington in the 2014-15 academic year, whichever is greater.

(d) Beginning in the 2027-28 academic year, for students attending Western Governors University-Washington, as established in RCW 28B.77.240, the award shall be $4,650.

(6) Eligible students must enroll no later than the fall term, as defined by the institution of higher education, one academic year following high school graduation. College bound scholarship eligibility may not extend beyond six years or 150 percent of the published length of the program in which the student is enrolled or the credit or clock-hour equivalent.

(7) Institutions of higher education shall award the student all need-based and merit-based financial aid for which the student would otherwise qualify. The Washington college bound scholarship is intended to replace unmet need, loans, and, at the student's option, work-study award before any other grants or scholarships are reduced.

(8) The first scholarships shall be awarded to students graduating in 2012.

(9) The eligible student has a property right in the award, but the state of Washington retains legal ownership of tuition units awarded as scholarships under this chapter until the tuition units are redeemed. These tuition units shall remain separately held from any tuition units owned under chapter 28B.95 RCW by a Washington college bound scholarship recipient.

(10)(a) The scholarship award must be used within six years of receipt. Any unused scholarship tuition units revert to the Washington college bound scholarship account.

(b) Should the recipient terminate his or her enrollment for any reason during the academic year, the unused portion of the scholarship tuition units shall revert to the Washington college bound scholarship account.

NEW SECTION. **Sec. 4.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2025."

Correct the title.

Signed by Representatives Ormsby, Chair; Gregerson, Vice Chair; Macri, Vice Chair; Berg; Bergquist; Callan; Cortes; Doglio; Fitzgibbon; Leavitt; Lekanoff; Peterson; Pollet; Ryu; Springer; Stonier; Street; Thai and Tharinger.

Referred to Committee on Rules for second reading

April 23, 2025

2SSB 5786 Prime Sponsor, Ways & Means: Increasing license, permit, and endorsement fees. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Ormsby, Chair; Gregerson, Vice Chair; Macri, Vice Chair; Berg; Bergquist; Callan; Cortes; Doglio; Fitzgibbon; Lekanoff; Peterson; Pollet; Ryu; Stonier; Street; Thai and Tharinger.

MINORITY recommendation: Without recommendation. Signed by Representatives Leavitt; and Springer.

Referred to Committee on Rules for second reading

April 23, 2025

SSB 5790 Prime Sponsor, Ways & Means: Concerning cost-of-living adjustments for community and technical college employees. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Ormsby, Chair; Gregerson, Vice Chair; Macri, Vice Chair; Berg; Bergquist; Callan; Cortes; Doglio; Fitzgibbon; Leavitt; Lekanoff; Peterson; Pollet; Ryu; Springer; Stonier; Street; Thai and Tharinger.

Referred to Committee on Rules for second reading

April 23, 2025

ESSB 5801 Prime Sponsor, Transportation: Concerning transportation resources. Reported by Committee on Transportation

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** The legislature finds that the purpose of the transportation system is to support the mobility needs of Washington residents, as well as to sustain and foster the economic activity and growth of the state. The legislature recognizes that the transportation system has pressing near, mid, and long-term needs that necessitate reliance on reliable funding resources, as well as the efficient use of those resources. The legislature further recognizes that the production, maintenance, and utilization of transportation resources across the state is inherently a complex, multifaceted issue. The legislature therefore intends to address these resources needs in a comprehensive manner. As such, the legislature's purpose in enacting this legislation is to address the complex production, maintenance, and utilization of transportation resources in Washington to achieve both short-term investment needs and provide a long-range vision for transportation system development.

PART I: MOTOR VEHICLE FUEL TAX

Sec. 101. RCW 82.38.030 and 2015 3rd sp.s. c 44 s 103 are each amended to read as follows:

(1) There is levied and imposed upon fuel licensees a tax at the rate of ((~~twenty-three~~))23 cents per gallon of fuel.

(2) Beginning July 1, 2003, an additional and cumulative tax rate of five cents per gallon of fuel is imposed on fuel licensees.

This subsection (2) expires when the bonds issued for transportation 2003 projects are retired.

(3) Beginning July 1, 2005, an additional and cumulative tax rate of three cents per gallon of fuel is imposed on fuel licensees.

(4) Beginning July 1, 2006, an additional and cumulative tax rate of three cents per gallon of fuel is imposed on fuel licensees.

(5) Beginning July 1, 2007, an additional and cumulative tax rate of two cents per gallon of fuel is imposed on fuel licensees.

(6) Beginning July 1, 2008, an additional and cumulative tax rate of one and one-half cents per gallon of fuel is imposed on fuel licensees.

(7) Beginning August 1, 2015, an additional and cumulative tax rate of seven cents per gallon of fuel is imposed on fuel licensees.

(8) Beginning July 1, 2016, an additional and cumulative tax rate of four and nine-tenths cents per gallon of fuel is imposed on fuel licensees.

(9) Beginning July 1, 2025, an additional and cumulative tax rate of six cents per gallon of fuel is imposed on fuel licensees.

(10) Beginning July 1, 2025, an additional and cumulative tax rate of three cents per gallon of special fuel is imposed on fuel licensees.

(11) Beginning July 1, 2027, an additional and cumulative tax rate of three cents per gallon of special fuel is imposed on fuel licensees.

(12)(a) Beginning July 1, 2026, the fuel tax rates imposed under subsections (1) through (9) of this section must be increased annually by two percent and the resulting fuel tax rate must be rounded to the nearest one-thousandth of $1.

(b) Beginning July 1, 2028, the fuel tax rate imposed under subsections (10) and (11) of this section must be increased annually by two percent and the resulting fuel tax rate must be rounded to the nearest one-thousandth of $1.

(13) Taxes are imposed when:

(a) Fuel is removed in this state from a terminal if the fuel is removed at the rack unless the removal is by a licensed supplier or distributor for direct delivery to a destination outside of the state, or the removal is by a fuel supplier for direct delivery to an international fuel tax agreement licensee under RCW 82.38.320;

(b) Fuel is removed in this state from a refinery if either of the following applies:

(i) The removal is by bulk transfer and the refiner or the owner of the fuel immediately before the removal is not a licensed supplier; or

(ii) The removal is at the refinery rack unless the removal is to a licensed supplier or distributor for direct delivery to a destination outside of the state, or the removal is to a licensed supplier for direct delivery to an international fuel tax agreement licensee under RCW 82.38.320;

(c) Fuel enters into this state for sale, consumption, use, or storage, unless the fuel enters this state for direct delivery to an international fuel tax agreement licensee under RCW 82.38.320, if either of the following applies:

(i) The entry is by bulk transfer and the importer is not a licensed supplier; or

(ii) The entry is not by bulk transfer;

(d) Fuel enters this state by means outside the bulk transfer-terminal system and is delivered directly to a licensed terminal unless the owner is a licensed distributor or supplier;

(e) Fuel is sold or removed in this state to an unlicensed entity unless there was a prior taxable removal, entry, or sale of the fuel;

(f) Blended fuel is removed or sold in this state by the blender of the fuel. The number of gallons of blended fuel subject to tax is the difference between the total number of gallons of blended fuel removed or sold and the number of gallons of previously taxed fuel used to produce the blended fuel;

(g) Dyed special fuel is used on a highway, as authorized by the internal revenue code, unless the use is exempt from the fuel tax;

(h) Dyed special fuel is held for sale, sold, used, or is intended to be used in violation of this chapter;

(i) Special fuel purchased by an international fuel tax agreement licensee under RCW 82.38.320 is used on a highway; and

(j) Fuel is sold by a licensed fuel supplier to a fuel distributor or fuel blender and the fuel is not removed from the bulk transfer-terminal system.

Sec. 102. RCW 82.38.075 and 2014 c 216 s 202 are each amended to read as follows:

(1) To encourage the use of nonpolluting fuels, an annual license fee in lieu of the tax imposed by RCW 82.38.030 is imposed upon the use of liquefied natural gas, compressed natural gas, or propane used in any motor vehicle. The annual license fee must be based upon the following schedule and formula:

VEHICLE TONNAGE (GVW)		FEE
0	-6,000	$ 45
6,001	~~to~~10,000	$ 45
10,001	~~to~~18,000	$ 80
18,001	~~to~~28,000	$110
28,001	~~to~~36,000	$150
36,001	and above	$250

(2) To determine the annual license fee for a registration year, the appropriate dollar amount in the schedule is multiplied by the cumulative fuel tax rate per gallon of special fuel effective on July 1st of the preceding calendar year and the product is divided by 12 cents. The annual license fee must be rounded to the nearest five cents.

(3) The department, in addition to the resulting fee, must charge an additional fee of ((~~five dollars~~))$5 as a handling charge for each license issued.

(4) The vehicle tonnage fee must be prorated so the annual license will correspond with the staggered vehicle licensing system.

(5) A decal or other identifying device issued upon payment of the annual fee must

be displayed as prescribed by the department as authority to purchase this fuel.

(6) Persons selling or dispensing natural gas or propane may not sell or dispense this fuel for their own use or the use of others into tanks of vehicles powered by this fuel which do not display a valid decal or other identifying device.

(7) Commercial motor vehicles registered in a foreign jurisdiction under the provisions of the international registration plan are subject to the annual fee.

(8) Motor vehicles registered in a foreign jurisdiction, except those registered under the international registration plan under chapter 46.87 RCW, are exempt from this section.

(9) Vehicles registered in jurisdictions outside the state of Washington are exempt from this section.

(10) Any person selling or dispensing liquefied natural gas, compressed natural gas, or propane into the tank of a motor vehicle powered by this fuel, except as prescribed in this chapter, is subject to the penalty provisions of this chapter.

Sec. 103. RCW 46.68.090 and 2015 3rd sp.s. c 44 s 105 are each amended to read as follows:

(1) All moneys that have accrued or may accrue to the motor vehicle fund from the fuel tax must be first expended for purposes enumerated in (a) and (b) of this subsection. The remaining net tax amount must be distributed monthly by the state treasurer in accordance with subsections (2) through ((~~(8)~~)) (9) of this section.

(a) For payment of refunds of fuel tax that has been paid and is refundable as provided by law;

(b) For payment of amounts to be expended pursuant to appropriations for the administrative expenses of the offices of state treasurer, state auditor, and the department of licensing of the state of Washington in the administration of the fuel tax, which sums must be distributed monthly.

(2) All of the remaining net tax amount collected under RCW 82.38.030(1) must be distributed as set forth in (a) through (j) of this subsection.

(a) For distribution to the motor vehicle fund an amount equal to 44.387 percent to be expended for highway purposes of the state as defined in RCW 46.68.130;

(b)(i) For distribution to the special category C account, hereby created in the motor vehicle fund, an amount equal to 3.2609 percent to be expended for special category C projects. Special category C projects are category C projects that, due to high cost only, will require bond financing to complete construction.

(ii) The following criteria, listed in order of priority, must be used in determining which special category C projects have the highest priority:

(A) Accident experience;

(B) Fatal accident experience;

(C) Capacity to move people and goods safely and at reasonable speeds without undue congestion; and

(D) Continuity of development of the highway transportation network.

(iii) Moneys deposited in the special category C account in the motor vehicle fund may be used for payment of debt service on bonds the proceeds of which are used to finance special category C projects under this subsection (2)(b);

(c) For distribution to the Puget Sound ferry operations account in the motor vehicle fund an amount equal to 2.3283 percent;

(d) For distribution to the Puget Sound capital construction account in the motor vehicle fund an amount equal to 2.3726 percent;

(e) For distribution to the transportation improvement account in the motor vehicle fund an amount equal to 7.5597 percent;

(f) For distribution to the transportation improvement account in the motor vehicle fund an amount equal to 5.6739 percent and expended in accordance with RCW 47.26.086;

(g) For distribution to the cities and towns from the motor vehicle fund an amount equal to 10.6961 percent in accordance with RCW 46.68.110;

(h) For distribution to the counties from the motor vehicle fund an amount equal to 19.2287 percent: (i) Out of which there must be distributed from time to time, as directed by the department of transportation, those sums as may be necessary to carry out the provisions of RCW 47.56.725; and (ii) less any amounts appropriated to the county road administration board to implement the provisions of RCW 47.56.725(4), with the balance of such county share to be distributed monthly as the same accrues for distribution in accordance with RCW 46.68.120;

(i) For distribution to the county arterial preservation account, hereby created in the motor vehicle fund an amount equal to 1.9565 percent. These funds must be distributed by the county road administration board to counties in proportions corresponding to the number of paved arterial lane miles in the unincorporated area of each county and must be used for improvements to sustain the structural, safety, and operational integrity of county arterials. The county road administration board must adopt reasonable rules and develop policies to implement this program and to assure that a pavement management system is used;

(j) For distribution to the rural arterial trust account in the motor vehicle fund an amount equal to 2.5363 percent and expended in accordance with RCW 36.79.020.

(3) The remaining net tax amount collected under RCW 82.38.030(2) must be distributed to the transportation 2003 account (nickel account).

(4) The remaining net tax amount collected under RCW 82.38.030(3) must be distributed as follows:

(a) 8.3333 percent must be distributed to the incorporated cities and towns of the state in accordance with RCW 46.68.110;

(b) 8.3333 percent must be distributed to counties of the state in accordance with RCW 46.68.120; and

(c) The remainder must be distributed to the transportation partnership account created in RCW 46.68.290.

(5) The remaining net tax amount collected under RCW 82.38.030(4) must be distributed as follows:

(a) 8.3333 percent must be distributed to the incorporated cities and towns of the state in accordance with RCW 46.68.110;

(b) 8.3333 percent must be distributed to counties of the state in accordance with RCW 46.68.120; and

(c) The remainder must be distributed to the transportation partnership account created in RCW 46.68.290.

(6) The remaining net tax amount collected under RCW 82.38.030 (5) and (6) must be distributed to the transportation partnership account created in RCW 46.68.290.

(7) The remaining net tax amount collected under RCW 82.38.030 (7) and (8) must be distributed to the connecting Washington account created in RCW 46.68.395.

(8) The remaining net tax amount collected under RCW 82.38.030 (9) through (12) must be distributed as follows:

(a) Two and one-half percent must be distributed to the incorporated cities and towns of the state in accordance with RCW 46.68.110;

(b) Two and one-half percent must be distributed to counties of the state in accordance with RCW 46.68.120; and

(c) The remainder must be distributed to the motor vehicle fund created in RCW 46.68.070.

(9) Nothing in this section or in RCW 46.68.130 may be construed so as to violate any terms or conditions contained in any highway construction bond issues now or hereafter authorized by statute and whose payment is by such statute pledged to be paid from any excise taxes on fuel.

License Fees by Weight

Sec. 104. RCW 46.17.355 and 2015 3rd sp.s. c 44 s 201 are each amended to read as follows:

(1)((~~(a) For vehicle registrations that are due or become due before July 1, 2016, in lieu of the vehicle license fee required under RCW 46.17.350 and before accepting an application for a vehicle registration for motor vehicles described in RCW 46.16A.455, the department, county auditor or other agent, or subagent appointed by the director shall require the applicant, unless specifically exempt, to pay the following license fee by weight:~~

~~WEIGHT~~	~~SCHEDULE A~~	~~SCHEDULE B~~
~~4,000 pounds~~	~~$ 38.00~~	~~$ 38.00~~
~~6,000 pounds~~	~~$ 48.00~~	~~$ 48.00~~
~~8,000 pounds~~	~~$ 58.00~~	~~$ 58.00~~
~~10,000 pounds~~	~~$ 60.00~~	~~$ 60.00~~
~~12,000 pounds~~	~~$ 77.00~~	~~$ 77.00~~
~~14,000 pounds~~	~~$ 88.00~~	~~$ 88.00~~
~~16,000 pounds~~	~~$ 100.00~~	~~$ 100.00~~
~~18,000 pounds~~	~~$ 152.00~~	~~$ 152.00~~
~~20,000 pounds~~	~~$ 169.00~~	~~$ 169.00~~
~~22,000 pounds~~	~~$ 183.00~~	~~$ 183.00~~
~~24,000 pounds~~	~~$ 198.00~~	~~$ 198.00~~
~~26,000 pounds~~	~~$ 209.00~~	~~$ 209.00~~
~~28,000 pounds~~	~~$ 247.00~~	~~$ 247.00~~
~~30,000 pounds~~	~~$ 285.00~~	~~$ 285.00~~
~~32,000 pounds~~	~~$ 344.00~~	~~$ 344.00~~
~~34,000 pounds~~	~~$ 366.00~~	~~$ 366.00~~
~~36,000 pounds~~	~~$ 397.00~~	~~$ 397.00~~
~~38,000 pounds~~	~~$ 436.00~~	~~$ 436.00~~
~~40,000 pounds~~	~~$ 499.00~~	~~$ 499.00~~
~~42,000 pounds~~	~~$ 519.00~~	~~$ 609.00~~
~~44,000 pounds~~	~~$ 530.00~~	~~$ 620.00~~
~~46,000 pounds~~	~~$ 570.00~~	~~$ 660.00~~
~~48,000 pounds~~	~~$ 594.00~~	~~$ 684.00~~
~~50,000 pounds~~	~~$ 645.00~~	~~$ 735.00~~
~~52,000 pounds~~	~~$ 678.00~~	~~$ 768.00~~
~~54,000 pounds~~	~~$ 732.00~~	~~$ 822.00~~
~~56,000 pounds~~	~~$ 773.00~~	~~$ 863.00~~
~~58,000 pounds~~	~~$ 804.00~~	~~$ 894.00~~
~~60,000 pounds~~	~~$ 857.00~~	~~$ 947.00~~
~~62,000 pounds~~	~~$ 919.00~~	~~$ 1,009.00~~
~~64,000 pounds~~	~~$ 939.00~~	~~$ 1,029.00~~

~~WEIGHT~~	~~SCHEDULE A~~	~~SCHEDULE B~~
~~66,000 pounds~~	~~$ 1,046.00~~	~~$ 1,136.00~~
~~68,000 pounds~~	~~$ 1,091.00~~	~~$ 1,181.00~~
~~70,000 pounds~~	~~$ 1,175.00~~	~~$ 1,265.00~~
~~72,000 pounds~~	~~$ 1,257.00~~	~~$ 1,347.00~~
~~74,000 pounds~~	~~$ 1,366.00~~	~~$ 1,456.00~~
~~76,000 pounds~~	~~$ 1,476.00~~	~~$ 1,566.00~~
~~78,000 pounds~~	~~$ 1,612.00~~	~~$ 1,702.00~~
~~80,000 pounds~~	~~$ 1,740.00~~	~~$ 1,830.00~~
~~82,000 pounds~~	~~$ 1,861.00~~	~~$ 1,951.00~~
~~84,000 pounds~~	~~$ 1,981.00~~	~~$ 2,071.00~~
~~86,000 pounds~~	~~$ 2,102.00~~	~~$ 2,192.00~~
~~88,000 pounds~~	~~$ 2,223.00~~	~~$ 2,313.00~~
~~90,000 pounds~~	~~$ 2,344.00~~	~~$ 2,434.00~~
~~92,000 pounds~~	~~$ 2,464.00~~	~~$ 2,554.00~~
~~94,000 pounds~~	~~$ 2,585.00~~	~~$ 2,675.00~~
~~96,000 pounds~~	~~$ 2,706.00~~	~~$ 2,796.00~~
~~98,000 pounds~~	~~$ 2,827.00~~	~~$ 2,917.00~~
~~100,000 pounds~~	~~$ 2,947.00~~	~~$ 3,037.00~~
~~102,000 pounds~~	~~$ 3,068.00~~	~~$ 3,158.00~~
~~104,000 pounds~~	~~$ 3,189.00~~	~~$ 3,279.00~~
~~105,500 pounds~~	~~$ 3,310.00~~	~~$ 3,400.00~~

~~(b) For vehicle registrations that are due or become due on or after July 1, 2016, in~~))In lieu of the vehicle license fee required under RCW 46.17.350 and before accepting an application for a vehicle registration for motor vehicles described in RCW 46.16A.455, the department, county auditor or other agent, or subagent appointed by the director shall require the applicant, unless specifically exempt, to pay the following license fee by weight, to be adjusted annually as provided in subsection (8) of this section:

WEIGHT	SCHEDULE A	SCHEDULE B
4,000 pounds	$ 53.00	$ 53.00
6,000 pounds	(($ ~~73.00~~)) $80.00	(($ ~~73.00~~)) $80.00
8,000 pounds	(($ ~~93.00~~)) $110.00	(($ ~~93.00~~)) $110.00
10,000 pounds	(($ ~~93.00~~)) $140.00	(($ ~~93.00~~)) $140.00
12,000 pounds	(($ ~~81.00~~)) $147.85	(($ ~~81.00~~)) $147.85
14,000 pounds	(($ ~~88.00~~)) $182.60	(($ ~~88.00~~)) $182.60
16,000 pounds	(($ ~~100.00~~)) $208.70	(($ ~~100.00~~)) $208.70
18,000 pounds	(($ ~~152.00~~)) $234.80	(($ ~~152.00~~)) $234.80
20,000 pounds	(($ ~~169.00~~)) $260.85	(($ ~~169.00~~)) $260.85
22,000 pounds	(($ ~~183.00~~)) $286.95	(($ ~~183.00~~)) $286.95
24,000 pounds	(($ ~~198.00~~)) $313.05	(($ ~~198.00~~)) $313.05
26,000 pounds	(($ ~~209.00~~)) $339.15	(($ ~~209.00~~)) $339.15
28,000 pounds	(($ ~~247.00~~)) $365.20	(($ ~~247.00~~)) $365.20
30,000 pounds	(($ ~~285.00~~)) $391.30	(($ ~~285.00~~)) $391.30
32,000 pounds	(($ ~~344.00~~)) $417.40	(($ ~~344.00~~)) $417.40
34,000 pounds	(($ ~~366.00~~)) $443.50	(($ ~~366.00~~)) $443.50
36,000 pounds	(($ ~~397.00~~)) $469.55	(($ ~~397.00~~)) $469.55
38,000 pounds	(($ ~~436.00~~)) $495.65	(($ ~~436.00~~)) $495.65
40,000 pounds	(($ ~~499.00~~)) $521.75	(($ ~~499.00~~)) $521.75

WEIGHT	SCHEDULE A	SCHEDULE B
42,000 pounds	(($~~519.00~~)) $547.85	$ 609.00
44,000 pounds	(($~~530.00~~)) $573.90	$ 620.00
46,000 pounds	(($~~570.00~~)) $600.00	$ 660.00
48,000 pounds	(($~~594.00~~)) $626.10	$ 684.00
50,000 pounds	(($~~645.00~~)) $652.15	$ 735.00
52,000 pounds	(($~~678.00~~)) $678.25	$ 768.00
54,000 pounds	$ 732.00	$ 822.00
56,000 pounds	$ 773.00	$ 863.00
58,000 pounds	$ 804.00	$ 894.00
60,000 pounds	$ 857.00	$ 947.00
62,000 pounds	$ 919.00	$1,009 .00
64,000 pounds	$ 939.00	$1,029 .00
66,000 pounds	$ 1,046.00	$ 1,136.00
68,000 pounds	$ 1,091.00	$ 1,181.00
70,000 pounds	$ 1,175.00	$ 1,265.00
72,000 pounds	$ 1,257.00	$ 1,347.00
74,000 pounds	$ 1,366.00	$ 1,456.00
76,000 pounds	$ 1,476.00	$ 1,566.00
78,000 pounds	$ 1,612.00	$ 1,702.00
80,000 pounds	$ 1,740.00	$ 1,830.00
82,000 pounds	$ 1,861.00	$ 1,951.00
84,000 pounds	$ 1,981.00	$ 2,071.00
86,000 pounds	$ 2,102.00	$ 2,192.00
88,000 pounds	$ 2,223.00	$ 2,313.00
90,000 pounds	$ 2,344.00	$ 2,434.00
92,000 pounds	$ 2,464.00	$ 2,554.00
94,000 pounds	$ 2,585.00	$ 2,675.00
96,000 pounds	$ 2,706.00	$ 2,796.00
98,000 pounds	$ 2,827.00	$ 2,917.00
100,000 pounds	$ 2,947.00	$ 3,037.00
102,000 pounds	$ 3,068.00	$ 3,158.00
104,000 pounds	$ 3,189.00	$ 3,279.00
105,500 pounds	$ 3,310.00	$ 3,400.00

(2) Schedule A applies to vehicles either used exclusively for hauling logs or that do not tow trailers. Schedule B applies to vehicles that tow trailers and are not covered under Schedule A.

(3) If the resultant gross weight is not listed in the table provided in subsection (1) of this section, it must be increased to the next higher weight.

(4) The license fees provided in subsection (1) of this section and the freight project fee provided in subsection (6) of this section are in addition to the filing fee required under RCW 46.17.005 and any other fee or tax required by law.

(5) The license fee based on declared gross weight as provided in subsection (1) of this section must be distributed under RCW 46.68.035.

(6) ((~~For vehicle registrations that are due or become due on or after July 1, 2016, in~~))In addition to the license fee based on declared gross weight ((~~as provided in~~))required under subsection (1) of this section, the department, county auditor or other agent, or subagent appointed by the director must require an applicant with a vehicle with a declared gross weight of more than 10,000 pounds, unless specifically exempt, to pay a freight project fee equal to ((~~fifteen~~))15 percent of the license fee provided in subsection (1) of this section, rounded to the nearest whole dollar, which must be distributed under RCW 46.68.035.

(7) ((~~For vehicle registrations that are due or become due on or after July 1, 2022, in~~))In addition to the license fee based on declared gross weight ((~~as provided in~~))required under subsection (1) of this section, the department, county auditor or other agent, or subagent appointed by the director must require an applicant with a vehicle with a declared gross weight of less than or equal to 12,000 pounds, unless specifically exempt, to pay an additional weight fee of ((~~ten dollars~~))$10, which must be distributed under RCW 46.68.035.

(8) Beginning July 1, 2026, the vehicle license fee required in subsection (1) of this section must be adjusted annually by increasing the fee by two percent and the

result must be rounded to the nearest five cents.

Passenger Vehicle Weight Fees

Sec. 105. RCW 46.17.365 and 2021 c 317 s 19 are each amended to read as follows:

(1) A person applying for a motor vehicle registration and paying the vehicle license fee required in RCW 46.17.350(1) (a), (d), (e), (h), (j), (n), and (o) shall pay a motor vehicle weight fee in addition to all other fees and taxes required by law.

((~~(a) For vehicle registrations that are due or become due before July 1, 2016, the motor vehicle weight fee:~~

~~(i) Must be based on the motor vehicle scale weight;~~

~~(ii) Is the difference determined by subtracting the vehicle license fee required in RCW 46.17.350 from the license fee in Schedule B of RCW 46.17.355, plus two dollars; and~~

~~(iii) Must be distributed under RCW 46.68.415.~~

~~(b)~~)) For vehicle registrations that are due or become due on or after ((~~July 1, 2016~~))January 1, 2026, the motor vehicle weight fee:

((~~(i)~~))(a) Must be based on the motor vehicle scale weight as follows:

WEIGHT	FEE
4,000 pounds	((~~$ 25.00~~)) $35.00
6,000 pounds	((~~$ 45.00~~)) $65.00
8,000 pounds	((~~$ 65.00~~)) $82.50
16,000 pounds and over	((~~$ 72.00~~)) $96.00;

((~~(ii)~~))(b) If the resultant motor vehicle scale weight is not listed in the table provided in ((~~(b)(i)~~))(a) of this subsection, must be increased to the next highest weight; and

((~~(iii)~~))(c) Must be distributed under RCW 46.68.415 ((~~unless prior to July 1, 2023, the actions described in (b)(iii)(A) or (B) of this subsection occur, in which case the portion of the revenue that is the result of the fee increased in this subsection must be distributed to the connecting Washington account created under RCW 46.68.395.~~

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

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

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

(2) A person applying for a motor home vehicle registration shall, in lieu of the motor vehicle weight fee required in subsection (1) of this section, pay a motor home vehicle weight fee of ((~~seventy-five dollars~~))$75 in addition to all other fees and taxes required by law. The motor home vehicle weight fee must be distributed under RCW 46.68.415.

(3) ((~~Beginning July 1, 2022, in addition to the motor vehicle weight fee as provided in subsection (1) of this section, the department, county auditor or other agent, or subagent appointed by the director must require an applicant to pay an additional weight fee of ten dollars, which must be distributed to the multimodal transportation account under RCW 47.66.070 unless prior to July 1, 2023, the actions described in (a) or (b) of this subsection occur, in which case the portion of the revenue that is the result of the fee increased in this subsection must be distributed to the connecting Washington account created under RCW 46.68.395.~~

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

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

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

~~(4)~~)) The department shall:

(a) Rely on motor vehicle empty scale weights provided by vehicle manufacturers, or other sources defined by the department, to determine the weight of each motor vehicle; and

(b) Adopt rules for determining weight for vehicles without manufacturer empty scale weights.

Registration and Title Filing and Service Fees

Sec. 106. RCW 46.17.005 and 2019 c 417 s 3 are each amended to read as follows:

(1) A person who applies for a vehicle registration or for any other right to operate a vehicle on the highways of this state shall pay a ((~~four dollar and fifty~~

~~cent~~))$6 filing fee in addition to any other fees and taxes required by law.

(2) A person who applies for a certificate of title shall pay a ((~~five dollar and fifty cent~~))$6.50 filing fee in addition to any other fees and taxes required by law.

(3) The filing fees established in this section must be distributed under RCW 46.68.400.

Sec. 107. RCW 46.17.040 and 2019 c 417 s 2 are each amended to read as follows:

(1) The department, county auditor or other agent, or subagent appointed by the director shall collect a service fee of:

(a) ((~~Fifteen dollars~~))$18 for changes in a certificate of title, changes in ownership for nontitled vehicles, or for verification of record and preparation of an affidavit of lost title other than at the time of the certificate of title application or transfer, in addition to any other fees or taxes due at the time of application; and

(b) ((~~Eight dollars~~))$11 for a registration renewal, issuing a transit permit, or any other service under this section, in addition to any other fees or taxes due at the time of application.

(2) Service fees collected under this section by the department or county auditor or other agent appointed by the director must be credited to the capital vessel replacement account under RCW 47.60.322.

Sec. 108. RCW 46.17.380 and 2018 c 287 s 4 are each amended to read as follows:

(1) Before accepting an application for a registration for a recreational vehicle, the department, county auditor, or other agent, or subagent appointed by the director, shall require an applicant to pay ((~~a six-dollar~~))an $8 fee in addition to any other fees and taxes required by law.

(2) The abandoned recreational disposal fee must be deposited into the abandoned recreational vehicle disposal account created in RCW 46.68.175.

(3) For the purposes of this section, "recreational vehicle" means a camper, motor home, or travel trailer.

Sec. 109. RCW 46.68.175 and 2018 c 287 s 6 are each amended to read as follows:

(1) The abandoned recreational vehicle disposal account is created in the state treasury. All receipts from the fee imposed in RCW 46.17.380 must be deposited into the account. The account may receive fund transfers and appropriations from the general fund, as well as gifts, grants, and endowments from public or private sources, in trust or otherwise, for the use and benefit of the purposes of chapter 287, Laws of 2018 and expend any income according to the terms of the gifts, grants, or endowments, provided that those terms do not conflict with any provisions of this section or any guidelines developed to prioritize reimbursement of removal projects associated with chapter 287, Laws of 2018.

(2) Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only by the department to reimburse registered tow truck operators and licensed dismantlers for up to ((~~one hundred~~))100 percent of the total reasonable and auditable administrative costs for transport, dismantling, and disposal of abandoned recreational vehicles under RCW 46.53.010 when the last registered owner is unknown after a reasonable search effort. Compliance with RCW 46.55.100 is considered a reasonable effort to locate the last registered owner of the abandoned recreational vehicle. Any funds received by the registered tow truck operators or licensed dismantlers through collection efforts from the last owner of record shall be turned over to the department for vehicles reimbursed under RCW 46.53.010.

(3) Funds in the account resulting from transfers from the general fund must be used to reimburse ((~~one hundred~~))100 percent of eligible costs up to a limit of ((~~ten thousand dollars~~))$10,000 per vehicle for which cost reimbursements are requested.

(4) In each fiscal biennium, beginning in the 2019-2021 fiscal biennium and through December 31, 2025, up to ((~~fifteen~~))15 percent of the expenditures from the account may be used for administrative expenses of the department in implementing this chapter. Beginning January 1, 2026, up to 10 percent of the expenditures from the account may be used for administrative expenses of the department in implementing this chapter.

PART II: MOTOR VEHICLE SALES TAX, LUXURY TAXES ON VEHICLES AND AIRCRAFT, RECREATIONAL VESSEL TAX, RENTAL CAR AND PEER-TO-PEER TAXES

Sec. 201. RCW 82.08.020 and 2022 c 16 s 145 are each amended to read as follows:

(1) There is levied and collected a tax equal to six and five-tenths percent of the selling price on each retail sale in this state of:

(a) Tangible personal property, unless the sale is specifically excluded from the RCW 82.04.050 definition of retail sale;

(b) Digital goods, digital codes, and digital automated services, if the sale is included within the RCW 82.04.050 definition of retail sale;

(c) Services, other than digital automated services, included within the RCW 82.04.050 definition of retail sale;

(d) Extended warranties to consumers; and

(e) Anything else, the sale of which is included within the RCW 82.04.050 definition of retail sale.

(2)(a) There is levied and collected an additional tax on each retail car rental, regardless of whether the vehicle is licensed in this state, equal to ((~~five and nine-tenths percent of the selling price. The revenue collected under~~)):

(i) Eleven and nine-tenths percent of the selling price from January 1, 2026, through December 31, 2026; and

(ii)(A) Nine and nine-tenths percent of the selling price beginning January 1, 2027.

(B) The revenue collected under (a) of this subsection must be deposited in the multimodal transportation account created in RCW 47.66.070.

(b)(i) Beginning April 1, 2026, there is levied and collected an additional tax on peer-to-peer car sharing transactions equal to the selling price multiplied by the rate of tax imposed under (a) of this subsection. This subsection (2)(b) applies only to peer-to-peer car sharing transactions where the vehicle owner obtained the shared vehicles without paying retail sales or use tax by claiming an exemption under RCW 82.04.050, including by use of a reseller permit. The revenue collected under this subsection (2)(b) must be deposited in the multimodal transportation account created in RCW 47.66.070.

(ii) For purposes of this subsection (2)(b), "peer-to-peer car sharing" has the same meaning as in RCW 46.74A.010. "Peer-to-peer car sharing" does not mean:

(A) "Retail car rental" as defined in RCW 82.08.011; or

(B) "Rental car" as defined in RCW 46.04.465 or 48.115.005.

(3) ((~~Beginning July 1, 2003, there~~))There is levied and collected an additional tax of ((~~three-tenths~~))five-tenths of one percent of the selling price on each retail sale of a motor vehicle in this state, other than retail car rentals taxed under subsection (2) of this section. The revenue collected under this subsection must be deposited in the multimodal transportation account created in RCW 47.66.070.

(4)(a) Beginning April 1, 2026, in addition to taxes required under this chapter and chapters 82.12 and 82.49 RCW, there is levied and collected an additional tax of five-tenths of one percent on the selling price, plus trade-in property of like kind, for purchased recreational vessels.

(b) In the case of a lease requiring periodic payments, the tax is imposed on the fair market value of the recreational vessel at the inception of the lease.

(c) The revenue collected under this subsection must be deposited in the multimodal transportation account created in RCW 47.66.070.

(d) For purposes of this subsection, "recreational vessel" means a vessel as defined in RCW 88.02.310 that is subject to watercraft excise tax under chapter 82.49 RCW.

(5) For purposes of subsection (3) of this section, "motor vehicle" has the meaning provided in RCW 46.04.320, but does not include:

(a) Farm tractors or farm vehicles as defined in RCW 46.04.180 and 46.04.181, unless the farm tractor or farm vehicle is for use in the production of cannabis;

(b) Off-road vehicles as defined in RCW 46.04.365;

(c) Nonhighway vehicles as defined in RCW 46.09.310; and

(d) Snowmobiles as defined in RCW 46.04.546.

((~~(5)~~))(6) Beginning on December 8, 2005, 0.16 percent of the taxes collected under subsection (1) of this section must be dedicated to funding comprehensive performance audits required under RCW 43.09.470. The revenue identified in this subsection must be deposited in the performance audits of government account created in RCW 43.09.475.

((~~(6)~~))(7) The taxes imposed under this chapter apply to successive retail sales of the same property.

((~~(7)~~))(8) The rates provided in this section apply to taxes imposed under chapter 82.12 RCW as provided in RCW 82.12.020.

Sec. 202. RCW 82.12.020 and 2017 c 323 s 520 are each amended to read as follows:

(1) There is levied and collected from every person in this state a tax or excise for the privilege of using within this state as a consumer any:

(a) Article of tangible personal property acquired by the user in any manner, including tangible personal property acquired at a casual or isolated sale, and including by-products used by the manufacturer thereof, except as otherwise provided in this chapter, irrespective of whether the article or similar articles are manufactured or are available for purchase within this state;

(b) Prewritten computer software, regardless of the method of delivery, but excluding prewritten computer software that is either provided free of charge or is provided for temporary use in viewing information, or both;

(c) Services defined as a retail sale in RCW 82.04.050 (2) (a) or (g) or (6)(c), excluding services defined as a retail sale in RCW 82.04.050(6)(c) that are provided free of charge;

(d) Extended warranty; or

(e)(i) Digital good, digital code, or digital automated service, including the use of any services provided by a seller exclusively in connection with digital goods, digital codes, or digital automated services, whether or not a separate charge is made for such services.

(ii) With respect to the use of digital goods, digital automated services, and digital codes acquired by purchase, the tax imposed in this subsection (1)(e) applies in respect to:

(A) Sales in which the seller has granted the purchaser the right of permanent use;

(B) Sales in which the seller has granted the purchaser a right of use that is less than permanent;

(C) Sales in which the purchaser is not obligated to make continued payment as a condition of the sale; and

(D) Sales in which the purchaser is obligated to make continued payment as a condition of the sale.

(iii) With respect to digital goods, digital automated services, and digital codes acquired other than by purchase, the tax imposed in this subsection (1)(e) applies regardless of whether or not the consumer has a right of permanent use or is obligated to make continued payment as a condition of use.

(2) The provisions of this chapter do not apply in respect to the use of any article of tangible personal property, extended warranty, digital good, digital code, digital automated service, or service taxable under RCW 82.04.050 (2) (a) or (g) or (6)(c), if the sale to, or the use by,

the present user or the present user's bailor or donor has already been subjected to the tax under chapter 82.08 RCW or this chapter and the tax has been paid by the present user or by the present user's bailor or donor.

(3)(a) Except as provided in this section, payment of the tax imposed by this chapter or chapter 82.08 RCW by one purchaser or user of tangible personal property, extended warranty, digital good, digital code, digital automated service, or other service does not have the effect of exempting any other purchaser or user of the same property, extended warranty, digital good, digital code, digital automated service, or other service from the taxes imposed by such chapters.

(b) The tax imposed by this chapter does not apply:

(i) If the sale to, or the use by, the present user or his or her bailor or donor has already been subjected to the tax under chapter 82.08 RCW or this chapter and the tax has been paid by the present user or by his or her bailor or donor;

(ii) In respect to the use of any article of tangible personal property acquired by bailment and the tax has once been paid based on reasonable rental as determined by RCW 82.12.060 measured by the value of the article at time of first use multiplied by the tax rate imposed by chapter 82.08 RCW or this chapter as of the time of first use;

(iii) In respect to the use of any article of tangible personal property acquired by bailment, if the property was acquired by a previous bailee from the same bailor for use in the same general activity and the original bailment was prior to June 9, 1961; or

(iv) To the use of digital goods or digital automated services, which were obtained through the use of a digital code, if the sale of the digital code to, or the use of the digital code by, the present user or the present user's bailor or donor has already been subjected to the tax under chapter 82.08 RCW or this chapter and the tax has been paid by the present user or by the present user's bailor or donor.

(4)(a) Except as provided in (b) of this subsection (4), the tax is levied and must be collected in an amount equal to the value of the article used, value of the digital good or digital code used, value of the extended warranty used, or value of the service used by the taxpayer, multiplied by the applicable rates in effect for the retail sales tax under RCW 82.08.020.

(b) In the case of a seller required to collect use tax from the purchaser, the tax must be collected in an amount equal to the purchase price multiplied by the applicable rate in effect for the retail sales tax under RCW 82.08.020.

(5) For purposes of the tax imposed in this section, "person" includes anyone within the definition of "buyer," "purchaser," and "consumer" in RCW 82.08.010.

(6)(a) Beginning April 1, 2026, the tax imposed in this section at the rate provided in RCW 82.08.020(4) applies to the use of a recreational vessel at the time that it is first used in this state by the consumer.

(b) The revenue collected under this subsection must be deposited in the multimodal transportation account created in RCW 47.66.070.

(c) For purposes of this subsection, "recreational vessel" means a vessel as defined in RCW 88.02.310 that is subject to watercraft excise tax under chapter 82.49 RCW.

NEW SECTION. **Sec. 203.** A new section is added to chapter 82.08 RCW to read as follows:

(1)(a) Except as provided in subsection (3) of this section, in addition to the taxes imposed under RCW 82.08.020, there is levied and collected an additional tax of eight percent on the sale of a motor vehicle if:

(i) The selling price of the motor vehicle plus trade-in property of like kind for purchased vehicles exceeds $100,000; or

(ii) In the case of a lease requiring periodic payments, the fair market value of the motor vehicle exceeds $100,000 at the inception of the lease.

(b) The additional tax imposed in this subsection (1):

(i) Is equal to the portion of the selling price plus trade-in property of like kind for purchased vehicles in excess of the deduction amount specified in subsection (2) of this section, multiplied by eight percent; or

(ii) In the case of a lease requiring periodic payments, is the fair market value of the motor vehicle in excess of the amount specified in subsection (2) of this subsection, at the inception of the lease, multiplied by eight percent.

(2) The deduction amount is $100,000 for fiscal year 2026. The deduction amount must be annually adjusted on July 1st of each year by increasing the amount by two percent and rounding the result to the nearest whole dollar.

(3) The taxes imposed under this section do not apply to the sale or lease of:

(a) A commercial motor vehicle, as defined in RCW 46.25.010; or

(b) A motor vehicle that has a gross vehicle weight rating of greater than 10,000 pounds other than motor homes, as defined in RCW 46.04.305.

(4) The revenue collected under this section must be deposited in the multimodal transportation account created in RCW 47.66.070.

(5) For the purposes of this section and section 204 of this act, the following definitions apply:

(a) "Motor vehicle" has the same meaning as in RCW 46.04.320, but does not include:

(i) Farm tractors or farm vehicles as defined in RCW 46.04.180 and 46.04.181, unless the farm tractor or farm vehicle is for use in the production of cannabis;

(ii) Off-road vehicles as defined in RCW 46.04.365;

(iii) Nonhighway vehicles as defined in RCW 46.09.310; and

(iv) Snowmobiles as defined in RCW 46.04.546.

(b) "Value of the motor vehicle" means the fair market value of the motor vehicle.

In the case of a leased motor vehicle in which the consumer is required to make periodic lease payments, "value of the motor vehicle" means the fair market value of the motor vehicle at the inception of the lease.

NEW SECTION. **Sec. 204.** A new section is added to chapter 82.12 RCW to read as follows:

(1) Except as provided in subsection (3) of this section, in addition to the tax imposed under RCW 82.12.020, there is levied and collected from every person in this state a tax for the privilege of using within this state as a consumer any motor vehicle if the value of the motor vehicle exceeds $100,000.

(2)(a) Except as provided in (b) of this subsection, the tax is levied and must be collected in an amount equal to the value of the motor vehicle that exceeds the deduction amount specified in (c) of this subsection, multiplied by eight percent.

(b) In the case of a seller required to collect use tax under this section from the purchaser, the tax must be collected in an amount equal to the amount of the purchase price that exceeds the amount specified in (c) of this subsection, multiplied by eight percent.

(c) The deduction amount is $100,000 for fiscal year 2026. The deduction amount must be annually adjusted on July 1st of each year by increasing the amount by two percent and rounding the result to the nearest whole dollar.

(3) The taxes imposed under this section do not apply to the use of:

(a) A commercial motor vehicle, as defined in RCW 46.25.010; or

(b) A motor vehicle that has a gross vehicle weight rating of greater than 10,000 pounds other than motor homes, as defined in RCW 46.04.305.

(4) The revenue collected under this section must be deposited in the multimodal transportation account created in RCW 47.66.070.

Sec. 205. RCW 82.32.145 and 2020 c 301 s 6 are each amended to read as follows:

(1) Whenever the department has issued a warrant under RCW 82.32.210 for the collection of unpaid trust fund taxes from a limited liability business entity and that business entity has been terminated, dissolved, or abandoned, or is insolvent, the department may pursue collection of the entity's unpaid trust fund taxes, including penalties and interest on those taxes, against any or all of the responsible individuals. For purposes of this subsection, "insolvent" means the condition that results when the sum of the entity's debts exceeds the fair market value of its assets. The department may presume that an entity is insolvent if the entity refuses to disclose to the department the nature of its assets and liabilities.

(2) Personal liability under this section may be imposed for state and local trust fund taxes.

(3)(a) For a responsible individual who is the current or a former chief executive or chief financial officer, liability under this section applies regardless of fault or whether the individual was or should have been aware of the unpaid trust fund tax liability of the limited liability business entity.

(b) For any other responsible individual, liability under this section applies only if he or she willfully fails to pay or to cause to be paid to the department the trust fund taxes due from the limited liability business entity.

(4)(a) Except as provided in this subsection (4)(a), a responsible individual who is the current or a former chief executive or chief financial officer is liable under this section only for trust fund tax liability accrued during the period that he or she was the chief executive or chief financial officer. However, if the responsible individual had the responsibility or duty to remit payment of the limited liability business entity's trust fund taxes to the department during any period of time that the person was not the chief executive or chief financial officer, that individual is also liable for trust fund tax liability that became due during the period that he or she had the duty to remit payment of the limited liability business entity's taxes to the department but was not the chief executive or chief financial officer.

(b) All other responsible individuals are liable under this section only for trust fund tax liability that became due during the period he or she had the responsibility or duty to remit payment of the limited liability business entity's taxes to the department.

(5) Persons described in subsection (3)(b) of this section are exempt from liability under this section in situations where nonpayment of the limited liability business entity's trust fund taxes is due to reasons beyond their control as determined by the department by rule.

(6) Any person having been issued a notice of assessment under this section is entitled to the appeal procedures under RCW 82.32.160, 82.32.170, 82.32.180, 82.32.190, and 82.32.200.

(7) This section does not relieve the limited liability business entity of its trust fund tax liability or otherwise impair other tax collection remedies afforded by law.

(8) Collection authority and procedures prescribed in this chapter apply to collections under this section.

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

(a) "Chief executive" means: The president of a corporation; or for other entities or organizations other than corporations or if the corporation does not have a president as one of its officers, the highest ranking executive manager or administrator in charge of the management of the company or organization.

(b) "Chief financial officer" means: The treasurer of a corporation; or for entities or organizations other than corporations or if a corporation does not have a treasurer as one of its officers, the highest senior manager who is responsible for overseeing

the financial activities of the entire company or organization.

(c) "Limited liability business entity" means a type of business entity that generally shields its owners from personal liability for the debts, obligations, and liabilities of the entity, or a business entity that is managed or owned in whole or in part by an entity that generally shields its owners from personal liability for the debts, obligations, and liabilities of the entity. Limited liability business entities include corporations, limited liability companies, limited liability partnerships, trusts, general partnerships and joint ventures in which one or more of the partners or parties are also limited liability business entities, and limited partnerships in which one or more of the general partners are also limited liability business entities.

(d) "Manager" has the same meaning as in RCW 25.15.006.

(e) "Member" has the same meaning as in RCW 25.15.006, except that the term only includes members of member-managed limited liability companies.

(f) "Officer" means any officer or assistant officer of a corporation, including the president, vice president, secretary, and treasurer.

(g)(i) "Responsible individual" includes any current or former officer, manager, member, partner, or trustee of a limited liability business entity with an unpaid tax warrant issued by the department.

(ii) "Responsible individual" also includes any current or former employee or other individual, but only if the individual had the responsibility or duty to remit payment of the limited liability business entity's unpaid trust fund tax liability reflected in a tax warrant issued by the department.

(iii) Whenever any taxpayer has one or more limited liability business entities as a member, manager, or partner, "responsible individual" also includes any current and former officers, members, or managers of the limited liability business entity or entities or of any other limited liability business entity involved directly in the management of the taxpayer. For purposes of this subsection (9)(g)(iii), "taxpayer" means a limited liability business entity with an unpaid tax warrant issued against it by the department.

(h) "Trust fund taxes" means taxes collected from purchasers and held in trust under RCW 82.08.050, including taxes imposed under RCW 82.08.020, 82.08.150, section 203 of this act, section 204 of this act, section 207 of this act, section 208 of this act, and 82.51.010.

(i) "Willfully fails to pay or to cause to be paid" means that the failure was the result of an intentional, conscious, and voluntary course of action.

NEW SECTION. **Sec. 206.** The provisions of RCW 82.32.805 and 82.32.808 do not apply to sections 203, 204, 207, and 208 of this act.

NEW SECTION. **Sec. 207.** (1)(a) In addition to taxes required under chapters 82.08, 82.12, and 82.48 RCW, there is levied and collected an additional 10 percent luxury aircraft tax on the sale of a noncommercial aircraft if:

(i) The selling price of the noncommercial aircraft plus trade-in property of like kind for purchased aircraft exceeds $500,000; or

(ii) In the case of a lease requiring periodic payments, the fair market value of the noncommercial aircraft exceeds $500,000 at the inception of the lease.

(b) The additional tax imposed in this subsection only applies to the portion of the selling price in excess of $500,000, or in the case of a lease requiring periodic payments, the fair market value of the noncommercial aircraft in excess of $500,000 at the inception of the lease.

(2) For purposes of this section, "noncommercial aircraft" means any aircraft as defined in RCW 82.48.010 that is exempt from taxes under RCW 82.48.100 and does not meet the definition of "commercial airplane" under RCW 82.32.550.

NEW SECTION. **Sec. 208.** (1)(a) In addition to taxes required under chapters 82.08, 82.12, and 82.48 RCW, there is levied and collected from every person in this state a tax for the privilege of using within this state as a consumer any noncommercial aircraft if the value of the aircraft exceeds $500,000.

(b) The tax is levied and must be collected in an amount equal to the value of the aircraft that exceeds $500,000, multiplied by 10 percent.

(2) The tax imposed in this section does not apply if the sale to, or the use by, the present user or his or her bailor or donor has already been subjected to the tax under section 307 of this act and the tax has been paid by the present user or by his or her bailor or donor.

(3) The tax imposed in this section does not apply in respect to the use by a nonresident of Washington of a noncommercial aircraft, which is registered or licensed under the laws of the state of his or her residence.

(4) For the purposes of this section, "value" means the fair market value of the noncommercial aircraft. In the case of a leased noncommercial aircraft in which the consumer is required to make periodic lease payments, "value" of the aircraft means the fair market value of the aircraft at the inception of the lease.

NEW SECTION. **Sec. 209.** If chapter . . ., Laws of 2025 (Engrossed Substitute House Bill No. 2061) is enacted by June 30, 2025, the revenue collected under this chapter must be deposited in the sustainable aviation fuel account. If chapter . . ., Laws of 2025 (Engrossed Substitute House Bill No. 2061) is not enacted by June 30, 2025, the revenue collected under this chapter must be deposited in the aeronautics account created in RCW 82.42.090.

NEW SECTION. **Sec. 210.** Chapter 82.32 RCW applies to the administration of the luxury tax authorized in this chapter.

NEW SECTION. **Sec. 211.** Sections 207 through 210 of this act constitute a new chapter in Title 82 RCW.

PART III: TIRE DISPOSAL FEE, LARGE EVENT FACILITY TRANSPORTATION ASSESSMENT, DRIVER'S LICENSE AND IDENTICARD FEES, WORK ZONE VIOLATIONS

Sec. 301. RCW 70A.205.405 and 2020 c 20 s 1190 are each amended to read as follows:

(1) There is levied a ((~~one dollar~~))$5 per tire fee on the retail sale of new replacement vehicle tires. The fee imposed in this section must be paid by the buyer to the seller, and each seller shall collect from the buyer the full amount of the fee. The fee collected from the buyer by the seller less the ten percent amount retained by the seller as provided in RCW 70A.205.430(1) must be paid to the department of revenue in accordance with RCW 82.32.045.

(2) The department of revenue shall incorporate into the agency's regular audit cycle a reconciliation of the number of tires sold and the amount of revenue collected by the businesses selling new replacement vehicle tires at retail. The department of revenue shall collect on the business excise tax return from the businesses selling new replacement vehicle tires at retail:

(a) The number of tires sold; and

(b) The fee levied in this section.

(3) All other applicable provisions of chapter 82.32 RCW have full force and application with respect to the fee imposed under this section. The department of revenue shall administer this section.

(4) For the purposes of this section, "new replacement vehicle tires" means tires that are newly manufactured for vehicle purposes and does not include retreaded vehicle tires.

Sec. 302. RCW 70A.205.425 and 2020 c 20 s 1192 are each amended to read as follows:

(1) ((~~All receipts from~~))The first $600,000 of the net receipts from the tire fees imposed under RCW 70A.205.405((~~, except as provided in subsection (2) of this section,~~))received each fiscal year must be deposited in the waste tire removal account created under RCW 70A.205.415. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used for the cleanup of unauthorized waste tire piles and measures that prevent future accumulation of unauthorized waste tire piles.

(2) ((~~On September 1st of odd-numbered years, the state treasurer must transfer any cash balance in excess of one million dollars from the waste tire removal account created under RCW 70A.205.415 to~~))The receipts remaining after the deposit in subsection (1) of this section must be deposited in the motor vehicle fund created in RCW 46.68.070 for the purpose of road wear related maintenance on state and local public highways.

Sec. 303. RCW 70A.205.430 and 2020 c 20 s 1193 are each amended to read as follows:

(1) Every person engaged in making retail sales of new replacement vehicle tires in this state shall retain ((~~ten percent of the collected one dollar~~))25 cents for each tire subject to the fee imposed under RCW 70A.205.405. The moneys retained may be used for costs associated with the proper management of the waste vehicle tires by the retailer.

(2) The department of ecology will administer the funds for the purposes specified in RCW 70A.205.010(6) including, but not limited to:

(a) Making grants to local governments for pilot demonstration projects for on-site shredding and recycling of tires from unauthorized dump sites;

(b) Grants to local government for enforcement programs;

(c) Implementation of a public information and education program to include posters, signs, and informational materials to be distributed to retail tire sales and tire service outlets;

(d) Product marketing studies for recycled tires and alternatives to land disposal.

NEW SECTION. **Sec. 304.** LARGE EVENT FACILITY TRANSPORTATION ASSESSMENT. (1) Beginning April 1, 2026, a large event facility transportation assessment is imposed on events not already contracted with the event venue or producer as of December 31, 2025, occurring at a large event facility. The amount of the assessment is $1 per attendee of an event.

(2) The large event facility transportation assessment is a legal obligation of the large event facility operator, but may be separately listed for informational purposes on customer ticket or billing documents. If an event is canceled or postponed, the assessment is not due and payable until after the event has occurred. For an event occurring over multiple days, the assessment is assessed for each day of the event.

(3) The large event facility transportation assessment does not apply to the area fairs, county fairs, community fairs, or youth shows and fairs described in RCW 15.76.120 or any state fair.

(4) For the purposes of this chapter, the following definitions apply unless the context clearly requires otherwise.

(a) "Attendee" means an individual admitted or attending an event by paying an admission charge, purchasing a ticket including season tickets, subscription, or admitted to the event free of charge, at a reduced rate, or based on a complimentary admission. "Attendee" excludes employees or contractors involved in the event.

(b) "Event" means any sports contest, concert, or any other similar entertainment activity.

(c) "Event day" means each day that a sports contest, concert, or any other similar entertainment activity takes place.

(d) "Large event facility" means an amusement park, or any other sports facility, concert venue, or similar public entertainment or spectator venue that is specifically designed to accommodate or seat at least 17,000 attendees per event day.

(e) "Large event facility operator" means the owner or operator of a large event facility.

NEW SECTION. **Sec. 305.** COLLECTION AND ADMINISTRATION. The department may adopt such rules as may be necessary to enforce and administer the provisions of this chapter. To the extent applicable, chapter 82.32 RCW applies to the large event facility transportation assessment imposed in this chapter.

NEW SECTION. **Sec. 306.** Revenues collected under this chapter must be deposited in the multimodal transportation account created in RCW 47.66.070.

NEW SECTION. **Sec. 307.** The provisions of RCW 82.32.805 and 82.32.808 do not apply to sections 304 through 306 of this act.

NEW SECTION. **Sec. 308.** Sections 304 through 307 of this act constitute a new chapter in Title 82 RCW.

Sec. 309. RCW 46.63.200 and 2024 c 308 s 4 are each amended to read as follows:

(1) This section applies to the use of speed safety camera systems in state highway work zones.

(2) Nothing in this section prohibits a law enforcement officer from issuing a notice of infraction to a person in control of a vehicle at the time a violation occurs under RCW 46.63.030(1) (a), (b), or (c).

(3)(a) The department of transportation is responsible for all actions related to the operation and administration of speed safety camera systems in state highway work zones including, but not limited to, the procurement and administration of contracts necessary for the implementation of speed safety camera systems, the mailing of notices of infraction, and the development and maintenance of a public-facing website for the purpose of educating the traveling public about the use of speed safety camera systems in state highway work zones. Prior to the use of a speed safety camera system to capture a violation established in this section for enforcement purposes, the department of transportation, in consultation with the Washington state patrol, department of licensing, office of administrative hearings, Washington traffic safety commission, and other organizations committed to protecting civil rights, must adopt rules addressing such actions and take all necessary steps to implement this section.

(b) The Washington state patrol is responsible for all actions related to the enforcement and adjudication of speed violations under this section including, but not limited to, notice of infraction verification and issuance authorization, and determining which types of emergency vehicles are exempt from being issued notices of infraction under this section. Prior to the use of a speed safety camera system to capture a violation established in this section for enforcement purposes, the Washington state patrol, in consultation with the department of transportation, department of licensing, office of administrative hearings, Washington traffic safety commission, and other organizations committed to protecting civil rights, must adopt rules addressing such actions and take all necessary steps to implement this section.

(c) When establishing rules under this subsection (3), the department of transportation and the Washington state patrol may also consult with other public and private agencies that have an interest in the use of speed safety camera systems in state highway work zones.

(4)(a) No person may drive a vehicle in a state highway work zone at a speed greater than that allowed by traffic control devices.

(b) A notice of infraction may only be issued under this section if a speed safety camera system captures a speed violation in a state highway work zone when workers are present.

(5) The penalty for a speed safety camera system violation is: (a) ((~~$0~~))$125 for the first violation; and (b) $248 for the second violation, and for each violation thereafter.

(6) During the 30-day period after the first speed safety camera system is put in place, the department is required to conduct a public awareness campaign to inform the public of the use of speed safety camera systems in state highway work zones.

(7)(a) A notice of infraction issued under this section may be mailed to the registered owner of the vehicle within 30 days of the violation, or to the renter of a vehicle within 30 days of establishing the renter's name and address. The law enforcement officer issuing the notice of infraction shall include with it a certificate or facsimile thereof, based upon inspection of photographs, microphotographs, or electronic images produced by a speed safety camera stating the facts supporting the notice of infraction. This certificate or facsimile is prima facie evidence of the facts contained in it and is admissible in a proceeding charging a violation under this section. The photographs, microphotographs, or electronic images evidencing the violation must be available for inspection and admission into evidence in a proceeding to adjudicate the liability for the violation.

(b) A notice of infraction represents a determination that an infraction has been committed, and the determination will be final unless contested as provided under this section.

(c) A person receiving a notice of infraction based on evidence detected by a speed safety camera system must, within 30 days of receiving the notice of infraction:

(i) ((~~Except for a first violation under subsection (5)(a) of this section, remit~~))Remit payment in the amount of the penalty assessed for the violation; (ii) contest the determination that the infraction occurred by following the instructions on the notice of infraction; or (iii) admit to the infraction but request a hearing to explain mitigating circumstances surrounding the infraction.

(d) If a person fails to respond to a notice of infraction, a final order shall be entered finding that the person committed the infraction and assessing monetary penalties required under subsection (5) ((~~(b)~~)) of this section.

(e) If a person contests the determination that the infraction occurred or requests a mitigation hearing, the notice of infraction shall be referred to the office of administrative hearings for adjudication consistent with chapter 34.05 RCW.

(f) At a hearing to contest an infraction, the agency issuing the infraction has the burden of proving, by a preponderance of the evidence, that the infraction was committed.

(g) A person may request a payment plan at any time for the payment of any penalty or other monetary obligation associated with an infraction under this section. The agency issuing the infraction shall provide information about how to submit evidence of inability to pay, how to obtain a payment plan, and that failure to pay or enter into a payment plan may result in collection action or nonrenewal of the vehicle registration. The office of administrative hearings may authorize a payment plan if it determines that a person is not able to pay the monetary obligation, and it may modify a payment plan at any time.

(8)(a) Speed safety camera systems may only take photographs, microphotographs, or electronic images of the vehicle and vehicle license plate and only while a speed violation is occurring. The photograph, microphotograph, or electronic image must not reveal the face of the driver or any passengers in the vehicle. The department of transportation shall consider installing speed safety camera systems in a manner that minimizes the impact of camera flash on drivers.

(b) The registered owner of a vehicle is responsible for a traffic infraction under RCW 46.63.030 unless the registered owner overcomes the presumption in RCW 46.63.075 or, in the case of a rental car business, satisfies the conditions under (f) of this subsection. If appropriate under the circumstances, a renter identified under (f)(i) of this subsection is responsible for the traffic infraction.

(c) Notwithstanding any other provision of law, all photographs, microphotographs, or electronic images, or any other personally identifying data prepared under this section are for the exclusive use of the Washington state patrol and department of transportation in the discharge of duties under this section and are not open to the public and may not be used in court in a pending action or proceeding unless the action or proceeding relates to a speed violation under this section. This data may be used in administrative appeal proceedings relative to a violation under this section.

(d) All locations where speed safety camera systems are used must be clearly marked before activation of the camera system by placing signs in locations that clearly indicate to a driver that they are entering a state highway work zone where posted speed limits are monitored by a speed safety camera system. Additionally, where feasible and constructive, radar speed feedback signs will be placed in advance of the speed safety camera system to assist drivers in complying with posted speed limits. Signs placed in these locations must follow the specifications and guidelines under the manual of uniform traffic control devices for streets and highways as adopted by the department of transportation under chapter 47.36 RCW.

(e) Imposition of a penalty for a speed violation detected through the use of speed safety camera systems shall not be deemed a conviction as defined in RCW 46.25.010, and shall not be part of the registered owner's driving record under RCW 46.52.101 and 46.52.120. Additionally, infractions generated by the use of speed safety camera systems under this section shall be processed in the same manner as parking infractions, including for the purposes of RCW 46.16A.120 and 46.20.270(2).

(f) If the registered owner of the vehicle is a rental car business, the department of transportation shall, before a notice of infraction may be issued under this section, provide a written notice to the rental car business that a notice of infraction may be issued to the rental car business if the rental car business does not, within 30 days of receiving the written notice, provide to the issuing agency by return mail:

(i)(A) A statement under oath stating the name and known mailing address of the individual driving or renting the vehicle when the speed violation occurred;

(B) A statement under oath that the business is unable to determine who was driving or renting the vehicle at the time the speed violation occurred because the vehicle was stolen at the time of the violation. A statement provided under this subsection (8)(f)(i)(B) must be accompanied by a copy of a filed police report regarding the vehicle theft; or

(C) In lieu of identifying the vehicle operator, payment of the applicable penalty.

(ii) Timely mailing of a statement to the department of transportation relieves a rental car business of any liability under this chapter for the notice of infraction.

(9) Revenue generated from the deployment of speed safety camera systems must be deposited into the highway safety fund and first used exclusively for the operating and administrative costs under this section. The operation of speed safety camera systems is intended to increase safety in state highway work zones by changing driver behavior. Consequently, any revenue generated that exceeds the operating and administrative costs under this section must be distributed for the purpose of traffic safety including,

but not limited to, driver training education and local DUI emphasis patrols.

(10) The Washington state patrol and department of transportation, in collaboration with the Washington traffic safety commission, must report to the transportation committees of the legislature by July 1, 2025, and biennially thereafter, on the data and efficacy of speed safety camera system use in state highway work zones. The final report due on July 1, 2029, must include a recommendation on whether or not to continue such speed safety camera system use beyond June 30, 2030.

(11) For the purposes of this section:

(a) "Speed safety camera system" means employing the use of speed measuring devices and cameras synchronized to automatically record one or more sequenced photographs, microphotographs, or other electronic images of a motor vehicle that exceeds a posted state highway work zone speed limit as detected by the speed measuring devices.

(b) "State highway work zone" means an area of any highway with construction, maintenance, utility work, or incident response activities authorized by the department of transportation. A state highway work zone is identified by the placement of temporary traffic control devices that may include signs, channelizing devices, barriers, pavement markings, and/or work vehicles with warning lights. It extends from the first warning sign or high intensity rotating, flashing, oscillating, or strobe lights on a vehicle to the end road work sign or the last temporary traffic control device or vehicle.

(12) This section expires June 30, 2030.

Sec. 310. RCW 46.20.161 and 2024 c 146 s 29 are each amended to read as follows:

(1)(a) The department, upon receipt of a fee ((~~of seventy-two dollars, unless the driver's license is issued for a period other than eight years, in which case the fee shall be nine dollars for each year that the license is issued, which includes the fee for the required photograph~~))as specified in (b) of this subsection, shall issue to every qualifying applicant a driver's license. A driver's license issued to a person under the age of ((~~eighteen~~))18 is an intermediate license, subject to the restrictions imposed under RCW 46.20.075, until the person reaches the age of ((~~eighteen~~))18.

(b)(i) The driver's license fee shall be $10 for each year that the license is issued, which includes the fee for the required photograph.

(ii) Beginning July 1, 2028, and on July 1st every three years thereafter, the fee under (b)(i) of this subsection must be increased by $1 for each year that the license is issued.

(2) The license must include:

(a) A distinguishing number assigned to the licensee;

(b) The name of record;

(c) Date of birth;

(d) Washington residence address;

(e) Photograph;

(f) A brief description of the licensee;

(g) Either a facsimile of the signature of the licensee or a space upon which the licensee shall write the licensees' usual signature with pen and ink immediately upon receipt of the license;

(h) If applicable, the person's status as a veteran as provided in subsection (4) of this section; and

(i) If applicable, a medical alert designation as provided in subsection (5) of this section.

(3) No license is valid until it has been signed by the licensee.

(4)(a) A veteran, as defined in RCW 41.04.007, may apply to the department to obtain a veteran designation on a driver's license issued under this section by providing:

(i) A United States department of veterans affairs identification card or proof of service letter;

(ii) A United States department of defense discharge document, DD Form 214 or DD Form 215, as it exists on June 7, 2018, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this section, or equivalent or successor discharge paperwork, that establishes the person's service in the armed forces of the United States and qualifying discharge as defined in RCW 73.04.005;

(iii) A national guard state-issued report of separation and military service, NGB Form 22, as it exists on June 7, 2018, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this section, or equivalent or successor discharge paperwork, that establishes the person's active duty or reserve service in the national guard and qualifying discharge as defined in RCW 73.04.005; or

(iv) A United States uniformed services identification card, DD Form 2, that displays on its face that it has been issued to a retired member of any of the armed forces of the United States, including the national guard and armed forces reserves.

(b) The department may permit a veteran, as defined in RCW 41.04.007, to submit alternate forms of documentation to apply to obtain a veteran designation on a driver's license.

(5) Any person may apply to the department to obtain a medical alert designation, a developmental disability designation, or a deafness designation on a driver's license issued under this chapter by providing:

(a) Self-attestation that the individual:

(i) Has a medical condition that could affect communication or account for a driver health emergency;

(ii) Is deaf or hard of hearing; or

(iii) Has a developmental disability as defined in RCW 71A.10.020;

(b) A statement from the person that they have voluntarily provided the self-attestation and other information verifying the condition; and

(c) For persons under ((~~eighteen~~))18 years of age or who have a developmental disability, the signature of a parent or legal guardian.

(6) A self-attestation or data contained in a self-attestation provided under this section:

(a) Shall not be disclosed;

(b) Is for the confidential use of the director, the chief of the Washington state patrol, and law enforcement and emergency medical service providers as designated by law; and

(c) Is subject to the privacy protections of the driver's privacy protection act, 18 U.S.C. Sec. 2725.

Sec. 311. RCW 46.20.181 and 2021 c 158 s 8 are each amended to read as follows:

(1) Except as provided in subsection (4) or (5) of this section, every driver's license expires on the eighth anniversary of the licensee's birthdate following the issuance of the license.

(2) A person may renew a license on or before the expiration date by submitting an application as prescribed by the department and paying a fee ((~~of seventy-two dollars~~))as specified in subsection (6) of this section for an eight year license. This fee includes the fee for the required photograph.

(3) A person renewing a driver's license more than ((~~sixty~~))60 days after the license has expired shall pay a penalty fee of ((~~ten dollars~~))$10 in addition to the renewal fee, unless the license expired when:

(a) The person was outside the state and the licensee renews the license within ((~~sixty~~))60 days after returning to this state; or

(b) The person was incapacitated and the licensee renews the license within ((~~sixty~~))60 days after the termination of the incapacity.

(4) The department may issue or renew a driver's license for a period other than eight years, or may extend by mail or electronic commerce a license that has already been issued. The fee for a driver's license issued or renewed for a period other than eight years, or that has been extended by mail or electronic commerce, is ((~~nine dollars for each year that the license is issued, renewed, or extended~~))specified in subsection (6) of this section. The department must offer the option to issue or renew a driver's license for six years in addition to the eight year issuance. The department may adopt any rules as are necessary to carry out this subsection.

(5) A driver's license that includes a hazardous materials endorsement under chapter 46.25 RCW may expire on an anniversary of the licensee's birthdate other than the eighth year following issuance or renewal of the license in order to match, as nearly as possible, the validity of certification from the federal transportation security administration that the licensee has been determined not to pose a security risk. The fee for a driver's license issued or renewed ((~~for a period other than eight years is nine dollars for each year that the license is issued or renewed,~~))is specified in subsection (6) of this section not including any endorsement fees. The department may adjust the expiration date of a driver's license that has previously been issued to conform to the provisions of this subsection if a hazardous materials endorsement is added to the license subsequent to its issuance. If the validity of the driver's license is extended, the licensee must pay a fee ((~~of nine dollars~~))as specified in subsection (6) of this section for each year that the license is extended.

(6)(a) The driver's license fee shall be $10 for each year that the license is issued, renewed, or extended.

(b) Beginning July 1, 2028, and on July 1st every three years thereafter, the fee under (a) of this subsection must be increased by $1 for each year that the license is issued, renewed, or extended.

(7) The department may adopt any rules as are necessary to carry out this section.

Sec. 312. RCW 46.20.117 and 2024 c 315 s 4 and 2024 c 162 s 3 are each reenacted and amended to read as follows:

(1) **Issuance.** The department shall issue an identicard, containing a picture, if the applicant:

(a) Does not hold a valid Washington driver's license;

(b) Proves the applicant's identity as required by RCW 46.20.035; and

(c) Pays the required fee((~~. Except as provided~~))as specified in subsection (7) of this section, ((~~the fee is $72,~~)) unless an applicant is:

(i) A recipient of continuing public assistance grants under Title 74 RCW, or a participant in the Washington women, infants, and children program. Any applicant under this subsection must be verified by documentation sufficient to demonstrate eligibility;

(ii) Under the age of 25 and does not have a permanent residence address as determined by the department by rule; or

(iii) An individual who is scheduled to be released from an institution as defined in RCW 13.40.020, a community facility as defined in RCW 72.05.020, a correctional facility as defined in RCW 72.09.015, or other juvenile rehabilitation facility operated by the department of social and health services or the department of children, youth, and families; or an individual who has been released from such an institution or facility within 30 calendar days before the date of the application.

For those persons under (c)(i) through (iii) of this subsection, the fee must be the actual cost of production of the identicard.

(2)(a) **Design and term.** The identicard must:

(i) Be distinctly designed so that it will not be confused with the official driver's license; and

(ii) Except as provided in subsection (7) of this section, expire on the eighth anniversary of the applicant's birthdate after issuance.

(b) The identicard may include the person's status as a veteran, consistent with RCW 46.20.161(4).

(c) If applicable, the identicard may include a medical alert designation as provided in subsection (5) of this section.

(3) **Renewal.** An application for identicard renewal may be submitted by means of:

(a) Personal appearance before the department;

(b) Mail or electronic commerce, if permitted by rule of the department and if the applicant did not renew the identicard by mail or by electronic commerce when it last expired; or

(c) From January 1, 2022, to June 30, 2024, electronic commerce, if permitted by rule of the department.

An identicard may not be renewed by mail or by electronic commerce unless the renewal issued by the department includes a photograph of the identicard holder.

(4) **Cancellation.** The department may cancel an identicard if the holder of the identicard used the card or allowed others to use the card in violation of RCW 46.20.0921.

(5) Any person may apply to the department to obtain a medical alert designation, a developmental disability designation, or a deafness designation on an identicard issued under this chapter by providing:

(a) Self-attestation that the individual:

(i) Has a medical condition that could affect communication or account for a health emergency;

(ii) Is deaf or hard of hearing; or

(iii) Has a developmental disability as defined in RCW 71A.10.020;

(b) A statement from the person that they have voluntarily provided the self-attestation and other information verifying the condition; and

(c) For persons under 18 years of age or who have a developmental disability, the signature of a parent or legal guardian.

(6) A self-attestation or data contained in a self-attestation provided under this section:

(a) Shall not be disclosed; and

(b) Is for the confidential use of the director, the chief of the Washington state patrol, and law enforcement and emergency medical service providers as designated by law.

(7) **Alternative issuance/renewal/extension.**

(a) Except as allowed under this subsection, the department must issue or renew an identicard for eight years. The department may issue or renew an identicard for a period other than eight years, or may extend by mail or electronic commerce an identicard that has already been issued. The fee for an identicard issued or renewed ((~~for a period other than eight years~~)), or that has been extended by mail or electronic commerce, is ((~~$9~~))$10 for each year that the identicard is issued, renewed, or extended. The department must offer the option to issue or renew an identicard for six years in addition to the eight year issuance. The department may adopt any rules as are necessary to carry out this subsection.

(b) Beginning July 1, 2028, and on July 1st every three years thereafter, the fee under (a) of this subsection must be increased by $1 for each year that the identicard is issued, renewed, or extended.

(8) Identicard photos must be updated in the same manner as driver's license photos under RCW 46.20.120(5).

PART IV: FERRY FARES AND RELATED PROVISIONS

Sec. 401. RCW 47.60.315 and 2023 c 472 s 714 are each amended to read as follows:

(1) The commission shall adopt fares and pricing policies by rule, under chapter 34.05 RCW, according to the following schedule:

(a) Each year the department shall provide the commission a report of its review of fares and pricing policies, with recommendations for the revision of fares and pricing policies for the ensuing year;

(b) By September 1st of each year, beginning in 2008, the commission shall adopt by rule fares and pricing policies for the ensuing year.

(2) The commission may adopt by rule fares that are effective for more or less than one year for the purposes of transitioning to the fare schedule in subsection (1) of this section.

(3) The commission may increase ferry fares included in the schedule of charges adopted under this section by a percentage that exceeds the fiscal growth factor.

(4) The chief executive officer of the ferry system may authorize the use of promotional, discounted, and special event fares to the general public and commercial enterprises for the purpose of maximizing capacity use and the revenues collected by the ferry system. The department shall report to the commission a summary of the promotional, discounted, and special event fares offered during each fiscal year and the financial results from these activities.

(5) Fare revenues and other revenues deposited in the Puget Sound ferry operations account created in RCW 47.60.530 may not be used to support the Puget Sound capital construction account created in RCW 47.60.505, unless the support for capital is separately identified in the fare or except as provided in section 715, chapter 333, Laws of 2021 during the 2021-2023 biennium and section 716, chapter 472, Laws of 2023 during the 2023-2025 fiscal biennium.

(6) The commission may not raise fares until the fare rules contain pricing policies developed under RCW 47.60.290, or September 1, 2009, whichever is later.

(7) The commission shall impose a vessel replacement surcharge of ((~~25~~))75 cents on every one-way and round-trip ferry fare sold, including multiride and monthly pass fares. Beginning October 1, 2027, the commission shall raise the vessel replacement surcharge under this subsection to 85 cents. Beginning October 1, 2029, the commission shall raise the vessel replacement surcharge under this subsection to 95 cents. This surcharge must be clearly indicated to ferry passengers and drivers and, if possible, on the fare media itself.

(8) Except as provided in subsection (10) of this section, beginning May 1, 2020, the

commission shall impose an additional vessel replacement surcharge in an amount sufficient to fund 25 year debt service on one 144-auto hybrid vessel taking into account funds provided in chapter 417, Laws of 2019 ((~~or chapter . . . (SSB 5419), Laws of 2019~~)). The department of transportation shall provide to the commission vessel and debt service cost estimates. Information on vessels constructed or purchased with revenue from the surcharges must be publicly posted including, but not limited to, the commission website.

(9) The vessel replacement surcharges imposed in this section may only be used for the construction or purchase of ferry vessels and to pay the principal and interest on bonds authorized for the construction or purchase of new ferry vessels.

(10) The commission shall not impose the additional vessel replacement surcharge in subsection (8) of this section if doing so would increase fares by more than 10 percent.

(11) For the 2023-2025 fiscal biennium, any ferry fuel surcharge imposed by the commission may not go into effect until after the ensuing regular legislative session. If a fuel surcharge is imposed as provided under this subsection, the commission must reevaluate the need for the surcharge on at least a quarterly basis to determine if the surcharge is still needed to cover increased fuel costs, and revoke the surcharge if the determination is that the surcharge is no longer needed for this purpose.

Sec. 402. RCW 47.60.322 and 2023 c 472 s 715 are each amended to read as follows:

(1) The capital vessel replacement account is created in the motor vehicle account. All revenues generated from the vessel replacement ((~~surcharge~~))surcharges under RCW 47.60.315 (7) and (8), and service fees collected by the department of licensing or county auditor or other agent appointed by the director under RCW 46.17.040, 46.17.050, and 46.17.060, must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for the construction or purchase of ferry vessels and to pay the principal and interest on bonds authorized for the construction or purchase of ferry vessels. ((~~However, expenditures from the account must first be used to support the construction or purchase, including any applicable financing costs, of a ferry vessel with a carrying capacity of at least one hundred forty-four cars.~~))

(2) ((~~The state treasurer may transfer moneys from the capital vessel replacement account to the transportation 2003 account (nickel account) for debt service on bonds issued for the construction of 144-car class ferry vessels.~~

~~(3)~~)) The legislature may transfer from the capital vessel replacement account to the connecting Washington account created under RCW 46.68.395 such amounts as reflect the excess fund balance of the capital vessel replacement account to be used for ferry terminal construction and preservation.

((~~(4)~~))(3) During the 2021-2023 and 2023-2025 fiscal biennia, the legislature may direct the state treasurer to make transfers of moneys in the capital vessel replacement account to the transportation partnership account and the connecting Washington account.

Sec. 403. RCW 47.60.826 and 2023 c 429 s 2 are each amended to read as follows:

(1)(a) The department shall contract for the acquisition of ((~~up to~~)) five or more new hybrid diesel-electric ferry vessels that can carry up to ((~~144~~))160 vehicles, using a one or two contract procurement approach to potentially accelerate vessel delivery.

(b) The Washington state ferries shall make available the design for the ((~~144~~))160 vehicle hybrid electric Olympic class vessel to potential bidders. Incentives may be awarded by the department to bidders who offer design modifications that:

(i) Lower the minimum number of crew needed to staff the vessel in accordance with United States coast guard requirements;

(ii) Incorporate materials, technologies, or other features that lower life-cycle maintenance and operations costs;

(iii) Accelerate the proposed delivery schedule; or

(iv) Make other improvements determined to be beneficial by the department. The Washington state ferries may allow for exceptions of the ((~~144~~))160 vehicle capacity of the vessel design in cases where efficiencies outlined in (b)(i) or (ii) of this subsection are met.

(2)(a) The contract or contracts must be for a minimum of two vessels, with options for ((~~up to five vessels in total~~))additional vessels, and are exempt from the requirements set forth in RCW 47.60.810 through 47.60.824.

(b) The contract or contracts may employ the following procurement methods:

(i) Design-build procedure as authorized under chapter 39.10 RCW;

(ii) Design-bid-build as authorized under chapter 39.04 RCW or an equivalent process allowed in statute as determined by the department; or

(iii) Lease with an option to buy in accordance with RCW 47.60.010. The terms of any plan to pursue a lease with an option to buy agreement must be approved by the governor and appropriate committees of the legislature and are subject to the availability of amounts appropriated for this specific purpose.

(c) To the extent possible, the department shall establish and apply evaluation criteria beyond low price to meet best value objectives.

(d) The department must award a credit of 13 percent of the bid price for bid proposals for vessels constructed in the state of Washington, which must be adjusted to reflect the proportion of the construction of the vessels that occurs within the state. This credit represents the:

(i) Amount of economic and revenue loss to the state of Washington from constructing vessels outside the state of Washington, as indicated by the Washington institute for public policy study regarding Washington state ferry vessel procurement dated December 2016; and

(ii) Additional costs of transport, potential delay, and owner oversight incurred for construction at shipyards located outside the state of Washington.

(e) The department must require that contractors meet the requirements of RCW 39.04.320 regarding apprenticeships or other state law or federal law equivalents, where such equivalents exist.

(f) The department must require that contractors meet the requirements of chapter 90.48 RCW regarding water pollution control or other state law or federal law equivalents, where such equivalents exist.

(3) For contracts eligible for the use of federal funds, contractors must comply with federal disadvantaged business enterprise targets as outlined by the federal agency awarding funds.

(4) Contractors located in the state of Washington must meet the requirements of RCW 47.60.835, the small business enterprise enforceable goals program.

(5) The department shall employ third-party experts that report to the Washington state ferries to serve as a supplementary resource. The third-party experts contracted by the Washington state ferries shall:

(a) Perform project quality oversight and report to the transportation committees of the legislature and the office of financial management on a semiannual basis on project schedule, risks, and project budget;

(b) Assist with the management of change order requests;

(c) Advise on contract and technical matters; and

(d) Possess knowledge of and experience with inland waterways, Puget Sound vessel operations, the propulsion system of the new vessels, and Washington state ferries operations.

NEW SECTION. **Sec. 404.** Nothing in section 403 of this act shall be construed to apply to, or otherwise interfere with, vessel procurements underway prior to the effective date of section 403 of this act.

NEW SECTION. **Sec. 405.** A new section is added to chapter 47.60 RCW to read as follows:

The Washington state ferries shall implement cost recovery mechanisms to recoup at least three percent in credit card and other financial transaction costs related to the collection of ferry fares imposed under RCW 47.60.290 and 47.60.315. As part of the cost recovery mechanisms, the Washington state ferries may recover transaction fees incurred through credit card transactions. The Washington state ferries must notify customers of the fee at the point of sale and itemize the fee on customer receipts. Costs recovered under this section may not be considered revenue for the purposes of fare setting.

Ferry Vessels and Biodiesel Fuel

Sec. 406. RCW 43.19.642 and 2023 c 472 s 703 are each amended to read as follows:

(1) Effective June 1, 2006, for agencies complying with the ultra-low sulfur diesel mandate of the United States environmental protection agency for on-highway diesel fuel, agencies shall use biodiesel as an additive to ultra-low sulfur diesel for lubricity, provided that the use of a lubricity additive is warranted and that the use of biodiesel is comparable in performance and cost with other available lubricity additives. The amount of biodiesel added to the ultra-low sulfur diesel fuel shall be not less than two percent.

(2) Except as provided in subsection (5) of this section, effective June 1, 2009, state agencies are required to use a minimum of 20 percent biodiesel as compared to total volume of all diesel purchases made by the agencies for the operation of the agencies' diesel-powered vessels, vehicles, and construction equipment.

(3) All state agencies using biodiesel fuel shall, beginning on July 1, 2016, file annual reports with the department of enterprise services documenting the use of the fuel and a description of how any problems encountered were resolved.

(4) By December 1, 2009, the department of enterprise services shall:

(a) Report to the legislature on the average true price differential for biodiesel by blend and location; and

(b) Examine alternative fuel procurement methods that work to address potential market barriers for in-state biodiesel producers and report these findings to the legislature.

(5) ((~~During the 2021-2023 and 2023-2025 fiscal biennia, the~~))The Washington state ferries is ((~~required to~~))exempt from the requirements of this section and must use a minimum of five percent biodiesel as compared to total volume of all diesel ((~~purchases made by the Washington state ferries for the operation of the Washington state ferries diesel-powered vessels, as long as the price of a B5 or B10 biodiesel blend does not exceed the price of conventional diesel fuel by five percent or more~~))used by the Washington state ferries, and develop internal processes to transition diesel vessels in the fleet to the highest possible biofuel blend or renewable diesel available by 2030.

PART V: TOLLING

Sec. 501. RCW 47.46.100 and 2002 c 114 s 7 are each amended to read as follows:

(1) The commission shall fix the rates of toll and other charges for all toll bridges built under this chapter that are financed primarily by bonds issued by the state. Subject to RCW 47.46.090, the commission may impose and modify toll charges from time to time as conditions warrant. However, except for publicly or privately owned or operated school buses, the commission may not exempt publicly or privately owned or operated transit buses, vans, and ride share

vehicles, and must modify tolling provisions accordingly by October 1, 2025.

(2) In establishing toll charges, the commission shall give due consideration to any required costs for operating and maintaining the toll bridge or toll bridges, including the cost of insurance, and to any amount required by law to meet the redemption of bonds and interest payments on them.

(3) The toll charges must be imposed in amounts sufficient to:

(a) Provide annual revenue sufficient to provide for annual operating and maintenance expenses, except as provided in RCW 47.56.245;

(b) Make payments required under RCW 47.56.165 and 47.46.140, including insurance costs and the payment of principal and interest on bonds issued for any particular toll bridge or toll bridges; and

(c) Repay the motor vehicle fund under RCW 47.46.110, 47.56.165, and 47.46.140.

(4) The bond principal and interest payments, including repayment of the motor vehicle fund for amounts transferred from that fund to provide for such principal and interest payments, constitute a first direct and exclusive charge and lien on all tolls and other revenues from the toll bridge concerned, subject to operating and maintenance expenses.

Sec. 502. RCW 47.56.850 and 2009 c 498 s 15 are each amended to read as follows:

(1) Unless these powers are otherwise delegated by the legislature, the transportation commission is the tolling authority for the state. The tolling authority shall:

(a) Set toll rates, establish appropriate exemptions, if any, and make adjustments as conditions warrant on eligible toll facilities. However, except for publicly or privately owned or operated school buses, the commission may not exempt publicly or privately owned or operated transit buses, vans, and ride share vehicles from tolls on bridges, and must modify tolling provisions accordingly by October 1, 2025;

(b) Review toll collection policies, toll operations policies, and toll revenue expenditures on the eligible toll facilities and report annually on this review to the legislature.

(2) The tolling authority, in determining toll rates, shall consider the policy guidelines established in RCW 47.56.830.

(3) Unless otherwise directed by the legislature, in setting and periodically adjusting toll rates, the tolling authority must ensure that toll rates will generate revenue sufficient to:

(a) Meet the operating costs of the eligible toll facilities, including necessary maintenance, preservation, renewal, replacement, administration, and toll enforcement by public law enforcement;

(b) Meet obligations for the timely payment of debt service on bonds issued for eligible toll facilities, and any other associated financing costs including, but not limited to, required reserves, minimum debt coverage or other appropriate contingency funding, insurance, and compliance with all other financial and other covenants made by the state in the bond proceedings;

(c) Meet obligations to reimburse the motor vehicle fund for excise taxes on motor vehicle and special fuels applied to the payment of bonds issued for eligible toll facilities; and

(d) Meet any other obligations of the tolling authority to provide its proportionate share of funding contributions for any projects or operations of the eligible toll facilities.

(4) The established toll rates may include variable pricing, and should be set to optimize system performance, recognizing necessary trade-offs to generate revenue for the purposes specified in subsection (3) of this section. Tolls may vary for type of vehicle, time of day, traffic conditions, or other factors designed to improve performance of the system.

(5) In fixing and adjusting toll rates under this section, the only toll revenue to be taken into account must be toll revenue pledged to bonds that includes toll receipts, and the only debt service requirements to be taken into account must be debt service on bonds payable from and secured by toll revenue that includes toll receipts.

(6) The legislature pledges to appropriate toll revenue as necessary to carry out the purposes of this section. When the legislature has specifically identified and designated an eligible toll facility and authorized the issuance of bonds for the financing of the eligible toll facility that are payable from and secured by a pledge of toll revenue, the legislature further agrees for the benefit of the owners of outstanding bonds issued by the state for eligible toll facilities to continue in effect and not to impair or withdraw the authorization of the tolling authority to fix and adjust tolls as provided in this section. The state finance committee shall pledge the state's obligation to impose and maintain tolls, together with the application of toll revenue as described in this section, to the owners of any bonds.

State Route Number 520 Segment Tolling

Sec. 503. RCW 47.56.870 and 2010 c 248 s 2 are each amended to read as follows:

(1) The initial imposition of tolls on the state route number 520 corridor is authorized, the state route number 520 corridor is designated an eligible toll facility, and toll revenue generated in the corridor must only be expended as allowed under RCW 47.56.820.

(2) The state route number 520 corridor consists of that portion of state route number 520 between the junctions of Interstate 5 and state route number 202, including any on-ramp or off-ramp within this portion. ((~~The toll imposed by this section shall be charged only for travel on the floating bridge portion of the state route number 520 corridor.~~))

(3)(a) In setting the toll rates for the corridor pursuant to RCW 47.56.850, the tolling authority shall set a variable

schedule of toll rates to maintain travel time, speed, and reliability on the corridor and generate the necessary revenue as required under (b) of this subsection.

(b) The tolling authority shall initially set the variable schedule of toll rates, which the tolling authority may adjust at least annually to reflect inflation as measured by the consumer price index or as necessary to meet the redemption of bonds and interest payments on the bonds, to generate revenue sufficient to provide for:

(i) The issuance of general obligation bonds, authorized in RCW 47.10.879, first payable from toll revenue and then excise taxes on motor vehicle and special fuels pledged for the payment of those bonds in the amount necessary to fund the state route number 520 bridge replacement and HOV program, subject to subsection (4) of this section; and

(ii) Costs associated with the project designated in subsection (4) of this section that are eligible under RCW 47.56.820.

(4)(a) The proceeds of the bonds designated in subsection (3)(b)(i) of this section must be used only to fund the state route number 520 bridge replacement and HOV program; however, two hundred million dollars of bond proceeds, in excess of the proceeds necessary to complete the floating bridge segment and necessary landings, must be used only to fund the state route number 520, Interstate 5 to Medina bridge replacement and HOV project segment of the program, as identified in applicable environmental impact statements, and may be used to fund effective connections for high occupancy vehicles and transit for state route number 520, but only to the extent those connections benefit or improve the operation of state route number 520.

(b) The program must include the following elements within the cost constraints identified in section 1, chapter 472, Laws of 2009, consistent with the legislature's intent that cost savings applicable to the program stay within the program and that the bridge open to vehicular traffic in 2014:

(i) A project design, consistent with RCW 47.01.408, that includes high occupancy vehicle lanes with a minimum carpool occupancy requirement of three-plus persons on state route number 520;

(ii) High occupancy vehicle lane performance standards for the state route number 520 corridor established by the department. The department shall report to the transportation committees of the legislature when average transit speeds in the two lanes that are for high occupancy vehicle travel fall below forty-five miles per hour at least ten percent of the time during peak hours;

(iii) A work group convened by the mayor and city council of the city of Seattle to include sound transit, King county metro, the Seattle department of transportation, the department, the University of Washington, and other persons or organizations as designated by the mayor or city council to study and make recommendations of alternative connections for transit, including bus routes and high capacity transit, to the university link light rail line. The work group must consider such techniques as grade separation, additional stations, and pedestrian lids to effect these connections. The recommendations must be alternatives to the transit connections identified in the supplemental draft environmental impact statement for the state route number 520 bridge replacement and HOV program released in January 2010, and must meet the requirements under RCW 47.01.408, including accommodating effective connections for transit. The recommendations must be within the scope of the supplemental draft environmental impact statement. For the purposes of this section, "effective connections for transit" means a connection that connects transit stops, including high capacity transit stops, that serve the state route number 520/Montlake interchange vicinity to the university link light rail line, with a connection distance of less than one thousand two hundred feet between the stops and the light rail station. The city of Seattle shall submit the recommendations by October 1, 2010, to the governor and the transportation committees of the legislature. However, if the city of Seattle does not convene the work group required under this subsection before July 1, 2010, or does not submit recommendations to the governor and the transportation committees of the legislature by October 1, 2010, the department must convene the work group required under this subsection and meet all the requirements of this subsection that are described as requirements of the city of Seattle by November 30, 2010;

(iv) A work group convened by the department to include sound transit and King county metro to study and make recommendations regarding options for planning and financing high capacity transit through the state route number 520 corridor. The department shall submit the recommendations by January 1, 2011, to the governor and the transportation committees of the legislature;

(v) A plan to address mitigation as a result of the state route number 520 bridge replacement and HOV program at the Washington park arboretum. As part of its process, the department shall consult with the governing board of the Washington park arboretum, the Seattle city council and mayor, and the University of Washington to identify all mitigation required by state and federal law resulting from the state route number 520 bridge replacement and HOV program's impact on the arboretum, and to develop a project mitigation plan to address these impacts. The department shall submit the mitigation plan by December 31, 2010, to the governor and the transportation committees of the legislature. Wetland mitigation required by state and federal law as a result of the state route number 520 bridge replacement and HOV program's impacts on the arboretum must, to the greatest extent practicable, include on-site wetland mitigation at the Washington park arboretum, and must enhance the Washington park arboretum. This subsection (4)(b)(v) does not preclude any other mitigation planned for the Washington park arboretum as a

result of the state route number 520 bridge replacement and HOV program;

(vi) A work group convened by the department to include the mayor of the city of Seattle, the Seattle city council, the Seattle department of transportation, and other persons or organizations as designated by the Seattle city council and mayor to study and make recommendations regarding design refinements to the preferred alternative selected by the department in the supplemental draft environmental impact statement process for the state route number 520 bridge replacement and HOV program. To accommodate a timely progression of the state route number 520 bridge replacement and HOV program, the design refinements recommended by the work group must be consistent with the current environmental documents prepared by the department for the supplemental draft environmental impact statement. The department shall submit the recommendations to the legislature and governor by December 31, 2010, and the recommendations must inform the final environmental impact statement prepared by the department; and

(vii) An account, created in ((~~section 5 of this act~~))RCW 47.56.876, into which civil penalties generated from the nonpayment of tolls on the state route number 520 corridor are deposited to be used to fund any project within the program, including mitigation. However, this subsection (4)(b)(vii) is contingent on the enactment by June 30, 2010, of ((~~either~~)) chapter 249, Laws of 2010 ((~~or chapter . . . (Substitute House Bill No. 2897), Laws of 2010~~)), but if the enacted bill does not designate the department as the toll penalty adjudicating agency, this subsection (4)(b)(vii) is null and void.

(5) The department may carry out the improvements designated in subsection (4) of this section and administer the tolling program on the state route number 520 corridor.

PART VI: TRANSPORTATION PROJECT STREAMLINING

Sec. 601. RCW 90.58.356 and 2015 3rd sp.s. c 15 s 10 are each amended to read as follows:

(1) For purposes of this section, the following definitions apply:

(a) "Maintenance" means the preservation of the transportation facility or transit facility, including surface, shoulders, roadsides, structures including, but not limited to, bridges and buried structures, ditches and all stormwater treatment and conveyance features, environmental mitigation sites, utilities appurtenant to transportation system operations, and such traffic control devices as are necessary for safe and efficient utilization of the highway in a manner that substantially conforms to the preexisting design, function, and location as the original except to meet current engineering standards or environmental permit requirements.

(b) "Repair" means to restore a structure or development to a state comparable to its original condition including, but not limited to, restoring the development's size, shape, configuration, location, and external appearance, within a reasonable period after decay or partial destruction. Repair of a structure or development may not cause substantial adverse effects to shoreline resources or the shoreline environment. Replacement of a structure or development may be considered a repair if: Replacement is the common method of repair for the type of structure or development; the replacement structure or development is comparable to the original structure or development including, but not limited to, the size, shape, configuration, location, and external appearance of the original structure or development; and the replacement does not cause substantial adverse effects to shoreline resources or the shoreline environment.

(c) "Replacement" of any existing transportation facility, or transit facility, including surface, shoulders, roadsides, structures including, but not limited to, bridges and buried structures, ditches and all stormwater treatment and conveyance features, utilities appurtenant to transportation system operations, environmental mitigation sites, and traffic control devices, means to replace in a manner that substantially conforms to the preexisting design, function, and location as the original except to meet current engineering standards or environmental permit requirements. Maintenance or replacement activities do not involve expansion of automobile lanes, and do not result in significant negative shoreline impact.

(2) The following department of transportation projects and activities do not require a substantial development permit, conditional use permit, variance, letter of exemption, or other review conducted by a local government:

(a) Maintenance, repair, or replacement that occurs within the roadway prism of a state highway as defined in RCW 46.04.560, the lease or ownership area of a state ferry terminal, or the lease or ownership area of a transit facility, including ancillary transportation facilities such as pedestrian paths, bicycle paths, or both, and bike lanes;

(b) Construction or installation of safety structures and equipment, including pavement marking, freeway surveillance and control systems, railroad protective devices not including grade separated crossings, grooving, glare screen, safety barriers, energy attenuators, and hazardous or dangerous tree removal;

(c) Maintenance occurring within the right-of-way; or

(d) Construction undertaken in response to unforeseen, extraordinary circumstances that is necessary to prevent a decline, lapse, or cessation of service from a lawfully established transportation facility.

(3) ((~~The department of transportation must provide written notification of projects and activities authorized under this section with a cost in excess of one million dollars before the design or plan is finalized to all agencies with jurisdiction,~~

~~agencies with facilities or services that may be impacted, and adjacent property owners.~~))Construction, maintenance, repair, or replacement work on transit facilities, when the work is conducted within a department of transportation right-of-way, does not require a substantial development permit, conditional use permit, variance, letter of exemption, or other review conducted by a local government.

Sec. 602. RCW 49.26.013 and 1995 c 218 s 1 are each amended to read as follows:

(1) ((~~Any~~))Except as provided in subsection (2)(a)(ii) of this section, an owner or owner's agent who allows or authorizes any construction, renovation, remodeling, maintenance, repair, or demolition project which has a reasonable possibility, as defined by the department, of disturbing or releasing asbestos into the air, shall perform or cause to be performed, using practices approved by the department, a good faith inspection to determine whether the proposed project will disturb or release any material containing asbestos into the air.

Such inspections shall be conducted by persons meeting the accreditation requirements of the federal toxics substances control act, section 206(a) (1) and (3) (15 U.S.C. 2646(a) (1) and (3)).

An inspection under this section is not required if the owner or owner's agent is reasonably certain that asbestos will not be disturbed or assumes that asbestos will be disturbed by a project which involves construction, renovation, remodeling, maintenance, repair, or demolition and takes the maximum precautions as specified by all applicable federal and state requirements.

(2)(a)(i) Except as provided in RCW 49.26.125 and (a)(ii) of this subsection, the owner or owner's agent shall prepare and maintain a written report describing each inspection, or a statement of assumption of the presence or reasonable certainty of the absence of asbestos, and shall provide a copy of the written report or statement to all contractors before they apply or bid on work. ((~~In addition, upon~~))

(ii) The department of transportation may include a good faith inspection into the scope of construction contracts for a project in lieu of conducting a good faith inspection prior to contractors bidding on the work if, prior to the start of demolition and construction, a contractor:

(A) Completes the good faith inspection;

(B) Prepares and maintains a written report describing each inspection, or a statement of assumption of the presence or reasonable certainty of the absence of asbestos; and

(C) Provides a copy of the report or statement to the department of transportation.

(b) Upon written or oral request, the owner or owner's agent shall make a copy of the written report or statement available to: ((~~(1)~~))(i) The department of labor and industries; ((~~(2)~~))(ii) contractors; and ((~~(3)~~))(iii) the collective bargaining representatives or employee representatives, if any, of employees who may be exposed to any asbestos or material containing asbestos.

(c) A copy of the report or statement shall be posted as prescribed by the department in a place that is easily accessible to such employees.

Sec. 603. RCW 36.70A.200 and 2023 sp.s. c 1 s 12 are each amended to read as follows:

(1)(a) The comprehensive plan of each county and city that is planning under RCW 36.70A.040 shall include a process for identifying and siting essential public facilities. Essential public facilities include those facilities that are typically difficult to site, such as airports, state education facilities and state or regional transportation facilities as defined in RCW 47.06.140, regional transit authority facilities as defined in RCW 81.112.020, improvements to high capacity transportation systems as defined in RCW 81.104.015, bus rapid transit routes and stops or improvements to such routes and stops, state and local correctional facilities, solid waste handling facilities, opioid treatment programs including both mobile and fixed-site medication units, recovery residences, harm reduction programs excluding safe injection sites, and inpatient facilities including substance use disorder treatment facilities, mental health facilities, group homes, community facilities as defined in RCW 72.05.020, and secure community transition facilities as defined in RCW 71.09.020.

(b) Unless a facility is expressly listed in (a) of this subsection, essential public facilities do not include facilities that are operated by a private entity in which persons are detained in custody under process of law pending the outcome of legal proceedings but are not used for punishment, correction, counseling, or rehabilitation following the conviction of a criminal offense. Facilities included under this subsection (1)(b) shall not include facilities detaining persons under RCW 71.09.020 (7) or (16) or chapter 10.77 or 71.05 RCW.

(c) The department of children, youth, and families may not attempt to site new community facilities as defined in RCW 72.05.020 east of the crest of the Cascade mountain range unless there is an equal or greater number of sited community facilities as defined in RCW 72.05.020 on the western side of the crest of the Cascade mountain range.

(d) For the purpose of this ((~~section, "harm~~))subsection:

(i) "Bus rapid transit" means a fixed route bus system that features assets indicating permanent, high capacity service including, but not limited to, elevated platforms or enhanced stations, off-board fare collection, dedicated lanes, busways, or transit signal priority; and

(ii) Harm reduction programs" means programs that emphasize working directly with people who use drugs to prevent overdose and infectious disease transmission, improve the physical, mental, and social well-being of those served, and

offer low threshold options for accessing substance use disorder treatment and other services.

(2) Each county and city planning under RCW 36.70A.040 shall, not later than September 1, 2002, establish a process, or amend its existing process, for identifying and siting essential public facilities and adopt or amend its development regulations as necessary to provide for the siting of secure community transition facilities consistent with statutory requirements applicable to these facilities.

(3) Any city or county not planning under RCW 36.70A.040 shall, not later than September 1, 2002, establish a process for siting secure community transition facilities and adopt or amend its development regulations as necessary to provide for the siting of such facilities consistent with statutory requirements applicable to these facilities.

(4) The office of financial management shall maintain a list of those essential state public facilities that are required or likely to be built within the next six years. The office of financial management may at any time add facilities to the list.

(5)(a) No local comprehensive plan or development regulation may preclude the siting of essential public facilities.

(b) A city or county precludes an essential public facility when the city or county imposes conditions or costs that the city or county cannot demonstrate are reasonably necessary to mitigate adverse impacts directly caused by construction or operation of the essential public facility. A city or county with permitting authority shall commit to reasonable timelines to ensure timely issuance of permits without unnecessary delay. The essential public facility shall provide the city or county with the information needed to make timely permitting decisions. This subsection (5)(b) is limited exclusively to those essential public facilities that are improvements to high capacity transportation systems as defined in RCW 81.104.015.

(6) No person may bring a cause of action for civil damages based on the good faith actions of any county or city to provide for the siting of secure community transition facilities in accordance with this section and with the requirements of chapter 12, Laws of 2001 2nd sp. sess. For purposes of this subsection, "person" includes, but is not limited to, any individual, agency as defined in RCW 42.17A.005, corporation, partnership, association, and limited liability entity.

(7) Counties or cities siting facilities pursuant to subsection (2) or (3) of this section shall comply with RCW 71.09.341.

(8) The failure of a county or city to act by the deadlines established in subsections (2) and (3) of this section is not:

(a) A condition that would disqualify the county or city for grants, loans, or pledges under RCW 43.155.070 or 70A.135.070;

(b) A consideration for grants or loans provided under RCW 43.17.250(3); or

(c) A basis for any petition under RCW 36.70A.280 or for any private cause of action.

Sec. 604. RCW 36.70A.200 and 2024 c 164 s 511 are each amended to read as follows:

(1)(a) The comprehensive plan of each county and city that is planning under RCW 36.70A.040 shall include a process for identifying and siting essential public facilities. Essential public facilities include those facilities that are typically difficult to site, such as airports, state education facilities and state or regional transportation facilities as defined in RCW 47.06.140, regional transit authority facilities as defined in RCW 81.112.020, improvements to high capacity transportation systems as defined in RCW 81.104.015, bus rapid transit routes and stops or improvements to such routes and stops, state and local correctional facilities, solid waste handling facilities, opioid treatment programs including both mobile and fixed-site medication units, recovery residences, harm reduction programs excluding safe injection sites, and inpatient facilities including substance use disorder treatment facilities, mental health facilities, group homes, community facilities as defined in RCW 72.05.020, and secure community transition facilities as defined in RCW 71.09.020.

(b) Unless a facility is expressly listed in (a) of this subsection, essential public facilities do not include facilities that are operated by a private entity in which persons are detained in custody under process of law pending the outcome of legal proceedings but are not used for punishment, correction, counseling, or rehabilitation following the conviction of a criminal offense. Facilities included under this subsection (1)(b) shall not include facilities detaining persons under RCW 71.09.020 (7) or (16) or chapter 10.77 or 71.05 RCW.

(c) The department of children, youth, and families may not attempt to site new community facilities as defined in RCW 72.05.020 east of the crest of the Cascade mountain range unless there is an equal or greater number of sited community facilities as defined in RCW 72.05.020 on the western side of the crest of the Cascade mountain range.

(d) For the purpose of this ((~~section, "harm~~))subsection:

(i) "Bus rapid transit" means a fixed route bus system that features assets indicating permanent, high capacity service including, but not limited to, elevated platforms or enhanced stations, off-board fare collection, dedicated lanes, busways, or transit signal priority; and

(ii) Harm reduction programs" means programs that emphasize working directly with people who use drugs to prevent overdose and infectious disease transmission, improve the physical, mental, and social well-being of those served, and offer low threshold options for accessing substance use disorder treatment and other services.

(2) Each county and city planning under RCW 36.70A.040 shall, not later than September 1, 2002, establish a process, or amend its existing process, for identifying and siting essential public facilities and

adopt or amend its development regulations as necessary to provide for the siting of secure community transition facilities consistent with statutory requirements applicable to these facilities.

(3) Any city or county not planning under RCW 36.70A.040 shall, not later than September 1, 2002, establish a process for siting secure community transition facilities and adopt or amend its development regulations as necessary to provide for the siting of such facilities consistent with statutory requirements applicable to these facilities.

(4) The office of financial management shall maintain a list of those essential state public facilities that are required or likely to be built within the next six years. The office of financial management may at any time add facilities to the list.

(5)(a) No local comprehensive plan or development regulation may preclude the siting of essential public facilities.

(b) A city or county precludes an essential public facility when the city or county imposes conditions or costs that the city or county cannot demonstrate are reasonably necessary to mitigate adverse impacts directly caused by construction or operation of the essential public facility. A city or county with permitting authority shall commit to reasonable timelines to ensure timely issuance of permits without unnecessary delay. The essential public facility shall provide the city or county with the information needed to make timely permitting decisions. This subsection (5)(b) is limited exclusively to those essential public facilities that are improvements to high capacity transportation systems as defined in RCW 81.104.015.

(6) No person may bring a cause of action for civil damages based on the good faith actions of any county or city to provide for the siting of secure community transition facilities in accordance with this section and with the requirements of chapter 12, Laws of 2001 2nd sp. sess. For purposes of this subsection, "person" includes, but is not limited to, any individual, agency as defined in RCW 29B.10.030, corporation, partnership, association, and limited liability entity.

(7) Counties or cities siting facilities pursuant to subsection (2) or (3) of this section shall comply with RCW 71.09.341.

(8) The failure of a county or city to act by the deadlines established in subsections (2) and (3) of this section is not:

(a) A condition that would disqualify the county or city for grants, loans, or pledges under RCW 43.155.070 or 70A.135.070;

(b) A consideration for grants or loans provided under RCW 43.17.250(3); or

(c) A basis for any petition under RCW 36.70A.280 or for any private cause of action.

NEW SECTION. **Sec. 605.** A new section is added to chapter 43.21C RCW to read as follows:

In the event of a disagreement over the scope of a transit project, state agencies, cities, and counties shall accept the detailed statement prepared by the transit agency under RCW 43.21C.030(2)(c) as the sole environmental review document, rather than conducting separate environmental reviews or preparing additional detailed statements. Consistent with RCW 43.21C.150, when a transit agency has previously prepared an adequate detailed statement pursuant to the national environmental policy act of 1969 as part of a federally funded transit project, that national environmental policy act document shall satisfy the requirements under RCW 43.21C.030(2)(c). State agencies, cities, and counties shall adopt and rely on the national environmental policy act document for their environmental review and permitting processes, aligning applicable local documents accordingly. For purposes of this section, "transit agency" does not include a regional transit authority under chapter 81.112 RCW.

PART VII: TRANSPORTATION GRANT PROGRAMS

NEW SECTION. **Sec. 701.** A new county local road program is established to fund the preservation and improvement of county local roads. The board must:

(1) Adopt rules necessary to implement the provisions of this chapter relating to the allocation of funds; and

(2) Include a program status report in the board's annual report to the legislature as provided in RCW 36.78.070.

NEW SECTION. **Sec. 702.** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Board" means the county road administration board created in RCW 36.78.030.

(2) "Community facility" means a publicly owned facility or building that is primarily intended to serve the recreational, educational, cultural, public health and safety, administrative, or entertainment needs of the community as a whole.

(3) "County local road program project" means improvement projects on those county roads not federally classified as an arterial or collector.

(4) "LAG manual" means the Washington state department of transportation's local agency guidelines manual or its successor document.

(5) "Overburdened community" has the same meaning as defined in RCW 70A.02.010.

(6) "Pedestrian facility" means a facility designed to meet the needs of pedestrians in accordance with county and Americans with disabilities act requirements.

NEW SECTION. **Sec. 703.** (1) The board shall adopt rules to select preservation and improvement projects under this chapter taking into consideration, at a minimum, the following priority rating factors:

(a) Investment in overburdened communities;

(b) Environmental health disparities as identified in the environmental health disparities map specified in RCW 43.70.815;

(c) Location on or providing direct access to a federally recognized Indian reservation or lands;

(d) Sustaining the structural, safety, and operational integrity of the road;

(e) Vehicle and pedestrian collision experience;

(f) Access improvements to a community facility; and

(g) Identified need in a state, regional, county, or community plan.

(2) Proposed projects must be included in the respective county's six-year plan as provided in RCW 36.81.121 before board approval of the project.

NEW SECTION. **Sec. 704.** The following project types are allowed under the county local road program created in this chapter:

(1) 2-R as defined in the LAG manual;

(2) 3-R as defined in the LAG manual;

(3) Reconstruction as defined in the LAG manual;

(4) Replacement of any bridge on the national bridge inventory;

(5) Removal of human-made or caused impediments to anadromous fish passage; and

(6) Pedestrian facilities.

NEW SECTION. **Sec. 705.** Whenever a proposed county local road program project is adjacent to a city or town, the appropriate city or town and county officials shall jointly plan and include the improvement in their respective long-range plans. Whenever a county local road program project connects with and will be substantially affected by a programmed construction project on a state highway, the proper county officials shall jointly plan the development of such project with the department of transportation district administrator.

NEW SECTION. **Sec. 706.** Counties receiving funds from the county local road program shall provide such matching funds as established by rules adopted by the board. Matching requirements must be established after appropriate studies by the board and considering the financial resources available to counties.

NEW SECTION. **Sec. 707.** (1) Only those counties that, during the preceding 12 months, have spent all revenues collected for road purposes only for such purposes, including removal of barriers to fish passage and accompanying streambed and stream bank repair as specified in RCW 36.82.070, and including traffic law enforcement as allowed under Article II, section 40 of the state Constitution or RCW 36.82.070(2), are eligible to receive funds from the county local road program, except that:

(a) Counties with a population of less than 8,000 are exempt from this eligibility restriction;

(b) Counties expending revenues collected for road purposes only on other governmental services after authorization from the voters of that county under RCW 84.55.050 are exempt from this eligibility restriction; and

(c) This restriction does not apply to any moneys diverted from the road district levy under chapter 39.89 RCW.

(2) The board shall authorize county local road grant program funds for the construction project portion of a project previously authorized for a preliminary proposal in the sequence in which the preliminary proposal has been completed and the construction project is to be placed under contract. At such time the board may reserve funds for expenditure in future years as may be necessary for completion of preliminary proposals and construction projects to be commenced in the ensuing biennium.

(3) Subject to the availability of amounts appropriated for this specific purpose, the board may consider additional projects for authorization under this chapter upon a clear and conclusive showing by the submitting county that the proposed project is of an emergent nature and that its need was unable to be anticipated at the time the six-year plan of the county was developed. The proposed projects must be evaluated on the basis of the priority rating factors specified in section 703 of this act.

NEW SECTION. **Sec. 708.** Whenever the board approves a county local road program project under this chapter it shall determine the amount of county local road program funds to be allocated for such project. The allocation must be based upon information submitted by the county seeking approval of the project and upon such further investigation as the board deems necessary. The board shall adopt reasonable rules pursuant to which county local road program funds allocated to a project may be increased upon a subsequent application of the county constructing the project. The rules adopted by the board must take into account, but are not limited to, the following factors:

(1) The financial effect of increasing the original allocation for the project upon other county local road program projects either approved or requested;

(2) Whether the project for which an additional allocation is requested can be reduced in scope while retaining a usable segment;

(3) Whether the original cost of the project shown in the applicant's original submittal was based upon reasonable engineering estimates; and

(4) Whether the requested additional allocation is to pay for an expansion in the scope of work originally approved.

NEW SECTION. **Sec. 709.** Sections 701 through 708 of this act constitute a new chapter in Title 36 RCW.

Sec. 710. RCW 47.04.380 and 2024 c 106 s 1 are each amended to read as follows:

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

(2) To address these investment gaps, and to honor the legacy of community advocacy of Sandy Williams, the Sandy Williams connecting communities program is established within the department. The purpose of the program is to improve active transportation connectivity in communities by:

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

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

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

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

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

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

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

(c) Whether the project will serve:

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

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

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

(iv) People with disabilities;

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

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

(f) Crash experience involving pedestrians and bicyclists; and

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

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

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

(6) The Sandy Williams connecting communities program account is created in the state treasury. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for the program activities described in this section.

(7) Beginning September 2027, by the last day of September, December, March, and June of each year, the state treasurer shall transfer $3,125,000 from the multimodal transportation account created in RCW 47.66.070 to the Sandy Williams connecting communities program account created in this section.

Sec. 711. RCW 47.04.390 and 2023 c 431 s 7 are each amended to read as follows:

(1)(a) The department shall establish a statewide school-based bicycle education grant program. The grant will support two programs: One for ((~~elementary and middle school~~))grades three through eight; and one for ((~~junior high and high school~~))grades six through 12 aged youth to develop the skills and street safety knowledge to be more confident bicyclists for transportation and/or recreation. In development of the grant program, the department is encouraged to consult with the environmental justice council and the office of equity.

(b) Youth participating in the school-based bicycle education grant program shall have an opportunity to receive a bike, lock, helmet, and lights, and maintenance supplies free of cost.

(2)(((~~(a)~~))) For the ((~~elementary and middle school program~~))grades through three through eight and grades six through 12 programs, the department shall contract with a nonprofit organization with relevant reach and experience, including a statewide footprint and demonstrable experience deploying bicycling and road safety education curriculum via a train the trainer

model in schools. The selected nonprofit shall identify partner schools and partner organizations that serve target populations, based on the criteria in subsection ((~~(3)~~)) (4) of this section. Partner schools shall receive from the nonprofit: In-school bike and pedestrian safety education curriculum, materials, equipment guidance and consultation, and physical education teacher ((~~trainings. Youth grades three through eight are eligible for the program.~~

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

(3) For the ((~~junior high and high school~~))grades six through 12 program, the department shall contract with a nonprofit organization with relevant reach and experience, including a statewide footprint; demonstrable experience developing and managing youth-based programming serving youth of color in an after-school and/or community setting; and deploying bicycling and road safety education curriculum via a train the trainer model. The selected nonprofit shall use the equity-based criteria in subsection (4) of this section to identify target populations and partner organizations including, but not limited to, schools, community-based organizations, housing authorities, and parks and recreation departments, that work with the eligible populations of youth ((~~ages 14 to 18~~)). Partner organizations shall receive from the nonprofit: Education curriculum, materials, equipment including, but not limited to, bicycles, helmets, locks, and lights, guidance and consultation, and initial instructor/volunteer training, as well as ongoing support.

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

(a) Population impacted by poverty, as measured by free and reduced lunch population or 200 percent federal poverty level;

(b) People of color;

(c) People of Hispanic heritage;

(d) People with disabilities;

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

(f) Location on or adjacent to an Indian reservation;

(g) Geographic location throughout the state;

(h) Crash experience involving pedestrians and bicyclists;

(i) Access to a community facility or commercial center; and

(j) Identified need in the state active transportation plan or a regional, county, or community plan.

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

PART VIII: GREEN TRANSPORTATION POLICY

Climate Commitment Act Transportation Accounts

NEW SECTION. **Sec. 801.** The following acts or parts of acts are each repealed:

(1) RCW 46.68.490 (Climate active transportation account) and 2023 c 472 s 711 & 2022 c 182 s 102; and

(2) RCW 46.68.500 (Climate transit programs account) and 2023 c 472 s 712 & 2022 c 182 s 103.

Sec. 802. RCW 43.84.092 and 2024 c 210 s 4 and 2024 c 168 s 12 are each reenacted and amended to read as follows:

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

(2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.

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

(4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the

earnings credited to the treasury income account except:

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The abandoned recreational vehicle disposal account, the aeronautics account, the Alaskan Way viaduct replacement project account, the ambulance transport fund, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the Chehalis basin account, the Chehalis basin taxable account, the clean fuels credit account, the clean fuels transportation investment account, the cleanup settlement account, ((~~the climate active transportation account, the climate transit programs account,~~)) the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the common school construction fund, the community forest trust account, the connecting Washington account, the county arterial preservation account, the county criminal justice assistance account, the covenant homeownership account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community services account, the diesel idle reduction account, the opioid abatement settlement account, the drinking water assistance account, the administrative subaccount of the drinking water assistance account, the early learning facilities development account, the early learning facilities revolving account, the Eastern Washington University capital projects account, the education construction fund, the education legacy trust account, the election account, the electric vehicle account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the fair start for kids account, the family medicine workforce development account, the ferry bond retirement fund, the fish, wildlife, and conservation account, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the higher education retirement plan supplemental benefit fund, the Washington student loan account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the hospital safety net assessment fund, the Interstate 5 bridge replacement project account, the Interstate 405 and state route number 167 express toll lanes account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the limited fish and wildlife account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the money-purchase retirement savings administrative account, the money-purchase retirement savings principal account, the motor vehicle fund, the motorcycle safety education account, the move ahead WA account, the move ahead WA flexible account, the multimodal transportation account, the multiuse roadway safety account, the municipal criminal justice assistance account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the pilotage account, the pollution liability insurance agency underground storage tank revolving account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account, the public health supplemental account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puget Sound Gateway facility account, the Puget Sound taxpayer accountability account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the reserve officers' relief and pension principal fund, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the second injury fund, the sexual assault prevention and response account, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state hazard mitigation revolving loan account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state reclamation revolving account, the state route number 520 civil penalties account, the state route number 520 corridor account, the statewide broadband account, the statewide tourism marketing account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the toll facility bond retirement account, the transportation 2003 account (nickel account), the transportation equipment fund, the JUDY transportation future funding program account, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tribal opioid prevention and treatment account, the University of Washington bond retirement fund, the University of Washington building account, the voluntary cleanup account, the volunteer firefighters' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the

vulnerable roadway user education account, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, the water pollution control revolving fund, the Western Washington University capital projects account, the Yakima integrated plan implementation account, the Yakima integrated plan implementation revenue recovery account, and the Yakima integrated plan implementation taxable bond account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, and the state university permanent fund shall be allocated to their respective beneficiary accounts.

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

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

Sec. 803. RCW 43.84.092 and 2024 c 210 s 5 and 2024 c 168 s 13 are each reenacted and amended to read as follows:

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

(2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.

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

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

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The abandoned recreational vehicle disposal account, the aeronautics account, the Alaskan Way viaduct replacement project account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the Chehalis basin account, the Chehalis basin taxable account, the clean fuels credit account, the clean fuels transportation investment account, the cleanup settlement account, ((~~the climate active transportation account, the climate transit programs account,~~)) the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the common school construction fund, the community forest trust account, the connecting Washington account, the county arterial preservation account, the county criminal justice assistance account, the covenant homeownership account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community services account, the diesel idle reduction account, the opioid abatement settlement account, the drinking water assistance account, the administrative subaccount of the drinking water assistance account, the early learning facilities development account, the early learning facilities revolving account, the Eastern Washington University capital projects account, the education construction fund, the education legacy trust account, the election account, the electric vehicle account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the fair start for kids account, the family medicine

workforce development account, the ferry bond retirement fund, the fish, wildlife, and conservation account, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the higher education retirement plan supplemental benefit fund, the Washington student loan account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the hospital safety net assessment fund, the Interstate 5 bridge replacement project account, the Interstate 405 and state route number 167 express toll lanes account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the limited fish and wildlife account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the money-purchase retirement savings administrative account, the money-purchase retirement savings principal account, the motor vehicle fund, the motorcycle safety education account, the move ahead WA account, the move ahead WA flexible account, the multimodal transportation account, the multiuse roadway safety account, the municipal criminal justice assistance account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the pilotage account, the pollution liability insurance agency underground storage tank revolving account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account, the public health supplemental account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puget Sound Gateway facility account, the Puget Sound taxpayer accountability account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the reserve officers' relief and pension principal fund, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the second injury fund, the sexual assault prevention and response account, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state hazard mitigation revolving loan account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state reclamation revolving account, the state route number 520 civil penalties account, the state route number 520 corridor account, the statewide broadband account, the statewide tourism marketing account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the toll facility bond retirement account, the transportation 2003 account (nickel account), the transportation equipment fund, the JUDY transportation future funding program account, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tribal opioid prevention and treatment account, the University of Washington bond retirement fund, the University of Washington building account, the voluntary cleanup account, the volunteer firefighters' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the vulnerable roadway user education account, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, the water pollution control revolving fund, the Western Washington University capital projects account, the Yakima integrated plan implementation account, the Yakima integrated plan implementation revenue recovery account, and the Yakima integrated plan implementation taxable bond account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, and the state university permanent fund shall be allocated to their respective beneficiary accounts.

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

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

Sec. 804. RCW 70A.65.030 and 2023 c 475 s 1902 and 2023 c 475 s 936 are each reenacted and amended to read as follows:

(1) ((~~Except as provided in subsection (4) of this section, each~~))Each year or biennium, as appropriate, when allocating funds from the carbon emissions reduction account created in RCW 70A.65.240, the

climate commitment account created in RCW 70A.65.260, the natural climate solutions account created in RCW 70A.65.270, the climate investment account created in RCW 70A.65.250, or the air quality and health disparities improvement account created in RCW 70A.65.280, ((~~the climate transit programs account created in RCW 46.68.500, or the climate active transportation account created in RCW 46.68.490,~~)) or administering grants or programs funded by the accounts, agencies shall conduct an environmental justice assessment consistent with the requirements of RCW 70A.02.060 and establish a minimum of not less than 35 percent and a goal of 40 percent of total investments that provide direct and meaningful benefits to vulnerable populations within the boundaries of overburdened communities through: (a) The direct reduction of environmental burdens in overburdened communities; (b) the reduction of disproportionate, cumulative risk from environmental burdens, including those associated with climate change; (c) the support of community led project development, planning, and participation costs; or (d) meeting a community need identified by the community that is consistent with the intent of this chapter or RCW 70A.02.010.

(2) The allocation of funding under subsection (1) of this section must adhere to the following principles, additional to the requirements of RCW 70A.02.080: (a) Benefits and programs should be directed to areas and targeted to vulnerable populations and overburdened communities to reduce statewide disparities; (b) investments and benefits should be made roughly proportional to the health disparities that a specific community experiences, with a goal of eliminating the disparities; (c) investments and programs should focus on creating environmental benefits, including eliminating health burdens, creating community and population resilience, and raising the quality of life of those in the community; and (d) efforts should be made to balance investments and benefits across the state and within counties, local jurisdictions, and unincorporated areas as appropriate to reduce disparities by location and to ensure efforts contribute to a reduction in disparities that exist based on race or ethnicity, socioeconomic status, or other factors.

(3) ((~~Except as provided in subsection (4) of this section, state~~))State agencies allocating funds or administering grants or programs from the carbon emissions reduction account created in RCW 70A.65.240, the climate commitment account created in RCW 70A.65.260, the natural climate solutions account created in RCW 70A.65.270, the climate investment account created in RCW 70A.65.250, or the air quality and health disparities improvement account created in RCW 70A.65.280, ((~~the climate transit programs account created in RCW 46.68.500, or the climate active transportation account created in RCW 46.68.490,~~)) must:

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

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

(c)(i) If the agency is not a covered agency subject to the requirements of chapter 70A.02 RCW, create and adopt a community engagement plan to describe how it will engage with overburdened communities and vulnerable populations in allocating funds or administering grants or programs from the climate investment account.

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

((~~(4) During the 2023-2025 fiscal biennium:~~

~~(a) The requirement of subsection (1) of this section to conduct an environmental justice assessment applies only to covered agencies as defined in RCW 70A.02.010 and to significant agency actions as defined in RCW 70A.02.010.~~

~~(b) Agencies shall coordinate with the department and the office of financial management to achieve total statewide spending from the accounts listed in subsection (1) of this section of not less than 35 percent and a goal of 40 percent of total investments that provide direct and meaningful benefits to vulnerable populations within the boundaries of overburdened communities as otherwise described in subsection (1)(a) through (d) of this section and in accordance with RCW 70A.65.230.~~

~~(c) The requirements of subsection (3)(c) of this section for agencies other than covered agencies to create and adopt community engagement plans apply only to executive branch agencies and institutions of higher education, as defined in RCW 28B.10.016, receiving total appropriations of more than $2,000,000 for the 2023-2025 fiscal biennium from the accounts listed in subsection (1) of this section.~~))

Sec. 805. RCW 70A.65.040 and 2022 c 182 s 105 and 2022 c 181 s 14 are each reenacted and amended to read as follows:

(1) The environmental justice council created in RCW 70A.02.110 must provide recommendations to the legislature, agencies, and the governor in the development and implementation of the program established in RCW 70A.65.060 through 70A.65.210, and the programs funded from the carbon emissions reduction account created in RCW 70A.65.240, the climate commitment account created in RCW 70A.65.260, the natural climate solutions account created in RCW 70A.65.270, and the climate investment account created in RCW 70A.65.250((~~, the climate transit programs account created in RCW 46.68.500, and the climate active transportation account created in RCW 46.68.490~~)).

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

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

(i) The program established in RCW 70A.65.060 through 70A.65.210 including, but

not limited to, linkage with other jurisdictions, protocols for establishing offset projects and securing offset credits, designation of emissions-intensive and trade-exposed industries under RCW 70A.65.110, and administration of allowances under the program; and

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

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

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

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

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

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

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

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

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

Sec. 806. RCW 70A.65.230 and 2022 c 182 s 426 and 2022 c 181 s 8 are each reenacted and amended to read as follows:

(1) It is the intent of the legislature that each year the total investments made through the carbon emissions reduction account created in RCW 70A.65.240, the climate commitment account created in RCW 70A.65.260, the natural climate solutions account created in RCW 70A.65.270, and the air quality and health disparities improvement account created in RCW 70A.65.280, ((~~the climate transit programs account created in RCW 46.68.500, and the climate active transportation account created in RCW 46.68.490,~~)) achieve the following:

(a) A minimum of not less than 35 percent and a goal of 40 percent of total investments that provide direct and meaningful benefits to vulnerable populations within the boundaries of overburdened communities identified under chapter 70A.02 RCW; and

(b) In addition to the requirements of (a) of this subsection, a minimum of not less than 10 percent of total investments that are used for programs, activities, or projects formally supported by a resolution of an Indian tribe, with priority given to otherwise qualifying projects directly administered or proposed by an Indian tribe. An investment that meets the requirements of both this subsection (1)(b) and (a) of this subsection may count toward the minimum percentage targets for both subsections.

(2) The expenditure of moneys under this chapter must be consistent with applicable federal, state, and local laws, and treaty rights including, but not limited to, prohibitions on uses of funds imposed by the state Constitution.

(3) For the purposes of this section, "benefits" means investments or activities that:

(a) Reduce vulnerable population characteristics, environmental burdens, or associated risks that contribute significantly to the cumulative impact designation of overburdened communities;

(b) Meaningfully protect an overburdened community from, or support community response to, the impacts of air pollution or climate change; or

(c) Meet a community need identified by vulnerable members of the overburdened community that is consistent with the intent of this chapter.

(4) The state must develop a process by which to evaluate the impacts of the investments made under this chapter, work across state agencies to develop and track priorities across the different eligible funding categories, and work with the environmental justice council pursuant to RCW 70A.65.040.

NEW SECTION. **Sec. 807.** Any residual balance of funds remaining in the climate transit programs account or the climate active transportation account on June 30, 2025, shall be transferred by the state treasurer to the carbon emissions reduction account.

Zero Emission Vehicle Tax Incentives

NEW SECTION. **Sec. 808.** This section is the tax preference performance statement for the tax preferences contained in sections 809 and 810, chapter . . ., Laws of 2025 (sections 809 and 810 of this act). This performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

(1) The legislature categorizes the tax preferences as ones intended to induce certain designated behavior by taxpayers, as indicated in RCW 82.32.808(2)(a).

(2) It is the legislature's specific public policy objective to increase the use of zero emission buses by transit agencies in Washington. It is the legislature's intent to extend the tax incentive available to zero emission buses to further emission reductions, as well as reductions in fine particulates, in the state.

(3) To measure the effectiveness of the tax preferences in sections 809 and 810, chapter . . ., Laws of 2025 (sections 809 and 810 of this act) in achieving the public policy objectives described in subsection (2) of this section, the joint legislative audit and review committee must evaluate the number of zero emission transit buses titled in the state and the estimated resulting carbon emission and fine particulate reductions.

(4) In order to obtain the data necessary to perform the review in subsection (3) of this section, the department of licensing, department of revenue, and department of ecology must provide data needed for the joint legislative audit and review committee analysis. In addition to the data source described under this subsection, the joint legislative audit and review committee may use any other data it deems necessary.

NEW SECTION. **Sec. 809.** A new section is added to chapter 82.08 RCW to read as follows:

(1) The tax levied by RCW 82.08.020 does not apply to sales of zero emission buses purchased by:

(a) A transit agency; or

(b) A federally recognized Indian tribe to provide public transportation services.

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

(3) For the purposes of this section:

(a) "Transit agency" means a city-owned transit system, county transportation authority, metropolitan municipal corporation, public transportation benefit area, unincorporated transportation benefit area, or regional transit authority.

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

(4) On the last day of February, May, August, and November of each year, the state treasurer, based upon information provided by the department, must transfer from the carbon emissions reduction account to the general fund a sum equal to the dollar amount that would otherwise have been deposited into the general fund during the prior calendar quarter but for the exemption provided in this section and section 810 of this act. Information provided by the department to the state treasurer must be based on the best available data, except that the department may provide estimates of taxes exempted under this section until such time as retailers are able to report such exempted amounts on their tax returns.

(5)(a) The department must provide notification on its website monthly of the amount in exemptions issued and the amount remaining under this section and section 810 of this act before the limit described in (b) of this subsection has been reached, and, once that limit has been reached, the date the exemption expires pursuant to (b) of this subsection.

(b) The exemption under this section expires after the last day of the calendar month immediately following the month the department determines the total amount of state sales and use tax exemptions issued under this section and section 810 of this act reaches or exceeds $14,000,000.

(6) By July 1, 2026, and every six months thereafter until the exemptions in this section and section 810 of this act expire, based on the best available data, the department must report the following information to the transportation committees of the legislature:

(a) The cumulative number of vehicles that qualified for the exemption under this section and section 810 of this act by month of purchase and vehicle make and model; and

(b) The dollar amount of all state retail sales and use taxes exempted under this section and section 810 of this act, by fiscal year.

NEW SECTION. **Sec. 810.** A new section is added to chapter 82.12 RCW to read as follows:

(1) The provisions of this chapter do not apply with respect to the use of zero emission buses purchased by a transit agency or by a federally recognized Indian tribe to provide public transportation services.

(2) For the purposes of this section.

(a) "Transit agency" means a city-owned transit system, county transportation authority, metropolitan municipal corporation, public transportation benefit area, unincorporated transportation benefit area, or regional transit authority.

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

(3) The exemption under this section expires after the last day of the calendar month immediately following the month the department determines the total amount of exemptions under this section and section 809 of this act issued reaches or exceeds $14,000,000.

Alternative Fuel Grant and Education Programs

Sec. 811. RCW 28B.30.903 and 2019 c 287 s 2 are each amended to read as follows:

(1) The Washington State University extension energy program shall provide information, technical assistance, and consultation on physical plant operation, maintenance, and construction issues to state and local governments, tribal governments, and nonprofit organizations through its plant operations support program. The Washington State University extension energy program may not enter into facilities design or construction contracts on behalf of state or local government agencies, tribal governments, or nonprofit organizations. The plant operations support program created in this section must be funded by voluntary subscription charges, service fees, and other funding acquired by or provided to Washington State University for such purposes.

(2) ((~~Subject to the availability of amounts appropriated for this specific purpose through the 2023-2025 biennium, the~~))The Washington State University extension energy program must establish and administer a technical assistance and education program focused on the use of alternative fuel vehicles. Education and assistance may be provided to public agencies, including local governments and other state political subdivisions.

Sec. 812. RCW 47.04.350 and 2019 c 287 s 3 are each amended to read as follows:

(1) ((~~Subject to the availability of amounts appropriated for this specific purpose through the 2023-2025 biennium, the~~))The department's public-private partnership office must develop and maintain a program to support the deployment of clean alternative fuel vehicle charging and refueling infrastructure that is supported by private financing.

(2) The department must define corridors in which bidders may propose to install electric vehicle charging infrastructure or hydrogen fueling stations, and may update these corridors over time as needed. Alternatively, a bidder may propose a corridor in which the bidder proposes to install electric vehicle infrastructure or hydrogen fueling stations if the department has adopted rules allowing such a proposal and establishing guidelines for how such a proposal will be considered.

(3)(a) For bid proposals under this section, the department must require the following:

(i) Bidders must have private sector partners contributing to the project who stand to gain indirect value from development of the project, such as motor vehicle manufacturers, retail stores, or tourism stakeholders;

(ii) Bidders must demonstrate that the proposed project will be valuable to clean alternative fuel vehicle drivers and will address an existing gap in the state's low carbon transportation infrastructure;

(iii) Projects must be expected to be profitable and sustainable for the owner-operator and the private partner; and

(iv) Bidders must specify how the project captures the indirect value of charging or refueling station deployment to the private partner.

(b) The department may adopt rules that require any other criteria for a successful project.

(4) In evaluating proposals under this section, the department may use the electric vehicle financial analysis tool that was developed in the joint transportation committee's study into financing electric vehicle charging station infrastructure.

(5)(a) After selecting a successful proposer under this section, the department may provide a loan or grant to the proposer.

(b) ((~~Grants and loans issued under this subsection must be funded from the electric vehicle account created in RCW 82.44.200.~~

~~(c)~~)) Any project selected for support under this section is eligible for only one grant or loan as a part of the program.

(6) The department may conduct preliminary workshops with potential bidders and other potential private sector partners to determine the best method of designing and maintaining the program, discuss how to develop and maintain the partnerships among the private sector partners that may receive indirect value, and any other issues relating to the implementation and administration of this section. The department should consider regional workshops to engage potential business partners from across the state.

(7) The department must adopt rules to implement and administer this section.

Sec. 813. RCW 47.04.355 and 2019 c 287 s 16 are each amended to read as follows:

(1) ((~~Subject to the availability of amounts appropriated for this specific purpose through the 2023-2025 biennium, the~~))The department's ((~~public-private partnership office~~))public transportation division must develop and administer a ((~~pilot~~)) program to support clean alternative fuel car sharing programs to provide clean alternative fuel vehicle use opportunities to underserved communities and low to moderate income members of the workforce not readily served by transit or located in transportation corridors with emissions that exceed federal or state emissions standards. Nonprofit organizations or local governments, including housing authorities, with a demonstrated history of managing or implementing low-income transportation clean alternative fuel and shared mobility pilot programs are eligible to participate in this program.

(2) The department must determine specific eligibility criteria, based on the requirements of this section, the report submitted to the legislature by the Puget Sound clean air agency entitled facilitating low-income utilization of electric vehicles, and other factors relevant to increasing clean alternative fuel vehicle use in underserved and low to moderate income communities. The department may adopt rules specifying the eligibility criteria it selects.

(3) The department may conduct preliminary workshops with potential bidders and other potential partners to determine the best method of designing the ((~~pilot~~)) program.

(4) The department must include the following elements in its proposal evaluation and scoring methodology: History of successful management of equity focused clean alternative fuel vehicle projects; substantial level of involvement from community-based, equity focused organizations in the project; plan for long-term financial sustainability of the work beyond the duration of the grant period; matching resources leveraged for the project; and geographical diversity of the projects selected.

(5) After selecting successful proposals under this section, the department may provide grant funding to them. The total grant amount available per project may range from ((~~fifty thousand to two hundred thousand dollars~~))$50,000 to $200,000. The

grant opportunity must include possible funding of vehicles, charging or refueling station infrastructure, staff time, and any other expenses required to implement the project. No more than ((~~ten~~))10 percent of grant funds may be used for administrative expenses.

(6)(a) Any property acquired with state grant funding under this section by nongovernmental participants must be used solely for program purposes and, if sold, the proceeds of the sale must be used solely for program purposes.

(b) At the termination of a program for providing alternative fuel car sharing services, the state must be reimbursed for any property acquired with state grant funding under this section that nongovernmental participants in the program retain at the time of program termination. The amount of reimbursement may under no circumstances be less than the fair market value of the property at the time of the termination of the program.

Fuel Conversion Activity Reporting

NEW SECTION. **Sec. 814.** A new section is added to chapter 70A.65 RCW to read as follows:

(1) State agencies that receive or have received appropriations from the carbon emissions reduction account in an omnibus transportation appropriations act are required to report information to estimate emission reductions from fuel conversion activities funded from these appropriations to the legislature, as well as any requested information necessary for the estimation and analysis of projected and realized emission reductions, using the reporting tool developed by the joint transportation committee in accordance with section 204(7), chapter 472, Laws of 2023 in a form and manner prescribed by the joint transportation committee.

(2) Reports must include initial reporting of projected emission reductions at the time of expenditure and continued reporting of factors to be used to calculate estimated realized emission reductions in subsequent years.

(3) The reporting requirement in this section is in addition to the reporting requirements of RCW 70A.65.300.

(4) For purposes of this section, "fuel conversion" means the purchase of zero emission or hybrid electric vehicles, vessels, or off-road equipment and the charging or fueling infrastructure needed to support zero emission or hybrid electric vehicles or vessels.

PART IX: TRAFFIC SAFETY, ACTIVE TRANSPORTATION, AND RELATED POLICY

Complete Streets

Sec. 901. RCW 47.04.035 and 2022 c 182 s 418 are each amended to read as follows:

(1) In order to improve the safety, mobility, and accessibility of state highways, it is the intent of the legislature that the department must incorporate the principles of complete streets with facilities that provide street access with all users in mind, including pedestrians, bicyclists, and public transportation users, notwithstanding the provisions of RCW 47.24.020 concerning responsibility beyond the curb of state rights-of-way. As such, state transportation projects (a) starting design ((~~on or after~~))between July 1, 2022, and July 31, 2025, that are $500,000 or more, and (b) starting design on or after August 1, 2025, that are $1,000,000 or more, must:

((~~(a)~~))(i) Identify those locations on state rights-of-way that do not have a complete and Americans with disabilities act accessible sidewalk or shared-use path, that do not have bicycle facilities in the form of a bike lane or adjacent parallel trail or shared-use path, that have such facilities on a state route within a population center that has a posted speed in excess of 30 miles per hour and no buffer or physical separation from vehicular traffic for pedestrians and bicyclists, and/or that have a design that hampers the ability of motorists to see a crossing pedestrian with sufficient time to stop given posted speed limits and roadway configuration;

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

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

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

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

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

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

Trails and Paths

Traffic Safety and Tribal Representation

Sec. 902. RCW 43.59.156 and 2020 c 72 s 1 are each amended to read as follows:

(1) Within amounts appropriated to the traffic safety commission, the commission must convene the Cooper Jones active transportation safety council comprised of stakeholders who have a unique interest or expertise in the safety of pedestrians, bicyclists, and other nonmotorists.

(2) The purpose of the council is to review and analyze data and programs related to fatalities and serious injuries involving pedestrians, bicyclists, and other nonmotorists to identify points at which the transportation system can be improved including, whenever possible, privately owned areas of the system such as parking lots, and to identify patterns in pedestrian, bicyclist, and other nonmotorist fatalities and serious injuries. The council may also:

(a) Monitor progress on implementation of existing council recommendations; and

(b) Seek opportunities to expand consideration and implementation of the principles of systematic safety, including areas where data collection may need improvement.

(3)(a) The council may include, but is not limited to:

(i) A representative from the commission;

(ii) A coroner from the county in which pedestrian, bicyclist, or nonmotorist deaths have occurred;

(iii) Multiple members of law enforcement who have investigated pedestrian, bicyclist, or nonmotorist fatalities;

(iv) A traffic engineer;

(v) A representative from the department of transportation and a representative from the department of health;

(vi) A representative from the association of Washington cities;

(vii) A representative from the Washington state association of counties;

(viii) A representative from a pedestrian advocacy group; ((~~and~~))

(ix) A representative from a tribal government; and

(x) A representative from a bicyclist or other nonmotorist advocacy group.

(b) The commission may invite other representatives of stakeholder groups to participate in the council as deemed appropriate by the commission. Additionally, the commission may invite a victim or family member of a victim to participate in the council.

(4) The council must meet at least quarterly. By December 31st of each year, the council must issue an annual report detailing any findings and recommendations to the governor and the transportation committees of the legislature. The commission must provide the annual report electronically to all municipal governments and state agencies that participated in the council during that calendar year. Additionally, the council must report any budgetary or fiscal recommendations to the office of financial management and the legislature by August 1st on a biennial basis.

(5) As part of the review of pedestrian, bicyclist, or nonmotorist fatalities and serious injuries that occur in Washington, the council may review any available information, including crash information maintained in existing databases; statutes, rules, policies, or ordinances governing pedestrians and traffic related to the incidents; and any other relevant information. The council may make recommendations regarding changes in statutes, ordinances, rules, and policies that could improve pedestrian, bicyclist, or nonmotorist safety. Additionally, the council may make recommendations on how to improve traffic fatality and serious injury data quality, including crashes that occur in privately owned property such as parking lots. The council may consult with local cities and counties, as well as local police departments and other law enforcement agencies and associations representing those jurisdictions on how to improve data quality regarding crashes occurring on private property.

(6)(a) Documents prepared by or for the council are inadmissible and may not be used in a civil or administrative proceeding, except that any document that exists before its use or consideration in a review by the council, or that is created independently of such review, does not become inadmissible merely because it is reviewed or used by the council. For confidential information, such as personally identifiable information and medical records, which are obtained by the council, neither the commission nor the council may publicly disclose such confidential information. No person who was in attendance at a meeting of the council or who participated in the creation, retention, collection, or maintenance of information or documents specifically for the commission or the council shall be permitted to testify in any civil action as to the content of such proceedings or of the documents and information prepared specifically as part of the activities of the council. However, recommendations from the council and the commission generally may be disclosed without personal identifiers.

(b) The council may review, only to the extent otherwise permitted by law or court rule when determined to be relevant and necessary: Any law enforcement incident documentation, such as incident reports, dispatch records, and victim, witness, and suspect statements; any supplemental reports, probable cause statements, and 911 call taker's reports; and any other information determined to be relevant to the review. The commission and the council must maintain the confidentiality of such information to the extent required by any applicable law.

(7) If acting in good faith, without malice, and within the parameters of and

protocols established under this chapter, representatives of the commission and the council are immune from civil liability for an activity related to reviews of particular fatalities and serious injuries.

(8) This section must not be construed to provide a private civil cause of action.

(9)(a) The council may receive gifts, grants, or endowments from public or private sources that are made from time to time, in trust or otherwise, for the use and benefit of the purposes of the council and spend the gifts, grants, or endowments from the public or private sources according to their terms, unless the receipt of the gifts, grants, or endowments violates RCW 42.17A.560.

(b) Subject to the appropriation of funds for this specific purpose, the council may provide grants targeted at improving pedestrian, bicyclist, or nonmotorist safety in accordance with recommendations made by the council.

(10) For purposes of this section:

(a) "Bicyclist fatality" means any death of a bicyclist resulting from a collision, whether on a roadway, at an intersection, along an adjacent sidewalk, or on a path that is contiguous with a roadway.

(b) "Council" means the Cooper Jones active transportation safety council.

(c) "Nonmotorist" means anyone using the transportation system who is not in a vehicle.

(d) "Pedestrian fatality" means any death of a pedestrian resulting from a collision, whether on a roadway, at an intersection, along an adjacent sidewalk, or on a path that is contiguous with a roadway.

(e) "Serious injury" means any injury other than a fatal injury that prevents the injured person from walking, driving, or normally continuing the activities the person was capable of performing before the injury occurred.

Sec. 903. RCW 43.59.156 and 2024 c 164 s 523 are each amended to read as follows:

(1) Within amounts appropriated to the traffic safety commission, the commission must convene the Cooper Jones active transportation safety council comprised of stakeholders who have a unique interest or expertise in the safety of pedestrians, bicyclists, and other nonmotorists.

(2) The purpose of the council is to review and analyze data and programs related to fatalities and serious injuries involving pedestrians, bicyclists, and other nonmotorists to identify points at which the transportation system can be improved including, whenever possible, privately owned areas of the system such as parking lots, and to identify patterns in pedestrian, bicyclist, and other nonmotorist fatalities and serious injuries. The council may also:

(a) Monitor progress on implementation of existing council recommendations; and

(b) Seek opportunities to expand consideration and implementation of the principles of systematic safety, including areas where data collection may need improvement.

(3)(a) The council may include, but is not limited to:

(i) A representative from the commission;

(ii) A coroner from the county in which pedestrian, bicyclist, or nonmotorist deaths have occurred;

(iii) Multiple members of law enforcement who have investigated pedestrian, bicyclist, or nonmotorist fatalities;

(iv) A traffic engineer;

(v) A representative from the department of transportation and a representative from the department of health;

(vi) A representative from the association of Washington cities;

(vii) A representative from the Washington state association of counties;

(viii) A representative from a pedestrian advocacy group; ((~~and~~))

(ix) A representative from a tribal government; and

(x) A representative from a bicyclist or other nonmotorist advocacy group.

(b) The commission may invite other representatives of stakeholder groups to participate in the council as deemed appropriate by the commission. Additionally, the commission may invite a victim or family member of a victim to participate in the council.

(4) The council must meet at least quarterly. By December 31st of each year, the council must issue an annual report detailing any findings and recommendations to the governor and the transportation committees of the legislature. The commission must provide the annual report electronically to all municipal governments and state agencies that participated in the council during that calendar year. Additionally, the council must report any budgetary or fiscal recommendations to the office of financial management and the legislature by August 1st on a biennial basis.

(5) As part of the review of pedestrian, bicyclist, or nonmotorist fatalities and serious injuries that occur in Washington, the council may review any available information, including crash information maintained in existing databases; statutes, rules, policies, or ordinances governing pedestrians and traffic related to the incidents; and any other relevant information. The council may make recommendations regarding changes in statutes, ordinances, rules, and policies that could improve pedestrian, bicyclist, or nonmotorist safety. Additionally, the council may make recommendations on how to improve traffic fatality and serious injury data quality, including crashes that occur in privately owned property such as parking lots. The council may consult with local cities and counties, as well as local police departments and other law enforcement agencies and associations representing those jurisdictions on how to improve data quality regarding crashes occurring on private property.

(6)(a) Documents prepared by or for the council are inadmissible and may not be used in a civil or administrative proceeding, except that any document that exists before its use or consideration in a review by the council, or that is created independently of such review, does not become inadmissible merely because it is reviewed or used by the

council. For confidential information, such as personally identifiable information and medical records, which are obtained by the council, neither the commission nor the council may publicly disclose such confidential information. No person who was in attendance at a meeting of the council or who participated in the creation, retention, collection, or maintenance of information or documents specifically for the commission or the council shall be permitted to testify in any civil action as to the content of such proceedings or of the documents and information prepared specifically as part of the activities of the council. However, recommendations from the council and the commission generally may be disclosed without personal identifiers.

(b) The council may review, only to the extent otherwise permitted by law or court rule when determined to be relevant and necessary: Any law enforcement incident documentation, such as incident reports, dispatch records, and victim, witness, and suspect statements; any supplemental reports, probable cause statements, and 911 call taker's reports; and any other information determined to be relevant to the review. The commission and the council must maintain the confidentiality of such information to the extent required by any applicable law.

(7) If acting in good faith, without malice, and within the parameters of and protocols established under this chapter, representatives of the commission and the council are immune from civil liability for an activity related to reviews of particular fatalities and serious injuries.

(8) This section must not be construed to provide a private civil cause of action.

(9)(a) The council may receive gifts, grants, or endowments from public or private sources that are made from time to time, in trust or otherwise, for the use and benefit of the purposes of the council and spend the gifts, grants, or endowments from the public or private sources according to their terms, unless the receipt of the gifts, grants, or endowments violates RCW 29B.45.020.

(b) Subject to the appropriation of funds for this specific purpose, the council may provide grants targeted at improving pedestrian, bicyclist, or nonmotorist safety in accordance with recommendations made by the council.

(10) For purposes of this section:

(a) "Bicyclist fatality" means any death of a bicyclist resulting from a collision, whether on a roadway, at an intersection, along an adjacent sidewalk, or on a path that is contiguous with a roadway.

(b) "Council" means the Cooper Jones active transportation safety council.

(c) "Nonmotorist" means anyone using the transportation system who is not in a vehicle.

(d) "Pedestrian fatality" means any death of a pedestrian resulting from a collision, whether on a roadway, at an intersection, along an adjacent sidewalk, or on a path that is contiguous with a roadway.

(e) "Serious injury" means any injury other than a fatal injury that prevents the injured person from walking, driving, or normally continuing the activities the person was capable of performing before the injury occurred.

Shared Streets

Sec. 904. RCW 46.61.--- and 2025 c . . . (ESB 5595) s 1 are each amended to read as follows:

(1)(a) A local authority may designate a nonarterial highway, except as provided in (b) of this subsection, to be a shared street under this section, if the local authority has developed procedures for establishing shared streets.

(b) Nonarterial highways that are state highways may not be designated shared streets unless they are the primary roads through a central business district. For the purposes of this subsection, "central business district" means a downtown or neighborhood commercial area with boundaries defined in the local ordinance designating the shared street. A local authority must consult with the department of transportation and obtain the department's approval, consistent with the requirements of RCW 47.24.020, before establishing a shared street on a state highway.

(2) Vehicular traffic traveling along a shared street shall yield the right-of-way to any pedestrian, bicyclist, or operator of a micromobility device on the shared street.

(3) A bicyclist or operator of a micromobility device shall yield the right-of-way to any pedestrian on a shared street.

(4) Any local authority that designates a nonarterial highway to be a shared street as provided by this section must post an annual report on the local authority's website of the number of traffic accidents, including those that involve a pedestrian, bicyclist, or operator of a micromobility device, that occurred on the designated shared street. The report must also include the number of speeding violations and driving under the influence violations that occurred on the designated shared street.

(5) For purposes of this section:

(a) "Micromobility device" means personal or shared nonmotorized scooters, "motorized foot scooters" as defined in RCW 46.04.336, and "electric personal assistive mobility devices" (EPAMD) as defined in RCW 46.04.1695; and

(b) "Shared street" means a city street designated by placement of official traffic control devices where pedestrians, bicyclists, and vehicular traffic share a portion or all of the same street.

Automated Traffic Safety Cameras

Sec. 905. RCW 46.63.210 and 2024 c 307 s 1 are each amended to read as follows:

The definitions in this section apply throughout this section and RCW 46.63.220 through 46.63.260 unless the context clearly requires otherwise.

(1) "Automated traffic safety camera" means a device that uses a vehicle sensor installed to work in conjunction with an intersection traffic control system, a railroad grade crossing control system, or a speed measuring device, and a camera

synchronized to automatically record one or more sequenced photographs, microphotographs, or electronic images of the front or rear of a motor vehicle at the time the vehicle fails to stop when facing a steady red traffic control signal or an activated railroad grade crossing control signal, or exceeds a speed limit as detected by a speed measuring device. "Automated traffic safety camera" also includes a device used to detect stopping at intersection or crosswalk violations; stopping when traffic obstructed violations; public transportation only lane violations; stopping or traveling in restricted lane violations; and public transportation bus stop zone violations and public transportation only lane violations detected by a public transportation vehicle-mounted system.

(2) "Hospital speed zone" means the marked area within hospital property and extending 300 feet from the border of the hospital property (a) consistent with hospital use; and (b) where signs are posted to indicate the location is within a hospital speed zone, where "hospital" has the same meaning as in RCW 70.41.020.

(3) "Public park speed zone" means the marked area within public park property and extending 300 feet from the border of the public park property (a) consistent with active park use; and (b) where signs are posted to indicate the location is within a public park speed zone.

(4) "Public transportation vehicle" means any motor vehicle, streetcar, train, trolley vehicle, ferry boat, or any other device, vessel, or vehicle that is owned or operated by a transit authority or an entity providing service on behalf of a transit authority that is used for the purpose of carrying passengers and that operates on established routes. "Transit authority" has the same meaning as provided in RCW 9.91.025.

(5) "Roadway work zone" means an area of any city roadway, including state highways that are also classified as city streets under chapter 47.24 RCW, or county road as defined in RCW 46.04.150, with construction, maintenance, or utility work with a duration of 30 calendar days or more. A roadway work zone is identified by the placement of temporary traffic control devices that may include signs, channelizing devices, barriers, pavement markings, and/or work vehicles with warning lights. A roadway work zone extends from the first warning sign or high intensity rotating, flashing, oscillating, or strobe lights on a vehicle to the end road work sign or the last temporary traffic control device or vehicle.

(6) "School speed zone" has the same meaning as described in RCW 46.61.440 (1) and (2).

(7) "School walk zone" means a roadway identified under RCW 28A.160.160 or roadways within a one-mile radius of a school that students use to travel to school by foot, bicycle, or other means of active transportation.

Sec. 906. RCW 46.63.220 and 2024 c 307 s 2 are each amended to read as follows:

(1) Nothing in this section prohibits a law enforcement officer from issuing a notice of traffic infraction to a person in control of a vehicle at the time a violation occurs under RCW 46.63.030(1) (a), (b), or (c).

(2) Any city or county may authorize the use of automated traffic safety cameras and must adopt an ordinance authorizing such use through its local legislative authority.

(3) The local legislative authority must prepare an analysis of the locations within the jurisdiction where automated traffic safety cameras are proposed to be located before adding traffic safety cameras to a new location or relocating any existing camera to a new location within the jurisdiction. The analysis must include equity considerations including the impact of the camera placement on livability, accessibility, economics, education, and environmental health when identifying where to locate an automated traffic safety camera. The analysis must also show a demonstrated need for traffic cameras based on one or more of the following in the vicinity of the proposed camera location: Travel by vulnerable road users, evidence of vehicles speeding, rates of collision, reports showing near collisions, and anticipated or actual ineffectiveness or infeasibility of other mitigation measures.

(4) Automated traffic safety cameras may not be used on an on-ramp to a limited access facility as defined in RCW 47.52.010.

(5) A city may use automated traffic safety cameras to enforce traffic ordinances in this section on state highways that are also classified as city streets under chapter 47.24 RCW. A city government must notify the department of transportation when it installs an automated traffic safety camera to enforce traffic ordinances as authorized in this subsection.

(6)(a) At a minimum, a local ordinance adopted pursuant to this section must contain the restrictions described in this section and provisions for public notice and signage. Cities and counties must also post such restrictions and other automated traffic safety camera policies on the city's or county's website. Cities and counties using automated traffic safety cameras before July 24, 2005, are subject to the restrictions described in this section, but are not required to adopt an authorizing ordinance.

(b)(i) Cities and counties using automated traffic safety cameras must post an annual report on the city's or county's website of the number of traffic crashes that occurred at each location where an automated traffic safety camera is located, as well as the number of notices of infraction issued for each camera. Beginning January 1, 2026, the annual report must include the percentage of revenues received from fines issued from automated traffic safety camera infractions that were used to pay for the costs of the automated traffic safety camera program and must describe the uses of revenues that exceeded the costs of operation and administration of the automated traffic safety camera program by the city or county.

(ii) The Washington traffic safety commission must provide an annual report to the transportation committees of the legislature, and post the report to its website for public access, beginning July 1, 2026, that includes aggregated information on the use of automated traffic safety cameras in the state that includes an assessment of the impact of their use, information required in city and county annual reports under (b)(i) of this subsection, and information on the number of automated traffic safety cameras in use by type and location, with an analysis of camera placement in the context of area demographics and household incomes. To the extent practicable, the commission must also provide in its annual report the number of traffic accidents, speeding violations, single vehicle accidents, pedestrian accidents, and driving under the influence violations that occurred at each location where an automated traffic safety camera is located in the five years before each camera's authorization and after each camera's authorization. Cities and counties using automated traffic safety cameras must provide the commission with the data it requests for the report required under this subsection in a form and manner specified by the commission.

(7) All locations where an automated traffic safety camera is used on roadways or intersections must be clearly marked by placing signs at least 30 days prior to activation of the camera in locations that clearly indicate to a driver either that: (a) The driver is within an area where automated traffic safety cameras are authorized; or (b) the driver is entering an area where violations are enforced by an automated traffic safety camera. The signs must be readily visible to a driver approaching an automated traffic safety camera. Signs placed in automated traffic safety camera locations after June 7, 2012, must follow the specifications and guidelines under the manual of uniform traffic control devices for streets and highways as adopted by the department of transportation under chapter 47.36 RCW. All public transportation vehicles utilizing a vehicle-mounted system must post a sign on the rear of the vehicle indicating to drivers that the vehicle is equipped with an automated traffic safety camera to enforce bus stop zone violations and public transportation only lane violations.

(8) Automated traffic safety cameras may only record images of the vehicle and vehicle license plate and only while an infraction is occurring. The image must not reveal the face of the driver or of passengers in the vehicle. The primary purpose of camera placement is to record images of the vehicle and vehicle license plate when an infraction is occurring. Cities and counties must consider installing automated traffic safety cameras in a manner that minimizes the impact of camera flash on drivers.

(9) A notice of infraction must be mailed to the registered owner of the vehicle within 14 days of the violation, or to the renter of a vehicle within 14 days of establishing the renter's name and address under subsection (17) of this section. The notice of infraction must include with it a certificate or facsimile thereof, based upon inspection of photographs, microphotographs, or electronic images produced by an automated traffic safety camera, stating the facts supporting the notice of infraction. This certificate or facsimile is prima facie evidence of the facts contained in it and is admissible in a proceeding charging a violation under this chapter. The photographs, microphotographs, or electronic images evidencing the violation must be available for inspection and admission into evidence in a proceeding to adjudicate the liability for the infraction. A person receiving a notice of infraction based on evidence detected by an automated traffic safety camera may respond to the notice by mail.

(10) The registered owner of a vehicle is responsible for an infraction under RCW 46.63.030(1)(d) unless the registered owner overcomes the presumption in RCW 46.63.075, or, in the case of a rental car business, satisfies the conditions under subsection (17) of this section. If appropriate under the circumstances, a renter identified under subsection (17)(a) of this section is responsible for an infraction.

(11) Notwithstanding any other provision of law, all photographs, microphotographs, or electronic images, or any other personally identifying data prepared under this section are for the exclusive use of authorized city or county employees, as specified in RCW 46.63.030(1)(d), in the discharge of duties under this section and are not open to the public and may not be used in a court in a pending action or proceeding unless the action or proceeding relates to a violation under this section. No photograph, microphotograph, or electronic image, or any other personally identifying data may be used for any purpose other than enforcement of violations under this section nor retained longer than necessary to enforce this section. Transit authorities must provide to the appropriate local jurisdiction that has authorized traffic safety camera use under RCW 46.63.260((~~(2)~~))(3) any images or evidence collected establishing that a violation of stopping, standing, or parking in a bus stop zone or traveling, stopping, standing, or parking in a public transportation only lane has occurred for infraction processing purposes consistent with this section.

(12) If a county or city has established an automated traffic safety camera program as authorized under this section, the compensation paid to the manufacturer or vendor of the equipment used must be based only upon the value of the equipment and services provided or rendered in support of the system and may not be based upon a portion of the fine or civil penalty imposed or the revenue generated by the equipment. If the contract between the city or county and manufacturer or vendor of the equipment does not provide for performance or quality control measures regarding camera images, the city or county must perform a performance audit of the manufacturer or vendor of the equipment every three years to review and ensure that images produced from

automated traffic safety cameras are sufficient for evidentiary purposes as described in subsection (9) of this section.

(13)(a) Except as provided in (d) of this subsection, a county or a city may only use revenue generated by an automated traffic safety camera program as authorized under this section for:

(i) Traffic safety activities related to construction and preservation projects and maintenance and operations purposes including, but not limited to, projects designed to implement the complete streets approach as defined in RCW 47.04.010, changes in physical infrastructure to reduce speeds through road design, and changes to improve safety for active transportation users, including improvements to access and safety for road users with mobility, sight, or other disabilities; and

(ii) The cost to administer, install, operate, and maintain the automated traffic safety cameras, including the cost of processing infractions.

(b) Except as provided in (d) of this subsection:

(i) The automated traffic safety camera program revenue used by a county or city with a population of 10,000 or more for purposes described in (a)(i) of this subsection must include the use of revenue in census tracts of the city or county that have household incomes in the lowest quartile determined by the most currently available census data and areas that experience rates of injury crashes that are above average for the city or county. Funding contributed from traffic safety program revenue must be, at a minimum, proportionate to the share of the population of the county or city who are residents of these low-income communities and communities experiencing high injury crash rates. This share must be directed to investments that provide direct and meaningful traffic safety benefits to these communities. Revenue used to administer, install, operate, and maintain automated traffic safety cameras, including the cost of processing infractions, are excluded from determination of the proportionate share of revenues under this subsection (13)(b); and

(ii) The automated traffic safety camera program revenue used by a city or county with a population under 10,000 for traffic safety activities under (a)(i) of this subsection must be informed by the department of health's environmental health disparities map.

(c) Except as provided in (d) of this subsection, beginning four years after an automated traffic safety camera authorized under this section is initially placed and in use after June 6, 2024, 25 percent of the noninterest money received for infractions issued by such cameras in excess of the cost to administer, install, operate, and maintain the cameras, including the cost of processing infractions, must be deposited into the Cooper Jones active transportation safety account created in RCW 46.68.480.

(d)(i)(A) Jurisdictions with an automated traffic safety camera program in effect before January 1, 2024, may continue to allocate revenue generated from automated traffic safety cameras authorized under RCW 46.63.230 and 46.63.250(2)(c) as determined by the jurisdiction, as well as for the purposes established in (a) through (c) of this subsection, by:

(I) Up to a 10 percent increase in the number of traffic safety camera locations authorized to detect violations for automated traffic safety cameras authorized under RCW 46.63.230; and

(II) Up to a 10 percent increase in the number of traffic safety camera locations authorized to detect violations for automated traffic safety cameras authorized under RCW 46.63.250(2)(c).

(B)(I) Any automated traffic safety camera program in effect before January 1, 2024, with fewer than 10 traffic safety camera locations for automated traffic safety cameras authorized under RCW 46.63.230, which adds automated traffic safety cameras to one additional location for the use of cameras authorized under RCW 46.63.230, may continue to allocate revenue generated from automated traffic safety cameras authorized under RCW 46.63.230 as determined by the jurisdiction, as well as for the purposes established in (a) through (c) of this subsection.

(II) Any automated traffic safety camera program in effect before January 1, 2024, with fewer than 10 traffic safety camera locations for automated traffic safety cameras authorized under RCW 46.63.250(2)(c) as of January 1, 2024, which adds automated traffic safety cameras to one additional location for the use of cameras authorized under RCW 46.63.250(2)(c), may continue to allocate revenue generated from automated traffic safety cameras authorized under RCW 46.63.250(2)(c) as determined by the jurisdiction, as well as for the purposes established in (a) through (c) of this subsection.

(C) For the purposes of this subsection (13)(d)(i), a location is:

(I) An intersection for automated traffic safety cameras authorized under RCW 46.63.230 where cameras authorized under RCW 46.63.230 are in use; and

(II) A school speed zone for automated traffic safety cameras authorized under RCW 46.63.250(2)(c) where cameras authorized under RCW 46.63.250(2)(c) are in use.

(ii) The revenue distribution requirements under (a) through (d)(i) of this subsection do not apply to automated traffic safety camera programs in effect before January 1, 2024, for which an ordinance in effect as of January 1, 2024, directs the manner in which revenue generated from automated traffic safety cameras authorized under RCW 46.63.230 or 46.63.250(2)(c) must be used.

(14) A county or city may adopt the use of an online ability-to-pay calculator to process and grant requests for reduced fines or reduced civil penalties for automated traffic safety camera violations.

(15) Except as provided in this subsection, registered owners of vehicles who receive notices of infraction for automated traffic safety camera-enforced infractions and are recipients of public assistance under Title 74 RCW or participants in the Washington women, infants, and children program, and who

request reduced penalties for infractions detected through the use of automated traffic safety camera violations, must be granted reduced penalty amounts of 50 percent of what would otherwise be assessed for a first automated traffic safety camera violation and for subsequent automated traffic safety camera violations issued within 21 days of issuance of the first automated traffic safety camera violation. Eligibility for medicaid under RCW 74.09.510 is not a qualifying criterion under this subsection. Registered owners of vehicles who receive notices of infraction must be provided with information on their eligibility and the opportunity to apply for a reduction in penalty amounts through the mail or internet.

(16) Infractions detected through the use of automated traffic safety cameras are not part of the registered owner's driving record under RCW 46.52.101 and 46.52.120. Additionally, infractions generated by the use of automated traffic safety cameras under this section must be processed in the same manner as parking infractions, including for the purposes of RCW 3.50.100, 35.20.220, 46.16A.120, and 46.20.270(2). The amount of the fine issued for an infraction generated through the use of an automated traffic safety camera may not exceed $145, as adjusted for inflation by the office of financial management every five years, beginning January 1, 2029, based upon changes in the consumer price index during that time period, but may be doubled for a school speed zone infraction generated through the use of an automated traffic safety camera.

(17) If the registered owner of the vehicle is a rental car business, the issuing agency must, before a notice of infraction being issued under this section, provide a written notice to the rental car business that a notice of infraction may be issued to the rental car business if the rental car business does not, within 18 days of receiving the written notice, provide to the issuing agency by return mail:

(a) A statement under oath stating the name and known mailing address of the individual driving or renting the vehicle when the infraction occurred; or

(b) A statement under oath that the business is unable to determine who was driving or renting the vehicle at the time the infraction occurred because the vehicle was stolen at the time of the infraction. A statement provided under this subsection must be accompanied by a copy of a filed police report regarding the vehicle theft; or

(c) In lieu of identifying the vehicle operator, the rental car business may pay the applicable penalty. Timely mailing of this statement to the issuing agency relieves a rental car business of any liability under this chapter for the notice of infraction.

Sec. 907. RCW 46.63.260 and 2024 c 307 s 6 are each amended to read as follows:

(1)(a) Subject to RCW 46.63.220 and as limited in this subsection, automated traffic safety cameras may be used in cities with populations of more than 500,000 residents to detect one or more of the following violations:

(i) Stopping when traffic obstructed violations;

(ii) Stopping at intersection or crosswalk violations;

(iii) Public transportation only lane violations; or

(iv) Stopping or traveling in restricted lane violations.

(b) Use of automated traffic safety cameras as authorized in this subsection (1) is restricted to the following locations only: Intersections as described in RCW 46.63.230(2); railroad grade crossings; school speed zones; school walk zones; public park speed zones; hospital speed zones; and midblock on arterials. The use of such automated traffic safety cameras is further limited to the following:

(i) The portion of state and local roadways in downtown areas of the city used for office and commercial activities, as well as retail shopping and support services, and that may include mixed residential uses;

(ii) The portion of state and local roadways in areas in the city within one-half mile north of the boundary of the area described in (b)(i) of this subsection;

(iii) Portions of roadway systems in the city that travel into and out of (b)(ii) of this subsection that are designated by the Washington state department of transportation as noninterstate freeways for up to four miles; and

(iv) Portions of roadway systems in the city connected to the portions of the noninterstate freeways identified in (b)(iii) of this subsection that are designated by the Washington state department of transportation as arterial roadways for up to one mile from the intersection of the arterial roadway and the noninterstate freeway.

(2) Subject to RCW 46.63.220, automated traffic safety cameras may also be used in cities with a bus rapid transit corridor or routes to detect public transportation only lane violations.

(3) Subject to RCW 46.63.220, automated traffic safety cameras that are part of a public transportation vehicle-mounted system may be used by a transit authority within a county with a population of more than 1,500,000 residents to detect stopping, standing, or parking in bus stop zone violations <u>or traveling, stopping, standing, or parking in a public transportation only lane violations</u> if authorized by the local legislative authority with jurisdiction over the transit authority.

(4) Subject to RCW 46.63.220, and in consultation with the department of transportation, automated traffic safety cameras may be used to detect ferry queue violations under RCW 46.61.735.

(5) A transit authority may not take disciplinary action regarding a warning or infraction issued pursuant to subsections (1) through (3) of this section against an employee who was operating a public transportation vehicle at the time the violation that was the basis of the warning or infraction was detected.

PART X: PUBLIC TRANSPORTATION BENEFIT AREAS

NEW SECTION. **Sec. 1001.** A new section is added to chapter 36.57A RCW to read as follows:

(1) A public transportation benefit area authority as provided in subsection (2) of this section may, pursuant to an interlocal agreement, annex an adjacent city operating a transit system under chapter 35.95 RCW within the county in which the public transportation benefit area is located. This method of annexation is an alternative method and is additional to all other methods provided for in this chapter.

(2) An authority and the governing body of an adjacent city described in subsection (1) of this section may jointly initiate an annexation process for annexing the city into the public transportation benefit area by adopting an interlocal agreement as provided in chapter 39.34 RCW and under this subsection between the authority and the city. The authority and the city shall jointly agree on the annexation and its effective date. The interlocal agreement must set a date for a public hearing on the agreement for annexation.

(3) A public hearing must be held by each governing body, separately or jointly, before the agreement is executed. Each governing body holding a public hearing shall:

(a) Separately or jointly, publish a notice of availability of the agreement at least once a week for four weeks before the date of the hearing in one or more newspapers of general circulation within the public transportation benefit area and one or more newspapers of general circulation within the city; and

(b) If the governing body has the ability to do so, post the notice of availability of the agreement on its website for the same four weeks that the notice is published in the newspapers under (a) of this subsection. The notice must describe where the public may review the agreement.

(4) On the date set for hearing, the public must be afforded an opportunity to be heard. Following the hearing, if the governing body determines to undertake the annexation, it must do so by ordinance, if a city's governing body, and by resolution, if a public transportation benefit area's governing body. Upon the effective date of the annexation the city annexed must become part of the public transportation benefit area and must cease operating a transit system under chapter 35.95 RCW. Upon passage of the annexation ordinance and resolution a certified copy of each must be filed with the legislative authority of the county in which the city is located.

(5) After an annexation under this section occurs, the county legislative authority of the county in which the public transportation benefit area is located may by resolution annex county area under its jurisdiction into the public transportation benefit area. This method of annexation is an alternative method and is additional to all other methods provided for in this chapter.

Public Transportation Benefit Area Grant Eligibility

NEW SECTION. **Sec. 1002.** A new section is added to chapter 47.66 RCW to read as follows:

Any public transportation benefit area established under chapter 36.57A RCW that is not fully in compliance with the requirements of RCW 36.57A.050 by October 1, 2025, may not receive awards for any state grant program available under this chapter.

PART XI: BOARD OF PILOTAGE COMMISSIONERS

Board of Pilotage Commissioners Reporting

Sec. 1101. RCW 88.16.035 and 2018 c 107 s 3 are each amended to read as follows:

(1) The board of pilotage commissioners shall:

(a) Adopt rules, pursuant to chapter 34.05 RCW, necessary for the enforcement and administration of this chapter;

(b)(i) Issue training licenses and pilot licenses to pilot applicants meeting the qualifications provided for in RCW 88.16.090 and such additional qualifications as may be determined by the board;

(ii) Establish a comprehensive training program to assist in the training and evaluation of pilot applicants before final licensing; and

(iii) Establish additional training requirements, including a program of continuing education developed after consultation with pilot organizations, including those located within the state of Washington, as required to maintain a competent pilotage service;

(c) Maintain a register of pilots, records of pilot accidents, and other history pertinent to pilotage;

(d) Determine from time to time the number of pilots necessary to be licensed in each district of the state to optimize the operation of a safe, fully regulated, efficient, and competent pilotage service in each district;

(e) Provide assistance to the utilities and transportation commission, as requested by the utilities and transportation commission, in its performance of pilotage tariff setting functions under RCW 81.116.010 through 81.116.060;

(f) File annually with the governor and the chairs of the transportation committees of the senate and house of representatives a report which includes, but is not limited to, the following: The number, names, ages, pilot license number, training license number, and years of service as a Washington licensed pilot of any person licensed by the board as a Washington state pilot or trainee; the names, employment, and other information of the members of the board; the total number of pilotage assignments by pilotage district, including information concerning the various types and sizes of vessels and the total annual tonnage; the annual earnings or stipends of individual pilots and trainees before and after deduction for expenses of pilot organizations, including extra compensation

as a separate category; the annual expenses of private pilot associations, including personnel employed and capital expenditures; the status of pilotage tariffs, extra compensation, and travel; the retirement contributions paid to pilots and the disposition thereof; the number of groundings, marine occurrences, or other incidents which are reported to or investigated by the board, and which are determined to be accidents, as defined by the board, including the vessel name, location of incident, pilot's or trainee's name, and disposition of the case together with information received before the board acted from all persons concerned, including the United States coast guard; the names, qualifications, time scheduled for examinations, and the district of persons desiring to apply for Washington state pilotage licenses; summaries of dispatch records, quarterly reports from pilots, and the bylaws and operating rules of pilotage organizations; the names, sizes in deadweight tons, surcharges, if any, port of call, name of the pilot or trainee, and names and horsepower of tug boats for any and all oil tankers subject to the provisions of RCW 88.16.190 together with the names of any and all vessels for which the United States coast guard requires special handling pursuant to their authority under the Ports and Waterways Safety Act of 1972; the expenses of the board; updates on efforts to increase diversity of pilots, trainees, and applicants; and any and all other information which the board deems appropriate to include;

(g) Make available information that includes the pilotage act and other statutes of Washington state and the federal government that affect pilotage, including the rules of the board, together with such additional information as may be informative for pilots, agents, owners, operators, and masters;

(h) Appoint advisory committees and employ marine experts as necessary to carry out its duties under this chapter;

(i) Provide for the maintenance of efficient and competent pilotage service on all waters covered by this chapter; and do such other things as are reasonable, necessary, and expedient to insure proper and safe pilotage upon the waters covered by this chapter and facilitate the efficient administration of this chapter.

(2) The board may pay stipends to pilot trainees under subsection (1)(b) of this section.

Marine Pilotage Exemptions

Sec. 1102. RCW 88.16.180 and 1991 c 200 s 602 are each amended to read as follows:

((~~Notwithstanding the provisions of RCW 88.16.070~~))Except as otherwise provided in RCW 88.16.070(3), any registered oil tanker of five thousand gross tons or greater, shall be required:

(1) To take a Washington state licensed pilot while navigating Puget Sound and adjacent waters and shall be liable for and pay pilotage rates pursuant to RCW 88.16.035; and

(2) To take a licensed pilot while navigating the Columbia river.

Sec. 1103. RCW 88.16.070 and 2018 c 107 s 4 are each amended to read as follows:

Every vessel not exempt under this section that operates in the waters of the Puget Sound pilotage district or Grays Harbor pilotage district is subject to compulsory pilotage under this chapter.

(1) A United States vessel on a voyage in which it is operating exclusively on its coastwise endorsement, its fishery endorsement (including catching and processing its own catch outside United States waters and economic zone for delivery in the United States), and/or its recreational (or pleasure) endorsement, and all United States and Canadian vessels engaged exclusively in the coasting trade on the west coast of the continental United States (including Alaska) and/or British Columbia shall be exempt from the provisions of this chapter unless a pilot licensed under this chapter be actually employed, in which case the pilotage rates provided for in this chapter or established under RCW 81.116.010 through 81.116.060 shall apply.

(2) The board may, upon the written petition of any interested party, and upon notice and opportunity for hearing, grant an exemption from the provisions of this chapter to any vessel that the board finds is (a) a small passenger vessel that is not more than ((~~one thousand three hundred~~))1,300 gross tons (international), does not exceed ((~~two hundred~~))200 feet in overall length, is manned by United States-licensed deck and engine officers appropriate to the size of the vessel with merchant mariner credentials issued by the United States coast guard or Canadian deck and engine officers with Canadian-issued certificates of competency appropriate to the size of the vessel, and is operated exclusively in the waters of the Puget Sound pilotage district and lower British Columbia, or (b) a yacht that is not more than ((~~one thousand three hundred~~))1,300 gross tons (international) and does not exceed ((~~two hundred~~))200 feet in overall length. Such an exemption shall not be detrimental to the public interest in regard to safe operation preventing loss of human lives, loss of property, and protecting the marine environment of the state of Washington. Such petition shall set out the general description of the vessel, the contemplated use of same, the proposed area of operation, and the name and address of the vessel's owner. The board shall annually, or at any other time when in the public interest, review any exemptions granted to this specified class of small vessels to insure that each exempted vessel remains in compliance with the original exemption. The board shall have the authority to revoke such exemption where there is not continued compliance with the requirements for exemption. The board shall maintain a file which shall include all petitions for exemption, a roster of vessels granted exemption, and the board's written

decisions which shall set forth the findings for grants of exemption. Each applicant for exemption or annual renewal shall pay a fee, payable to the pilotage account. Fees for initial applications and for renewals shall be established by rule, and shall not exceed ((~~one thousand five hundred dollars~~))$1,500. The board shall report annually to the legislature on such exemptions.

(3) Every vessel not exempt under subsection (1) or (2) of this section shall, while navigating the Puget Sound and Grays Harbor pilotage districts, employ a pilot licensed under the provisions of this chapter and shall be liable for and pay pilotage rates in accordance with the pilotage rates herein established or which may hereafter be established under the provisions of this chapter or under RCW 81.116.010 through 81.116.060: PROVIDED, That any vessel inbound to or outbound from Canadian ports is exempt from the provisions of this section, if said vessel actually employs a pilot licensed by the Pacific pilotage authority (the pilot licensing authority for the western district of Canada), and if it is communicating with the vessel traffic system and has appropriate navigational charts, and if said vessel uses only those Washington waters east of the international boundary line which are west of a line which begins at the southwestern edge of Point Roberts then to Alden Point (Patos Island), then to Skipjack Island light, then to Turn Point (Stuart Island), then to Kellet Bluff (Henry Island), then to Lime Kiln (San Juan Island) then to the intersection of ((~~one hundred twenty-three~~))123 degrees seven minutes west longitude and ((~~forty-eight~~))48 degrees ((~~twenty-five~~))25 minutes north latitude then to the international boundary. The board shall correspond with the Pacific pilotage authority from time to time to ensure the provisions of this section are enforced. If any exempted vessel does not comply with these provisions it shall be deemed to be in violation of this section and subject to the penalties provided in RCW 88.16.150 as now or hereafter amended and liable to pilotage fees as determined by the board. The board shall investigate any accident on the waters covered by this chapter involving a Canadian pilot and shall include the results in its annual report.

PART XII: PUBLIC-PRIVATE PARTNERSHIP PROJECTS

NEW SECTION. **Sec. 1201.** (1) The legislature finds that a full set of project procurement, contracting, financing, and funding tools are needed to enable the delivery of transportation projects in a manner most advantageous to the public. Current public-private partnership laws have failed to spur innovative proposals from the private sector or new project delivery approaches from the department of transportation.

(2) The legislature confirms the findings from previous studies that current laws and administrative processes are the primary obstacle impairing the state's ability to utilize public-private partnerships. The legislature finds that a new public-private partnership law is needed to:

(a) Transparently demonstrate and deliver better value for the public including, but not limited to, expedited project delivery and more effective management of project life-cycle costs;

(b) Provide an additional option for delivering complex transportation projects, including addressing a shortage of truck parking;

(c) Incorporate private sector expertise and innovation into transportation project delivery;

(d) Allocate project risks to the parties best able to manage those risks;

(e) Allow new sources of private capital;

(f) Increase access to federal funding and financing mechanisms;

(g) Better align private sector incentives with public priorities; and

(h) Provide consistency in the review and approval processes for the full range of project delivery tools and contracting methods.

NEW SECTION. **Sec. 1202.** DEFINITIONS. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Commission" means the transportation commission.

(2) "Department" means the department of transportation.

(3) "Eligible transportation project" means any project that is not a rail project and meets the criteria to be evaluated for delivery in section 1206 of this act, whether capital or operating, where the state's purpose for the project is to preserve or facilitate the safe transport of people or goods via any mode of travel.

(4) "Private sector partner" and "private partner" means a person, entity, or organization that is not the federal government, a state, or a political subdivision of a state.

(5) "Public funds" means all moneys derived from taxes, fees, charges, tolls, or other levies of money from the public.

(6) "Public sector partner" and "public partner" means any federal or state unit of government, bistate transportation organization, or any other political subdivision of any state.

(7) "State finance committee" means the entity created in chapter 43.33 RCW.

(8) "Unit of government" means any department or agency of the federal government, any state or agency, office, or department of a state, any city, county, district, commission, authority, entity, port, or other public corporation organized and existing under statutory law or under a voter-approved charter or initiative, and any intergovernmental entity created under chapter 39.34 RCW or this chapter.

NEW SECTION. **Sec. 1203.** WASHINGTON STATE DEPARTMENT OF TRANSPORTATION POWERS AND DUTIES. (1) The department shall develop policies and, where appropriate, adopt rules to carry out this chapter and govern the use of public-private partnerships for transportation projects. At a minimum, the

department's policies and rules must address the following issues:

(a) The types of projects allowed;

(b) Consistent with section 1209 of this act, a process and methodology for determining whether a public-private partnership delivery model will be in the public's interest;

(c) Consistent with section 1214 of this act, a process and methodology for determining whether a negotiated partnership agreement will result in greater public value to the state than if the project is delivered using other procurement and contracting methods;

(d) The types of contracts allowed, with consideration given to the best practices available;

(e) Minimum standards and criteria required of all proposals;

(f) Procedures for the proper identification, solicitation, acceptance, review, and evaluation of projects, consistent with existing project procurement and contracting requirements and practices;

(g) Criteria to be considered in the evaluation and selection of proposals that includes:

(i) Comparison with the department's internal ability to complete the project that documents the advantages of completing the project as a partnership versus solely as a public venture; and

(ii) Factors such as, but not limited to: Priority, life-cycle cost, risk sharing, scheduling, innovation, and management conditions;

(h) The protection of confidential proprietary information while still meeting the need for transparency and public disclosure that is consistent with section 1215 of this act;

(i) Protection for local contractors to participate in subcontracting opportunities that is consistent with section 1204(3) of this act;

(j) Specifying that maintenance issues must be resolved in a manner consistent with chapter 41.80 RCW;

(k) Guidelines to address security and performance issues.

(2) During its rule-making activities, the department must consult with the department's office of equity and civil rights.

(3) By September 1, 2026, the department must provide a report to the house of representatives and senate transportation committees on proposed policies and guidelines it intends to develop into administrative rules. Rules adopted by the department pursuant to this chapter may not take effect before January 1, 2027.

NEW SECTION. **Sec. 1204.** APPLICABILITY OF OTHER TRANSPORTATION PROJECT GOVERNING PROVISIONS. (1) For any eligible transportation project that requires the imposition of tolls on a state facility, the legislature must approve the imposition of such tolls consistent with RCW 47.56.820.

(2) For any eligible transportation project that requires setting or adjusting toll rates on a state facility, the commission has sole responsibility consistent with RCW 47.56.850.

(3)(a) If federal funds are provided for an eligible transportation project developed under this chapter, disadvantaged business enterprise inclusion requirements, as established, monitored, and administered by the department's office of equity and civil rights, apply.

(b) If no federal funds are provided for an eligible transportation project developed under this chapter, state laws, rates, and rules must govern, including the public works small business certification program pursuant to RCW 39.19.030(7) as monitored and administered by the department's office of equity and civil rights.

NEW SECTION. **Sec. 1205.** APPLICATION OF PUBLIC WORKS PROVISIONS. All other transportation and public works project procurement and contracting governing provisions and procedures that do not conflict with this chapter, including responsible bidder and apprenticeship requirements under chapter 39.04 RCW and prevailing wage requirements under chapter 39.12 RCW, apply to the entire eligible transportation project.

NEW SECTION. **Sec. 1206.** PROJECT COST THRESHOLD FOR P3 EVALUATION. Any eligible transportation project with an estimated cost to the state of less than $500,000,000, or any project on a United States route that is not an interstate route and includes replacement of a seismically vulnerable elevated structure at least one and one-half miles long that crosses a river, may be evaluated for delivery under a public-private partnership model as prescribed under this chapter.

NEW SECTION. **Sec. 1207.** ELIGIBLE FINANCING. (1) Subject to the limitations in this section, the department may, in connection with the evaluation of eligible transportation projects, consider any financing mechanisms from any lawful source, either integrated as part of a project proposal or as a separate, stand-alone proposal to finance a project. Financing may be considered for all or part of a proposed project. A project may be financed in whole or in part with:

(a) The proceeds of grant anticipation revenue bonds authorized under 23 U.S.C. Sec. 122 and applicable state law. Legislative authorization and appropriation are required to use this source of financing;

(b) Grants, loans, loan guarantees, lines of credit, revolving lines of credit, or other financing arrangements available under the transportation infrastructure finance and innovation act under 23 U.S.C. Sec. 181 et seq., or any other applicable federal law, subject to legislative authorization and appropriation as required;

(c) Infrastructure loans or assistance from the state infrastructure bank established under RCW 82.44.195, subject to legislative authorization and appropriation as required;

(d) Federal, state, or local revenues, subject to appropriation by the applicable legislative authority;

(e) User fees, tolls, fares, lease proceeds, rents, gross or net receipts from sales, proceeds from the sale of development rights, franchise fees, or any other lawful form of consideration. However, projects financed by tolls must first be authorized by the legislature under RCW 47.56.820;

(f) Loans, pledges, or contributions of funds, including equity investments, from private entities;

(g) Revenue bonds, subject to legislative authorization and appropriation as required.

(2) Subject to subsection (4) of this section, the department may develop a plan of finance that would require either the state or a private partner, or both, to: Issue debt, equity, or other securities or obligations; enter into contracts, leases, concessions, and grant and loan agreements; or secure any financing with a pledge of funds to be appropriated by the legislature or with a lien or exchange of real property.

(3) As security for the payment of any financing, the revenues from the project may be pledged, but no such pledge of revenues constitutes in any manner or to any extent a general obligation of the state, unless specifically authorized by the legislature. Any financing described in this section may be structured on a senior, parity, or subordinate basis to any other financing.

(4) The department shall not execute any agreement with respect to an eligible transportation project, including any agreement that could materially impact the state's debt capacity or credit rating as determined by the state finance committee, without prior review and approval of the plan of finance and proposed financing terms by the state finance committee.

NEW SECTION. **Sec. 1208.** USE OF FEDERAL FUNDS OR OTHER SOURCES. (1) The department may accept from the United States or any of its agencies such funds as are available to this state or to any other unit of government for carrying out the purposes of this chapter, whether the funds are made available by grant, loan, or other financing arrangement. The department may enter into such agreements and other arrangements with the United States or any of its agencies as may be necessary, proper, and convenient for carrying out the purposes of this chapter, subject to subsection (2) of this section.

(2)(a) The department may accept from any source any grant, donation, gift, or other form of conveyance of land, money, other real or personal property, or other valuable thing made to the state of Washington, the department, or a local government for carrying out the purposes of this chapter.

(b) Any eligible transportation project may be financed in whole or in part by contribution of any funds or property made by any private entity or public sector partner that is a party to any agreement entered into under this chapter.

NEW SECTION. **Sec. 1209.** PUBLIC INTEREST FINDING. (1) The department may evaluate eligible transportation projects that are already programmed for other delivery methods to determine their appropriateness for delivery under a public-private partnership model.

(2) Before entering into a formal solicitation or procurement to develop a project as a public-private partnership, the department must make formal findings that utilizing a public-private partnership delivery method is in the public's interest. The department must adopt rules detailing the process and criteria for making such findings. At a minimum, the criteria must consider whether:

(a) Public ownership of the asset can be retained;

(b) Transparency during the consideration of a public-private partnership agreement can be provided;

(c) Public oversight of the private entity's management of the asset can be provided; and

(d) Additional criteria that reflects the legislative findings in section 1201 of this act.

(3) Before commencing any solicitation to deliver the project as a public-private partnership, the department must provide an opportunity for public comment on the proposed project and delivery method.

(4) Upon a finding of public interest pursuant to subsection (2) of this section, the department must provide written notification of their finding of public interest and intent to deliver the project as a public-private partnership to the general public, to the chairs and ranking members of the transportation committees of the legislature, and to the governor.

(5) Upon a finding of public interest pursuant to subsection (2) of this section, the department may:

(a) Solicit concepts or proposals for the identified public-private partnership project from private entities and units of government;

(b) Evaluate the concepts or proposals received under this section. The evaluation under this subsection must include consultation with any appropriate unit of government; and

(c) Select potential projects based on the concepts or proposals.

NEW SECTION. **Sec. 1210.** USE OF FUNDS FOR PROPOSAL PURPOSES. (1) Subject to the availability of amounts appropriated for this specific purpose, the department may spend such moneys as may be necessary for stipends for respondents to a solicitation, the evaluation of concepts or proposals for eligible transportation projects, and for negotiating agreements for eligible transportation projects authorized under this chapter. Expenses incurred by the department under this section before the issuance of transportation project bonds or other financing must be paid by the department and charged to the appropriate project. The department must keep records and accounts showing each charged amount.

(2) Unless otherwise provided in the omnibus transportation appropriations act, the funds spent by the department under this section in connection with the project must

be repaid from the proceeds of the bonds or other financing upon the sale of transportation project bonds or upon obtaining other financing for an eligible transportation project, as allowed by law or contract.

NEW SECTION. **Sec. 1211.** EXPERT CONSULTATION. The department may consult with legal, financial, technical, and other experts in the public and private sector in the evaluation, negotiation, and development of projects under this chapter.

NEW SECTION. **Sec. 1212.** CONTRACTED STUDIES. In the absence of any direct federal funding or direction, the department may contract with a private developer of a selected project proposal to conduct environmental impact studies and engineering and technical studies.

NEW SECTION. **Sec. 1213.** PARTNERSHIP AGREEMENTS. (1) The following provisions must be included in any transportation project agreement entered into under the authority of this chapter and to which the state is a party:

(a) For any project that proposes terms for stand alone maintenance or asset management services for a public facility, those services must be provided in a manner consistent with any collective bargaining agreements, chapter 41.80 RCW, and civil service laws that are in effect for the public facility;

(b) A finding of public interest, as issued by the department pursuant to section 1209 of this act;

(c) If there is a tolling component to the project, it must be specified that the tolling technology used in the project must be consistent with tolling technology standards adopted by the department for transportation-related projects;

(d) Provisions for bonding, financial guarantees, deposits, or the posting of other security to secure the payment of laborers, subcontractors, and suppliers who perform work or provide materials as part of the project;

(e) All projects must be financed in a manner consistent with section 1207 of this act.

(2) At a minimum, agreements between the state and private sector partners entered into under this section must specifically include the following contractual elements:

(a) The point in the project at which public and private sector partners will enter the project and which partners will assume responsibility for specific project elements;

(b) How the partners will share management of the risks of the project;

(c) The compensation method and amount for the private partner, establishing a maximum rate of return, and identifying how project revenue, if any, in excess of the maximum rate of return will be distributed;

(d) How the partners will share the costs of development of the project;

(e) How the partners will allocate financial responsibility for cost overruns;

(f) The penalties for nonperformance;

(g) The incentives for performance;

(h) The accounting and auditing standards to be used to evaluate work on the project;

(i) For any project that reverts to public ownership, the responsibility for reconstruction or renovations that are required for a facility to meet all service standards and state of good repair upon reversion of the facility to the state;

(j) Provisions and remedies for default by either party, and provisions for termination of the agreement for or without cause;

(k) Provisions for public communication and participation with respect to the development of the project.

NEW SECTION. **Sec. 1214.** BEST VALUE FINDING AND AGREEMENT EXECUTION. Before executing an agreement under section 1213 of this act, the department must make a formal finding that the negotiated partnership agreement is expected to result in best value for the public, and the agreement must be approved through duly enacted legislation. The department must develop and adopt a process and criteria for measuring, determining, and transparently reporting best value relevant to the proposed project. At minimum, the criteria must include:

(1) A comparison of the total cost to deliver the project, including any operations and maintenance costs, as a public-private partnership compared to traditional or other alternative delivery methods available to the department;

(2) A comparison with the department's current plan, resources, delivery capacity, and schedule to complete the project that documents the advantages of completing the project as a public-private partnership versus solely as a public venture; and

(3) Factors such as, but not limited to: Priority, cost, risk sharing, scheduling, asset and service quality, innovation, and management conditions.

NEW SECTION. **Sec. 1215.** CONFIDENTIALITY. A proposer must identify those portions of a proposal that the proposer considers to be confidential, proprietary information, or trade secrets and provide any justification as to why these materials, upon request, should not be disclosed by the department. Patent information will be covered until the patent expires. Other information, such as originality of design or records of negotiation, is protected under this section only until an agreement under section 1214 of this act is reached. Eligible transportation projects under federal jurisdiction or using federal funds must conform to federal regulations under the freedom of information act.

NEW SECTION. **Sec. 1216.** GOVERNMENT AGREEMENTS. The state may, either separately or in combination with any other public sector partner, enter into working agreements, coordination agreements, or similar implementation agreements, including the formation of bistate transportation

organizations, to carry out the joint implementation and operation of an eligible transportation project selected under this chapter. The state may enter into agreements with other units of government or Canadian provinces for transborder transportation projects.

NEW SECTION. **Sec. 1217.** EMINENT DOMAIN. The state may exercise the power of eminent domain to acquire property, easements, or other rights or interests in property for projects that are necessary to implement an eligible transportation project developed under this chapter. Any property acquired pursuant to this section must be owned in fee simple by the state.

NEW SECTION. **Sec. 1218.** FEDERAL LAWS. Applicable federal laws, rules, and regulations govern in any situation that involves federal funds if the federal laws, rules, or regulations:

(1) Conflict with any provision of this chapter;

(2) Require procedures that are additional to or inconsistent with those provided in this chapter; or

(3) Require contract provisions not authorized in this chapter.

NEW SECTION. **Sec. 1219.** PUBLIC-PRIVATE PARTNERSHIPS ACCOUNT. (1) The public-private partnerships account is created in the custody of the state treasurer.

(2) The following moneys must be deposited into the account:

(a) Proceeds from bonds or other financing instruments;

(b) Revenues received from any transportation project developed under this chapter or developed under the general powers granted to the department; and

(c) Any other moneys that are by donation, grant, contract, law, or other means transferred, allocated, or appropriated to the account.

(3) Expenditures from the account may be used only for the planning, acquisition, financing, development, design, construction, reconstruction, replacement, improvement, maintenance, preservation, management, repair, or operation of any eligible transportation project under this chapter.

(4) The state treasurer may establish separate subaccounts within the public-private partnerships account for each transportation project that is initiated under this chapter or under the general powers granted to the department. The state may pledge moneys in the public-private partnerships account to secure revenue bonds or any other debt obligations relating to the project for which the account is established.

(5) Only the secretary or the secretary's designee may authorize distributions from the account. The account is subject to the allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

Sec. 1220. RCW 47.56.030 and 2023 c 429 s 6 are each amended to read as follows:

(1) Except as permitted under chapter ((~~47.29~~))47.--- RCW (the new chapter created in section 1224 of this act) or 47.46 RCW:

(a) Unless otherwise delegated, and subject to RCW 47.56.820, the department of transportation shall have full charge of the planning, analysis, and construction of all toll bridges and other toll facilities including the Washington state ferries, and the operation and maintenance thereof.

(b) The transportation commission shall determine and establish the tolls and charges thereon.

(c) Unless otherwise delegated, and subject to RCW 47.56.820, the department shall have full charge of planning, analysis, and design of all toll facilities. The department may conduct the planning, analysis, and design of toll facilities as necessary to support the legislature's consideration of toll authorization.

(d) The department shall utilize and administer toll collection systems that are simple, unified, and interoperable. To the extent practicable, the department shall avoid the use of toll booths. The department shall set the statewide standards and protocols for all toll facilities within the state, including those authorized by local authorities.

(e) Except as provided in this section, the department shall proceed with the construction of such toll bridges and other facilities and the approaches thereto by contract in the manner of state highway construction immediately upon there being made available funds for such work and shall prosecute such work to completion as rapidly as practicable. The department is authorized to negotiate contracts for any amount without bid under (e)(i) and (ii) of this subsection:

(i) Emergency contracts, in order to make repairs to ferries or ferry terminal facilities or removal of such facilities whenever continued use of ferries or ferry terminal facilities constitutes a real or immediate danger to the traveling public or precludes prudent use of such ferries or facilities; and

(ii) Single source contracts for vessel dry dockings, when there is clearly and legitimately only one available bidder to conduct dry dock-related work for a specific class or classes of vessels. The contracts may be entered into for a single vessel dry docking or for multiple vessel dry dockings for a period not to exceed two years.

(f) Any new vessel planning, construction, purchase, analysis, or design work must be consistent with RCW 47.60.810, except as otherwise provided in RCW 47.60.826.

(2) The department shall proceed with the procurement of materials, supplies, services, and equipment needed for the support, maintenance, and use of a ferry, ferry terminal, or other facility operated by Washington state ferries, in accordance with chapter 43.19 RCW except as follows:

(a) When the secretary of the department of transportation determines in writing that the use of invitation for bid is either not practicable or not advantageous to the state

and it may be necessary to make competitive evaluations, including technical or performance evaluations among acceptable proposals to complete the contract award, a contract may be entered into by use of a competitive sealed proposals method, and a formal request for proposals solicitation. Such formal request for proposals solicitation shall include a functional description of the needs and requirements of the state and the significant factors.

(b) When purchases are made through a formal request for proposals solicitation the contract shall be awarded to the responsible proposer whose competitive sealed proposal is determined in writing to be the most advantageous to the state taking into consideration price and other evaluation factors set forth in the request for proposals. No significant factors may be used in evaluating a proposal that are not specified in the request for proposals. Factors that may be considered in evaluating proposals include but are not limited to: Price; maintainability; reliability; commonality; performance levels; life-cycle cost if applicable under this section; cost of transportation or delivery; delivery schedule offered; installation cost; cost of spare parts; availability of parts and service offered; and the following:

(i) The ability, capacity, and skill of the proposer to perform the contract or provide the service required;

(ii) The character, integrity, reputation, judgment, experience, and efficiency of the proposer;

(iii) Whether the proposer can perform the contract within the time specified;

(iv) The quality of performance of previous contracts or services;

(v) The previous and existing compliance by the proposer with laws relating to the contract or services;

(vi) Objective, measurable criteria defined in the request for proposal. These criteria may include but are not limited to items such as discounts, delivery costs, maintenance services costs, installation costs, and transportation costs; and

(vii) Such other information as may be secured having a bearing on the decision to award the contract.

(c) When purchases are made through a request for proposal process, proposals received shall be evaluated based on the evaluation factors set forth in the request for proposal. When issuing a request for proposal for the procurement of propulsion equipment or systems that include an engine, the request for proposal must specify the use of a life-cycle cost analysis that includes an evaluation of fuel efficiency. When a life-cycle cost analysis is used, the life-cycle cost of a proposal shall be given at least the same relative importance as the initial price element specified in the request of proposal documents. The department may reject any and all proposals received. If the proposals are not rejected, the award shall be made to the proposer whose proposal is most advantageous to the department, considering price and the other evaluation factors set forth in the request for proposal.

Sec. 1221. RCW 47.56.031 and 2005 c 335 s 2 are each amended to read as follows:

No tolls may be imposed on new or existing highways or bridges without specific legislative authorization, or upon a majority vote of the people within the boundaries of the unit of government empowered to impose tolls. This section applies to chapter 47.56 RCW and to any tolls authorized under chapter ((~~47.29 RCW, the transportation innovative partnership act of 2005~~))47.--- RCW (the new chapter created in section 1224 of this act).

Sec. 1222. RCW 70A.15.4030 and 2020 c 20 s 1126 are each amended to read as follows:

(1) A county, city, or town may, as part of its commute trip reduction plan, designate existing activity centers listed in its comprehensive plan or new activity centers as growth and transportation efficiency centers and establish a transportation demand management program in the designated area.

(a) The transportation demand management program for the growth and transportation efficiency center shall be developed in consultation with local transit agencies, the applicable regional transportation planning organization, major employers, and other interested parties.

(b) In order to be eligible for state funding provided for the purposes of this section, designated growth and transportation efficiency centers shall be certified by the applicable regional transportation organization to: (i) Meet the minimum land use and transportation criteria established in collaboration among local jurisdictions, transit agencies, the regional transportation planning organization, and other interested parties as part of the regional commute trip reduction plan; and (ii) have established a transportation demand management program that includes the elements identified in (c) of this subsection and is consistent with the rules established by the department of transportation in RCW 70A.15.4060(2). If a designated growth and transportation efficiency center is denied certification, the local jurisdiction may appeal the decision to the commute trip reduction board.

(c) Transportation demand management programs for growth and transportation efficiency centers shall include, but are not limited to: (i) Goals for reductions in the proportion of single-occupant vehicle trips that are more aggressive than the state program goal established by the commute trip reduction board; (ii) a sustainable financial plan demonstrating how the program can be implemented to meet state and regional trip reduction goals, indicating resources from public and private sources that are reasonably expected to be made available to carry out the plan, and recommending any innovative financing techniques consistent with chapter ((~~47.29 RCW~~))47.--- RCW (the new chapter created in section 1224 of this act), including public/private partnerships, to finance needed facilities, services, and programs; (iii) a

proposed organizational structure for implementing the program; (iv) a proposal to measure performance toward the goal and implementation progress; and (v) an evaluation to which local land use and transportation policies apply, including parking policies and ordinances, to determine the extent that they complement and support the trip reduction investments of major employers. Each of these program elements shall be consistent with the rules established under RCW 70A.15.4060.

(d) A designated growth and transportation efficiency center shall be consistent with the land use and transportation elements of the local comprehensive plan.

(e) Transit agencies, local governments, and regional transportation planning organizations shall identify certified growth and transportation efficiency centers as priority areas for new service and facility investments in their respective investment plans.

(2) A county, city, or town that has established a growth and transportation efficiency center program shall support vehicle trip reduction activities in the designated area. The implementing jurisdiction shall adopt policies, ordinances, and funding strategies that will lead to attainment of program goals in those areas.

NEW SECTION. **Sec. 1223.** The following acts or parts of acts are each repealed:

(1) RCW 47.29.010 (Finding—Intent) and 2006 c 334 s 48 & 2005 c 317 s 1;

(2) RCW 47.29.020 (Definitions) and 2005 c 317 s 2;

(3) RCW 47.29.030 (Transportation commission powers and duties) and 2005 c 317 s 3;

(4) RCW 47.29.040 (Purpose) and 2005 c 317 s 4;

(5) RCW 47.29.050 (Eligible projects) and 2005 c 317 s 5;

(6) RCW 47.29.060 (Eligible financing) and 2008 c 122 s 18 & 2005 c 317 s 6;

(7) RCW 47.29.070 (Use of federal funds and similar revenues) and 2005 c 317 s 7;

(8) RCW 47.29.080 (Other sources of funds or property) and 2005 c 317 s 8;

(9) RCW 47.29.090 (Project review, evaluation, and selection) and 2005 c 317 s 9;

(10) RCW 47.29.100 (Administrative fee) and 2005 c 317 s 10;

(11) RCW 47.29.110 (Funds for proposal evaluation and negotiation) and 2005 c 317 s 11;

(12) RCW 47.29.120 (Expert consultation) and 2005 c 317 s 12;

(13) RCW 47.29.130 (Contracted studies) and 2005 c 317 s 13;

(14) RCW 47.29.140 (Partnership agreements) and 2005 c 317 s 14;

(15) RCW 47.29.150 (Public involvement and participation) and 2005 c 317 s 15;

(16) RCW 47.29.160 (Approval and execution) and 2005 c 317 s 16;

(17) RCW 47.29.170 (Unsolicited proposals) and 2017 c 313 s 711, 2015 1st sp.s. c 10 s 704, 2013 c 306 s 708, 2011 c 367 s 701, 2009 c 470 s 702, 2007 c 518 s 702, 2006 c 370 s 604, & 2005 c 317 s 17;

(18) RCW 47.29.180 (Advisory committees) and 2005 c 317 s 18;

(19) RCW 47.29.190 (Confidentiality) and 2005 c 317 s 19;

(20) RCW 47.29.200 (Prevailing wages) and 2005 c 317 s 20;

(21) RCW 47.29.210 (Government agreements) and 2005 c 317 s 21;

(22) RCW 47.29.220 (Eminent domain) and 2005 c 317 s 22;

(23) RCW 47.29.230 (Transportation innovative partnership account) and 2005 c 317 s 23;

(24) RCW 47.29.240 (Use of account) and 2005 c 317 s 24;

(25) RCW 47.29.250 (Issuing bonds and other obligations) and 2005 c 317 s 25;

(26) RCW 47.29.260 (Study and report) and 2005 c 317 s 26;

(27) RCW 47.29.270 (Federal laws) and 2005 c 317 s 27;

(28) RCW 47.29.280 (Expert review panel on proposed project agreements—Creation—Authority) and 2006 c 334 s 49; and

(29) RCW 47.29.290 (Expert review panel on proposed project agreements—Execution of agreements) and 2006 c 334 s 50.

NEW SECTION. **Sec. 1224.** Sections 1201 through 1219 of this act constitute a new chapter in Title 47 RCW.

PART XIII: MISCELLANEOUS

Railroad Fencing Requirements

Sec. 1301. RCW 81.52.050 and 2013 c 23 s 301 are each amended to read as follows:

Every person, company, or corporation having the control or management of any railroad shall, outside of any corporate city or town, and outside the limits of any sidetrack or switch, cause to be constructed and maintained in good repair on each side of said railroad, along the line of said right-of-way of such person, company, or corporation operating the same, a substantial fence, and at every point where any roadway or other public highway shall cross said railroad, a safe and sufficient crossing must be built and maintained, and on each side of such crossing and at each end of such sidetrack or switch, outside of any incorporated city or town, a sufficient cattle guard: PROVIDED, That any person holding land on both sides of said right-of-way shall have the right to put in gates for his or her own use at such places as may be convenient. This section does not apply to rail right-of-way owned by the department of transportation.

Temporary License Plates

Sec. 1302. RCW 46.16A.305 and 2022 c 132 s 5 are each amended to read as follows:

(1) The department, county auditor or other agent, or subagent appointed by the director may grant a temporary license plate to operate a vehicle for which an

application for registration has been made. The application for a temporary license plate must be made by the owner or the owner's representative to the department, county auditor or other agent, or subagent appointed by the director on a form furnished by the department and must contain:

(a) A full description of the vehicle, including its make, model, vehicle identification number, and type of body;

(b) The name and address of the applicant;

(c) The date of application; and

(d) Other information that the department may require.

(2) Temporary license plates must:

(a) Be consecutively numbered;

(b) Be displayed as described for permanent license plates in RCW 46.16A.200(5)(a);

(c) Be composed of material that must be durable and remain unaltered in field conditions for a minimum of four months; and

(d) Remain on the vehicle only until the receipt of permanent license plates.

(3) The application must be accompanied by the fee required under RCW 46.17.400(1)(b).

(4) Pursuant to subsection (2) of this section, the department may adopt rules for the design and display of temporary license plates.

(5) By December 1, 2025, the department must adopt rules implementing contingency extensions of the expiration date for department temporary license plates in cases of shortages of permanent license plates. The rules must prioritize reducing customer return trips for department temporary license plates, and include a communication plan with state and local law enforcement agencies regarding the implementation of the contingency extensions.

NEW SECTION. **Sec. 1303.** A new section is added to chapter 72.60 RCW to read as follows:

When the department of corrections, in conjunction with the department of licensing, anticipates a projected license plate shortage statewide or in particular locations, the department of licensing must promptly communicate such shortage to the county auditors or other agents, and subagents appointed by the director of the department of licensing. The department of corrections, in conjunction with the department of licensing, must also develop and implement a mitigation plan to address the shortage that may include the contracting with a third-party vendor for production of license plates until such time as the shortage is eliminated and a sufficient license plate inventory is available for the subsequent 90-day period. Use of a third-party vendor may thereafter be initiated by the department of corrections, the department of licensing, or jointly by the two agencies.

Aeronautics Account

Sec. 1304. RCW 82.42.090 and 2017 3rd sp.s. c 25 s 42 are each amended to read as follows:

All moneys collected by the director from the aircraft fuel excise tax as provided in RCW 82.42.020 shall be transmitted to the state treasurer and shall be credited to the aeronautics account hereby created in the state treasury. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for aviation-related purposes. Moneys collected from the consumer or user of aircraft fuel from either the use tax imposed by RCW 82.12.020 or the retail sales tax imposed by RCW 82.08.020 shall be transmitted to the state treasurer and credited to the state general fund.

City Streets as Part of State Highways

Sec. 1305. RCW 47.24.020 and 2018 c 100 s 1 are each amended to read as follows:

The jurisdiction, control, and duty of the state and city or town with respect to such streets is as follows:

(1) The department has no authority to change or establish any grade of any such street without approval of the governing body of such city or town, except with respect to limited access facilities established by the commission;

(2) The city or town shall exercise full responsibility for and control over any such street beyond the curbs and if no curb is installed, beyond that portion of the highway used for highway purposes. However, within incorporated cities and towns the title to a state limited access highway vests in the state, and, notwithstanding any other provision of this section, the department shall exercise full jurisdiction, responsibility, and control to and over such facility as provided in chapter 47.52 RCW;

(3) The department has authority to prohibit the suspension of signs, banners, or decorations above the portion of such street between the curbs or portion used for highway purposes up to a vertical height of ((~~twenty~~))20 feet above the surface of the roadway;

(4) The city or town shall at its own expense maintain all underground facilities in such streets, and has the right to construct such additional underground facilities as may be necessary in such streets. However, pavement trenching and restoration performed as part of installation of such facilities must meet or exceed requirements established by the department;

(5) The city or town has the right to grant the privilege to open the surface of any such street, but all damage occasioned thereby shall promptly be repaired either by the city or town itself or at its direction. Pavement trenching and restoration performed under a privilege granted by the city under this subsection must meet or exceed requirements established by the department;

(6) Except as otherwise provided in subsection (17) of this section, the city or town at its own expense shall provide street illumination and shall clean all such streets, including storm sewer inlets and

catch basins, and remove all snow, except that the state shall when necessary plow the snow on the roadway. In cities and towns having a population of ((~~twenty-seven thousand five hundred~~))27,500 or less according to the latest determination of population by the office of financial management, the state, when necessary for public safety, shall assume, at its expense, responsibility for the stability of the slopes of cuts and fills and the embankments within the right-of-way to protect the roadway itself. When the population of a city or town first exceeds ((~~twenty-seven thousand five hundred~~))27,500 according to the determination of population by the office of financial management, the city or town shall have three years from the date of the determination to plan for additional staffing, budgetary, and equipment requirements before being required to assume the responsibilities under this subsection. The state shall install, maintain, and operate all illuminating facilities on any limited access facility, together with its interchanges, located within the corporate limits of any city or town, and shall assume and pay the costs of all such installation, maintenance, and operation incurred after November 1, 1954;

(7) The department has the right to use all storm sewers on such highways without cost; and if new storm sewer facilities are necessary in construction of new streets by the department, the cost of the facilities shall be borne by the state and/or city as may be mutually agreed upon between the department and the governing body of the city or town;

(8) Cities and towns have exclusive right to grant franchises not in conflict with state laws and rules, over, beneath, and upon such streets, but the department is authorized to enforce in an action brought in the name of the state any condition of any franchise which a city or town has granted on such street. No franchise for transportation of passengers in motor vehicles may be granted on such streets without the approval of the department, but the department shall not refuse to approve such franchise unless another street conveniently located and of strength of construction to sustain travel of such vehicles is accessible;

(9) Every franchise or permit granted any person by a city or town for use of any portion of such street by a public utility must require the grantee or permittee to restore, repair, and replace any portion of the street damaged or injured by it to conditions that meet or exceed requirements established by the department;

(10) The city or town has the right to issue overload or overwidth permits for vehicles to operate on such streets or roads subject to regulations printed and distributed to the cities and towns by the department;

(11) Cities and towns shall regulate and enforce all traffic and parking restrictions on such streets, but all regulations adopted by a city or town relating to speed, parking, and traffic control devices on such streets not identical to state law relating thereto are subject to the approval of the department before becoming effective. All regulations pertaining to speed, parking, and traffic control devices relating to such streets heretofore adopted by a city or town not identical with state laws shall become null and void unless approved by the department heretofore or within one year after March 21, 1963;

(12) The department shall erect, control, and maintain at state expense all route markers and directional signs, except street signs, on such streets;

(13) Except as otherwise provided in subsection (17) of this section, the department shall install, operate, maintain, and control at state expense all traffic control signals, signs, and traffic control devices for the purpose of regulating both pedestrian and motor vehicular traffic on, entering upon, or leaving state highways in cities and towns having a population of ((~~twenty-seven thousand five hundred~~))27,500 or less according to the latest determination of population by the office of financial management. Such cities and towns may submit to the department a plan for traffic control signals, signs, and traffic control devices desired by them, indicating the location, nature of installation, or type thereof, or a proposed amendment to such an existing plan or installation, and the department shall consult with the cities or towns concerning the plan before installing such signals, signs, or devices. Cities and towns having a population in excess of ((~~twenty-seven thousand five hundred~~))27,500 according to the latest determination of population by the office of financial management shall install, maintain, operate, and control such signals, signs, and devices at their own expense, subject to approval of the department for the installation and type only. When the population of a city or town first exceeds ((~~twenty-seven thousand five hundred~~))27,500 according to the determination of population by the office of financial management, the city or town shall have three years from the date of the determination to plan for additional staffing, budgetary, and equipment requirements before being required to assume the responsibilities under this subsection. For the purpose of this subsection, striping, lane marking, and channelization are considered traffic control devices;

(14) All revenue from parking meters placed on such streets belongs to the city or town;

(15) Rights-of-way for such streets shall be acquired by either the city or town or by the state as shall be mutually agreed upon. Costs of acquiring rights-of-way may be at the sole expense of the state or at the expense of the city or town or at the expense of the state and the city or town as may be mutually agreed upon. Title to all such rights-of-way so acquired shall vest in the city or town: PROVIDED, That no vacation, sale, rental, or any other nontransportation use of any unused portion of any such street may be made by the city or town without the prior written approval of the department; and all revenue derived from sale, vacation, rental, or any nontransportation use of such rights-of-way

shall be shared by the city or town and the state in the same proportion as the purchase costs were shared;

(16) If any city or town fails to perform any of its obligations as set forth in this section or in any cooperative agreement entered into with the department for the maintenance of a city or town street forming part of the route of a state highway, the department may notify the mayor of the city or town to perform the necessary maintenance within ((~~thirty~~))30 days. If the city or town within the ((~~thirty~~))30 days fails to perform the maintenance or fails to authorize the department to perform the maintenance as provided by RCW 47.24.050, the department may perform the maintenance, the cost of which is to be deducted from any sums in the motor vehicle fund credited or to be credited to the city or town;

(17) The population thresholds identified in subsections (6) and (13) of this section shall be increased as follows:

(a) Thirty thousand on July 1, 2023;

(b) Thirty-two thousand five hundred on July 1, ((~~2028~~))2025, for cities or towns having a population of 30,000 or less on January 1, 2025; and

(c) Thirty-five thousand on July 1, ((~~2033~~))2030.

Solicited Property Transactions For Transportation Purposes

Sec. 1306. RCW 61.--.--- and 2025 c . . . (SHB 1081) s 1 are each amended to read as follows:

(1) For real estate transactions executed on or after January 1, 2026, in which a potential buyer or someone representing a potential buyer actively solicits the purchase of real property through public advertising or written, electronic, or in-person contact with an owner of real property that is not currently publicly available or listed on the real estate market for purchase, the owner of the solicited real property shall, upon execution of a purchase contract between the potential buyer and the owner of the solicited real property:

(a) Have the right to an appraisal of the real property by an appraiser licensed in accordance with chapter 18.140 RCW, which right shall be expressly included in the purchase contract between the potential buyer and the owner of the solicited real property; and

(b) Have the right to cancel the purchase contract without penalty or further obligation subject to subsection (2) of this section.

(2)(a) For owners of the solicited real property who wish to exercise their right to an appraisal:

(i) The owner has the right to select the appraiser, and the potential buyer is responsible for the expense of the appraisal;

(ii) The appraisal must be ordered within three business days after the execution of the purchase contract, and the owner of the solicited real property shall notify the potential buyer of the appraisal; and

(iii) The owner of the solicited real property has the right to cancel the purchase contract, without penalty or further obligation, within four business days after the appraisal is received.

(b) For owners of solicited real property who do not wish to receive an appraisal, the owner has the right to cancel the purchase contract without penalty or further obligation within 10 business days after execution of the contract.

(c) In the event of cancellation, the owner of the solicited real property shall send a notice of cancellation to the buyer by mail, telegram, email, or other means of written communication. Notice of cancellation is considered given when mailed, when filed for telegraphic transmission, when emailed, or, if sent by other means, when delivered to the buyer's designated place of business.

(3) The purchase contract for a real estate transaction described in this section must state clearly in at least size 10-point boldface type, and the seller must affirmatively acknowledge in writing, that the seller:

(a) Has a right to an appraisal as specified in subsection (2) of this section; and

(b) Has a right to cancel the purchase contract without penalty or further obligation in accordance with subsection (2) of this section.

(4) This section does not apply to a buyer or seller represented by a real estate broker licensed in accordance with chapter 18.85 RCW.

(5) Nothing in this chapter affects the rights accruing to any party as set forth in RCW 64.04.220.

(6) The legislature finds that the practices covered by this section are matters vitally affecting the public interest for the purpose of applying the consumer protection act, chapter 19.86 RCW. A violation of this section is not reasonable in relation to the development and preservation of business and is an unfair or deceptive act in trade or commerce and an unfair method of competition for the purpose of applying the consumer protection act, chapter 19.86 RCW.

(7) This section does not apply to any public entity including, but not limited to, the department of transportation, cities, and counties, acquiring real property for transportation purposes.

Tow Truck Impounds

NEW SECTION. **Sec. 1307.** A new section is added to chapter 46.55 RCW to read as follows:

(1) The department shall create a program to compensate registered tow truck operators for private property impounds or impounds performed at the direction of law enforcement to apply when the owner of the vehicle is indigent, except when the vehicle has been impounded after the vehicle owner has been arrested by a law enforcement officer.

(2) An individual seeking the release of a vehicle under this program must:

(a) Be the legal or registered owner of the vehicle;

(b) Be indigent;

(c) Either not have the ability to pay for the towing service or when making such payment would be a severe hardship;

(d) Not have applied for the release of a vehicle under this program more than once in the preceding year; and

(e) Fill out and certify the first part of the form described in subsection (4)(a) of this section and submit it to the registered tow truck operator.

(3) A registered tow truck operator may seek payment for private property impounds or impounds ordered by a law enforcement agency when the impound was not ordered following an arrest, for vehicles owned by individuals meeting the requirements of subsection (2) of this section. The registered tow truck operator applying for payment must fill out the second part of the form described in subsection (4)(b) of this section and must submit the completed form to the department.

(4) The department shall provide a form to registered tow truck operators that consists of two parts.

(a) The first part of the form is to be completed by individuals seeking the release of a vehicle and must include a requirement that individuals self-certify under penalty of perjury that they meet the requirements of the program and acknowledge that they understand that the department may verify or audit the information and that perjury is a criminal offense.

(b)(i) The second part of the form is to be completed by registered tow truck operators and must include a requirement that registered tow truck operators self-certify under penalty of perjury that they have verified that:

(A) The impound was a private property impound or ordered by a law enforcement agency;

(B) The impound was not ordered following an arrest;

(C) The individual seeking the release of a vehicle is the owner of the vehicle registered or titled with the department; and

(ii) The registered tow truck operators must acknowledge that they understand that the department may verify or audit the information and that perjury is a criminal offense.

(5)(a) Subject to the availability of amounts appropriated for this specific purpose, the department shall disburse excess funds deposited under RCW 46.55.130(2)(h) that are no longer subject to payment for a valid claim under RCW 46.55.130(2)(h) in an amount equal to the cost of the towing, storage, or other services incurred by the registered tow truck operators during the course of the private property impound or law enforcement directed impound to the eligible registered tow truck operators following submission of the form by the registered tow truck operator. Eligibility for payment under this section does not constitute an entitlement for payment. If eligible applications for payment exceed the funds available, the department must create and maintain a waitlist in the order the forms are received pursuant to this section. The department is not civilly or criminally liable and no penalty or cause of action may be brought against it regarding the provision or lack of provision of funds.

(b) After consulting with appropriate stakeholders, the department must develop rules establishing maximum rates of reimbursement for towing, storage, and other services, under this subsection. The department shall convene a stakeholder work group every two years, with the first meeting to be held within 12 months of rule adoption, to make recommendations on amendments to these rules.

(6) The department shall provide an annual report to the appropriate committees of the legislature by October 1st of each year. The annual report must include the total number of law enforcement directed tows not following an arrest, the number of vehicles released under this program, the number of applicants who received payment under this program, the total funds provided to applicants, the number of applicants on the waitlist who did not receive grants, the total amount of grants unpaid due to lack of funds, and the number of ineligible applicants and the reasons for ineligibility.

(7) A registered tow truck operator who releases the vehicle under this section does not have a lien or deficiency claim on the released vehicle.

(8) When an impounding tow truck operator sends notification to the legal and registered owners of a vehicle regarding the impoundment of it as required under RCW 46.55.110 and the vehicle may be eligible under this program, the impounding tow truck operator must include information in the notification about the program established in this section for the release of vehicles to indigent persons.

(9) The registered tow truck operator shall provide to each person who seeks to redeem an impounded vehicle that may be eligible under this program written notice, in a form and manner specified by the department, of the release of vehicles to indigent individuals. The notice must be accompanied by the form described in subsection (4) of this section.

Sec. 1308. RCW 46.55.115 and 1993 c 121 s 2 are each amended to read as follows:

The Washington state patrol, under its authority to remove vehicles from the highway, may remove the vehicles directly, through towing operators appointed by the state patrol and called on a rotational or other basis, through contracts with towing operators, or by a combination of these methods. When removal is to be accomplished through a towing operator on a noncontractual basis, the state patrol may appoint any towing operator for this purpose upon the application of the operator. Each appointment shall be contingent upon the submission of an application to the state patrol and the making of subsequent reports in such form and frequency and compliance with such standards of equipment,

performance, pricing, and practices as may be required by rule of the state patrol.

An appointment may be rescinded by the state patrol upon evidence that the appointed towing operator is not complying with the laws or rules relating to the removal and storage of vehicles from the highway. The state patrol may not rescind an appointment merely because a registered tow truck operator negotiates a different rate for voluntary, owner-requested towing than for involuntary towing under this chapter. The costs of removal and storage of vehicles under this section shall be paid by the owner or driver of the vehicle and shall be a lien upon the vehicle until paid, unless the removal is determined to be invalid or the registered tow truck operator releases the vehicle under the program established in section 1307 of this act.

Rules promulgated under this section shall be binding only upon those towing operators appointed by the state patrol for the purpose of performing towing services at the request of the Washington state patrol. Any person aggrieved by a decision of the state patrol made under this section may appeal the decision under chapter 34.05 RCW.

Sec. 1309. RCW 46.55.120 and 2017 c 152 s 1 are each amended to read as follows:

(1)(a) Vehicles or other items of personal property registered or titled with the department that are impounded by registered tow truck operators pursuant to RCW 46.55.080, 46.55.085, 46.55.113, or 9A.88.140 may be redeemed only by the following persons or entities:

(i) The legal owner;

(ii) The registered owner;

(iii) A person authorized in writing by the registered owner;

(iv) The vehicle's insurer or a vendor working on behalf of the vehicle's insurer;

(v) A third-party insurer that has a duty to repair or replace the vehicle, has obtained consent from the registered owner or the owner's agent to move the vehicle, and has documented that consent in the insurer's claim file, or a vendor working on behalf of a third-party insurer that has received such consent; provided, however, that at all times the registered owner must be granted access to and may reclaim possession of the vehicle. For the purposes of this subsection, "owner's agent" means the legal owner of the vehicle, a driver in possession of the vehicle with the registered owner's permission, or an adult member of the registered owner's family;

(vi) A person who is determined and verified by the operator to have the permission of the registered owner of the vehicle or other item of personal property registered or titled with the department;

(vii) A person who has purchased a vehicle or item of personal property registered or titled with the department from the registered owner who produces proof of ownership or written authorization and signs a receipt therefor; or

(viii) If (a)(i) through (vii) of this subsection do not apply, a person, who is known to the registered or legal owner of a motorcycle or moped, as each are defined in chapter 46.04 RCW, that was towed from the scene of an accident, may redeem the motorcycle or moped as a bailment in accordance with RCW 46.55.125 while the registered or legal owner is admitted as a patient in a hospital due to the accident.

(b) In addition, a vehicle impounded because the operator is in violation of RCW 46.20.342(1)(c) shall not be released until a person eligible to redeem it under (a) of this subsection satisfies the requirements of (f) of this subsection, including paying all towing, removal, and storage fees, notwithstanding the fact that the hold was ordered by a government agency. If the department's records show that the operator has been convicted of a violation of RCW 46.20.342 or a similar local ordinance within the past five years, the vehicle may be held for up to ((~~thirty~~))30 days at the written direction of the agency ordering the vehicle impounded. A vehicle impounded because the operator is arrested for a violation of RCW 46.20.342 may be released only pursuant to a written order from the agency that ordered the vehicle impounded or from the court having jurisdiction. An agency shall issue a written order to release pursuant to a provision of an applicable state agency rule or local ordinance authorizing release on the basis of the following:

(i) Economic or personal hardship to the spouse of the operator, taking into consideration public safety factors, including the operator's criminal history and driving record; or

(ii) The owner of the vehicle was not the driver, the owner did not know that the driver's license was suspended or revoked, and the owner has not received a prior release under this subsection or RCW 46.55.113(3).

In order to avoid discriminatory application, other than for the reasons for release set forth in (b)(i) and (ii) of this subsection, an agency shall, under a provision of an applicable state agency rule or local ordinance, deny release in all other circumstances without discretion.

If a vehicle is impounded because the operator is in violation of RCW 46.20.342(1)(a) or (b), the vehicle may be held for up to ((~~thirty~~))30 days at the written direction of the agency ordering the vehicle impounded. However, if the department's records show that the operator has been convicted of a violation of RCW 46.20.342(1)(a) or (b) or a similar local ordinance within the past five years, the vehicle may be held at the written direction of the agency ordering the vehicle impounded for up to ((~~sixty~~))60 days, and for up to ((~~ninety~~))90 days if the operator has two or more such prior offenses. If a vehicle is impounded because the operator is arrested for a violation of RCW 46.20.342, the vehicle may not be released until a person eligible to redeem it under (a) of this subsection satisfies the requirements of (f) of this subsection, including paying all towing, removal, and storage fees, notwithstanding the fact that the hold was ordered by a government agency.

(c) If the vehicle is directed to be held for a suspended license impound, a person

who desires to redeem the vehicle at the end of the period of impound shall within five days of the impound at the request of the tow truck operator pay a security deposit to the tow truck operator of not more than one-half of the applicable impound storage rate for each day of the proposed suspended license impound. The tow truck operator shall credit this amount against the final bill for removal, towing, and storage upon redemption. The tow truck operator may accept other sufficient security in lieu of the security deposit. If the person desiring to redeem the vehicle does not pay the security deposit or provide other security acceptable to the tow truck operator, the tow truck operator may process and sell at auction the vehicle as an abandoned vehicle within the normal time limits set out in RCW 46.55.130(1). The security deposit required by this section may be paid and must be accepted at any time up to ((~~twenty-four~~))24 hours before the beginning of the auction to sell the vehicle as abandoned. The registered owner is not eligible to purchase the vehicle at the auction, and the tow truck operator shall sell the vehicle to the highest bidder who is not the registered owner.

(d) Notwithstanding (c) of this subsection, a rental car business may immediately redeem a rental vehicle it owns by payment of the costs of removal, towing, and storage, whereupon the vehicle will not be held for a suspended license impound.

(e) Notwithstanding (c) of this subsection, a motor vehicle dealer or lender with a perfected security interest in the vehicle may redeem or lawfully repossess a vehicle immediately by payment of the costs of removal, towing, and storage, whereupon the vehicle will not be held for a suspended license impound. A motor vehicle dealer or lender with a perfected security interest in the vehicle may not knowingly and intentionally engage in collusion with a registered owner to repossess and then return or resell a vehicle to the registered owner in an attempt to avoid a suspended license impound. However, this provision does not preclude a vehicle dealer or a lender with a perfected security interest in the vehicle from repossessing the vehicle and then selling, leasing, or otherwise disposing of it in accordance with chapter 62A.9A RCW, including providing redemption rights to the debtor under RCW 62A.9A-623. If the debtor is the registered owner of the vehicle, the debtor's right to redeem the vehicle under chapter 62A.9A RCW is conditioned upon the debtor obtaining and providing proof from the impounding authority or court having jurisdiction that any fines, penalties, and forfeitures owed by the registered owner, as a result of the suspended license impound, have been paid, and proof of the payment must be tendered to the vehicle dealer or lender at the time the debtor tenders all other obligations required to redeem the vehicle. Vehicle dealers or lenders are not liable for damages if they rely in good faith on an order from the impounding agency or a court in releasing a vehicle held under a suspended license impound.

(f) The vehicle or other item of personal property registered or titled with the department shall be released upon the presentation to any person having custody of the vehicle of commercially reasonable tender sufficient to cover the costs of towing, storage, or other services rendered during the course of towing, removing, impounding, or storing any such vehicle, with credit being given for the amount of any security deposit paid under (c) of this subsection. Alternatively, a vehicle must be released when the registered tow truck operator completes the form described in section 1307(4) of this act provided that the first part of the form is completed by an individual seeking the release of a vehicle. In addition, if a vehicle is impounded because the operator was arrested for a violation of RCW 46.20.342 or 46.20.345 and was being operated by the registered owner when it was impounded under local ordinance or agency rule, it must not be released to any person until the registered owner establishes with the agency that ordered the vehicle impounded or the court having jurisdiction that any penalties, fines, or forfeitures owed by him or her have been satisfied. Registered tow truck operators are not liable for damages if they rely in good faith on an order from the impounding agency or a court in releasing a vehicle held under a suspended license impound. Commercially reasonable tender shall include, without limitation, cash, major bank credit cards issued by financial institutions, or personal checks drawn on Washington state branches of financial institutions if accompanied by two pieces of valid identification, one of which may be required by the operator to have a photograph. If the towing firm cannot determine through the customer's bank or a check verification service that the presented check would be paid by the bank or guaranteed by the service, the towing firm may refuse to accept the check. Any person who stops payment on a personal check or credit card, or does not make restitution within ((~~ten~~))10 days from the date a check becomes insufficient due to lack of funds, to a towing firm that has provided a service pursuant to this section or in any other manner defrauds the towing firm in connection with services rendered pursuant to this section shall be liable for damages in the amount of twice the towing and storage fees, plus costs and reasonable attorney's fees.

(2)(a) The registered tow truck operator shall give to each person who seeks to redeem an impounded vehicle, or item of personal property registered or titled with the department, written notice of the right of redemption and opportunity for a hearing, which notice shall be accompanied by a form to be used for requesting a hearing, the name of the person or agency authorizing the impound, and a copy of the towing and storage invoice. The registered tow truck operator shall maintain a record evidenced by the redeeming person's signature that such notification was provided.

(b) Any person seeking to redeem an impounded vehicle under this section has a right to a hearing in the district or

municipal court for the jurisdiction in which the vehicle was impounded to contest the validity of the impoundment or the amount of towing and storage charges. The district court has jurisdiction to determine the issues involving all impoundments including those authorized by the state or its agents. The municipal court has jurisdiction to determine the issues involving impoundments authorized by agents of the municipality. Any request for a hearing shall be made in writing on the form provided for that purpose and must be received by the appropriate court within ((~~ten~~))10 days of the date the opportunity was provided for in (a) of this subsection and more than five days before the date of the auction. At the time of the filing of the hearing request, the petitioner shall pay to the court clerk a filing fee in the same amount required for the filing of a suit in district court. If the hearing request is not received by the court within the ((~~ten-day~~))10-day period, the right to a hearing is waived and the registered owner is liable for any towing, storage, or other impoundment charges permitted under this chapter. Upon receipt of a timely hearing request, the court shall proceed to hear and determine the validity of the impoundment.

(3)(a) The court, within five days after the request for a hearing, shall notify the registered tow truck operator, the person requesting the hearing if not the owner, the registered and legal owners of the vehicle or other item of personal property registered or titled with the department, and the person or agency authorizing the impound in writing of the hearing date and time.

(b) At the hearing, the person or persons requesting the hearing may produce any relevant evidence to show that the impoundment, towing, or storage fees charged were not proper. The court may consider a written report made under oath by the officer who authorized the impoundment in lieu of the officer's personal appearance at the hearing.

(c) At the conclusion of the hearing, the court shall determine whether the impoundment was proper, whether the towing or storage fees charged were in compliance with the posted rates, and who is responsible for payment of the fees. The court may not adjust fees or charges that are in compliance with the posted or contracted rates.

(d) If the impoundment is found proper, the impoundment, towing, and storage fees as permitted under this chapter together with court costs shall be assessed against the person or persons requesting the hearing, unless the operator did not have a signed and valid impoundment authorization from a private property owner or an authorized agent.

(e) If the impoundment is determined to be in violation of this chapter, then the registered and legal owners of the vehicle or other item of personal property registered or titled with the department shall bear no impoundment, towing, or storage fees, and any security shall be returned or discharged as appropriate, and the person or agency who authorized the impoundment shall be liable for any towing, storage, or other impoundment fees permitted under this chapter. The court shall enter judgment in favor of the registered tow truck operator against the person or agency authorizing the impound for the impoundment, towing, and storage fees paid. In addition, the court shall enter judgment in favor of the registered and legal owners of the vehicle, or other item of personal property registered or titled with the department, for the amount of the filing fee required by law for the impound hearing petition as well as reasonable damages for loss of the use of the vehicle during the time the same was impounded against the person or agency authorizing the impound. However, if an impoundment arising from an alleged violation of RCW 46.20.342 or 46.20.345 is determined to be in violation of this chapter, then the law enforcement officer directing the impoundment and the government employing the officer are not liable for damages if the officer relied in good faith and without gross negligence on the records of the department in ascertaining that the operator of the vehicle had a suspended or revoked driver's license. If any judgment entered is not paid within ((~~fifteen~~))15 days of notice in writing of its entry, the court shall award reasonable attorneys' fees and costs against the defendant in any action to enforce the judgment. Notice of entry of judgment may be made by registered or certified mail, and proof of mailing may be made by affidavit of the party mailing the notice. Notice of the entry of the judgment shall read essentially as follows:

TO: . . . . . .
YOU ARE HEREBY NOTIFIED JUDGMENT was entered against you in the . . . . . Court located at . . . . . in the sum of $. . . . . ., in an action entitled . . . . . ., Case No. . . . . YOU ARE FURTHER NOTIFIED that attorneys fees and costs will be awarded against you under RCW . . . if the judgment is not paid within 15 days of the date of this notice.
DATED this . . . . day of . . . . . ., (year) . . .
Signature . . . . . .
Typed name and address of party mailing notice

(4) Any impounded abandoned vehicle or item of personal property registered or titled with the department that is not redeemed within ((~~fifteen~~))15 days of mailing of the notice of custody and sale as required by RCW 46.55.110(3) shall be sold at public auction in accordance with all the provisions and subject to all the conditions of RCW 46.55.130. A vehicle or item of personal property registered or titled with the department may be redeemed at any time before the start of the auction either upon ((~~payment~~)):

(a) Payment of the applicable towing and storage fees; or

(b) The completion of the form specified in section 1307 of this act.

Tax Increment Financing for Transportation Projects

Sec. 1310. RCW 39.114.020 and 2024 c 236 s 2 are each amended to read as follows:

(1) A local government may designate an increment area under this chapter and use the tax allocation revenues to pay public improvement costs, subject to the following conditions:

(a) The local government must adopt an ordinance designating an increment area within its boundaries and describing the public improvements proposed to be paid for, or financed with, tax allocation revenues;

(b) The local government may not designate increment area boundaries such that the entirety of its territory falls within an increment area;

(c) ((~~The~~))(i) Except as provided in (c)(ii) of this subsection, the increment area may not have an assessed valuation of more than $200,000,000 or more than 20 percent of the sponsoring jurisdiction's total assessed valuation, whichever is less, when the ordinance is passed. If a sponsoring jurisdiction creates two increment areas, the total combined assessed valuation in both of the two increment areas may not equal more than $200,000,000 or more than 20 percent of the sponsoring jurisdiction's total assessed valuation, whichever is less, when the ordinances are passed creating the increment areas.

(ii) During the 2026 fiscal year, a sponsoring jurisdiction may enact a tax increment area or areas with a combined assessed valuation greater than $200,000,000 but no more than $500,000,000 if:

(A) The sponsoring jurisdiction is a city with a population over 150,000 but less than 170,000 and is located in a county with a population of over 1,500,000;

(B) The tax increment area is connected to Interstate 405 and the transportation-related public improvements that will be funded enhance the integration and connection of neighborhoods within and adjacent to the increment area;

(C) The sponsoring jurisdiction enacted an ordinance designating the increment area no later than June 30, 2026; and

(D) A governing body of any taxing district within the increment area approves by a majority vote, and according to the governing body's ordinance and publication procedures, the taxing district's partial or full participation in the tax increment project. If the governing body does not approve its participation, the taxing district's property taxes are not subject to apportionment under this chapter and the taxing district is excluded from the provisions of this section;

(d) ((~~A~~))Except as otherwise provided in (c)(ii) of this subsection, a local government can create no more than two active increment areas at any given time and they may not physically overlap by including the same land in more than one increment area at any time;

(e) The ordinance must set a sunset date for the increment area, which may be no more than 25 years after the first year in which tax allocation revenues are collected from the increment area;

(f) The ordinance must identify the public improvements to be financed and indicate whether the local government intends to issue bonds or other obligations, payable in whole or in part, from tax allocation revenues to finance the public improvement costs, and must estimate the maximum amount of obligations contemplated;

(g) The ordinance must provide that the increment area takes effect on June 1st following the adoption of the ordinance in (a) of this subsection;

(h) The sponsoring jurisdiction may not add additional public improvements to the project after adoption of the ordinance creating the increment area or change the boundaries of the increment area. The sponsoring jurisdiction may expand, alter, or add to the original public improvements when doing so is necessary to assure the originally approved improvements can be constructed or operated;

(i) The ordinance must impose a deadline by which commencement of construction of the public improvements shall begin, which deadline must be at least five years into the future and for which extensions shall be made available for good cause; and

(j) The local government must make a finding that:

(i) The public improvements proposed to be paid or financed with tax allocation revenues are expected to encourage private development within the increment area and to increase the assessed value of real property within the increment area;

(ii) Private development that is anticipated to occur within the increment area as a result of the proposed public improvements will be permitted consistent with the permitting jurisdiction's applicable zoning and development standards;

(iii) The private development would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future without the proposed public improvements; and

(iv) The increased assessed value within the increment area that could reasonably be expected to occur without the proposed public improvements would be less than the increase in the assessed value estimated to result from the proposed development with the proposed public improvements.

(2) In considering whether to designate an increment area, the legislative body of the local government must prepare a project analysis that shall include, but need not be limited to, the following:

(a) A statement of objectives of the local government for the designated increment area;

(b) A statement as to the property within the increment area, if any, that the local government may intend to acquire;

(c) The duration of the increment area;

(d) Identification of all parcels to be included in the area;

(e) A description of the expected private development within the increment area, including a comparison of scenarios with the proposed public improvements and without the proposed public improvements;

(f) A description of the public improvements, estimated public improvement costs, and the estimated amount of bonds or other obligations expected to be issued to finance the public improvement costs and repaid with tax allocation revenues;

(g) The assessed value of real property listed on the tax roll as certified by the county assessor under RCW 84.52.080 from within the increment area and an estimate of the increment value and tax allocation revenues expected to be generated;

(h) An estimate of the job creation reasonably expected to result from the public improvements and the private development expected to occur in the increment area;

(i) An assessment of any impacts on the following:

(i) Affordable and low-income housing;

(ii) The local business community;

(iii) The local school districts; and

(iv) The local fire service, public hospital service, and emergency medical services; and

(j) The assessment of impacts under (i) of this subsection (2) must include any necessary mitigation to the local fire service, public hospital service, and emergency medical services; and

(k) An assessment of any impacts of any other junior taxing districts not referenced in (i) of this subsection (2).

(3) The local government may charge a private developer, who agrees to participate in creating the increment area, a fee sufficient to cover the cost of the project analysis and establishing the increment area, including staff time, professionals and consultants, and other administrative costs related to establishing the increment area.

(4) Nothing in this section prohibits a local government from entering into an agreement under chapter 39.34 RCW with another local government for the administration or other activities related to tax increment financing authorized under this section.

(5)(a) If the project analysis indicates that an increment area will impact at least 20 percent of the assessed value in a public hospital district, fire protection district, or regional fire protection service authority, or if the public hospital district's or the fire service agency's annual report, or other governing board-adopted capital facilities plan, demonstrates an increase in the level of service directly related to the increased development in the increment area, the local government must enter into negotiations for a mitigation plan with the impacted public hospital district, fire protection district, or regional fire protection service authority to address level of service issues in the increment area.

(b) If the parties cannot agree pursuant to (a) of this subsection (5), the parties must proceed to arbitration to determine the appropriate mitigation plan. The board of arbitrators must consist of three persons: One appointed by the local government seeking to designate the increment area and one appointed by the junior taxing district, both of whom must be appointed within 60 days of the date when arbitration is requested, and a third arbitrator who must be appointed by agreement of the other two arbitrators within 90 days of the date when arbitration is requested. If the two are unable to agree on the appointment of the third arbitrator within this 90-day period, then the third arbitrator must be appointed by a judge in the superior court of the county within which the largest portion of the increment area is located. The determination by the board of arbitrators is binding on both the local government seeking to impose the increment area and the junior taxing district.

(6) The local government may reimburse the assessor and treasurer for their costs as provided in RCW 39.114.010(6)(e).

(7) Prior to the adoption of an ordinance authorizing creation of an increment area, the local government must:

(a) Hold at least two public briefings for the community solely on the tax increment project that include the description of the increment area, the public improvements proposed to be financed with the tax allocation revenues, and a detailed estimate of tax revenues for the participating local governments and taxing districts, including the amounts allocated to the increment public improvements. The briefings must be announced at least two weeks prior to the date being held, including publishing in a legal newspaper of general circulation and posting information on the local government website and all local government social media sites, and must occur no earlier than 90 days after submitting the project analysis to the office of the treasurer and all local governments and taxing districts impacted by the increment area;

(b) Submit the project analysis to all local governments and taxing districts impacted by the increment area no less than 90 days prior to the adoption of the ordinance; and

(c) Submit the project analysis to the office of the treasurer for review and consider any comments that the treasurer may provide upon completion of their review of the project analysis as provided under this subsection. The treasurer must complete the review within 90 days of receipt of the project analysis and may consult with other agencies and outside experts as necessary. Upon completing their review, the treasurer must promptly provide to the local government any comments regarding suggested revisions or enhancements to the project analysis that the treasurer deems appropriate based on the requirements in subsection (2) of this section.

PART XIV: EFFECTIVE DATES AND OTHER MISCELLANEOUS PROVISIONS

NEW SECTION. **Sec. 1401.** Sections 801, 802, and 804 through 807 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and take effect June 30, 2025.

NEW SECTION. **Sec. 1402.** Sections 101 through 103, 406, 701 through 709, 808 through 814, 1102, 1103, and 1305 of this act are necessary for the immediate preservation of the public peace, health, or

safety, or support of the state government and its existing public institutions, and take effect July 1, 2025.

NEW SECTION. **Sec. 1403.** Sections 310 through 312 and 401 of this act take effect October 1, 2025.

NEW SECTION. **Sec. 1404.** Sections 104 through 109, 201 through 206, 301 through 303, 604 and 903 of this act take effect January 1, 2026.

NEW SECTION. **Sec. 1405.** Sections 603 and 902 of this act expire January 1, 2026.

NEW SECTION. **Sec. 1406.** Sections 1307 through 1309 of this act take effect February 1, 2026.

NEW SECTION. **Sec. 1407.** Section 405 of this act takes effect March 1, 2026.

NEW SECTION. **Sec. 1408.** Sections 207 through 211 and 304 through 308 of this act take effect April 1, 2026.

NEW SECTION. **Sec. 1409.** Sections 309 and 1201 through 1224 of this act take effect July 1, 2026.

NEW SECTION. **Sec. 1410.** Sections 1102 and 1103 of this act expire July 1, 2027.

NEW SECTION. **Sec. 1411.** Section 803 of this act takes effect July 1, 2028.

NEW SECTION. **Sec. 1412.** Section 802 of this act expires July 1, 2028.

NEW SECTION. **Sec. 1413.** Sections 104 through 109 of this act apply to vehicle registrations that are due or become due on or after January 1, 2026.

NEW SECTION. **Sec. 1414.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected."

Correct the title.

Signed by Representatives Fey, Chair; Bernbaum, Vice Chair; Donaghy, Vice Chair; Reed, Vice Chair; Bronoske; Duerr; Entenman; Hunt; Nance; Paul; Ramel; Taylor; Wylie and Zahn.

MINORITY recommendation: Do not pass. Signed by Representatives Ley; and Orcutt.

MINORITY recommendation: Without recommendation. Signed by Representatives Barkis, Ranking Minority Member; Low, Assistant Ranking Minority Member; Mendoza, Assistant Ranking Minority Member; Schmidt, Assistant Ranking Minority Member; Dent; Griffey; Klicker; Richards; Stuebe; Timmons; and Volz.

Referred to Committee on Rules for second reading

April 23, 2025

2SSB 5802 Prime Sponsor, Ways & Means: Rebalancing statutory fund transfers and revenue dedications for transportation. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Ormsby, Chair; Gregerson, Vice Chair; Macri, Vice Chair; Berg; Bergquist; Callan; Cortes; Doglio; Fitzgibbon; Leavitt; Lekanoff; Peterson; Pollet; Ryu; Springer; Stonier; Street; Thai and Tharinger.

Referred to Committee on Rules for second reading

April 23, 2025

SB 5807 Prime Sponsor, Senator Robinson: Concerning wellness incentives for public and school employee health benefit plans. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Ormsby, Chair; Gregerson, Vice Chair; Macri, Vice Chair; Berg; Bergquist; Callan; Cortes; Doglio; Fitzgibbon; Leavitt; Lekanoff; Peterson; Pollet; Ryu; Springer; Stonier; Street; Thai and Tharinger.

Referred to Committee on Rules for second reading

April 22, 2025

ESSB 5814 Prime Sponsor, Ways & Means: Modifying the application and administration of certain excise taxes. Reported by Committee on Finance

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** The legislature finds that, through the state's general fund, the state funds public schools, health care, and social services that help Washingtonians to succeed and thrive. These revenues help the state meet its paramount duty to amply provide every child in the state with an education, including children who qualify for special education services, creating the opportunity for each child to succeed in school and achieve success in life. Revenues generated by this act will support health care and other programs that protect the safety and well-being of the public, including behavioral health services for those living with mental illness or substance use disorder, as well as supervision of individuals who have committed crimes. These revenues will also fund social services that provide critical, basic needs assistance for our state's most vulnerable residents, including support for those with developmental disabilities and long-term care for the elderly.

Furthermore, the legislature finds that the state's tax code must be periodically reviewed and updated to ensure that tax policy reflects our modern economy. The legislature recognizes that our state and nation have moved away from a predominantly goods-based economy towards a more service-based economy. As a result, Washington's tax code, which is heavily reliant on sales

taxes, continues to reach a narrowing share of economic activity subject to the retail sales tax. Similar to the marketplace fairness act of 2017, which extended retail sales tax to remote retailers with no physical presence in the state to ensure the tax code reflected the growing shift of retail sales toward online sales and away from brick-and-mortar stores located in the state, so too must this legislature consider extending the retail sales tax to computer-related services, as well as remove exemptions to the retail sales tax for digital automated services which have not been updated since 2009, and other services to which it is more appropriate to apply retail sales tax in the state's current economy. The legislature further recognizes that taxes on tobacco products, which have largely gone unchanged over the last several decades, do not adequately capture new and emerging nicotine products. As certain new products come onto the market, they are exempt from excise tax, creating an unfair advantage in the market against their competitors.

Thus, to help meet the state's paramount duty of amply providing every child in the state with an education and to support the health and well-being of Washingtonians, the legislature intends to modernize the sales tax and taxes on nicotine products by extending retail sales tax to select services, repealing certain sales tax exemptions, applying taxes on tobacco to new nicotine products, and requiring certain large businesses to make a one-time prepayment of state sales tax collections.

PART I
EXTENDING RETAIL SALES TAX TO SELECT SERVICES

Sec. 101. RCW 82.04.050 and 2021 c 296 s 8 and 2021 c 143 s 2 are each reenacted and amended to read as follows:

(1)(a) "Sale at retail" or "retail sale" means every sale of tangible personal property (including articles produced, fabricated, or imprinted) to all persons irrespective of the nature of their business and including, among others, without limiting the scope hereof, persons who install, repair, clean, alter, improve, construct, or decorate real or personal property of or for consumers other than a sale to a person who:

(i) Purchases for the purpose of resale as tangible personal property in the regular course of business without intervening use by such person, but a purchase for the purpose of resale by a regional transit authority under RCW 81.112.300 is not a sale for resale; or

(ii) Installs, repairs, cleans, alters, imprints, improves, constructs, or decorates real or personal property of or for consumers, if such tangible personal property becomes an ingredient or component of such real or personal property without intervening use by such person; or

(iii) Purchases for the purpose of consuming the property purchased in producing for sale as a new article of tangible personal property or substance, of which such property becomes an ingredient or component or is a chemical used in processing, when the primary purpose of such chemical is to create a chemical reaction directly through contact with an ingredient of a new article being produced for sale; or

(iv) Purchases for the purpose of consuming the property purchased in producing ferrosilicon which is subsequently used in producing magnesium for sale, if the primary purpose of such property is to create a chemical reaction directly through contact with an ingredient of ferrosilicon; or

(v) Purchases for the purpose of providing the property to consumers as part of competitive telephone service, as defined in RCW 82.04.065; or

(vi) Purchases for the purpose of satisfying the person's obligations under an extended warranty as defined in subsection (7) of this section, if such tangible personal property replaces or becomes an ingredient or component of property covered by the extended warranty without intervening use by such person.

(b) The term includes every sale of tangible personal property that is used or consumed or to be used or consumed in the performance of any activity defined as a "sale at retail" or "retail sale" even though such property is resold or used as provided in (a)(i) through (vi) of this subsection following such use.

(c) The term also means every sale of tangible personal property to persons engaged in any business that is taxable under RCW 82.04.280(1) (a), (b), and (g), 82.04.290, and 82.04.2908.

(2) The term "sale at retail" or "retail sale" includes the sale of or charge made for tangible personal property consumed and/or for labor and services rendered in respect to the following:

(a) The installing, repairing, cleaning, altering, imprinting, or improving of tangible personal property of or for consumers, including charges made for the mere use of facilities in respect thereto, but excluding charges made for the use of self-service laundry facilities, and also excluding sales of laundry service to nonprofit health care facilities, and excluding services rendered in respect to live animals, birds and insects;

(b) The constructing, repairing, decorating, or improving of new or existing buildings or other structures under, upon, or above real property of or for consumers, including the installing or attaching of any article of tangible personal property therein or thereto, whether or not such personal property becomes a part of the realty by virtue of installation, and also includes the sale of services or charges made for the clearing of land and the moving of earth excepting the mere leveling of land used in commercial farming or agriculture;

(c) The constructing, repairing, or improving of any structure upon, above, or under any real property owned by an owner who conveys the property by title, possession, or any other means to the person performing such construction, repair, or improvement for the purpose of performing such construction, repair, or improvement

and the property is then reconveyed by title, possession, or any other means to the original owner;

(d) The cleaning, fumigating, razing, or moving of existing buildings or structures, but does not include the charge made for janitorial services; and for purposes of this section the term "janitorial services" means those cleaning and caretaking services ordinarily performed by commercial janitor service businesses including, but not limited to, wall and window washing, floor cleaning and waxing, and the cleaning in place of rugs, drapes and upholstery. The term "janitorial services" does not include painting, papering, repairing, furnace or septic tank cleaning, snow removal or sandblasting;

(e) Automobile towing and similar automotive transportation services, but not in respect to those required to report and pay taxes under chapter 82.16 RCW;

(f) The furnishing of lodging and all other services by a hotel, rooming house, tourist court, motel, trailer camp, and the granting of any similar license to use real property, as distinguished from the renting or leasing of real property, and it is presumed that the occupancy of real property for a continuous period of one month or more constitutes a rental or lease of real property and not a mere license to use or enjoy the same. For the purposes of this subsection, it is presumed that the sale of and charge made for the furnishing of lodging for a continuous period of one month or more to a person is a rental or lease of real property and not a mere license to enjoy the same. For the purposes of this section, it is presumed that the sale of and charge made for the furnishing of lodging offered regularly for public occupancy for periods of less than a month constitutes a license to use or enjoy the property subject to sales and use tax and not a rental or lease of property;

(g) The installing, repairing, altering, or improving of digital goods for consumers;

(h) Persons taxable under (a), (b), (c), (d), (e), (f), and (g) of this subsection when such sales or charges are for property, labor and services which are used or consumed in whole or in part by such persons in the performance of any activity defined as a "sale at retail" or "retail sale" even though such property, labor and services may be resold after such use or consumption. Nothing contained in this subsection may be construed to modify subsection (1) of this section and nothing contained in subsection (1) of this section may be construed to modify this subsection.

(3) The term "sale at retail" or "retail sale" includes the sale of or charge made for personal, business, or professional services including amounts designated as interest, rents, fees, admission, and other service emoluments however designated, received by persons engaging in the following business activities:

(a) Abstract, title insurance, and escrow services;

(b) Credit bureau services;

(c) Automobile parking and storage garage services;

(d) Landscape maintenance and horticultural services but excluding (i) horticultural services provided to farmers and (ii) pruning, trimming, repairing, removing, and clearing of trees and brush near electric transmission or distribution lines or equipment, if performed by or at the direction of an electric utility;

(e) Service charges associated with tickets to professional sporting events;

(f) The following personal services: Tanning salon services, tattoo parlor services, steam bath services, turkish bath services, escort services, and dating services; ((~~and~~))

(g) Investigation, security services, security monitoring services, and armored car services including, but not limited to, background checks, security guard and patrol services, personal and event security, armored car transportation of cash and valuables, and security system services and monitoring. This does not include locksmith services;

(h) Temporary staffing services. For the purposes of this subsection (3), "temporary staffing services" means providing workers to other businesses, except for hospitals licensed under chapter 70.41 or 71.12 RCW, for limited periods of time to supplement their workforce and fill employment vacancies on a contract or for fee basis;

(i)(i) Operating an athletic or fitness facility, including all charges for the use of such a facility or for any associated services and amenities, except as provided in ((~~(g)~~))(i)(ii) of this subsection.

(ii) Notwithstanding anything to the contrary in ((~~(g)~~))(i)(i) of this subsection (3), the term "sale at retail" and "retail sale" under this subsection does not include:

(A) Separately stated charges for the use of an athletic or fitness facility where such use is primarily for a purpose other than engaging in or receiving instruction in a physical fitness activity;

(B) Separately stated charges for the use of a discrete portion of an athletic or fitness facility, other than a pool, where such discrete portion of the facility does not by itself meet the definition of "athletic or fitness facility" in this subsection;

(C) Separately stated charges for services, such as ((~~advertising,~~)) massage, nutritional consulting, and body composition testing, that do not require the customer to engage in physical fitness activities to receive the service. The exclusion in this subsection (3)((~~(g)~~))(i)(ii)(C) does not apply to personal training services and instruction in a physical fitness activity;

(D) Separately stated charges for physical therapy provided by a physical therapist, as those terms are defined in RCW 18.74.010, or occupational therapy provided by an occupational therapy practitioner, as those terms are defined in RCW 18.59.020, when performed pursuant to a referral from an authorized health care practitioner or in consultation with an authorized health care practitioner. For the purposes of this subsection (3)((~~(g)~~))(i)(ii)(D), an authorized health care practitioner means a health care practitioner licensed under

chapter 18.83, 18.25, 18.36A, 18.57, 18.71, or 18.71A RCW, or, until July 1, 2022, chapter 18.57A RCW;

(E) Rent or association fees charged by a landlord or residential association to a tenant or residential owner with access to an athletic or fitness facility maintained by the landlord or residential association, unless the rent or fee varies depending on whether the tenant or owner has access to the facility;

(F) Services provided in the regular course of employment by an employee with access to an athletic or fitness facility maintained by the employer for use without charge by its employees or their family members;

(G) The provision of access to an athletic or fitness facility by an educational institution to its students and staff. However, charges made by an educational institution to its alumni or other members of the public for the use of any of the educational institution's athletic or fitness facilities are a retail sale under this subsection (3)((~~(g)~~))(i). For purposes of this subsection (3)((~~(g)~~))(i)(ii)(G), "educational institution" has the same meaning as in RCW 82.04.170;

(H) Yoga, chi gong, or martial arts classes, training, or events held at a community center, park, school gymnasium, college or university, hospital or other medical facility, private residence, or any other facility that is not operated within and as part of an athletic or fitness facility.

(iii) Nothing in ((~~(g)~~))(i)(ii) of this subsection (3) may be construed to affect the taxation of sales made by the operator of an athletic or fitness facility, where such sales are defined as a retail sale under any provision of this section other than this subsection (3).

(iv) For the purposes of this subsection (3)((~~(g)~~))(i), the following definitions apply:

(A) "Athletic or fitness facility" means an indoor or outdoor facility or portion of a facility that is primarily used for: Exercise classes; strength and conditioning programs; personal training services; tennis, racquetball, handball, squash, or pickleball; or other activities requiring the use of exercise or strength training equipment, such as treadmills, elliptical machines, stair climbers, stationary cycles, rowing machines, pilates equipment, balls, climbing ropes, jump ropes, and weightlifting equipment.

(B) "Martial arts" means any of the various systems of training for physical combat or self-defense. "Martial arts" includes, but is not limited to, karate, kung fu, tae kwon do, Krav Maga, boxing, kickboxing, jujitsu, shootfighting, wrestling, aikido, judo, hapkido, Kendo, tai chi, and mixed martial arts.

(C) "Physical fitness activities" means activities that involve physical exertion for the purpose of improving or maintaining the general fitness, strength, flexibility, conditioning, or health of the participant. "Physical fitness activities" includes participating in yoga, chi gong, or martial arts.

(4)(a) The term also includes the renting or leasing of tangible personal property to consumers.

(b) The term does not include the renting or leasing of tangible personal property where the lease or rental is for the purpose of sublease or subrent.

(5) The term also includes the providing of "competitive telephone service," "telecommunications service," or "ancillary services," as those terms are defined in RCW 82.04.065, to consumers.

(6)(a) The term also includes the sale of prewritten computer software, custom software, and customization of prewritten computer software to a consumer, regardless of the method of delivery to the end user. For purposes of ((~~(a) and (b) of~~)) this subsection (6)(a), the sale of prewritten computer software includes the sale of or charge made for a key or an enabling or activation code, where the key or code is required to activate prewritten computer software and put the software into use. There is no separate sale of the key or code from the prewritten computer software, regardless of how the sale may be characterized by the vendor or by the purchaser.

(b) ((~~The term "retail sale" does not include the sale of or charge made for:~~

~~(i) Custom software; or~~

~~(ii) The customization of prewritten computer software.~~

~~(c)~~))(i) The term also includes the charge made to consumers for the right to access and use prewritten computer software, custom software, and customization of prewritten computer software, where possession of the software is maintained by the seller or a third party, regardless of whether the charge for the service is on a per use, per user, per license, subscription, or some other basis.

(ii)(A) The service described in ((~~(c)~~))(b)(i) of this subsection (6) includes the right to access and use prewritten computer software, custom software, and customization of prewritten computer software to perform data processing.

(B) For purposes of this subsection (6)((~~(c)~~))(b)(ii), "data processing" means the systematic performance of operations on data to extract the required information in an appropriate form or to convert the data to usable information. Data processing includes check processing, image processing, form processing, survey processing, payroll processing, claim processing, and similar activities.

(7) The term also includes the sale of or charge made for an extended warranty to a consumer. For purposes of this subsection, "extended warranty" means an agreement for a specified duration to perform the replacement or repair of tangible personal property at no additional charge or a reduced charge for tangible personal property, labor, or both, or to provide indemnification for the replacement or repair of tangible personal property, based on the occurrence of specified events. The term "extended warranty" does not include an agreement, otherwise meeting the definition of extended warranty in this subsection, if no separate charge is made for the agreement

and the value of the agreement is included in the sales price of the tangible personal property covered by the agreement. For purposes of this subsection, "sales price" has the same meaning as in RCW 82.08.010.

(8)(a) The term also includes the following sales to consumers of digital goods, digital codes, and digital automated services:

(i) Sales in which the seller has granted the purchaser the right of permanent use;

(ii) Sales in which the seller has granted the purchaser a right of use that is less than permanent;

(iii) Sales in which the purchaser is not obligated to make continued payment as a condition of the sale; and

(iv) Sales in which the purchaser is obligated to make continued payment as a condition of the sale.

(b) A retail sale of digital goods, digital codes, or digital automated services under this subsection (8) includes any services provided by the seller exclusively in connection with the digital goods, digital codes, or digital automated services, whether or not a separate charge is made for such services.

(c) For purposes of this subsection, "permanent" means perpetual or for an indefinite or unspecified length of time. A right of permanent use is presumed to have been granted unless the agreement between the seller and the purchaser specifies or the circumstances surrounding the transaction suggest or indicate that the right to use terminates on the occurrence of a condition subsequent.

(9) The term also includes the charge made for providing tangible personal property along with an operator for a fixed or indeterminate period of time. A consideration of this is that the operator is necessary for the tangible personal property to perform as designed. For the purpose of this subsection (9), an operator must do more than maintain, inspect, or set up the tangible personal property.

(10) The term does not include the sale of or charge made for labor and services rendered in respect to the building, repairing, or improving of any street, place, road, highway, easement, right-of-way, mass public transportation terminal or parking facility, bridge, tunnel, or trestle which is owned by a municipal corporation or political subdivision of the state or by the United States and which is used or to be used primarily for foot or vehicular traffic including mass transportation vehicles of any kind.

(11) The term also does not include sales of chemical sprays or washes to persons for the purpose of postharvest treatment of fruit for the prevention of scald, fungus, mold, or decay, nor does it include sales of feed, seed, seedlings, fertilizer, agents for enhanced pollination including insects such as bees, and spray materials to: (a) Persons who participate in the federal conservation reserve program, the environmental quality incentives program, the wetlands reserve program, and the wildlife habitat incentives program, or their successors administered by the United States department of agriculture; (b) farmers for the purpose of producing for sale any agricultural product; (c) farmers for the purpose of providing bee pollination services; and (d) farmers acting under cooperative habitat development or access contracts with an organization exempt from federal income tax under 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue code or the Washington state department of fish and wildlife to produce or improve wildlife habitat on land that the farmer owns or leases.

(12) The term does not include the sale of or charge made for labor and services rendered in respect to the constructing, repairing, decorating, or improving of new or existing buildings or other structures under, upon, or above real property of or for the United States, any instrumentality thereof, or a county or city housing authority created pursuant to chapter 35.82 RCW, including the installing, or attaching of any article of tangible personal property therein or thereto, whether or not such personal property becomes a part of the realty by virtue of installation. Nor does the term include the sale of services or charges made for the clearing of land and the moving of earth of or for the United States, any instrumentality thereof, or a county or city housing authority. Nor does the term include the sale of services or charges made for cleaning up for the United States, or its instrumentalities, radioactive waste and other by-products of weapons production and nuclear research and development.

(13) The term does not include the sale of or charge made for labor, services, or tangible personal property pursuant to agreements providing maintenance services for bus, rail, or rail fixed guideway equipment when a regional transit authority is the recipient of the labor, services, or tangible personal property, and a transit agency, as defined in RCW 81.104.015, performs the labor or services.

(14) The term does not include the sale for resale of any service described in this section if the sale would otherwise constitute a "sale at retail" and "retail sale" under this section.

(15)(a) The term "sale at retail" or "retail sale" includes amounts charged, however labeled, to consumers to engage in any of the activities listed in this subsection (15)(a), including the furnishing of any associated equipment or, except as otherwise provided in this subsection, providing instruction in such activities, where such charges are not otherwise defined as a "sale at retail" or "retail sale" in this section:

(i)(A) Golf, including any variant in which either golf balls or golf clubs are used, such as miniature golf, hitting golf balls at a driving range, and golf simulators, and including fees charged by a golf course to a player for using his or her own cart. However, charges for golf instruction are not a retail sale, provided that if the instruction involves the use of a golfing facility that would otherwise require the payment of a fee, such as green fees or driving range fees, such fees, including the applicable retail sales tax,

must be separately identified and charged by the golfing facility operator to the instructor or the person receiving the instruction.

(B) Notwithstanding (a)(i)(A) of this subsection (15) and except as otherwise provided in this subsection (15)(a)(i)(B), the term "sale at retail" or "retail sale" does not include amounts charged to participate in, or conduct, a golf tournament or other competitive event. However, amounts paid by event participants to the golf facility operator are retail sales under this subsection (15)(a)(i). Likewise, amounts paid by the event organizer to the golf facility are retail sales under this subsection (15)(a)(i), if such amounts vary based on the number of event participants;

(ii) Ballooning, hang gliding, indoor or outdoor sky diving, paragliding, parasailing, and similar activities;

(iii) Air hockey, billiards, pool, foosball, darts, shuffleboard, ping pong, and similar games;

(iv) Access to amusement park, theme park, and water park facilities, including but not limited to charges for admission and locker or cabana rentals. Discrete charges for rides or other attractions or entertainment that are in addition to the charge for admission are not a retail sale under this subsection (15)(a)(iv). For the purposes of this subsection, an amusement park or theme park is a location that provides permanently affixed amusement rides, games, and other entertainment, but does not include parks or zoos for which the primary purpose is the exhibition of wildlife, or fairs, carnivals, and festivals as defined in (b)(i) of this subsection;

(v) Batting cage activities;

(vi) Bowling, but not including competitive events, except that amounts paid by the event participants to the bowling alley operator are retail sales under this subsection (15)(a)(vi). Likewise, amounts paid by the event organizer to the operator of the bowling alley are retail sales under this subsection (15)(a)(vi), if such amounts vary based on the number of event participants;

(vii) Climbing on artificial climbing structures, whether indoors or outdoors;

(viii) Day trips for sightseeing purposes;

(ix) Bungee jumping, zip lining, and riding inside a ball, whether inflatable or otherwise;

(x) Horseback riding offered to the public, where the seller furnishes the horse to the buyer and providing instruction is not the primary focus of the activity, including guided rides, but not including therapeutic horseback riding provided by an instructor certified by a nonprofit organization that offers national or international certification for therapeutic riding instructors;

(xi) Fishing, including providing access to private fishing areas and charter or guided fishing, except that fishing contests and license fees imposed by a government entity are not a retail sale under this subsection;

(xii) Guided hunting and hunting at game farms and shooting preserves, except that hunting contests and license fees imposed by a government entity are not a retail sale under this subsection;

(xiii) Swimming, but only in respect to (A) recreational or fitness swimming that is open to the public, such as open swim, lap swimming, and special events like kids night out and pool parties during open swim time, and (B) pool parties for private events, such as birthdays, family gatherings, and employee outings. Fees for swimming lessons, to participate in swim meets and other competitions, or to join a swim team, club, or aquatic facility are not retail sales under this subsection (15)(a)(xiii);

(xiv) Go-karting, bumper cars, and other motorized activities where the seller provides the vehicle and the premises where the buyer will operate the vehicle;

(xv) Indoor or outdoor playground activities, such as inflatable bounce structures and other inflatables; mazes; trampolines; slides; ball pits; games of tag, including laser tag and soft-dart tag; and human gyroscope rides, regardless of whether such activities occur at the seller's place of business, but not including playground activities provided for children by a licensed child day care center or licensed family day care provider as those terms are defined in RCW 43.216.010;

(xvi) Shooting sports and activities, such as target shooting, skeet, trap, sporting clays, "5" stand, and archery, but only in respect to discrete charges to members of the public to engage in these activities, but not including fees to enter a competitive event, instruction that is entirely or predominately classroom based, or to join or renew a membership at a club, range, or other facility;

(xvii) Paintball and airsoft activities;

(xviii) Skating, including ice skating, roller skating, and inline skating, but only in respect to discrete charges to members of the public to engage in skating activities, but not including skating lessons, competitive events, team activities, or fees to join or renew a membership at a skating facility, club, or other organization;

(xix) Nonmotorized snow sports and activities, such as downhill and cross-country skiing, snowboarding, ski jumping, sledding, snow tubing, snowshoeing, and similar snow sports and activities, whether engaged in outdoors or in an indoor facility with or without snow, but only in respect to discrete charges to the public for the use of land or facilities to engage in nonmotorized snow sports and activities, such as fees, however labeled, for the use of ski lifts and tows and daily or season passes for access to trails or other areas where nonmotorized snow sports and activities are conducted. However, fees for the following are not retail sales under this subsection (15)(a)(xix): (A) Instructional lessons; (B) permits issued by a governmental entity to park a vehicle on or access public lands; and (C) permits or leases granted by an owner of private timberland for recreational access to areas used primarily for growing and harvesting timber; and

(xx) Scuba diving; snorkeling; river rafting; surfing; kiteboarding; flyboarding; water slides; inflatables, such as water pillows, water trampolines, and water rollers; and similar water sports and activities.

(b) Notwithstanding anything to the contrary in this subsection (15), the term "sale at retail" or "retail sale" does not include charges:

(i) Made for admission to, and rides or attractions at, fairs, carnivals, and festivals. For the purposes of this subsection, fairs, carnivals, and festivals are events that do not exceed 21 days and a majority of the amusement rides, if any, are not affixed to real property;

(ii) Made by an educational institution to its students and staff for activities defined as retail sales by (a)(i) through (xx) of this subsection. However, charges made by an educational institution to its alumni or other members of the general public for these activities are a retail sale under this subsection (15). For purposes of this subsection (15)(b)(ii), "educational institution" has the same meaning as in RCW 82.04.170;

(iii) Made by a vocational school for commercial diver training that is licensed by the workforce training and education coordinating board under chapter 28C.10 RCW; or

(iv) Made for day camps offered by a nonprofit organization or state or local governmental entity that provide youth not older than age 18, or that are focused on providing individuals with disabilities or mental illness, the opportunity to participate in a variety of supervised activities.

(16)(a) The term "sale at retail" or "retail sale" includes the purchase or acquisition of tangible personal property and specified services by a person who receives either a qualifying grant exempt from tax under RCW 82.04.767 or 82.16.320 or a grant deductible under RCW 82.04.4339, except for transactions excluded from the definition of "sale at retail" or "retail sale" by any other provision of this section. Nothing in this subsection (16) may be construed to limit the application of any other provision of this section to purchases by a recipient of either a qualifying grant exempt from tax under RCW 82.04.767 or a grant deductible under RCW 82.04.4339, or by any other person.

(b) For purposes of this subsection (16), "specified services" means:

(i) The constructing, repairing, decorating, or improving of new or existing buildings or other structures under, upon, or above real property, including the installing or attaching of any article of tangible personal property therein or thereto, whether or not such personal property becomes a part of the realty by virtue of installation;

(ii) The clearing of land or the moving of earth, whether or not associated with activities described in (b)(i) of this subsection (16);

(iii) The razing or moving of existing buildings or structures; and

(iv) Landscape maintenance and horticultural services.

PART II
ELIMINATING CERTAIN DIGITAL AUTOMATED SERVICE EXCLUSIONS

Sec. 201. RCW 82.04.192 and 2020 c 139 s 4 are each amended to read as follows:

(1) "Digital audio works" means works that result from the fixation of a series of musical, spoken, or other sounds, including ringtones.

(2) "Digital audiovisual works" means a series of related images which, when shown in succession, impart an impression of motion, together with accompanying sounds, if any.

(3)(a) "Digital automated service," except as provided in (b) of this subsection (3), means any service transferred electronically that uses one or more software applications.

(b) "Digital automated service" does not include:

(i) ((~~Any service that primarily involves the application of human effort by the seller, and the human effort originated after the customer requested the service;~~

~~(ii)~~)) The loaning or transferring of money or the purchase, sale, or transfer of financial instruments. For purposes of this subsection (3)(b)((~~(ii)~~))(i), "financial instruments" include cash, accounts receivable and payable, loans and notes receivable and payable, debt securities, equity securities, as well as derivative contracts such as forward contracts, swap contracts, and options;

((~~(iii)~~))(ii) Dispensing cash or other physical items from a machine;

((~~(iv)~~))(iii) Payment processing services;

((~~(v)~~))(iv) Parimutuel wagering and handicapping contests as authorized by chapter 67.16 RCW;

((~~(vi)~~))(v) Telecommunications services and ancillary services as those terms are defined in RCW 82.04.065;

((~~(vii)~~))(vi) The internet and internet access as those terms are defined in RCW 82.04.297;

((~~(viii)~~))(vii) The service described in RCW 82.04.050(6)((~~(c)~~))(b);

((~~(ix)~~))(viii) Online educational programs provided by a:

(A) Public or private elementary or secondary school; or

(B) An institution of higher education as defined in sections 1001 or 1002 of the federal higher education act of 1965 (Title 20 U.S.C. Secs. 1001 and 1002), as existing on July 1, 2009. For purposes of this subsection (3)(b)((~~(ix)~~))(viii)(B), an online educational program must be encompassed within the institution's accreditation;

((~~(x)~~))(ix) Live presentations, such as lectures, seminars, workshops, or courses, where participants are connected to other participants via the internet or telecommunications equipment, which allows audience members and the presenter or instructor to give, receive, and discuss information with each other in real time;

((~~(xi)~~))(x) Travel agent services, including online travel services, and automated systems used by travel agents to book reservations;

((~~(xii)~~))(xi)(A) A service that allows the person receiving the service to make online sales of products or services, digital or otherwise, using either: (I) The service provider's website; or (II) the service recipient's website, but only when the service provider's technology is used in creating or hosting the service recipient's website or is used in processing orders from customers using the service recipient's website.

(B) The service described in this subsection (3)(b)((~~(xii)~~))(xi) does not include the underlying sale of the products or services, digital or otherwise, by the person receiving the service;

((~~(xiii)~~))(xii) Advertising services. For purposes of this subsection (3)(b)((~~(xiii)~~))(xii), "advertising services" means all services directly related to the creation, preparation, production, or the dissemination of advertisements. Advertising services include layout, art direction, graphic design, mechanical preparation, production supervision, placement, and rendering advice to a client concerning the best methods of advertising that client's products or services. Advertising services also include online referrals, search engine marketing and lead generation optimization, web campaign planning, the acquisition of advertising space in the internet media, and the monitoring and evaluation of website traffic for purposes of determining the effectiveness of an advertising campaign. Advertising services do not include web hosting services and domain name registration;

(xiii) Telehealth as defined in RCW 18.134.010 or telemedicine as defined in RCW 48.43.735;

(xiv) The mere storage of digital products, digital codes, computer software, or master copies of software. This exclusion from the definition of digital automated services includes providing space on a server for web hosting or the backing up of data or other information;

((~~(xv) Data processing services. For purposes of this subsection (3)(b)(xv), "data processing service" means a primarily automated service provided to a business or other organization where the primary object of the service is the systematic performance of operations by the service provider on data supplied in whole or in part by the customer to extract the required information in an appropriate form or to convert the data to usable information. Data processing services include check processing, image processing, form processing, survey processing, payroll processing, claim processing, and similar activities. Data processing does not include the service described in RCW 82.04.050(6)(c);~~)) and

((~~(xvi)~~))(xv) Digital goods.

(4) "Digital books" means works that are generally recognized in the ordinary and usual sense as books.

(5) "Digital code" means a code that provides a purchaser with the right to obtain one or more digital products, if all of the digital products to be obtained through the use of the code have the same sales and use tax treatment. "Digital code" does not include a code that represents a stored monetary value that is deducted from a total as it is used by the purchaser. "Digital code" also does not include a code that represents a redeemable card, gift card, or gift certificate that entitles the holder to select digital products of an indicated cash value. A digital code may be obtained by any means, including email or by tangible means regardless of its designation as song code, video code, book code, or some other term.

(6)(a) "Digital goods," except as provided in (b) of this subsection (6), means sounds, images, data, facts, or information, or any combination thereof, transferred electronically, including, but not limited to, specified digital products and other products transferred electronically not included within the definition of specified digital products.

(b) The term "digital goods" does not include:

(i) Telecommunications services and ancillary services as those terms are defined in RCW 82.04.065;

(ii) Computer software as defined in RCW 82.04.215;

(iii) The internet and internet access as those terms are defined in RCW 82.04.297;

(iv)(A) Except as provided in (b)(iv)(B) of this subsection (6), the representation of a personal or professional service in electronic form, such as an electronic copy of an engineering report prepared by an engineer, where the service primarily involves the application of human effort by the service provider, and the human effort originated after the customer requested the service.

(B) The exclusion in (b)(iv)(A) of this subsection (6) does not apply to photographers in respect to amounts received for the taking of photographs that are transferred electronically to the customer, but only if the customer is an end user, as defined in RCW 82.04.190(11), of the photographs. Such amounts are considered to be for the sale of digital goods; and

(v) Services and activities excluded from the definition of digital automated services in subsection (3)(b)(i) through ((~~(xv)~~))(xiv) of this section and not otherwise described in (b)(i) through (iv) of this subsection (6).

(7) "Digital products" means digital goods and digital automated services.

(8) "Electronically transferred" or "transferred electronically" means obtained by the purchaser by means other than tangible storage media. It is not necessary that a copy of the product be physically transferred to the purchaser. So long as the purchaser may access the product, it will be considered to have been electronically transferred to the purchaser.

(9) "Specified digital products" means electronically transferred digital audiovisual works, digital audio works, and digital books.

(10) "Subscription radio services" means the sale of audio programming by a radio broadcaster as defined in RCW 82.08.0208,

except as otherwise provided in this subsection. "Subscription radio services" does not include audio programming that is sold on a pay-per-program basis or that allows the buyer to access a library of programs at any time for a specific charge for that service.

(11) "Subscription television services" means the sale of video programming by a television broadcaster as defined in RCW 82.08.0208, except as otherwise provided in this subsection. "Subscription television services" does not include video programming that is sold on a pay-per-program basis or that allows the buyer to access a library of programs at any time for a specific charge for that service, but only if the seller is not subject to a franchise fee in this state under the authority of Title 47 U.S.C. Sec. 542(a) on the gross revenue derived from the sale.

PART III
CONCERNING THE TAXATION OF NICOTINE PRODUCTS

Sec. 301. RCW 82.26.010 and 2020 c 139 s 31 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Actual price" means the total amount of consideration for which tobacco products are sold, valued in money, whether received in money or otherwise, including any charges by the seller necessary to complete the sale such as charges for delivery, freight, transportation, or handling.

(2) "Affiliated" means related in any way by virtue of any form or amount of common ownership, control, operation, or management.

(3) "Board" means the liquor and cannabis board.

(4) "Business" means any trade, occupation, activity, or enterprise engaged in for the purpose of selling or distributing tobacco products in this state.

(5) "Cigar" means a roll for smoking that is of any size or shape and that is made wholly or in part of tobacco, irrespective of whether the tobacco is pure or flavored, adulterated or mixed with any other ingredient, if the roll has a wrapper made wholly or in greater part of tobacco. "Cigar" does not include a cigarette.

(6) "Cigarette" has the same meaning as in RCW 82.24.010.

(7) "Department" means the department of revenue.

(8) "Distributor" means (a) any person engaged in the business of selling tobacco products in this state who brings, or causes to be brought, into this state from without the state any tobacco products for sale, (b) any person who makes, manufactures, fabricates, or stores tobacco products in this state for sale in this state, (c) any person engaged in the business of selling tobacco products without this state who ships or transports tobacco products to retailers in this state, to be sold by those retailers, (d) any person engaged in the business of selling tobacco products in this state who handles for sale any tobacco products that are within this state but upon which tax has not been imposed.

(9) "Indian country" means the same as defined in chapter 82.24 RCW.

(10) "Little cigar" means a cigar that has a cellulose acetate integrated filter.

(11) "Manufacturer" means a person who manufactures and sells tobacco products.

(12) "Manufacturer's representative" means a person hired by a manufacturer to sell or distribute the manufacturer's tobacco products, and includes employees and independent contractors.

(13) "Moist snuff" means tobacco that is finely cut, ground, or powdered; is not for smoking; and is intended to be placed in the oral, but not the nasal, cavity.

(14) "Person" means any individual, receiver, administrator, executor, assignee, trustee in bankruptcy, trust, estate, firm, copartnership, joint venture, club, company, joint stock company, business trust, municipal corporation, the state and its departments and institutions, political subdivision of the state of Washington, corporation, limited liability company, association, society, any group of individuals acting as a unit, whether mutual, cooperative, fraternal, nonprofit, or otherwise. The term excludes any person immune from state taxation, including the United States or its instrumentalities, and federally recognized Indian tribes and enrolled tribal members, conducting business within Indian country.

(15) "Place of business" means any place where tobacco products are sold or where tobacco products are manufactured, stored, or kept for the purpose of sale, including any vessel, vehicle, airplane, train, or vending machine.

(16) "Retail outlet" means each place of business from which tobacco products are sold to consumers.

(17) "Retailer" means any person engaged in the business of selling tobacco products to ultimate consumers.

(18)(a) "Sale" means any transfer, exchange, or barter, in any manner or by any means whatsoever, for a consideration, and includes and means all sales made by any person.

(b) The term "sale" includes a gift by a person engaged in the business of selling tobacco products, for advertising, promoting, or as a means of evading the provisions of this chapter.

(19)(a) "Taxable sales price" means:

(i) In the case of a taxpayer that is not affiliated with the manufacturer, distributor, or other person from whom the taxpayer purchased tobacco products, the actual price for which the taxpayer purchased the tobacco products;

(ii) In the case of a taxpayer that purchases tobacco products from an affiliated manufacturer, affiliated distributor, or other affiliated person, and that sells those tobacco products to unaffiliated distributors, unaffiliated retailers, or ultimate consumers, the actual price for which that taxpayer sells those tobacco products to unaffiliated distributors, unaffiliated retailers, or ultimate consumers;

(iii) In the case of a taxpayer that sells tobacco products only to affiliated distributors or affiliated retailers, the price, determined as nearly as possible according to the actual price, that other distributors sell similar tobacco products of like quality and character to unaffiliated distributors, unaffiliated retailers, or ultimate consumers;

(iv) In the case of a taxpayer that is a manufacturer selling tobacco products directly to ultimate consumers, the actual price for which the taxpayer sells those tobacco products to ultimate consumers;

(v) In the case of a taxpayer that has acquired tobacco products under a sale as defined in subsection (18)(b) of this section, the price, determined as nearly as possible according to the actual price, that the taxpayer or other distributors sell the same tobacco products or similar tobacco products of like quality and character to unaffiliated distributors, unaffiliated retailers, or ultimate consumers; or

(vi) In any case where (a)(i) through (v) of this subsection do not apply, the price, determined as nearly as possible according to the actual price, that the taxpayer or other distributors sell the same tobacco products or similar tobacco products of like quality and character to unaffiliated distributors, unaffiliated retailers, or ultimate consumers.

(b) For purposes of (a)(i) and (ii) of this subsection only, "person" includes both persons as defined in subsection (14) of this section and any person immune from state taxation, including the United States or its instrumentalities, and federally recognized Indian tribes and enrolled tribal members, conducting business within Indian country.

(c) The department may adopt rules regarding the determination of taxable sales price under this subsection.

(20) "Taxpayer" means a person liable for the tax imposed by this chapter.

(21) "Tobacco products" means cigars, cheroots, stogies, periques, granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco, snuff, snuff flour, cavendish, plug and twist tobacco, fine-cut and other chewing tobaccos, shorts, refuse scraps, clippings, cuttings and sweepings of tobacco, and other kinds and forms of tobacco, prepared in such manner as to be suitable for chewing or smoking in a pipe or otherwise, or both for chewing and smoking, and any other product, regardless of form, that contains tobacco or nicotine, whether derived from tobacco or created synthetically, and is intended for human consumption or placement in the oral or nasal cavity or absorption into the human body by any other means, but does not include cigarettes as defined in RCW 82.24.010 or a drug, device, or combination product approved, as of December 31, 2024, for sale by the United States food and drug administration, as those terms are defined in the federal food, drug, and cosmetic act (21 U.S.C. Sec. 301 et seq.) as it exists on the effective date of this section.

(22) "Unaffiliated distributor" means a distributor that is not affiliated with the manufacturer, distributor, or other person from whom the distributor has purchased tobacco products.

(23) "Unaffiliated retailer" means a retailer that is not affiliated with the manufacturer, distributor, or other person from whom the retailer has purchased tobacco products.

PART IV

REQUIRING CERTAIN BUSINESSES TO MAKE A ONE-TIME PREPAYMENT OF STATE SALES TAX COLLECTIONS

Sec. 401. RCW 82.32.045 and 2023 c 374 s 12 are each amended to read as follows:

(1)(a) Except as otherwise provided in this chapter ((~~and~~)), subsection (6) of this section, and (b) of this subsection, payments of the taxes imposed under chapters 82.04, 82.08, 82.12, 82.14, 82.16, and 82.27 RCW, along with reports and returns on forms prescribed by the department, are due monthly within 25 days after the end of the month in which the taxable activities occur.

(b)(i) Monthly filers with $3,000,000 or more taxable retail sales during calendar year 2026 must remit a prepayment on or before June 25, 2027, of the tax imposed under chapter 82.08 RCW equal to 80 percent of the amount of state sales tax collected by the taxpayer during the June 2026 reporting period.

(ii) The tax return and the remaining tax liability are due on or before July 26, 2027. The taxpayer must correct the collection amounts on the regularly filed excise tax return due on or before July 26, 2027.

(2) The department of revenue may relieve any taxpayer or class of taxpayers from the obligation of remitting monthly and may require the return to cover other longer reporting periods, but in no event may returns be filed for a period greater than one year. Except as provided in subsection (3) of this section, for these taxpayers, tax payments are due on or before the last day of the month next succeeding the end of the period covered by the return.

(3) For annual filers, tax payments, along with reports and returns on forms prescribed by the department, are due on or before April 15th of the year immediately following the end of the period covered by the return.

(4) The department of revenue may also require verified annual returns from any taxpayer, setting forth such additional information as it may deem necessary to correctly determine tax liability.

(5) Notwithstanding subsections (1) and (2) of this section, the department may relieve any person of the requirement to file returns if the following conditions are met:

(a) The person's value of products, gross proceeds of sales, or gross income of the business, from all business activities taxable under chapter 82.04 RCW, is less than $125,000 per year;

(b) The person's gross income of the business from all activities taxable under chapter 82.16 RCW is less than $24,000 per year; and

(c) The person is not required to collect or pay to the department of revenue any other tax or fee which the department is authorized to collect.

(6)(a) Taxes imposed under chapter 82.08 or 82.12 RCW on taxable events that occur beginning January 1, 2019, through June 30, 2019, and payable by a consumer directly to the department are due, on returns prescribed by the department, by July 25, 2019.

(b) This subsection (6) does not apply to the reporting and payment of taxes imposed under chapters 82.08 and 82.12 RCW:

(i) On the retail sale or use of motor vehicles, vessels, or aircraft; or

(ii) By consumers who are engaged in business, unless the department has relieved the consumer of the requirement to file returns pursuant to subsection (5) of this section.

Sec. 402. RCW 82.32.050 and 2022 c 282 s 2 and 2022 c 41 s 2 are each reenacted and amended to read as follows:

(1) If upon examination of any returns or from other information obtained by the department it appears that a tax or penalty has been paid less than that properly due, the department shall assess against the taxpayer such additional amount found to be due and shall add thereto interest on the tax only. The department shall notify the taxpayer by mail, or electronically as provided in RCW 82.32.135, of the additional amount and the additional amount shall become due and shall be paid within ((~~thirty~~))30 days from the date of the notice, or within such further time as the department may provide.

(a) For tax liabilities arising before January 1, 1992, interest shall be computed at the rate of nine percent per annum from the last day of the year in which the deficiency is incurred until the earlier of December 31, 1998, or the date of payment. After December 31, 1998, the rate of interest shall be variable and computed as provided in subsection (2) of this section. The rate so computed shall be adjusted on the first day of January of each year for use in computing interest for that calendar year.

(b) For tax liabilities arising after December 31, 1991, the rate of interest shall be variable and computed as provided in subsection (2) of this section from the last day of the year in which the deficiency is incurred until the date of payment. The rate so computed shall be adjusted on the first day of January of each year for use in computing interest for that calendar year.

(c)(i) Except as otherwise provided in this subsection (1)(c), interest imposed after December 31, 1998, shall be computed from the last day of the month following each calendar year included in a notice, and the last day of the month following the final month included in a notice if not the end of a calendar year, until the due date of the notice.

(ii) For interest associated with annual tax reporting periods having a due date as prescribed in RCW 82.32.045(3), interest must be computed from the last day of April immediately following each such annual reporting period included in the notice, until the due date of the notice.

(iii) For purposes of computing interest under (c)(i) and (ii) of this subsection (1):

(A) The same computation of interest applies regardless of whether the department grants additional time for filing any return under RCW 82.32.080(4)(a)(i).

(B) If the department extends a due date under subsection (3) of this section or RCW 82.32.080(4)(b), and payment is not made in full by the extended due date, interest is computed from the last day of the month in which the extended due date occurs until the date of payment.

(iv) If payment in full is not made by the due date of the notice, additional interest shall be computed under this subsection (1)(c) until the date of payment. The rate of interest shall be variable and computed as provided in subsection (2) of this section. The rate so computed shall be adjusted on the first day of January of each year for use in computing interest for that calendar year.

(2) For the purposes of this section, the rate of interest to be charged to the taxpayer shall be an average of the federal short-term rate as defined in 26 U.S.C. Sec. 1274(d) plus two percentage points. The rate set for each new year shall be computed by taking an arithmetical average to the nearest percentage point of the federal short-term rate, compounded annually. That average shall be calculated using the rates from four months: January, April, and July of the calendar year immediately preceding the new year, and October of the previous preceding year.

(3) During a state of emergency declared under RCW 43.06.010(12), the department, on its own motion or at the request of any taxpayer affected by the emergency, may extend the due date of any assessment or correction of an assessment for additional taxes, penalties, or interest as the department deems proper.

(4) No assessment or correction of an assessment for additional taxes, penalties, or interest due may be made by the department more than four years after the close of the tax year, except (a) against a taxpayer who has not registered as required by this chapter, (b) upon a showing of fraud or of misrepresentation of a material fact by the taxpayer, or (c) where a taxpayer has executed a written waiver of such limitation. The execution of a written waiver shall also extend the period for making a refund or credit as provided in RCW 82.32.060(2).

(5)(a) For taxes remitted under RCW 82.32.045(1)(b), a one-time penalty equal to 10 percent of the amount of the tax due and payable applies for:

(i) The failure of the taxpayer to submit the prepayment of state sales tax pursuant to RCW 82.32.045 collected and remitted under chapter 82.08 RCW; or

(ii) A taxpayer submitting a prepayment pursuant to RCW 82.32.045 lower than 80 percent of the amount of sales tax collected during the June 2026 reporting period.

(b) The department may waive the penalty under (a) of this subsection if the taxpayer provides documentation to the department indicating that the taxpayer's June 2027 taxable retail sales are less than 80 percent of the taxpayer's June 2026 taxable retail sales.

(6) For the purposes of this section, the following definitions apply:

(a) "Due date of the notice" means the date indicated in the notice by which the amount due in the notice must be paid, or such later date as provided by RCW 1.12.070(3).

(b) "Return" means any document a person is required by the state of Washington to file to satisfy or establish a tax or fee obligation that is administered or collected by the department and that has a statutorily defined due date. "Return" also means an application for refund under RCW 82.08.0206.

PART V

BUSINESS AND OCCUPATION TAX RATES

NEW SECTION. **Sec. 501.** A new section is added to chapter 82.04 RCW to read as follows:

(1) Upon every person engaging within the state in the business of providing high-technology services, the amount of tax with respect to such activities is equal to the gross income derived from such activities multiplied by a rate of three percent.

(2) For the purposes of this section, "high-technology services" means the following activities:

(a) Information technology technical consulting services including, but not limited to, planning and designing information technology systems, network systems integration design services, and systems integration design and consulting;

(b) Information technology training services, technical support, and other services including, but not limited to, assisting with network operations and support, help desk services, in-person training related to hardware or software, network system support services, data entry services, and data processing services; and

(c) Custom website development services. For the purposes of this subsection (2)(c), "website development services" means the design, development, and support of a website provided by a website developer to a customer.

NEW SECTION. **Sec. 502.** A new section is added to chapter 82.04 RCW to read as follows:

(1) Upon every person engaging within the state in the business of advertising services, the amount of tax with respect to such activities is equal to the gross income derived from such activities multiplied by a rate of three percent.

(2) For the purposes of this section, "advertising services" include, but are not limited to, all digital and nondigital services directly related to the creation, preparation, production, or dissemination of advertisements. "Advertising services" include layout, art direction, graphic design, mechanical preparation, production supervision, placement, and rendering advice to a client concerning the best methods of advertising that client's products or services. "Advertising services" also include online referrals, search engine marketing, and lead generation optimization, web campaign planning, the acquisition of advertising space in the internet media, and the monitoring and evaluation of website traffic for purposes of determining the effectiveness of an advertising campaign. "Advertising services" do not include web hosting services and domain name registration. "Advertising services" also do not include services rendered in respect to printing, publishing, radio, and television.

Sec. 503. RCW 82.04.460 and 2023 c 286 s 5 are each amended to read as follows:

(1) Except as otherwise provided in this section, any person earning apportionable income taxable under this chapter and also taxable in another state must, for the purpose of computing tax liability under this chapter, apportion to this state, in accordance with RCW 82.04.462, that portion of the person's apportionable income derived from business activities performed within this state.

(2) The department must by rule provide a method of apportioning the apportionable income of financial institutions, where such apportionable income is taxable under RCW 82.04.290. The rule adopted by the department must, to the extent feasible, be consistent with the multistate tax commission's recommended formula for the apportionment and allocation of net income of financial institutions as existing on June 1, 2010, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this section, except that:

(a) The department's rule must provide for a single factor apportionment method based on the receipts factor; and

(b) The definition of "financial institution" contained in appendix A to the multistate tax commission's recommended formula for the apportionment and allocation of net income of financial institutions is advisory only.

(3) The department may by rule provide a method or methods of apportioning or allocating gross income derived from sales of telecommunications service and competitive telephone service taxed under this chapter, if the gross proceeds of sales subject to tax under this chapter do not fairly represent the extent of the taxpayer's income attributable to this state. The rule must provide for an equitable and constitutionally permissible division of the tax base.

(4) For purposes of this section, the following definitions apply unless the context clearly requires otherwise:

(a) "Apportionable income" means gross income of the business generated from engaging in apportionable activities, including income received from apportionable activities performed outside this state if the income would be taxable under this

chapter if received from activities in this state, less the exemptions and deductions allowable under this chapter. For purposes of this subsection, "apportionable activities" means only those activities taxed under:

(i) RCW 82.04.255;

(ii) RCW 82.04.260 (3), (5), (6), (7), (8), (9), (10), and (13);

(iii) RCW 82.04.280(1)(e);

(iv) RCW 82.04.285;

(v) RCW 82.04.286;

(vi) RCW 82.04.290;

(vii) RCW 82.04.2907;

(viii) RCW 82.04.2908;

(ix) RCW 82.04.263, but only to the extent of any activity that would be taxable under any of the provisions enumerated under (a)(i) through (viii) of this subsection (4) if the tax classification in RCW 82.04.263 did not exist; ((~~and~~))

(x) RCW 82.04.280(1)(a) or exempted under RCW 82.04.759, but only with respect to advertising;

(xi) Section 501 of this act; and

(xii) Section 502 of this act.

(b)(i) "Taxable in another state" means that the taxpayer is subject to a business activities tax by another state on its income received from engaging in apportionable activities; or the taxpayer is not subject to a business activities tax by another state on its income received from engaging in apportionable activities, but any other state has jurisdiction to subject the taxpayer to a business activities tax on such income under the substantial nexus standards in RCW 82.04.067(1).

(ii) For purposes of this subsection (4)(b), "business activities tax" and "state" have the same meaning as in RCW 82.04.462.

Sec. 504. RCW 82.04.460 and 2014 c 97 s 304 are each amended to read as follows:

(1) Except as otherwise provided in this section, any person earning apportionable income taxable under this chapter and also taxable in another state must, for the purpose of computing tax liability under this chapter, apportion to this state, in accordance with RCW 82.04.462, that portion of the person's apportionable income derived from business activities performed within this state.

(2) The department must by rule provide a method of apportioning the apportionable income of financial institutions, where such apportionable income is taxable under RCW 82.04.290. The rule adopted by the department must, to the extent feasible, be consistent with the multistate tax commission's recommended formula for the apportionment and allocation of net income of financial institutions as existing on June 1, 2010, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this section, except that:

(a) The department's rule must provide for a single factor apportionment method based on the receipts factor; and

(b) The definition of "financial institution" contained in appendix A to the multistate tax commission's recommended formula for the apportionment and allocation of net income of financial institutions is advisory only.

(3) The department may by rule provide a method or methods of apportioning or allocating gross income derived from sales of telecommunications service and competitive telephone service taxed under this chapter, if the gross proceeds of sales subject to tax under this chapter do not fairly represent the extent of the taxpayer's income attributable to this state. The rule must provide for an equitable and constitutionally permissible division of the tax base.

(4) For purposes of this section, the following definitions apply unless the context clearly requires otherwise:

(a) "Apportionable income" means gross income of the business generated from engaging in apportionable activities, including income received from apportionable activities performed outside this state if the income would be taxable under this chapter if received from activities in this state, less the exemptions and deductions allowable under this chapter. For purposes of this subsection, "apportionable activities" means only those activities taxed under:

(i) RCW 82.04.255;

(ii) RCW 82.04.260 (3), (5), (6), (7), (8), (9), (10), and (13);

(iii) RCW 82.04.280(1)(e);

(iv) RCW 82.04.285;

(v) RCW 82.04.286;

(vi) RCW 82.04.290;

(vii) RCW 82.04.2907;

(viii) RCW 82.04.2908;

(ix) RCW 82.04.263, but only to the extent of any activity that would be taxable under any of the provisions enumerated under (a)(i) through (viii) of this subsection (4) if the tax classification in RCW 82.04.263 did not exist; ((~~and~~))

(x) RCW 82.04.260(14) and 82.04.280(1)(a), but only with respect to advertising;

(xi) Section 501 of this act; and

(xii) Section 502 of this act.

(b)(i) "Taxable in another state" means that the taxpayer is subject to a business activities tax by another state on its income received from engaging in apportionable activities; or the taxpayer is not subject to a business activities tax by another state on its income received from engaging in apportionable activities, but any other state has jurisdiction to subject the taxpayer to a business activities tax on such income under the substantial nexus standards in RCW 82.04.067(1).

(ii) For purposes of this subsection (4)(b), "business activities tax" and "state" have the same meaning as in RCW 82.04.462.

PART VI
MISCELLANEOUS

NEW SECTION. **Sec. 601.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec. 602.** This act is necessary for the support of the state government and its existing public institutions.

NEW SECTION. **Sec. 603.** Sections 101 and 201 of this act take effect October 1, 2025.

NEW SECTION. **Sec. 604.** Section 301 of this act takes effect January 1, 2026.

NEW SECTION. **Sec. 605.** Sections 501 through 503 of this act take effect January 1, 2026.

NEW SECTION. **Sec. 606.** Section 504 of this act takes effect January 1, 2034.

NEW SECTION. **Sec. 607.** Section 503 of this act expires January 1, 2034."

Correct the title.

Signed by Representatives Berg, Chair; Street, Vice Chair; Mena; Parshley; Ramel; Santos; Scott and Walen.

MINORITY recommendation: Do not pass. Signed by Representatives Orcutt, Ranking Minority Member; Jacobsen, Assistant Ranking Minority Member; Abell; Chase; Penner; and Springer.

MINORITY recommendation: Without recommendation. Signed by Representative Wylie.

Referred to Committee on Rules for second reading

There being no objection, the bills listed on the day's committee reports under the fifth order of business were referred to the committees so designated.

There being no objection, the House advanced to the seventh order of business.

THIRD READING

MESSAGE FROM THE SENATE

Thursday, April 10, 2025

Mme. Speaker:

The Senate has passed ENGROSSED HOUSE BILL NO. 1217, with the following amendment(s): 1217.E AMS ENGR S2802.E; 1217.E AMS SHEW S3013.1; 1217.E AMS BRAU S2838.1

Strike everything after the enacting clause and insert the following:

"PART I
RESIDENTIAL LANDLORD-TENANT ACT

NEW SECTION. **Sec. 101.** A new section is added to chapter 59.18 RCW to read as follows:

(1)(a) Except as authorized by an exemption under section 102 of this act, a landlord may not increase the rent for any type of tenancy, regardless of whether the tenancy is month-to-month or for a term greater or lesser than month-to-month:

(i) During the first 12 months after the tenancy begins; and

(ii) During any 12-month period of the tenancy, in an amount greater than seven percent.

(b) This subsection (1) does not prohibit a landlord from adjusting the rent by any amount after a tenant vacates the dwelling unit and the tenancy ends.

(2) If a landlord increases the rent above the amount allowed in subsection (1) of this section as authorized by an exemption under section 102 of this act, the landlord must include facts supporting any claimed exemptions in the written notice of the rent increase. Notice must comply with this section, section 103 of this act, RCW 59.18.140, and be served in accordance with RCW 59.12.040.

(3) If a landlord increases rent above the amount allowed in subsection (1) of this section and the increase is not authorized by an exemption under section 102 of this act, the tenant must offer the landlord an opportunity to cure the unauthorized increase by providing the landlord with a written demand to reduce the increase to an amount that complies with the limit created in this section. In addition to any other remedies or relief available under this chapter or other law, the tenant may terminate the rental agreement at any time prior to the effective date of the increase by providing the landlord with written notice at least 20 days before terminating the rental agreement. If a tenant terminates a rental agreement under this subsection, the tenant owes rent for the full month in which the tenant vacates the dwelling unit. A landlord may not charge a tenant any fines or fees for terminating a rental agreement under this subsection.

(4)(a) Except as provided in (b) of this subsection, a landlord may not include terms of payment or other material conditions in a rental agreement that are more burdensome to a tenant for a month-to-month rental agreement than for a rental agreement where the term is greater or lesser than month-to-month, or vice versa.

(b) A landlord must provide parity between lease types with respect to the amount of rent charged for a specific dwelling unit. For the purposes of this subsection, "parity between lease types" means that, for leases or rental agreements that a landlord offers for a specific dwelling unit, the landlord may not charge a tenant more than a five percent difference in rent depending on the type of lease or rental agreement offered, regardless of whether the type of lease or rental agreement offered is on a month-to-month or other periodic basis or for a specified period. This five percent difference may not cause the rent charged for a specific dwelling unit to exceed the rent increase limit in subsection (1) of this section.

(5)(a) A tenant or the attorney general may bring an action in a court of competent jurisdiction to enforce compliance with this section or section 102 of this act, section 103 of this act, or RCW 59.18.140. If the court finds that a landlord violated any of the laws listed in this subsection, the court shall award the following damages to

the tenant and attorneys' fees and costs to the tenant who brings the action or the attorney general:

(i) Damages in the amount of any excess rent, fees, or other costs paid by the tenant;

(ii) Damages in an amount of up to three months of any unlawful rent, fees, or other costs charged by the landlord; and

(iii) Reasonable attorneys' fees and costs incurred in bringing the action.

(b) The attorney general may bring an action under this subsection notwithstanding whether the tenant has offered the landlord an opportunity to cure, and may recover civil penalties of not more than $7,500 for each violation in addition to other remedies provided by this subsection. The attorney general may issue written civil investigative demands for pertinent documents, answers to written interrogatories, or oral testimony as required to investigate or bring an action under this subsection.

(6) The remedies provided by this section are in addition to any other remedies provided by law.

(7) A landlord may not report the tenant to a tenant screening service provider for failure to pay the portion of the tenant's rent that was unlawfully increased in violation of this section.

(8) This section expires July 1, 2040.

NEW SECTION. **Sec. 102.** A new section is added to chapter 59.18 RCW to read as follows:

(1) A landlord may increase rent in an amount greater than allowed under section 101 of this act only as authorized by the exemptions described in this section. Rent increases are not limited by section 101 of this act for any of the following types of tenancies:

(a) A tenancy in a dwelling unit for which the first certificate of occupancy was issued 15 or less years before the date of the notice of the rent increase.

(b) A tenancy in a dwelling unit owned by a:

(i) Public housing authority;

(ii) Public development authority;

(iii) Nonprofit organization, where maximum rents are regulated by other laws or local, state, or federal affordable housing program requirements; or

(iv) Nonprofit entity, as defined in RCW 84.36.560, where a nonprofit organization, housing authority, or public development authority has the majority decision-making power on behalf of the general partner, and where maximum rents are regulated by other laws or local, state, or federal affordable housing program requirements.

(c) A tenancy in a qualified low-income housing development as defined in RCW 82.45.010, where the property is owned by any of the organizations described in (b)(i) through (iv) of this subsection.

(d) A tenancy in a qualified low-income housing development which was allocated federal low-income housing tax credits authorized under 26 U.S.C. Sec. 42 or successor statute, by the Washington state housing finance commission or successor state-authorized tax credit allocating agency, so long as there is an enforceable regulatory agreement with the Washington state housing finance commission under the low-income housing tax credit program.

(e) A tenancy in a dwelling unit in which the tenant shares a bathroom or kitchen facility with the owner who maintains a principal residence at the residential real property.

(f) A tenancy in a single-family owner-occupied residence, including a residence in which the owner-occupant rents or leases no more than two units or bedrooms including, but not limited to, an attached or detached accessory dwelling unit.

(g) A tenancy in a duplex, triplex, or fourplex in which the owner occupied one of the units as the owner's principal place of residence at the beginning of the tenancy, so long as the owner continues the occupancy.

(h)(i) A tenancy in a single-family residential property that is alienable separate from the title to any other dwelling unit and the tenants have been provided written notice that the residential real property is exempt from this section using the following statement:

"This property is not subject to the rent limits imposed by section 101 of this act. This property meets the requirements of subsection (2) of this section and the owner is not any of the following: A real estate investment trust, as defined by section 856 of the internal revenue code; a corporation; or a limited liability company in which at least one member is a corporation."

(ii)(A) For purposes of this section, "single-family residential property" means a residential structure that is:

(I) A fully detached or semidetached building, which may include one or more accessory dwelling units located within or attached to the building; or

(II) A row home or townhome that is separated from any adjacent unit by a ground-to-roof wall, does not share heating or air conditioning systems or utilities, and does not have units located above or below.

(B) "Single-family residential property" does not include:

(I) "Apartments" as defined in RCW 64.32.010; or

(II) "Commercial real estate" as defined in RCW 60.42.005.

(2) Subsection (1)(d) through (h) of this section only apply where the owner is not any of the following:

(a) A real estate investment trust, as defined in section 856 of the internal revenue code;

(b) A corporation; or

(c) A limited liability company in which at least one member is a corporation.

(3) This section expires July 1, 2040.

NEW SECTION. **Sec. 103.** A new section is added to chapter 59.18 RCW to read as follows:

(1) A landlord must provide a tenant with notice of rent increases in substantially the following form. Notice under this section must comply with the requirements in

RCW 59.18.140 and be served in accordance with RCW 59.12.040.

(2) The notice of rent increase requirement in this section does not apply if the rental agreement governs a subsidized tenancy where the amount of rent is based on, in whole or in part, a percentage of the income of the tenant or other circumstances specific to the subsidized household. However, for purposes of this section, a subsidized tenancy does not include tenancies where some or all of the rent paid to the landlord comes from a portable tenant-based voucher or similar portable assistance administered through a housing authority or other state or local agency, or tenancies in other types of affordable housing where maximum unit rents are limited by area median income levels and a tenant's base rent does not change as the tenant's income does.

"TO TENANT(S): (tenant name(s))

AT ADDRESS: (tenant address)

RENT AND FEE INCREASE NOTICE TO TENANTS

This notice is required by Washington state law to inform you of your rights regarding rent and fee increases. Your rent or rental amount includes all recurring and periodic charges, sometimes referred to as rent and fees, identified in your rental agreement for the use and occupancy of your rental unit. Washington state limits how much your landlord can raise your rent and any other recurring or periodic charges for the use and occupancy of your rental unit.

(1) Your landlord can raise your rent and any other recurring or periodic charges identified in the rental agreement for use and occupancy of your rental unit once every 12 months by up to seven percent, as allowed by section 101 of this act. Your landlord is not required to raise the rent or other recurring or periodic charges by any amount.

(2) Your landlord may be exempt from the seven percent limit on increases for rent and other recurring or periodic charges for the reasons described in section 102 of this act. If your landlord claims an exemption, your landlord is required to include supporting facts with this notice.

(3) Your landlord must properly and fully complete the form below to notify you of any increases in rent and other recurring or periodic charges and any exemptions claimed.

Your landlord (name) intends to (check one of the following):

__ Raise your rent and/or other recurring or periodic charges: Your total increase for rent and other recurring or periodic charges effective (date) will be (percent), which totals an additional $(dollar amount) per month, for a new total amount of $(dollar amount) per month for rent and other recurring or periodic charges.

This increase for rent and/or other recurring or periodic charges is allowed by state law and is (check one of the following):

__ A lower increase than the maximum allowed by state law.

__ The maximum increase allowed by state law.

__ Authorized by an exemption under section 102 of this act. If the increase is authorized by an exemption, your landlord must fill out the section of the form below.

EXEMPTIONS CLAIMED BY LANDLORD

I (landlord name) certify that I am allowed under Washington state law to raise your rent and other recurring or periodic charges by (percent), which is more than the maximum increase otherwise allowed by state law, because I am claiming the following exemption under section 102 of this act (check one of the following):

__ The first certificate of occupancy for your dwelling unit was issued on (insert date), which is 15 or less years before the date of this increase notice for rent and other recurring or periodic charges. (The landlord must include facts or attach documents supporting the exemption.)

__ You live in a dwelling unit owned by a public housing authority, public development authority, or nonprofit organization where maximum rents are regulated by other laws or local, state, or federal affordable housing program requirements, or a qualified low-income housing development as defined in RCW 82.45.010, where the property is owned by a public housing authority, public development authority, or nonprofit organization. (The landlord must include facts or attach documents supporting the exemption.)

__ You live in a dwelling unit in which you share a bathroom or kitchen facility with the owner, and the owner maintains a principal residence at the residential real property. (The landlord must include facts or attach documents supporting the exemption.)

__ You live in a single-family owner-occupied residence in which the owner-occupant rents or leases no more than two units or bedrooms including, but not limited to, an attached or detached accessory dwelling unit. (The landlord must include facts or attach documents supporting the exemption.)

__ You live in a duplex, triplex, or fourplex in which the owner occupied one of the units as the owner's principal place of residence at the beginning of the tenancy, and the owner continues in occupancy. (The landlord must include facts or attach documents supporting the exemption.)"

(3) This section expires July 1, 2040.

Sec. 104. RCW 59.18.140 and 2019 c 105 s 1 are each amended to read as follows:

(1) The tenant shall conform to all reasonable obligations or restrictions, whether denominated by the landlord as rules, rental agreement, rent, or otherwise, concerning the use, occupation, and maintenance of his or her dwelling unit, appurtenances thereto, and the property of which the dwelling unit is a part if such obligations and restrictions are not in violation of any of the terms of this chapter and are not otherwise contrary to law, and if such obligations and restrictions are brought to the attention of the tenant at the time of his or her initial occupancy of the dwelling unit and thus become part of the rental agreement.

(2) Except for termination of tenancy and an increase in the amount of rent, after ((~~thirty~~))30 days written notice to each affected tenant, a new rule of tenancy may become effective upon completion of the term

of the rental agreement or sooner upon mutual consent.

(3)(a) Except as provided in (b) and (c) of this subsection, a landlord shall provide a minimum of ((~~sixty~~))90 days' prior written notice of an increase in the amount of rent to each affected tenant, and any increase in the amount of rent may not become effective prior to the completion of the term of the rental agreement.

(b) If the rental agreement governs a subsidized tenancy where the amount of rent is based on the income of the tenant or circumstances specific to the subsidized household, a landlord shall provide a minimum of ((~~thirty~~))30 days' prior written notice of an increase in the amount of rent to each affected tenant. An increase in the amount of rent may become effective upon completion of the term of the rental agreement or sooner upon mutual consent.

(c) For a tenant whose lease or rental agreement was entered into or renewed before the effective date of this section and whose tenancy is for a specified time, if the lease or rental agreement has more than 60 days but less than 90 days left before the end of the specified time as of the effective date of this section, the landlord must provide written notice to the affected tenant a minimum of 60 days before the effective date of an increase in the amount of rent.

PART II
MANUFACTURED/MOBILE HOME LANDLORD-TENANT ACT

NEW SECTION. **Sec. 201.** A new section is added to chapter 59.20 RCW to read as follows:

(1) Except as authorized by an exemption under section 202 of this act and as provided in RCW 59.20.060(2)(c), a landlord may not increase the rent for any type of tenancy, regardless of whether the tenancy is month-to-month or for a term greater than month-to-month:

(a) During the first 12 months after the tenancy begins; and

(b) During any 12-month period of the tenancy, in an amount greater than five percent.

(2) If a landlord increases the rent above the amount allowed in subsection (1) of this section as authorized by an exemption under section 202 of this act, the landlord must include facts supporting any claimed exemptions in the written notice of the rent increase. Notice must comply with this section, section 203 of this act, RCW 59.20.090(2), and be served in accordance with RCW 59.12.040.

(3) If a landlord increases rent above the amount allowed in subsection (1) of this section and the increase is not authorized by an exemption under section 202 of this act, the tenant must offer the landlord an opportunity to cure the unauthorized increase by providing the landlord with a written demand to reduce the increase to an amount that complies with the limit created in this section. In addition to any other remedies or relief available under this chapter or other law, the tenant may terminate the rental agreement at any time prior to the effective date of the increase by providing the landlord with written notice at least 30 days before terminating the rental agreement. If a tenant terminates a rental agreement under this subsection, the tenant owes rent for the full month in which the tenant vacates the manufactured/mobile home lot. A landlord may not charge a tenant any fines or fees for terminating a rental agreement under this subsection.

(4) A tenant or the attorney general may bring an action in a court of competent jurisdiction to enforce compliance with this section or section 202 of this act, section 203 of this act, RCW 59.20.060, or 59.20.170. If the court finds that a landlord violated any of the laws listed in this subsection, the court shall award the following damages and attorneys' fees and costs to the tenant:

(a) Damages in the amount of any excess rent, fees, or other costs paid by the tenant;

(b) Damages in an amount of up to three months of any unlawful rent, fees, or other costs charged by the landlord; and

(c) Reasonable attorneys' fees and costs incurred in bringing the action.

(5) The remedies provided by this section are in addition to any other remedies provided by law.

(6) A landlord may not report a tenant to a tenant screening service provider for failure to pay the portion of the tenant's rent that was unlawfully increased in violation of this section.

NEW SECTION. **Sec. 202.** A new section is added to chapter 59.20 RCW to read as follows:

A landlord may increase rent in an amount greater than allowed under section 201 of this act only as authorized by the exemptions described in this section or as provided in RCW 59.20.060(2)(c).

(1) Rent increases are not limited by section 201 of this act for any of the following types of tenancies:

(a) A tenancy in a manufactured/mobile home lot owned by a:

(i) Public housing authority;

(ii) Public development authority; or

(iii) Nonprofit organization, where maximum rents are regulated by other laws or local, state, or federal affordable housing program requirements; or

(b) A tenancy in a qualified low-income housing development as defined in RCW 82.45.010, where the property is owned by any of the organizations described in (a)(i) through (iii) of this subsection.

(2) During the first 12 months after the qualified sale of a manufactured/mobile home community to an eligible organization as defined in RCW 59.20.030 whose mission aligns with the long-term preservation and affordability of the manufactured/mobile home community, the eligible organization may increase the rent for the manufactured/mobile home community in an amount greater than allowed under section 201 of this act as needed to cover the cost of purchasing the manufactured/mobile home community if the increase is approved by vote or agreement with the majority of the

manufactured/mobile home owners in the manufactured/mobile home community.

(3) If a rental agreement is transferred under RCW 59.20.073 due to a former tenant's sale of a manufactured/mobile home, the landlord has the option to make a one-time increase in an amount not limited by section 201 of this act to the rent for the manufactured/mobile home lot at the time of the first renewal of the rental agreement after the transfer. A landlord must provide the manufactured/mobile home buyer with notice of this one-time increase option prior to the final transfer of the rental agreement to the buyer. If a landlord exercises this one-time increase option, evidence that the proper notice was provided to the buyer prior to the final transfer of the rental agreement must be included along with the notice required under section 203 of this act.

NEW SECTION. **Sec. 203.** A new section is added to chapter 59.20 RCW to read as follows:

(1) A landlord must provide a tenant with notice of rent increases in substantially the following form. Notice under this section must comply with the requirements in RCW 59.20.090(2) and be served in accordance with RCW 59.12.040.

(2) The notice of rent increase requirement in this section does not apply if the rental agreement governs a subsidized tenancy where the amount of rent is based on, in whole or in part, a percentage of the income of the tenant or other circumstances specific to the subsidized household. However, for purposes of this section, a subsidized tenancy does not include tenancies where some or all of the rent paid to the landlord comes from a portable tenant-based voucher or similar portable assistance administered through a housing authority or other state or local agency, or tenancies in other types of affordable housing where maximum unit rents are limited by area median income levels and a tenant's base rent does not change as the tenant's income does.

"TO TENANTS: (tenant name(s))

AT ADDRESS: (tenant address)

RENT AND FEE INCREASE NOTICE TO TENANTS

This notice is required by Washington state law to inform you of your rights regarding rent and fee increases. Your rent or rental amount includes all recurring and periodic charges, sometimes referred to as rent and fees, identified in your rental agreement for the use and occupancy of your manufactured/mobile home lot. Washington state limits how much your landlord can raise your rent and any other recurring or periodic charges for the use and occupancy of your manufactured/mobile home lot.

(1) Your landlord can raise your rent and other recurring or periodic charges once every 12 months by up to five percent, as allowed by section 201 of this act. Your landlord is not required to raise the rent or other recurring or periodic charges by any amount.

(2) Your landlord may be exempt from the five percent limit on increases for rent and other recurring or periodic charges for the reasons described in section 202 of this act. If your landlord claims an exemption, your landlord is required to include supporting facts with this notice.

(3) Your landlord must properly and fully complete the form below to notify you of any increases in rent and other recurring or periodic charges and any exemptions claimed.

Your landlord (name) intends to (check one of the following):

__ Raise your rent and/or other recurring and periodic charges: Your total increase in rent and other recurring or periodic charges effective (date) will be (percent), which totals an additional $(dollar amount) per month, for a new total amount of $(dollar amount) per month for rent and other recurring or periodic charges.

This increase in rent and/or other recurring and periodic charges is allowed by state law and is (check one of the following):

__ A lower increase than the maximum allowed by state law.

__ The maximum increase allowed by state law.

__ Authorized by an exemption under section 202 of this act. If the increase is authorized by an exemption, your landlord must fill out the section of the form below.

EXEMPTIONS CLAIMED BY LANDLORD

I (landlord name) certify that I am allowed under Washington state law to raise your rent and other recurring or periodic charges by (percent), which is more than the maximum increase otherwise allowed by state law, because I am claiming the following exemption under section 202 of this act (check one of the following):

__ You live on a manufactured/mobile home lot owned by a public housing authority, public development authority, or nonprofit organization where maximum rents are regulated by other laws or local, state, or federal affordable housing program requirements, or a qualified low-income housing development as defined in RCW 82.45.010, where the property is owned by a public housing authority, public development authority, or nonprofit organization. (The landlord must include facts or attach documents supporting the exemption.)

__ You live in a manufactured/mobile home community that was purchased during the past 12 months by an eligible organization as defined in RCW 59.20.030 whose mission aligns with the long-term preservation and affordability of your manufactured/mobile home community, so the eligible organization may increase the rent and other recurring or periodic charges for your manufactured/mobile home community in an amount greater than allowed under section 201 of this act as needed to cover the cost of purchasing your manufactured/mobile home community if the increase is approved by vote or agreement with the majority of the manufactured/mobile home owners in your manufactured/mobile home community. (The landlord must include facts or attach documents supporting the exemption.)

__ Your manufactured/mobile home lot rental agreement is up for first renewal after it was transferred to you under RCW 59.20.073, so your landlord is allowed to make a one-time increase of no more than 10

percent to your rent and other recurring or periodic charges. In order to exercise this one-time increase option, the landlord must have provided you with notice of this option prior to the final transfer of the rental agreement to you. (The landlord must include facts or attach documents supporting the exemption, including evidence that proper notice of this one-time increase option was provided to you prior to the final transfer of the rental agreement.)"

Sec. 204. RCW 59.20.170 and 2004 c 136 s 2 are each amended to read as follows:

(1) For leases or rental agreements entered into on or after the effective date of this section, if a landlord charges a tenant any move-in fees or security deposits, the move-in fees and security deposits combined may not exceed one month's rent, unless the tenant brings any pets into the tenancy, in which case the move-in fees and security deposits combined may not exceed two months' rent. This subsection (1) does not apply to leases or rental agreements entered into before the effective date of this section even if such leases or rental agreements are renewed on or after the effective date of this section.

(2) All moneys paid to the landlord by the tenant as a deposit as security for performance of the tenant's obligations in a rental agreement shall promptly be deposited by the landlord in a trust account, maintained by the landlord for the purpose of holding such security deposits for tenants of the landlord, in a financial institution as defined by RCW ((~~30.22.041~~))30A.22.041 or licensed escrow agent located in Washington. ((~~Except as provided in subsection (2) of this section, unless~~))Unless otherwise agreed in writing, the landlord shall be entitled to receipt of interest paid on such trust account deposits. The landlord shall provide the tenant with a written receipt for the deposit and shall provide written notice of the name and address and location of the depository and any subsequent change thereof. If during a tenancy the status of landlord is transferred to another, any sums in the deposit trust account affected by such transfer shall simultaneously be transferred to an equivalent trust account of the successor landlord, and the successor landlord shall promptly notify the tenant of the transfer and of the name, address and location of the new depository. The tenant's claim to any moneys paid under this section shall be prior to that of any creditor of the landlord, including a trustee in bankruptcy or receiver, even if such moneys are commingled.

((~~(2) All moneys paid, in excess of two months' rent on the mobile home lot, to the landlord by the tenant as a deposit as security for performance of the tenant's obligations in a rental agreement shall be deposited into an interest-bearing trust account for the particular tenant. The interest accruing on the deposit in the account, minus fees charged to administer the account, shall be paid to the tenant on an annual basis. All other provisions of subsection (1) of this section shall apply to deposits under this subsection.~~))

Sec. 205. RCW 59.20.060 and 2023 c 40 s 3 are each amended to read as follows:

(1) Any mobile home space tenancy regardless of the term, shall be based upon a written rental agreement, signed by the parties, which shall contain:

(a) The terms for the payment of rent, including time and place, and any additional charges to be paid by the tenant. Additional charges that occur less frequently than monthly shall be itemized in a billing to the tenant;

(b) Reasonable rules for guest parking which shall be clearly stated;

(c) The rules and regulations of the park;

(d) The name and address of the person who is the landlord, and if such person does not reside in the state there shall also be designated by name and address a person who resides in the county where the mobile home park is located who is authorized to act as agent for the purposes of service of notices and process. If no designation is made of a person to act as agent, then the person to whom rental payments are to be made shall be considered the agent;

(e) The name and address of any party who has a secured interest in the mobile home, manufactured home, or park model;

(f) A forwarding address of the tenant or the name and address of a person who would likely know the whereabouts of the tenant in the event of an emergency or an abandonment of the mobile home, manufactured home, or park model;

(g) A statement that: "The park may be sold or otherwise transferred at any time with the result that subsequent owners may close the mobile home park, or that the landlord may close the park at any time after the required closure notice as provided in RCW 59.20.080." The statement required by this subsection must: (i) Appear in print that is in boldface and is larger than the other text of the rental agreement; (ii) be set off by means of a box, blank space, or comparable visual device; and (iii) be located directly above the tenant's signature on the rental agreement;

(h) A copy of a closure notice, as required in RCW 59.20.080, if such notice is in effect;

(i) The terms and conditions under which any deposit or portion thereof may be withheld by the landlord upon termination of the rental agreement if any moneys are paid to the landlord by the tenant as a deposit or as security for performance of the tenant's obligations in a rental agreement;

(j) A listing of the utilities, services, and facilities which will be available to the tenant during the tenancy and the nature of the fees, if any, to be charged together with a statement that, in the event any utilities are changed to be charged independent of the rent during the term of the rental agreement, the landlord agrees to decrease the amount of the rent charged proportionately;

(k) A written description, picture, plan, or map of the boundaries of a mobile home

space sufficient to inform the tenant of the exact location of the tenant's space in relation to other tenants' spaces;

(l) A written description, picture, plan, or map of the location of the tenant's responsibility for utility hook-ups, consistent with RCW 59.20.130(6);

(m) A statement of the current zoning of the land on which the mobile home park is located;

(n) A statement of the expiration date of any conditional use, temporary use, or other land use permit subject to a fixed expiration date that is necessary for the continued use of the land as a mobile home park; and

(o) A written statement containing accurate historical information regarding the past five years' rental amount charged for the lot or space.

(2) Any rental agreement executed between the landlord and tenant shall not contain any provision:

(a) Which allows the landlord to charge a fee for guest parking unless a violation of the rules for guest parking occurs: PROVIDED, That a fee may be charged for guest parking which covers an extended period of time as defined in the rental agreement;

(b) Which authorizes the towing or impounding of a vehicle except upon notice to the owner thereof or the tenant whose guest is the owner of the vehicle;

(c) Which allows the landlord to alter the due date for rent payment or increase the rent: (i) During the term of the rental agreement if the term is less than two years, or (ii) more frequently than annually if the initial term is for two years or more: PROVIDED, That a rental agreement may include an escalation clause for a pro rata share of any increase in the mobile home park's real property taxes or utility assessments or charges, over the base taxes or utility assessments or charges of the year in which the rental agreement took effect, if the clause also provides for a pro rata reduction in rent or other charges in the event of a reduction in real property taxes or utility assessments or charges, below the base year: PROVIDED FURTHER, That a rental agreement for a term exceeding two years may provide for annual increases in rent in specified amounts or by a formula specified in such agreement. Any rent increase authorized under this subsection (2)(c) that occurs within the closure notice period pursuant to RCW 59.20.080(1)(e) may not be more than one percentage point above the United States consumer price index for all urban consumers, housing component, published by the United States bureau of labor statistics in the periodical "Monthly Labor Review and Handbook of Labor Statistics" as established annually by the department of commerce;

(d) By which the tenant agrees to waive or forego rights or remedies under this chapter;

(e) Allowing the landlord to charge an "entrance fee" or an "exit fee." However, an entrance fee may be charged as part of a continuing care contract as defined in RCW 70.38.025;

(f) Which allows the landlord to charge a fee for guests: PROVIDED, That a landlord may establish rules charging for guests who remain on the premises for more than 15 days in any 60-day period;

(g) By which the tenant agrees to waive or forego homestead rights provided by chapter 6.13 RCW. This subsection shall not prohibit such waiver after a default in rent so long as such waiver is in writing signed by the husband and wife or by an unmarried claimant and in consideration of the landlord's agreement not to terminate the tenancy for a period of time specified in the waiver if the landlord would be otherwise entitled to terminate the tenancy under this chapter;

(h) By which, at the time the rental agreement is entered into, the landlord and tenant agree to the selection of a particular arbitrator; ((~~or~~))

(i) By which the tenant agrees to make rent payments through electronic means only; or

(j) Allowing the landlord to charge a late fee for rent that is paid within five days following its due date for leases or rental agreements entered into or renewed on or after the effective date of this section. If rent is more than five days past due, the landlord may charge late fees commencing from the first day after the due date until paid. During the first month that rent is past due, late fees may not exceed two percent of the tenant's total rent per month. During the second consecutive month that rent is past due, late fees may not exceed three percent of the tenant's total rent per month. During the third consecutive month and all subsequent consecutive months that rent is past due, late fees may not exceed five percent of the tenant's total rent per month. Nothing in this subsection prohibits a landlord from serving a notice to pay or vacate at any time after the rent becomes due.

(3) Any provision prohibited under this section that is included in a rental agreement is unenforceable.

Sec. 206. RCW 59.20.030 and 2024 c 325 s 1 are each amended to read as follows:

For purposes of this chapter:

(1) "Abandoned" as it relates to a mobile home, manufactured home, or park model owned by a tenant in a mobile home park, mobile home park cooperative, or mobile home park subdivision or tenancy in a mobile home lot means the tenant has defaulted in rent and by absence and by words or actions reasonably indicates the intention not to continue tenancy;

(2) "Active duty" means service authorized by the president of the United States, the secretary of defense, or the governor for a period of more than 30 consecutive days;

(3) "Community land trust" means a private, nonprofit, community-governed, and/or membership corporation whose mission is to acquire, hold, develop, lease, and steward land for making homes, farmland, gardens, businesses, and other community assets permanently affordable for current and future generations. A community land

trust's bylaws prescribe that the governing board is comprised of individuals who reside in the community land trust's service area, one-third of whom are currently, or could be, community land trust leaseholders;

(4) "Eligible organization" includes community land trusts, resident nonprofit cooperatives, local governments, local housing authorities, nonprofit community or neighborhood-based organizations, federally recognized Indian tribes in the state of Washington, and regional or statewide nonprofit housing assistance organizations, whose mission aligns with the long-term preservation of the manufactured/mobile home community;

(5) "Housing and low-income assistance organization" means an organization that provides tenants living in mobile home parks, manufactured housing communities, and manufactured/mobile home communities with information about their rights and other pertinent information;

(6) "Housing authority" or "authority" means any of the public body corporate and politic created in RCW 35.82.030;

(7) "Landlord" or "owner" means the owner of a mobile home park and includes the agents of the owner;

(8) "Local government" means a town government, city government, code city government, or county government in the state of Washington;

(9) "Manufactured home" means a single-family dwelling built according to the United States department of housing and urban development manufactured home construction and safety standards act, which is a national preemptive building code. A manufactured home also: (a) Includes plumbing, heating, air conditioning, and electrical systems; (b) is built on a permanent chassis; and (c) can be transported in one or more sections with each section at least eight feet wide and 40 feet long when transported, or when installed on the site is three hundred twenty square feet or greater;

(10) "Manufactured/mobile home" means either a manufactured home or a mobile home;

(11) "Mobile home" means a factory-built dwelling built prior to June 15, 1976, to standards other than the United States department of housing and urban development code, and acceptable under applicable state codes in effect at the time of construction or introduction of the home into the state. Mobile homes have not been built since the introduction of the United States department of housing and urban development manufactured home construction and safety act;

(12) "Mobile home lot" means a portion of a mobile home park or manufactured housing community designated as the location of one mobile home, manufactured home, or park model and its accessory buildings, and intended for the exclusive use as a primary residence by the occupants of that mobile home, manufactured home, or park model;

(13) "Mobile home park cooperative" or "manufactured housing cooperative" means real property consisting of common areas and two or more lots held out for placement of mobile homes, manufactured homes, or park models in which both the individual lots and the common areas are owned by an association of shareholders which leases or otherwise extends the right to occupy individual lots to its own members;

(14) "Mobile home park subdivision" or "manufactured housing subdivision" means real property, whether it is called a subdivision, condominium, or planned unit development, consisting of common areas and two or more lots held for placement of mobile homes, manufactured homes, or park models in which there is private ownership of the individual lots and common, undivided ownership of the common areas by owners of the individual lots;

(15) "Mobile home park," "manufactured housing community," or "manufactured/mobile home community" means any real property which is rented or held out for rent to others for the placement of two or more mobile homes, manufactured homes, or park models for the primary purpose of production of income, except where such real property is rented or held out for rent for seasonal recreational purpose only and is not intended for year-round occupancy;

(16) "Notice of opportunity to compete to purchase" means a notice required under RCW 59.20.325;

(17) "Notice of sale" means a notice required under RCW 59.20.300 to be delivered to all tenants of a manufactured/mobile home community and other specified parties within 14 days after the date on which any advertisement, listing, or public or private notice is first made advertising that a manufactured/mobile home community or the property on which it sits is for sale or lease. A delivered notice of opportunity to compete to purchase acts as a notice of sale;

(18) "Occupant" means any person, including a live-in care provider, other than a tenant, who occupies a mobile home, manufactured home, or park model and mobile home lot;

(19) "Orders" means written official military orders, or any written notification, certification, or verification from the service member's commanding officer, with respect to the service member's current or future military status;

(20) "Park model" means a recreational vehicle intended for permanent or semi-permanent installation and is used as a primary residence;

(21) "Permanent change of station" means: (a) Transfer to a unit located at another port or duty station; (b) change of a unit's home port or permanent duty station; (c) call to active duty for a period not less than 90 days; (d) separation; or (e) retirement;

(22) "Qualified sale of manufactured/mobile home community" means the sale, as defined in RCW 82.45.010, of land and improvements comprising a manufactured/mobile home community that is transferred in a single purchase to a qualified tenant organization or to an eligible organization for the purpose of preserving the property as a manufactured/mobile home community;

(23) "Qualified tenant organization" means a formal organization of tenants within a manufactured/mobile home community, with the only requirement for membership

consisting of being a tenant. If a majority of the tenants, based on home sites within the manufactured/mobile home community, agree that they want to preserve the manufactured/mobile home community then they will appoint a spokesperson to represent the wishes of the qualified tenant organization to the landlord and the landlord's representative;

(24) "Recreational vehicle" means a travel trailer, motor home, truck camper, or camping trailer that is primarily designed and used as temporary living quarters, is either self-propelled or mounted on or drawn by another vehicle, is transient, is not occupied as a primary residence, and is not immobilized or permanently affixed to a mobile home lot;

(25) "Rent" or "rental amount" means recurring and periodic charges identified in the rental agreement for the use and occupancy of the manufactured/mobile home lot, which may include charges for utilities as provided in RCW 59.20.060. These terms do not include nonrecurring charges for costs incurred due to late payment, damages, deposits, legal costs, or other fees, including attorneys' fees;

(26) "Resident nonprofit cooperative" means a nonprofit cooperative corporation formed by a group of manufactured/mobile home community residents for the purpose of acquiring the manufactured/mobile home community in which they reside and converting the manufactured/mobile home community to a mobile home park cooperative or manufactured housing cooperative;

((~~(26)~~))(27) "Service member" means an active member of the United States armed forces, a member of a military reserve component, or a member of the national guard who is either stationed in or a resident of Washington state;

((~~(27)~~))(28) "Tenant" means any person, except a transient, who rents a mobile home lot;

((~~(28)~~))(29) "Transient" means a person who rents a mobile home lot for a period of less than one month for purposes other than as a primary residence.

PART III
MISCELLANEOUS

NEW SECTION. **Sec. 301.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

NEW SECTION. **Sec. 302.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec. 303.** If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void.

NEW SECTION. **Sec. 304.** (1) The joint legislative audit and review committee must perform an analysis on housing market trends, tenant stability and turnover, housing type conversions, permits issued, rent changes, and vacancy rates, including a comparison with other housing markets outside the state of Washington. The analysis shall include an evaluation of social vulnerability impacts on cost burdened, immutable characteristic communities, or rural communities.

(2) The review must be provided to the appropriate committees of the legislature within 10 years of the effective date of this section.

(3) In order to obtain the data necessary to perform the review under this section, the joint legislative audit and review committee may refer to any data collected by the state, and any data source."

On page 1, line 7 of the title, after "enforcement;" strike the remainder of the title and insert "amending RCW 59.18.140, 59.20.170, 59.20.060, and 59.20.030; adding new sections to chapter 59.18 RCW; adding new sections to chapter 59.20 RCW; creating new sections; prescribing penalties; providing expiration dates; and declaring an emergency."

On page 1, line 13, after "than" strike "seven percent" and insert "10 percent plus the consumer price index as of April 1st of the current year as published by the United States bureau of labor statistics"

On page 5, beginning on line 6, after "up to" strike all material through "percent" on line 7 and insert "10 percent plus the consumer price index as of April 1st of the current year as published by the United States bureau of labor statistics"

On page 5, line 10, after "the" strike "seven percent" and insert "10 percent plus the consumer price index as of April 1st of the current year as published by the United States bureau of labor statistics"

Beginning on page 4, line 17, after "(1)" strike all material through "2040." on page 6, line 25 and insert "Every notice of rent increase must include the following:

(a) A statement that Washington law limits the amount a tenant's rent can be increased by seven percent;

(b) A statement that the landlord may raise rent once every 12 months by seven percent, unless an exemption identified by law applies; and

(c) A statement describing the specific exemption applicable to the dwelling unit to increase rent above the seven percent and any supporting information to support the claimed exemption.

(2) Upon the written consent of the tenant, the landlord may email a notice under this section to the tenant at an email address provided by the tenant. The tenant may revoke consent of email delivery in writing at any time prior to delivery of a notice of rent increase. The written consent must include information on how the tenant may revoke consent to email notice."

and the same are herewith transmitted.

Colleen Pehar, Deputy Secretary

MOTION

Representative Low moved that the House concur with the Senate amendment(s) to ENGROSSED HOUSE BILL NO. 1217.

Representatives Low, Dufault and Barkis spoke in favor of the motion to concur.

Representative Peterson spoke against the motion to concur.

An electronic roll call was requested.

ROLL CALL

The Clerk called the roll on the motion to concur in the Senate amendment(s) to Engrossed House Bill No. 1217, and the motion failed by the following vote: Yeas, 48; Nays, 50; Absent, 0; Excused, 0

Voting Yea: Representatives Abbarno, Abell, Barkis, Barnard, Bronoske, Burnett, Caldier, Chase, Connors, Corry, Couture, Dent, Dufault, Dye, Engell, Eslick, Graham, Griffey, Hackney, Jacobsen, Keaton, Klicker, Leavitt, Ley, Low, Manjarrez, Marshall, McClintock, McEntire, Mendoza, Orcutt, Penner, Reeves, Richards, Rude, Salahuddin, Santos, Schmick, Schmidt, Springer, Steele, Stokesbary, Stuebe, Volz, Walen, Walsh, Waters and Ybarra

Voting Nay: Representatives Berg, Bergquist, Bernbaum, Berry, Callan, Cortes, Davis, Doglio, Donaghy, Duerr, Entenman, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Gregerson, Hill, Hunt, Kloba, Lekanoff, Macri, Mena, Morgan, Nance, Obras, Ormsby, Ortiz-Self, Parshley, Paul, Peterson, Pollet, Ramel, Reed, Rule, Ryu, Scott, Shavers, Simmons, Stearns, Stonier, Street, Taylor, Thai, Tharinger, Thomas, Timmons, Wylie, Zahn and Mme. Speaker

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House insists on its position regarding the House amendment(s) to ENGROSSED HOUSE BILL NO. 1217 and asks the Senate for a conference thereon. The Speaker (Representative Shavers presiding) has appointed the following members as Conferees: Representatives Peterson, Macri, Low

The Speaker (Representative Shavers presiding) called upon Representative Timmons to preside.

MESSAGE FROM THE SENATE

Tuesday, April 22, 2025

Mme. Speaker:

The Senate refuses to concur in the House amendment to ENGROSSED SUBSTITUTE SENATE BILL NO. 5041 and asks the House for a Conference thereon. The President has appointed the following members as Conferees: MacEwen, Riccelli, Saldaña

and the same is herewith transmitted.

Sarah Bannister, Secretary

MOTION

Representative Berry moved that the House insist on its position regarding the amendment(s) to ENGROSSED SUBSTITUTE SENATE BILL NO. 5041 and ask the Senate to concur therein.

Representatives Berry and Schmidt spoke in favor of the motion to insist.

MOTION

Representative Berry moved that the House grant the Senate request for conference on ENGROSSED SUBSTITUTE SENATE BILL NO. 5041.

An electronic roll call was requested.

ROLL CALL

The Clerk called the roll on the motion to grant the Senate request for conference on Engrossed Substitute Senate Bill No. 5041, and the motion carried by the following vote: Yeas, 53; Nays, 45; Absent, 0; Excused, 0

Voting Yea: Representatives Berg, Bergquist, Bernbaum, Berry, Bronoske, Callan, Cortes, Davis, Doglio, Donaghy, Duerr, Entenman, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Gregerson, Hill, Hunt, Kloba, Leavitt, Lekanoff, Macri, Mena, Morgan, Nance, Obras, Ormsby, Ortiz-Self, Parshley, Paul, Peterson, Pollet, Ramel, Reed, Ryu, Salahuddin, Santos, Scott, Shavers, Simmons, Stearns, Stonier, Street, Taylor, Thai, Tharinger, Thomas, Timmons, Wylie, Zahn and Mme. Speaker

Voting Nay: Representatives Abbarno, Abell, Barkis, Barnard, Burnett, Caldier, Chase, Connors, Corry, Couture, Dent, Dufault, Dye, Engell, Eslick, Graham, Griffey, Hackney, Jacobsen, Keaton, Klicker, Ley, Low, Manjarrez, Marshall, McClintock, McEntire, Mendoza, Orcutt, Penner, Reeves, Richards, Rude, Rule, Schmick, Schmidt, Springer, Steele, Stokesbary, Stuebe, Volz, Walen, Walsh, Waters and Ybarra

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House insists on its position regarding the House amendment(s) to ENGROSSED SUBSTITUTE SENATE BILL NO. 5041 and asks the Senate for a conference thereon. The Speaker (Representative Timmons presiding) has appointed the following members as Conferees: Representatives Berry, Doglio, Schmidt

MESSAGE FROM THE SENATE

Tuesday, April 15, 2025

Mme. Speaker:

The Senate has passed ENGROSSED SUBSTITUTE HOUSE BILL NO. 1293, with the following amendment(s): 1293-S.E AMS ENET S2638.1

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** The legislature finds that plastic bags are one of the most commonly found items that litter state roads, beaches, and other public spaces. Encouraging the adoption of alternatives to plastic bags, such as reusable carryout bags, reduces plastic waste that routinely lines our roadways and pollutes our environment. While thicker plastic bags may be more durable and reusable, research has demonstrated that customers still use these as single-use bags. Thicker plastic bags will lead to additional plastic waste and have a negative impact on litter in the environment.

Therefore, the legislature intends to prevent increased litter, including plastic bag litter, by enhancing penalties for

littering to deter such behavior and delaying requirements relating to increasing the thickness of reusable plastic bags.

Sec. 2. RCW 70A.200.060 and 2024 c 231 s 2 are each amended to read as follows:

(1) It is a violation of this section to:

(a) Abandon a junk vehicle upon any property;

(b) Throw, drop, deposit, discard, or otherwise dispose of litter upon any public property in the state or upon private property in this state not owned by him or her or in the waters of this state whether from a vehicle or otherwise including but not limited to any public highway, public park, beach, campground, forestland, recreational area, trailer park, highway, road, street, or alley except:

(i) When the property is designated by the state or its agencies or political subdivisions for the disposal of garbage and refuse, and the person is authorized to use such property for that purpose;

(ii) Into a litter receptacle in a manner that will prevent litter from being carried away or deposited by the elements upon any part of the private or public property or waters.

(2)(a) Except as provided in subsection (5) of this section, it is a class ((~~3~~))2 civil infraction as provided in RCW 7.80.120 for a person to litter in an amount less than or equal to one cubic foot. This penalty is in addition to any penalty imposed for a violation of RCW 46.61.645(1).

(b) It is a misdemeanor for a person to litter in an amount greater than one cubic foot but less than 10 cubic yards. A violation of this subsection may alternatively be punished with a notice of a natural resource infraction under chapter 7.84 RCW.

(c) It is a gross misdemeanor for a person to litter more than 10 cubic yards.

(d)(i) A person found liable or guilty under this section shall, in addition to the penalties provided for misdemeanors, gross misdemeanors, or for natural resource infractions as provided in RCW 7.84.100, also pay a litter clean-up restitution payment equal to four times the actual cost of cleanup for natural resource infractions and misdemeanors and two times the actual cost of cleanup for gross misdemeanors. The court shall distribute an amount of the litter clean-up restitution payment that equals the actual cost of cleanup to the landowner where the littering incident occurred and the remainder of the restitution payment to the law enforcement agency investigating the incident.

(ii) The court may, in addition to or in lieu of part or all of the cleanup restitution payment, order the person to pick up and remove litter from the property, with prior permission of the legal owner or, in the case of public property, of the agency managing the property.

(iii) The court may suspend or modify the litter cleanup restitution payment for a first-time offender under this section, if the person cleans up and properly disposes of the litter.

(3) If a junk vehicle is abandoned in violation of this section, RCW 46.55.230 governs the vehicle's removal, disposal, and sale, and the penalties that may be imposed against the person who abandoned the vehicle.

(4) If the violation occurs in a state park, the court shall, in addition to any other penalties assessed, order the person to perform 24 hours of community restitution in the state park where the violation occurred if the state park has stated an intent to participate as provided in RCW 79A.05.050.

(5) It is a class 1 civil infraction as provided in RCW 7.80.120 for a person to discard, in violation of this section, potentially dangerous litter in any amount.

Sec. 3. RCW 70A.530.020 and 2021 c 65 s 78, 2021 c 65 s 77, and 2021 c 33 s 2 are each reenacted and amended to read as follows:

(1) Beginning January 1, 2021, except as provided in this section and RCW 70A.530.030, a retail establishment may not provide to a customer or a person at an event:

(a) A single-use plastic carryout bag;

(b) A paper carryout bag that does not meet the requirements of subsection (6)(a) of this section or a reusable carryout bag made of film plastic that does not meet recycled content requirements; or

(c) Beginning January 1, ((~~2026~~))2028, a reusable carryout bag made of film plastic with a thickness of less than four mils((~~, in the event that the 2025 legislature does not amend this section to reflect the recommendations to the legislature made consistent with RCW 70A.530.060~~)).

(2)(a) A retail establishment may provide a reusable carryout bag or a compliant paper carryout bag of any size to a customer at the point of sale. A retail establishment may make reusable carryout bags available to customers through sale.

(b)(i) Until December 31, ((~~2025~~))2027, a retail establishment must collect a pass-through charge of eight cents for every compliant paper carryout bag with a manufacturer's stated capacity of one-eighth barrel (eight hundred eighty-two cubic inches) or greater or reusable carryout bag made of film plastic it provides, except as provided in subsection (5) of this section and RCW 70A.530.030.

(ii) Beginning January 1, ((~~2026~~))2028, a retail establishment must collect a pass-through charge of twelve cents for reusable carryout bags made of film plastic and eight cents for compliant paper carryout bags((~~, in the event that the 2025 legislature does not amend this section to reflect the recommendations to the legislature made consistent with RCW 70A.530.060. It is the intent of the legislature for the 2025 legislature to reassess the amount of the pass-through charge authorized under this subsection (2)(b), taking into consideration the content of the report to the legislature under RCW 70A.530.060~~)).

(c) A retail establishment must keep all revenue from pass-through charges. The pass-through charge is a taxable retail sale. A

retail establishment must show all pass-through charges on a receipt provided to the customer.

(3) Carryout bags provided by a retail establishment do not include:

(a) Bags used by consumers inside stores to:

(i) Package bulk items, such as fruit, vegetables, nuts, grains, candy, greeting cards, or small hardware items such as nails, bolts, or screws;

(ii) Contain or wrap items where dampness or sanitation might be a problem including, but not limited to:

(A) Frozen foods;

(B) Meat;

(C) Fish;

(D) Flowers; and

(E) Potted plants;

(iii) Contain unwrapped prepared foods or bakery goods;

(iv) Contain prescription drugs; or

(v) Protect a purchased item from damaging or contaminating other purchased items when placed in a compliant paper carryout bag or reusable carryout bag; or

(b) Newspaper bags, mailing pouches, sealed envelopes, door hanger bags, laundry/dry cleaning bags, or bags sold in packages containing multiple bags for uses such as food storage, garbage, or pet waste.

(4)(a) Any compostable film bag that a retail establishment provides to customers for products, including for products bagged in stores prior to checkout, must meet the requirements for compostable products and film bags in chapter 70A.455 RCW.

(b) A retail establishment may not use or provide polyethylene or other noncompostable plastic bags for bagging of customer products in stores, as carryout bags, or for home delivery that do not meet the requirements for noncompostable products and film bags in chapter 70A.455 RCW.

(5) Except as provided by local regulations enacted as of April 1, 2020, a retail establishment may provide a bag restricted under subsection (1) of this section from existing inventory until one year after June 11, 2020. The retail establishment, upon request by the department, must provide purchase invoices, distribution receipts, or other information documenting that the bag was acquired prior to June 11, 2020.

(6) For the purposes of this section:

(a) A compliant paper carryout bag must:

(i) Contain a minimum of forty percent postconsumer recycled materials, a minimum of 40 percent nonwood renewable fiber, or a combination of postconsumer recycled materials and nonwood renewable fiber that totals at least 40 percent;

(ii) Be capable of composting, consistent with the timeline and specifications of the entire American society of testing materials D6868 and associated test methods that must be met, as it existed as of January 1, 2020; and

(iii) Display in print on the exterior of the paper bag the minimum percentage of postconsumer content, wheat straw fiber content, or both.

(b) A reusable carryout bag must:

(i) Have a minimum lifetime of one hundred twenty-five uses, which for purposes of this subsection means the capacity to carry a minimum of twenty-two pounds one hundred twenty-five times over a distance of at least one hundred seventy-five feet;

(ii) Be machine washable or made from a durable material that may be cleaned or disinfected; and

(iii) If made of film plastic:

(A) Be made from a minimum of twenty percent postconsumer recycled content until July 1, 2022, and thereafter must be made from a minimum of forty percent postconsumer recycled content;

(B) Display in print on the exterior of the plastic bag the minimum percentage of postconsumer recycled content, the mil thickness, and that the bag is reusable; and

(C) Have a minimum thickness of no less than 2.25 mils until December 31, ((~~2025~~))2027, and beginning January 1, ((~~2026~~))2028, must have a minimum thickness of four mils.

(c) Except for the purposes of subsection (4) of this section, food banks and other food assistance programs are not retail establishments, but are encouraged to take actions to reduce the use of single-use plastic carryout bags."

On page 1, line 1 of the title, after "litter;" strike the remainder of the title and insert "amending RCW 70A.200.060; reenacting and amending RCW 70A.530.020; creating a new section; and prescribing penalties."

and the same is herewith transmitted.

Colleen Pehar, Deputy Secretary

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House refused to concur in the Senate amendment to ENGROSSED SUBSTITUTE HOUSE BILL NO. 1293 and asked the Senate to recede therefrom.

There being no objection, the House reverted to the sixth order of business.

SECOND READING

ENGROSSED SUBSTITUTE SENATE BILL NO. 5357, Conway and Noblesby Senate Committee on Ways & Means (originally sponsored by Conway and Nobles)

Concerning actuarial funding of pension systems.

The bill was read the second time.

There being no objection, the committee striking amendment by the Committee on Appropriations was not adopted. For Committee amendment, see Journal, Day 86, Tuesday, April 8, 2025.

Representative Stonier moved the adoption of the striking amendment (1381):

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 41.45.010 and 2009 c 561 s 1 are each amended to read as follows:

It is the intent of the legislature to provide a dependable and systematic process for funding the benefits provided to members and retirees of the public employees'

retirement system, chapter 41.40 RCW; the teachers' retirement system, chapter 41.32 RCW; the law enforcement officers' and firefighters' retirement systems, chapter 41.26 RCW; the school employees' retirement system, chapter 41.35 RCW; the public safety employees' retirement system, chapter 41.37 RCW; and the Washington state patrol retirement system, chapter 43.43 RCW.

The funding process established by this chapter is intended to achieve the following goals:

(1) To fully fund the public employees' retirement system plans 2 and 3, the teachers' retirement system plans 2 and 3, the school employees' retirement system plans 2 and 3, the public safety employees' retirement system plan 2, and the law enforcement officers' and firefighters' retirement system plan 2 as provided by law;

(2) To fully amortize the total costs of the law enforcement officers' and firefighters' retirement system plan 1, not later than June 30, 2024;

(3) To fully amortize the unfunded actuarial accrued liability in the public employees' retirement system plan 1 and the teachers' retirement system plan 1 within a rolling ten-year period, using methods and assumptions that balance needs for increased benefit security, decreased contribution rate volatility, and affordability of pension contribution rates, while suspending those rates during the 2025-2027 and 2027-2029 fiscal biennia;

(4) To amortize the costs of benefit improvements in the public employees' retirement system plan 1 and the teachers' retirement system plan 1 over a fixed 15-year period;

(5) To establish long-term employer contribution rates which will remain a relatively predictable proportion of the future state budgets; and

((~~(5)~~))(6) To fund, to the extent feasible, all benefits for plan 2 and 3 members over the working lives of those members so that the cost of those benefits are paid by the taxpayers who receive the benefit of those members' service.

Sec. 2. RCW 41.45.035 and 2016 sp.s. c 36 s 922 are each amended to read as follows:

(1) Beginning July 1, ((~~2001~~))2025, the following long-term economic assumptions shall be used by the state actuary for the purposes of RCW 41.45.030 and 44.44.040(4):

(a) The growth in inflation assumption shall be ((~~3.5~~))2.75 percent;

(b) The growth in salaries assumption, exclusive of merit or longevity increases, shall be ((~~4.5~~))3.25 percent;

(c) The investment rate of return assumption shall be ((~~8~~))7.25 percent; and

(d) The growth in system membership assumption shall be ((~~1.25~~))1.00 percent for the public employees' retirement system, the public safety employees' retirement system, the school employees' retirement system, the teachers' retirement system, and the law enforcement officers' and firefighters' retirement system. ((~~The assumption shall be .90 percent for the teachers' retirement system; and~~

~~(e) From July 1, 2016, until July 1, 2017, the growth in system membership for the teachers' retirement system shall be 1.25 percent. It is the intent of the legislature to continue this growth rate assumption in the 2017-2019 fiscal biennium.~~))

(2) Beginning July 1, 2009, the growth in salaries assumption for the public employees' retirement system, the public safety employees' retirement system, the teachers' retirement system, the school employees' retirement system, plan 1 of the law enforcement officers' and firefighters' retirement system, and the Washington state patrol retirement system, exclusive of merit or longevity increases, shall be the sum of:

(a) The growth in inflation assumption in subsection (1)(a) of this section; and

(b) The productivity growth assumption of 0.5 percent.

(3) ((~~The following investment rate of return assumptions for the public employees' retirement system, the public safety employees' retirement system, the teachers' retirement system, the school employees' retirement system, plan 1 of the law enforcement officers' and firefighters' retirement system, and the Washington state patrol retirement system, shall be used by the state actuary for the purposes of RCW 41.45.030:~~

~~(a) Beginning July 1, 2013, the investment rate of return assumption shall be 7.9 percent.~~

~~(b) Beginning July 1, 2015, the investment rate of return assumption shall be 7.8 percent.~~

~~(c) Beginning July 1, 2017, the investment rate of return assumption shall be 7.7 percent.~~

~~(d)~~)) For valuation purposes, the state actuary shall only use the assumptions in ((~~(a) through (c) of this~~)) subsection (1) of this section after the effective date in ((~~(a) through (c) of this~~)) subsection (1) of this section.

((~~(c) By June 1, 2017, the state actuary shall submit to the council information regarding the experience and financial condition of each state retirement system, and make recommendations regarding the long-term investment rate of return assumptions set forth in this subsection. The council shall review this and such other information as it may require.~~))

(4)(a) Beginning with actuarial studies done after July 1, 2003, changes to plan asset values that vary from the long-term investment rate of return assumption shall be recognized in the actuarial value of assets over a period that varies up to eight years depending on the magnitude of the deviation of each year's investment rate of return relative to the long-term rate of return assumption. Beginning with actuarial studies performed after July 1, 2004, the actuarial value of assets shall not be greater than one hundred thirty percent of the market value of assets as of the valuation date or less than seventy percent of the market value of assets as of the valuation date. Beginning April 1, 2004, the council, by affirmative vote of four councilmembers, may adopt changes to this asset value smoothing technique. Any changes

adopted by the council shall be subject to revision by the legislature.

(b) The state actuary shall periodically review the appropriateness of the asset smoothing method in this section and recommend changes to the council as necessary. Any changes adopted by the council shall be subject to revision by the legislature.

Sec. 3. RCW 41.45.060 and 2020 c 103 s 4 are each amended to read as follows:

(1) The state actuary shall provide preliminary actuarial valuation results based on the economic assumptions and asset value smoothing technique included in RCW 41.45.035 or adopted under RCW 41.45.030 or 41.45.035.

(2) Not later than July 31, 2008, and every two years thereafter, consistent with the economic assumptions and asset value smoothing technique included in RCW 41.45.035 or adopted under RCW 41.45.030 or 41.45.035, the council shall adopt and may make changes to:

(a) A basic state contribution rate for the law enforcement officers' and firefighters' retirement system plan 1;

(b) Basic employer contribution rates for the public employees' retirement system, the teachers' retirement system, and the Washington state patrol retirement system; and

(c) Basic employer contribution rates for the school employees' retirement system and the public safety employees' retirement system for funding both those systems and the public employees' retirement system plan 1.

The council may adopt annual rate changes for any plan for any rate-setting period. The contribution rates adopted by the council shall be subject to revision by the legislature.

(3) The employer and state contribution rates adopted by the council shall be the level percentages of pay that are needed:

(a) To fully amortize the total costs of the law enforcement officers' and firefighters' retirement system plan 1 not later than June 30, 2024;

(b) To fully fund the public employees' retirement system plans 2 and 3, the teachers' retirement system plans 2 and 3, the public safety employees' retirement system plan 2, and the school employees' retirement system plans 2 and 3 in accordance with RCW 41.45.061, 41.45.067, and this section; and

(c) To fully fund the public employees' retirement system plan 1 and the teachers' retirement system plan 1 in accordance with RCW 41.45.070, 41.45.150, and this section.

(4) The aggregate actuarial cost method shall be used to calculate a combined plan 2 and 3 normal cost, a Washington state patrol retirement system normal cost, and a public safety employees' retirement system normal cost.

(5) A modified entry age normal cost method, as set forth in this chapter, shall be used to calculate employer contributions to the public employees' retirement system plan 1 and the teachers' retirement system plan 1.

(6) The employer contribution rate for the public employees' retirement system and the school employees' retirement system shall equal the sum of:

(a) The amount required to pay the combined plan 2 and plan 3 normal cost for the system, subject to any minimum rates applied pursuant to RCW 41.45.155; plus

(b) The amount required to amortize the unfunded actuarial accrued liability in plan 1 of the public employees' retirement system over a rolling ten-year period using projected future salary growth and growth in system membership, and subject to any minimum or maximum rates applied pursuant to RCW 41.45.150; plus

(c) ((~~The~~))Except as described in (d) of this subsection, the amounts required to amortize the costs of any benefit improvements in plan 1 of the public employees' retirement system that become effective after June 30, 2009. The cost of each benefit improvement shall be amortized over a fixed ((~~ten-year~~))15-year period using projected future salary growth and growth in system membership. The amounts required under this subsection are not subject to, and are collected in addition to, any minimum or maximum rates applied pursuant to RCW 41.45.150; plus

(d) The amounts required to fully amortize the remaining costs of benefit improvements in the public employees' retirement system plan 1 effective from July 1, 2018, through June 30, 2025, over a fixed 15-year period with the rate between July 1, 2025, and June 30, 2029, being zero. The amounts required under this subsection are not subject to, and are collected in addition to, any minimum or maximum rates applied pursuant to RCW 41.45.150.

(7) The employer contribution rate for the public safety employees' retirement system shall equal the sum of:

(a) The amount required to pay the normal cost for the system, subject to any minimum rates applied pursuant to RCW 41.45.155; plus

(b) The amount required to amortize the unfunded actuarial accrued liability in plan 1 of the public employees' retirement system over a rolling ten-year period using projected future salary growth and growth in system membership, and subject to any minimum or maximum rates applied pursuant to RCW 41.45.150; plus

(c) ((~~The~~))Except as described in (d) of this subsection, the amounts required to amortize the costs of any benefit improvements in plan 1 of the public employees' retirement system that become effective after June 30, 2009. The cost of each benefit improvement shall be amortized over a fixed ((~~ten-year~~))15-year period using projected future salary growth and growth in system membership. The amounts required under this subsection are not subject to, and are collected in addition to, any minimum or maximum rates applied pursuant to RCW 41.45.150; plus

(d) The amounts required to fully amortize the remaining costs of benefit improvements in the public employees' retirement system plan 1 effective from July 1, 2018, through June 30, 2025, over a fixed 15-year period with the rate between July 1,

2025, and June 30, 2029, being zero. The amounts required under this subsection are not subject to, and are collected in addition to, any minimum or maximum rates applied pursuant to RCW 41.45.150.

(8) The employer contribution rate for the teachers' retirement system shall equal the sum of:

(a) The amount required to pay the combined plan 2 and plan 3 normal cost for the system, subject to any minimum rates applied pursuant to RCW 41.45.155; plus

(b) The amount required to amortize the unfunded actuarial accrued liability in plan 1 of the teachers' retirement system over a rolling ten-year period using projected future salary growth and growth in system membership, and subject to any minimum or maximum rates applied pursuant to RCW 41.45.150; plus

(c) ((~~The~~))Except as described in (d) of this subsection, the amounts required to amortize the costs of any benefit improvements in plan 1 of the teachers' retirement system that become effective after June 30, 2009. The cost of each benefit improvement shall be amortized over a fixed ((~~ten-year~~))15-year period using projected future salary growth and growth in system membership. The amounts required under this subsection are not subject to, and are collected in addition to, any minimum or maximum rates applied pursuant to RCW 41.45.150; plus

(d) The amounts required to fully amortize the remaining costs of benefit improvements in the teachers' retirement system plan 1 effective from July 1, 2018, through June 30, 2025, over a fixed 15-year period with the rate between July 1, 2025, and June 30, 2029, being zero. The amounts required under this subsection are not subject to, and are collected in addition to, any minimum or maximum rates applied pursuant to RCW 41.45.150.

(9) The employer contribution rate for each of the institutions of higher education for the higher education supplemental retirement benefits must be sufficient to fund, as a level percentage of pay, a portion of the projected cost of the supplemental retirement benefits for the institution beginning in 2035, with the other portion supported on a pay-as-you-go basis, either as direct payments by each institution to retirees, or as contributions to the higher education retirement plan supplemental benefit fund. Contributions must continue until the council determines that the institution for higher education supplemental retirement benefit liabilities are satisfied.

(10) The council shall immediately notify the directors of the office of financial management and department of retirement systems of the state and employer contribution rates adopted. The rates shall be effective for the ensuing biennial period, subject to any legislative modifications.

(11) The director shall collect those rates adopted by the council. The rates established in RCW 41.45.062, or by the council, shall be subject to revision by the legislature.

(12) The state actuary shall prepare final actuarial valuation results based on the economic assumptions, asset value smoothing technique, and contribution rates included in or adopted under RCW 41.45.030, 41.45.035, and this section.

Sec. 4. RCW 41.45.070 and 2009 c 561 s 4 are each amended to read as follows:

(1) In addition to the basic employer contribution rate established in RCW 41.45.060 or 41.45.054, the department shall also charge employers of public employees' retirement system, teachers' retirement system, school employees' retirement system, public safety employees' retirement system, or Washington state patrol retirement system members an additional supplemental rate to pay for the cost of additional benefits, if any, granted to members of those systems. Except as provided in subsections (6), (7), and (9) of this section, the supplemental contribution rates required by this section shall be calculated by the state actuary and shall be charged regardless of language to the contrary contained in the statute which authorizes additional benefits.

(2) In addition to the basic member, employer, and state contribution rate established in RCW 41.45.0604 for the law enforcement officers' and firefighters' retirement system plan 2, the department shall also establish supplemental rates to pay for the cost of additional benefits, if any, granted to members of the law enforcement officers' and firefighters' retirement system plan 2. Except as provided in subsection (6) of this section, these supplemental rates shall be calculated by the actuary retained by the law enforcement officers' and firefighters' board and the state actuary through the process provided in RCW 41.26.720(1)(a) and the state treasurer shall transfer the additional required contributions regardless of language to the contrary contained in the statute which authorizes the additional benefits.

(3) ((~~Beginning July 1, 2009, the~~))The supplemental rate charged under this section to fund benefit increases provided to active members of the public employees' retirement system plan 1 and the teachers' retirement system plan 1 shall be calculated as the level percentage of all system pay needed to fund the cost of the benefit over a fixed ((~~ten-year~~))15-year period, using projected future salary growth and growth in system membership. The supplemental rate to fund benefit increases provided to active members of the public employees' retirement system plan 1 shall be charged to all system employers in the public employees' retirement system, the school employees' retirement system, and the public safety employees' retirement system. The supplemental rate to fund benefit increases provided to active members of the teachers' retirement system plan 1 shall be charged to all system employers in the teachers' retirement system.

(4) The supplemental rate charged under this section to fund benefit increases provided to active and retired members of the public employees' retirement system plan

2 and plan 3, the teachers' retirement system plan 2 and plan 3, the public safety employees' retirement system plan 2, the school employees' retirement system plan 2 and plan 3, or the Washington state patrol retirement system shall be calculated as the level percentage of all members' pay needed to fund the cost of the benefit, as calculated under RCW 41.45.060, 41.45.061, 41.45.0631, or 41.45.067.

(5) The supplemental rate charged under this section to fund postretirement adjustments which are provided on a nonautomatic basis to current retirees shall be calculated as the percentage of pay needed to fund the adjustments as they are paid to the retirees. ((~~Beginning July 1, 2009, the~~))The supplemental rate charged under this section to fund increases in the automatic postretirement adjustments for active or retired members of the public employees' retirement system plan 1 and the teachers' retirement system plan 1 shall be calculated as the level percentage of pay needed to fund the cost of the automatic adjustments over a fixed ((~~ten-year~~))15-year period, using projected future salary growth and growth in system membership. The supplemental rate to fund increases in the automatic postretirement adjustments for active members or retired members of the public employees' retirement system plan 1 shall be charged to all system employers in the public employees' retirement system, the school employees' retirement system, and the public safety employees' retirement system. The supplemental rate to fund increases in automatic postretirement adjustments for active members or retired members of the teachers' retirement system plan 1 shall be charged to all system employers in the teachers' retirement system.

(6) A supplemental rate shall not be charged to pay for the cost of additional benefits granted to members pursuant to chapter 340, Laws of 1998.

(7) A supplemental rate shall not be charged to pay for the cost of additional benefits granted to members pursuant to chapter 41.31A RCW; section 309, chapter 341, Laws of 1998; or section 701, chapter 341, Laws of 1998.

(8) A supplemental rate shall not be charged to pay for the cost of additional benefits granted to members and survivors pursuant to chapter 94, Laws of 2006.

(9) A supplemental rate shall not be charged to pay for the cost of the additional benefits granted to members of the teachers' retirement system and the school employees' retirement system plans 2 and 3 in sections 2, 4, 6, and 8, chapter 491, Laws of 2007 until September 1, 2008. A supplemental rate shall not be charged to pay for the cost of the additional benefits granted to members of the public employees' retirement system plans 2 and 3 under sections 9 and 10, chapter 491, Laws of 2007 until July 1, 2008.

Sec. 5. RCW 41.45.150 and 2023 c 396 s 1 are each amended to read as follows:

(1) Beginning July 1, 2015, and ending June 30, 2023, a minimum 3.50 percent contribution is established as part of the basic employer contribution rate for the public employees' retirement system and the public safety employees' retirement system, to be used for the sole purpose of amortizing that portion of the unfunded actuarial accrued liability in the public employees' retirement system plan 1 that excludes any amounts required to amortize plan 1 benefit improvements effective after June 30, 2009.

(2) Beginning September 1, 2015, and ending August 31, 2023((~~,~~))_, a minimum 3.50 percent contribution is established as part of the basic employer contribution rate for the school employees' retirement system, to be used for the sole purpose of amortizing that portion of the unfunded actuarial accrued liability in the public employees' retirement system plan 1 that excludes any amounts required to amortize plan 1 benefit improvements effective after June 30, 2009.

(3) Beginning September 1, 2015, and ending August 31, 2023, a minimum 5.75 percent contribution is established as part of the basic employer contribution rate for the teachers' retirement system, to be used for the sole purpose of amortizing that portion of the unfunded actuarial accrued liability in the teachers' retirement system plan 1 that excludes any amounts required to amortize plan 1 benefit improvements effective after June 30, 2009.

(4)(a) Beginning July 1, 2023, and ending June 30, ((~~2027~~))2029, the following employer contribution rates shall be in effect for the public employees' retirement system and the public safety employees' retirement system that is used for the sole purpose of amortizing that portion of the unfunded actuarial accrued liability in the public employees' retirement system plan 1 that excludes any amounts required to amortize plan 1 benefit improvements effective after June 30, 2009.

Fiscal Year ending:

2024	2025	2026	2027	2028	2029
2.50 %	2.00 %	((~~1.50%~~))0.00%	((~~0.50%~~))0.00%	0.00 %	0.00 %

(b) Beginning July 1, ((~~2027~~))2029, a minimum 0.50 percent contribution is established as part of the basic employer contribution rate for the public employees' retirement system and the public safety employees' retirement system, to be used for the sole purpose of amortizing any portion of an unfunded actuarial accrued liability in the public employees' retirement system plan 1 that excludes any amounts required to amortize plan 1 benefit improvements effective after June 30, 2009. This minimum contribution rate shall be in effect when the actuarial value of assets in plan 1 of the public employees' retirement system is less than 100 percent of the actuarial accrued liability.

(5)(a) Beginning September 1, 2023, and ending August 31, ((~~2027~~))2029, the following employer contribution rates shall be in effect for the school employees'

retirement system that is used for the sole purpose of amortizing that portion of the unfunded actuarial accrued liability in the public employees' retirement system plan 1 that excludes any amounts required to amortize plan 1 benefit improvements effective after June 30, 2009.

Fiscal Year ending:					
2024	2025	2026	2027	2028	2029
2.50 %	2.00 %	((~~1.50%~~)) 0.00%	((~~0.50%~~)) 0.00%	0.00 %	0.00 %

(b) Beginning September 1, ((~~2027~~))2029, a minimum 0.50 percent contribution is established as part of the basic employer contribution rate for the school employees' retirement system, to be used for the sole purpose of amortizing any portion of an unfunded actuarial accrued liability in the public employees' retirement system plan 1 that excludes any amounts required to amortize plan 1 benefit improvements effective after June 30, 2009. This minimum contribution rate shall be in effect when the actuarial value of assets in plan 1 of the public employees' retirement system is less than 100 percent of the actuarial accrued liability.

(6)(a) Beginning September 1, 2023, and ending August 31, ((~~2027~~))2029, the following employer contribution rates shall be in effect for the teachers' retirement system that is used for the sole purpose of amortizing that portion of the unfunded actuarial accrued liability in the teachers' retirement system plan 1 that excludes any amounts required to amortize plan 1 benefit improvements effective after June 30, 2009.

Fiscal Year ending:					
2024	2025	2026	2027	2028	2029
0.50 %	0.50 %	0.00 %	0.00 %	0.00 %	0.00 %

(b) Beginning September 1, ((~~2027~~))2029, a minimum 0.50 percent contribution is established as part of the basic employer contribution rate for the teachers' retirement system, to be used for the sole purpose of amortizing any portion of an unfunded actuarial accrued liability in the teachers' retirement system plan 1 that excludes any amounts required to amortize plan 1 benefit improvements effective after June 30, 2009. This minimum contribution rate shall be in effect when the actuarial value of assets in plan 1 of the teachers' retirement system is less than 100 percent of the actuarial accrued liability.

(7) Upon completion of each biennial actuarial valuation, the state actuary shall review the appropriateness of the minimum contribution rates and recommend to the council any adjustments as may be needed due to material changes in benefits or actuarial assumptions, methods, or experience. Any changes adopted by the council shall be subject to revision by the legislature.

NEW SECTION. **Sec. 6.** A new section is added to chapter 41.45 RCW to read as follows, but because of its temporary nature is not codified:

The legislature hereby revises the contribution rates adopted by the council at its July 17, 2024, meeting to reflect the funding policy changes in this act, while completing the council's phase-in of the impact of the 2021 changes in actuarial assumptions on the long-term rate of return:

(1) Beginning July 1, 2025, and ending June 30, 2027, the required total employer contribution rate for the public employees' retirement system shall be 5.38 percent.

(2) Beginning July 1, 2025, and ending June 30, 2027, the required total employer contribution rate for the public safety employees' retirement system shall be 6.91 percent.

(3) Beginning September 1, 2025, and ending August 31, 2027, the required total employer contribution rate for the teachers' retirement system shall be 7.54 percent.

(4) Beginning September 1, 2025, and ending August 31, 2027, the required total employer contribution rate for the school employees' retirement system shall be 6.87 percent.

(5) Beginning July 1, 2025, and ending June 30, 2027, the required total employer contribution rate for the Washington state patrol retirement system shall be 15.85 percent.

(6) Beginning July 1, 2025, and ending June 30, 2027, the required member contribution rate for the public employees' retirement system plan 2 shall be 5.38 percent.

(7) Beginning July 1, 2025, and ending June 30, 2027, the required member contribution rate for the public safety employees' retirement system plan 2 shall be 6.91 percent.

(8) Beginning September 1, 2025, and ending August 31, 2027, the required member contribution rate for the teachers' retirement system plan 2 shall be 7.54 percent.

(9) Beginning September 1, 2025, and ending August 31, 2027, the required member contribution rate for the school employees' retirement system plan 2 shall be 6.87 percent.

(10) Beginning July 1, 2025, and ending June 30, 2027, the required member contribution rate for the Washington state patrol retirement system shall be 8.75 percent.

NEW SECTION. **Sec. 7.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2025."

Correct the title.

Representatives Stonier and Couture spoke in favor of the adoption of the striking amendment.

The striking amendment (1381) was adopted.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House, was placed on final passage.

Representatives Fitzgibbon and Couture spoke in favor of the passage of the bill.

MOTION

On motion of Representative Griffey, Representative Barnard was excused.

The Speaker (Representative Timmons presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 5357, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 5357, as amended by the House, and the bill passed the House by the following vote: Yeas, 82; Nays, 14; Absent, 1; Excused, 1

Voting Yea: Representatives Abbarno, Abell, Berg, Bergquist, Bernbaum, Berry, Bronoske, Burnett, Caldier, Callan, Chase, Connors, Corry, Cortes, Couture, Davis, Dent, Doglio, Donaghy, Duerr, Dye, Engell, Entenman, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Graham, Gregerson, Griffey, Hackney, Hill, Hunt, Keaton, Klicker, Kloba, Leavitt, Lekanoff, Macri, Manjarrez, Marshall, Mena, Morgan, Nance, Obras, Orcutt, Ormsby, Ortiz-Self, Parshley, Penner, Peterson, Pollet, Ramel, Reed, Reeves, Richards, Rude, Rule, Ryu, Salahuddin, Santos, Schmick, Schmidt, Simmons, Springer, Stearns, Steele, Stokesbary, Stonier, Street, Stuebe, Taylor, Thai, Tharinger, Thomas, Walen, Waters, Wylie, Ybarra, Zahn and Mme. Speaker

Voting Nay: Representatives Dufault, Eslick, Jacobsen, Ley, Low, McClintock, McEntire, Mendoza, Paul, Scott, Shavers, Timmons, Volz and Walsh

Excused: Representative Barnard

ENGROSSED SUBSTITUTE SENATE BILL NO. 5357, as amended by the House, having received the necessary constitutional majority, was declared passed.

RECONSIDERATION

There being no objection, the House immediately reconsidered the vote by which ENGROSSED SUBSTITUTE SENATE BILL NO. 5357, as amended by the House, passed the House.

The Speaker (Representative Timmons presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 5357, as amended by the House, on reconsideration.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 5357, as amended by the House, on reconsideration, and the bill passed the House by the following vote: Yeas, 80; Nays, 17; Absent, 0; Excused, 1

Voting Yea: Representatives Abbarno, Abell, Barkis, Berg, Bergquist, Bernbaum, Berry, Bronoske, Burnett, Caldier, Callan, Chase, Connors, Corry, Cortes, Couture, Davis, Dent, Doglio, Donaghy, Duerr, Dye, Engell, Entenman, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Graham, Gregerson, Griffey, Hackney, Hill, Hunt, Keaton, Klicker, Kloba, Leavitt, Lekanoff, Macri, Manjarrez, Marshall, Mena, Morgan, Obras, Orcutt, Ormsby, Ortiz-Self, Parshley, Penner, Peterson, Pollet, Ramel, Reeves, Richards, Rude, Rule, Ryu, Salahuddin, Santos, Schmick, Schmidt, Springer, Stearns, Steele, Stokesbary, Stonier, Street, Stuebe, Taylor, Thai, Tharinger, Thomas, Walen, Waters, Wylie, Ybarra, Zahn and Mme. Speaker

Voting Nay: Representatives Dufault, Eslick, Jacobsen, Ley, Low, McClintock, McEntire, Mendoza, Nance, Paul, Reed, Scott, Shavers, Simmons, Timmons, Volz and Walsh

Excused: Representative Barnard

ENGROSSED SUBSTITUTE SENATE BILL NO. 5357, as amended by the House, on reconsideration, having received the necessary constitutional majority, was declared passed.

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5686, Orwall, Frame, Hasegawa and Noblesby Senate Committee on Ways & Means (originally sponsored by Orwall, Frame, Hasegawa and Nobles)

Expanding and funding the foreclosure mediation program.

The bill was read the second time.

There being no objection, the committee striking amendment by the Committee on Housing was not adopted. For Committee amendment, see Journal, Day 86, Tuesday, April 8, 2025.

Representative Peterson moved the adoption of the striking amendment (975):

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 61.24.005 and 2021 c 151 s 2 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Affiliate of beneficiary" means any entity which controls, is controlled by, or is under common control with a beneficiary.

(2) "Assessment" means all sums chargeable by the association against a unit, including any assessments levied for common expenses, fines or fees levied or imposed by the association pursuant to chapters 64.32, 64.34, 64.38, and 64.90 RCW or the governing documents, interest and late charges on any delinquent account, and all costs of collection incurred by the association in connection with the collection of a delinquent owner's account, including reasonable attorneys' fees.

(3) "Association" means an association subject to chapter 64.32, 64.34, 64.38, or 64.90 RCW.

(4) "Beneficiary" means the holder of the instrument or document evidencing the obligations secured by the deed of trust, excluding persons holding the same as security for a different obligation.

((~~(3)~~))(5) "Borrower" means a person or a general partner in a partnership, including a joint venture, that is liable for all or part of the obligations secured by the deed of trust under the instrument or other document that is the principal evidence of such obligations, or the person's successors if they are liable for those obligations under a written agreement with the beneficiary.

((~~(4)~~))(6) "Commercial loan" means a loan that is not made primarily for personal, family, or household purposes.

((~~(5)~~))(7) "Department" means the department of commerce or its designee.

((~~(6)~~))(8) "Fair value" means the value of the property encumbered by a deed of trust that is sold pursuant to a trustee's

sale. This value shall be determined by the court or other appropriate adjudicator by reference to the most probable price, as of the date of the trustee's sale, which would be paid in cash or other immediately available funds, after deduction of prior liens and encumbrances with interest to the date of the trustee's sale, for which the property would sell on such date after reasonable exposure in the market under conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under duress.

((~~(7)~~))(9) "Grantor" means a person, or its successors, who executes a deed of trust to encumber the person's interest in property as security for the performance of all or part of the borrower's obligations.

((~~(8)~~))(10) "Guarantor" means any person and its successors who is not a borrower and who guarantees any of the obligations secured by a deed of trust in any written agreement other than the deed of trust.

((~~(9)~~))(11) "Housing counselor" means a housing counselor that has been approved by the United States department of housing and urban development or approved by the Washington state housing finance commission.

((~~(10)~~))(12) "Notice of delinquency" means a notice of delinquency as that phrase is used in chapters 64.32, 64.34, 64.38, and 64.90 RCW.

(13) "Owner-occupied" means property that is the principal residence of the borrower.

((~~(11)~~))(14) "Person" means any natural person, or legal or governmental entity.

((~~(12)~~))(15) "Record" and "recorded" includes the appropriate registration proceedings, in the instance of registered land.

((~~(13)~~))(16) "Residential real property" means property consisting solely of a single-family residence, a residential condominium unit, or a residential cooperative unit. For the purposes of the application of RCW 61.24.163, residential real property includes residential real property of up to four units.

((~~(14)~~))(17) "Senior beneficiary" means the beneficiary of a deed of trust that has priority over any other deeds of trust encumbering the same residential real property.

((~~(15)~~))(18) "Tenant-occupied property" means property consisting solely of residential real property that is the principal residence of a tenant subject to chapter 59.18 RCW or other building with four or fewer residential units that is the principal residence of a tenant subject to chapter 59.18 RCW.

((~~(16)~~))(19) "Trustee" means the person designated as the trustee in the deed of trust or appointed under RCW 61.24.010(2).

((~~(17)~~))(20) "Trustee's sale" means a nonjudicial sale under a deed of trust undertaken pursuant to this chapter.

(21) "Unit owner" means an owner of an apartment, unit, or lot in an association subject to chapter 64.32, 64.34, 64.38, or 64.90 RCW.

NEW SECTION. **Sec. 2.** A new section is added to chapter 61.24 RCW to read as follows:

(1) A unit owner who is or may become delinquent to an association for an assessment charged may contact a housing counselor to receive housing counseling services.

(2) Housing counselors have a duty to act in good faith to assist unit owners by:

(a) Preparing the unit owner for meetings with the association;

(b) Advising the unit owner about what documents the unit owner must have to seek a repayment plan, modification, or other resolution of an assessment charged or that may be charged in the future by the association;

(c) Informing the unit owner about the alternatives to foreclosure, including a repayment plan, modification, or other possible resolution of an assessment charged or that may be charged in the future by the association; and

(d) Providing other guidance, advice, and education as the housing counselor considers necessary.

(3) Nothing in RCW 64.32.200, 64.34.364, 64.38.100, 64.90.485, or this section precludes a meeting or negotiations between the housing counselor, unit owner, and the association at any time, including after the issuance of a notice of delinquency by the association for past due assessments to the unit owner by the association.

(4) A unit owner who seeks the assistance of a housing counselor may use the assistance of an attorney at any time.

(5)(a) A housing counselor or attorney assisting a unit owner may refer the unit owner to mediation, pursuant to RCW 61.24.163.

(b) Prior to referring the unit owner to mediation, the housing counselor or attorney shall submit a written request to the association on behalf of the unit owner requesting that the unit owner and association meet and confer over the assessment charged.

(c) The meet and confer session should occur within 30 days of the housing counselor's or attorney's request to the association to meet and confer, or at a later date as otherwise agreed by the parties.

(d) During the meet and confer session, the participants must address the issues which led to the delinquency that may enable the unit owner and the association to reach a resolution including, but not limited to, a delinquent assessment payment plan, waiver of association imposed late fees or attorneys' fees, modification of a delinquent assessment, modification of late fees or charges associated with a delinquent assessment, or any other workout plan.

(e) The meet and confer session may be held by telephone or videoconference.

(f) For the meet and confer session, the unit owner and the association shall be responsible for their own respective attorneys' fees, if any are incurred. Legal representation is not required for either party participating in the meet and confer session.

(g) Following the meet and confer session, the housing counselor or attorney shall determine whether mediation is appropriate based on the individual circumstances.

(h) If the association refuses to participate in the meet and confer session within 30 days of the request, or otherwise fails to respond to the request within 30 days, then the unit owner may be referred to mediation pursuant to RCW 61.24.163.

(i) If the unit owner refuses to participate in the meet and confer session after it has been scheduled, then the housing counselor or attorney may not refer the matter to mediation; however, when a notice of trustee's sale has been recorded creating insufficient time to meet and confer, or where a judgment in foreclosure is pending and there is insufficient time to meet and confer, a unit owner may be referred to mediation regardless of whether the unit owner participates in a meet and confer session.

(6) During the time period between the date that the request to meet and confer is made and the date that the meet and confer session with the association is held, the association is prohibited from charging to the unit owner any attorneys' fees the association may have incurred attempting to collect the past due assessment.

(7) The referral to mediation may be made at any time after the meet and confer session occurs, after refusal to participate by the association, or after 30 days has passed since the request was made with no response from the association, but no later than 90 days prior to the date of sale listed in a notice of trustee's sale provided to the unit owner, or for a judicial foreclosure, at any time prior to the entry of a judgment in foreclosure. If an amended notice of trustee's sale is recorded after the trustee sale has been stayed pursuant to RCW 61.24.130, the unit owner may be referred to mediation no later than 25 days prior to the date of sale listed in the amended notice of trustee's sale. Nothing in this section requires a delay or prohibits the referral of a unit owner to mediation once a notice of trustee's sale has been recorded or judicial foreclosure has been filed.

(8) Housing counselors providing assistance to unit owners under this section are not liable for civil damages resulting from any acts or omissions in providing assistance, unless the acts or omissions constitute gross negligence or willful or wanton misconduct.

(9) Housing counselors shall provide information to the department to assist the department in its annual report to the legislature as required under RCW 61.24.163(22). The information provided to the department by the housing counselors should include outcomes of foreclosures and be similar to the information requested in the national foreclosure mortgage counseling client level foreclosure outcomes report form.

Sec. 3. RCW 61.24.163 and 2023 c 206 s 5 are each amended to read as follows:

(1) The foreclosure mediation program established in this section applies only to borrowers or unit owners who have been referred to mediation by a housing counselor or attorney. The mediation program under this section is not governed by chapter 7.07 RCW and does not preclude mediation required by a court or other provision of law.

(2) For deed of trust foreclosure, the referral to mediation may be made any time after a notice of default has been issued but no later than 90 days prior to the date of sale listed in the notice of trustee's sale. If an amended notice of trustee's sale is recorded after the trustee sale has been stayed pursuant to RCW 61.24.130, the borrower may be referred to mediation no later than 25 days prior to the date of sale listed in the amended notice of trustee's sale. If the borrower has failed to elect to mediate within the applicable time frame, the borrower and the beneficiary may, but are under no duty to, agree in writing to enter the foreclosure mediation program. ((~~The mediation program under this section is not governed by chapter 7.07 RCW and does not preclude mediation required by a court or other provision of law.~~

~~(2)~~))(3) For association foreclosures, the referral to mediation may be made as specified in section 2(7) of this act. If the unit owner has failed to elect to mediate within the applicable time frame, the unit owner and the association may, but are under no duty to, agree in writing to enter the foreclosure mediation program.

(4) A housing counselor or attorney referring a borrower or unit owner to mediation shall send a notice to the borrower or unit owner and the department, stating that mediation is appropriate.

((~~(3)~~))(5) Within 10 days of receiving the notice, the department shall:

(a) Send a notice to the beneficiary or association, the borrower or unit owner, the housing counselor or attorney who referred the borrower, and the trustee, if applicable, stating that the parties have been referred to mediation. The notice must include the statements and list of documents and information described in subsections ((~~(4)~~))(6) and ((~~(5)~~))(7) of this section and a statement explaining each party's responsibility to pay the mediator's fee; and

(b) Select a mediator and notify the parties of the selection.

((~~(4) Within~~))(6) For deed of trust foreclosures:

(a) Within 23 days of the department's notice that the parties have been referred to mediation, the borrower shall transmit the documents required for mediation to the mediator and the beneficiary. The required documents include an initial homeowner financial information worksheet as required by the department. The worksheet must include, at a minimum, the following information:

((~~(a)~~))(i) The borrower's current and future income;

((~~(b)~~))(ii) Debts and obligations;

((~~(c)~~))(iii) Assets;

((~~(d)~~))(iv) Expenses;

((~~(e)~~))(v) Tax returns for the previous two years;

((~~(f)~~))(vi) Hardship information;

((~~(g)~~))(vii) Other applicable information commonly required by any applicable federal mortgage relief program.

((~~(5)~~))(b) Within 20 days of the beneficiary's receipt of the borrower's documents under this subsection, the beneficiary shall transmit the documents required for mediation to the mediator and the borrower. The required documents include:

((~~(a)~~))(i) An accurate statement containing the balance of the loan within 30 days of the date on which the beneficiary's documents are due to the parties;

((~~(b)~~))(ii) Copies of the note and deed of trust;

((~~(c)~~))(iii) Proof that the entity claiming to be the beneficiary is the owner of any promissory note or obligation secured by the deed of trust. Sufficient proof may be a copy of the declaration described in RCW 61.24.030(7)(a);

((~~(d)~~))(iv) The best estimate of any arrearage and an itemized statement of the arrearages;

((~~(e)~~))(v) An itemized list of the best estimate of fees and charges outstanding;

((~~(f)~~))(vi) The payment history and schedule for the preceding twelve months, or since default, whichever is longer, including a breakdown of all fees and charges claimed;

((~~(g)~~))(vii) All borrower-related and mortgage-related input data used in any net present values analysis. If no net present values analysis is required by the applicable federal mortgage relief program, then the input data required under the federal deposit insurance corporation and published in the federal deposit insurance corporation loan modification program guide, or if that calculation becomes unavailable, substantially similar input data as determined by the department;

((~~(h)~~))(viii) An explanation regarding any denial for a loan modification, forbearance, or other alternative to foreclosure in sufficient detail for a reasonable person to understand why the decision was made;

((~~(i)~~))(ix) Appraisal or other broker price opinion most recently relied upon by the beneficiary not more than 90 days old at the time of the scheduled mediation; and

((~~(j)~~))(x) The portion or excerpt of the pooling and servicing agreement or other investor restriction that prohibits the beneficiary from implementing a modification, if the beneficiary claims it cannot implement a modification due to limitations in a pooling and servicing agreement or other investor restriction, and documentation or a statement detailing the efforts of the beneficiary to obtain a waiver of the pooling and servicing agreement or other investor restriction provisions.

((~~(6)~~))(7) For association foreclosures:

(a) Within 23 days of the department's notice that the parties have been referred to mediation, the association shall transmit the documents required for mediation to the mediator and the unit owner. The required documents include:

(i) An itemized ledger for the preceding 12 months, or since the assessments became past due, whichever is longer. The ledger shall include an itemized list of all dues, fines, special assessments, and any other charges owed, with the date and amount for each item. The ledger should include the total balance owed at the time the ledger is transmitted, accurate within 30 days of the date on which the association's documents are due to the parties;

(ii) Copies of all association liens placed against the property;

(iii) Copies of the current association declarations, bylaws, and any other governing documents for the association.

(b) Within 20 days of the unit owner's receipt of the association's documents, the unit owner shall transmit the documents required for mediation to the mediator and the association. The required documents include:

(i) Evidence of any unit owner payments to the association that are not reflected on the association ledger, if any;

(ii) Statement of hardship, if relevant;

(iii) If the unit owner is interested in a payment plan, a proposed schedule of payments to resolve the arrears.

(8) Within 70 days of receiving the referral from the department, the mediator shall convene a mediation session in the county where the property is located, unless the parties agree on another location. The parties may agree to extend the time in which to schedule the mediation session. If the parties agree to extend the time, the beneficiary or association shall notify the trustee, if applicable, of the extension and the date the mediator is expected to issue the mediator's certification.

((~~(7)~~))(9)(a) The mediator may schedule phone conferences, consultations with the parties individually, and other communications to ensure that the parties have all the necessary information and documents to engage in a productive mediation.

(b) The mediator must send written notice of the time, date, and location of the mediation session to the borrower or unit owner, the beneficiary or association, and the department at least 30 days prior to the mediation session. At a minimum, the notice must contain:

(i) A statement that the borrower or unit owner may be represented in the mediation session by an attorney or other advocate;

(ii) A statement that a person with authority to agree to a resolution, including a proposed settlement, loan modification, repayment plan for assessments, modification of obligations related to the payment of assessments, or dismissal or continuation of the foreclosure proceeding, must be present either in person or on the telephone or videoconference during the mediation session; and

(iii) A statement that the parties have a duty to mediate in good faith and that failure to mediate in good faith may impair the beneficiary's or association's ability to foreclose on the property or the borrower's or unit owner's ability to modify the loan, modify obligations relating to the

payment of assessments, or take advantage of other alternatives to foreclosure.

((~~(8)~~))(10)(a) The borrower, the beneficiary or authorized agent, and the mediator must meet in person for the mediation session. In an association foreclosure, the unit owner and association or authorized agent and the mediator are encouraged to meet in person for the mediation session, but may meet by telephone or videoconference. However, a person with authority to agree to a resolution on behalf of the beneficiary or association may be present over the telephone or videoconference during the mediation session.

(b) After the mediation session commences, the mediator may continue the mediation session once, and any further continuances must be with the consent of the parties.

((~~(9) The~~))(11) For deed of trust foreclosures, the participants in mediation must address the issues of foreclosure that may enable the borrower and the beneficiary to reach a resolution, including but not limited to reinstatement, modification of the loan, restructuring of the debt, or some other workout plan. To assist the parties in addressing issues of foreclosure, the mediator may require the participants to consider the following:

(a) The borrower's current and future economic circumstances, including the borrower's current and future income, debts, and obligations for the previous 60 days or greater time period as determined by the mediator;

(b) The net present value of receiving payments pursuant to a modified mortgage loan as compared to the anticipated net recovery following foreclosure;

(c) Any affordable loan modification calculation and net present value calculation when required under any federal mortgage relief program and any modification program related to loans insured by the federal housing administration, the veterans administration, and the rural housing service. If such a calculation is not provided or required, then the beneficiary must provide the net present value data inputs established by the federal deposit insurance corporation and published in the federal deposit insurance corporation loan modification program guide or other net present value data inputs as designated by the department. The mediator may run the calculation in order for a productive mediation to occur and to comply with the mediator certification requirement; and

(d) Any other loss mitigation guidelines to loans insured by the federal housing administration, the veterans administration, and the rural housing service, if applicable.

((~~(10)~~))(12) For association foreclosures, the participants in mediation must address the issues which led to foreclosure that may enable the unit owner and the association to reach a resolution including, but not limited to, a delinquent assessment payment plan, waiver of association imposed late fees or attorneys' fees, modification of a delinquent assessment, modification of late fees or charges associated with a delinquent assessment, or any other workout plan.

(13) A violation of the duty to mediate in good faith as required under this section may include:

(a) Failure to timely participate in mediation without good cause;

(b) Failure of the borrower ((~~or~~)), the unit owner, the beneficiary, or the association to provide the documentation required before mediation or pursuant to the mediator's instructions;

(c) Failure of a party to designate representatives with adequate authority to fully settle, compromise, or otherwise reach resolution with the borrower or unit owner in mediation; ((~~and~~))

(d) A request by a beneficiary that the borrower waive future claims he or she may have in connection with the deed of trust, as a condition of agreeing to a modification, except for rescission claims under the federal truth in lending act. Nothing in this section precludes a beneficiary from requesting that a borrower dismiss with prejudice any pending claims against the beneficiary, its agents, loan servicer, or trustee, arising from the underlying deed of trust, as a condition of modification; and

(e) A request by the association that the unit owner waive future claims against the association. Nothing in this section precludes an association from requesting that a unit owner dismiss any civil claims against the association related to the present delinquency.

((~~(11)~~))(14) If the mediator reasonably believes a borrower or unit owner will not attend a mediation session based on the borrower's or unit owner's conduct, such as the lack of response to the mediator's communications, the mediator may cancel a scheduled mediation session and send a written cancellation to the department and the trustee and send copies to the parties. The beneficiary or association may proceed with the foreclosure after receipt of the mediator's written confirmation of cancellation.

((~~(12)~~))(15) Within seven business days after the conclusion of the mediation session, the mediator must send a written certification to the department and the trustee and send copies to the parties of:

(a) The date, time, and location of the mediation session;

(b) The names of all persons attending in person and by telephone or videoconference, at the mediation session;

(c) Whether a resolution was reached by the parties, including whether the default or delinquency was cured by reinstatement, modification, or restructuring of the debt, repayment plan, or some other alternative to foreclosure was agreed upon by the parties;

(d) Whether the parties participated in the mediation in good faith; and

(e) ((~~If~~))For deed of trust foreclosures, if a written agreement was not reached, a description of any net present value test used, along with a copy of the inputs, including the result of any net present value test expressed in a dollar amount.

((~~(13)~~))(16) If the parties are unable to reach an agreement, the beneficiary or

association may proceed with the foreclosure after receipt of the mediator's written certification.

((~~(14)~~))(17)(a) The mediator's certification that the beneficiary or association failed to act in good faith in mediation constitutes a defense to the nonjudicial foreclosure action that was the basis for initiating the mediation. In any action to enjoin the foreclosure, the beneficiary or association is entitled to rebut the allegation that it failed to act in good faith.

(b) The mediator's certification that the beneficiary or association failed to act in good faith during mediation does not constitute a defense to a judicial foreclosure or a future nonjudicial foreclosure action if a modification of the loan or delinquent assessment payment plan is agreed upon and the borrower subsequently defaults or unit owner fails to pay assessments.

(c) If an affordable loan modification is not offered in the mediation or a written agreement was not reached and the mediator's certification shows that the net present value of the modified loan exceeds the anticipated net recovery at foreclosure, that showing in the certification constitutes a basis for the borrower to enjoin the foreclosure.

((~~(15)~~))(18) The mediator's certification that the borrower or unit owner failed to act in good faith in mediation authorizes the beneficiary or association to proceed with the foreclosure.

((~~(16)~~))(19)(a) If a borrower or unit owner has been referred to mediation before a notice of trustee sale has been recorded, a trustee may not record the notice of sale until the trustee receives the mediator's certification stating that the mediation has been completed. If the trustee does not receive the mediator's certification, the trustee may record the notice of sale after 10 days from the date the certification to the trustee was due. If, after a notice of sale is recorded under this subsection ((~~(16)~~))(19)(a), the mediator subsequently issues a certification finding that the beneficiary or association violated the duty of good faith, the certification constitutes a basis for the borrower or unit owner to enjoin the foreclosure.

(b) If a borrower or unit owner has been referred to mediation after the notice of sale was recorded, the sale may not occur until the trustee receives the mediator's certification stating that the mediation has been completed.

((~~(17)~~))(c) If a unit owner has been referred to mediation before the filing of a judicial foreclosure, the association may not file a complaint for judicial foreclosure until the association receives the mediator's certification stating that the mediation has been completed. If a unit owner has been referred to mediation after the filing of a judicial foreclosure, but prior to the issuance of a judgment in the foreclosure action, the association may not seek judgment in the foreclosure action until the association receives the mediator's certification stating that the mediation has been completed. If the association does not receive the mediator's certification, the association may file for judicial foreclosure or move for judgment in a judicial foreclosure action after 10 days from the date the certification to the association was due. If an association entitled to bring a judicial foreclosure action participates in mediation under this section, the time spent in mediation shall not be a part of the time limited for the commencement of the judicial foreclosure action.

(20) A mediator may charge reasonable fees as authorized by this subsection or as authorized by the department. Unless the fee is waived, the parties agree otherwise, or the department otherwise authorizes, a foreclosure mediator's fee may not exceed $400 for preparing, scheduling, and conducting a mediation session lasting between one hour and three hours. For a mediation session exceeding three hours, the foreclosure mediator may charge a reasonable fee, as authorized by the department. The mediator must provide an estimated fee before the mediation, and payment of the mediator's fee must be divided equally between the beneficiary and the borrower, or between the association and the unit owner. The beneficiary and the borrower, or the association and the unit owner, must tender the ((~~loan~~)) mediator's fee within 30 calendar days from receipt of the department's letter referring the parties to mediation or pursuant to the mediator's instructions.

((~~(18)~~))(21) For association foreclosures, the unit owner and the association shall be responsible for their own respective attorneys' fees, if any are incurred during mediation under this section. Legal representation is not required for either party participating in an association foreclosure mediation.

(22) Beginning December 1, 2012, and every year thereafter, the department shall report annually to the legislature on:

(a) The performance of the program, including the number((~~s~~)) of borrowers who are referred to mediation by a housing counselor or attorney. Beginning December 1, 2026, the report must also include the number of unit owners who are referred to mediation by a housing counselor or attorney;

(b) The results of the mediation program, including the number of mediations requested by housing counselors and attorneys, the number of certifications of good faith issued, the number of borrowers and beneficiaries who failed to mediate in good faith, and the reasons for the failure to mediate in good faith, if known, the numbers of loans restructured or modified, the change in the borrower's monthly payment for principal and interest and the number of principal write-downs and interest rate reductions, and, to the extent practical, the number of borrowers who report a default within a year of restructuring or modification. Beginning December 1, 2026, the report must also include the number of unit owners and associations who failed to mediate in good faith, and the reasons for the failure to mediate in good faith, if known, the number of debts for delinquent

assessments restructured or modified, the change in the unit owner's periodic assessment payments including any reductions in late charges or interest rates, and, to the extent practical, the number of unit owners who report a delinquency within a year of restructuring or modification;

(c) The information received by housing counselors regarding outcomes of foreclosures; and

(d) Any recommendations for changes to the statutes regarding the mediation program.

((~~(19)~~))(23) This section does not apply to certain federally insured depository institutions, as specified in RCW 61.24.166.

(24) The department shall make information and resources regarding common interest community foreclosures and related foreclosure programs and resources publicly available online. The information shall be made available in language translations that the department provides in its other programs and when the information is requested verbally the department shall use a phone-based or other similar interpretive service. The information to be provided must include, but is not limited to, the following:

(a) The housing counseling program;

(b) The meet and confer process;

(c) The foreclosure mediation program;

(d) Language translations of the notice of delinquency for past due assessments; and

(e) Any other programs and resources that the department determines are relevant.

Sec. 4. RCW 61.24.165 and 2023 c 206 s 6 are each amended to read as follows:

(1) Except as provided in subsection (3) of this section, RCW 61.24.163 applies only to deeds of trust that are recorded against residential real property of up to four units.

(2) RCW 61.24.163 does not apply to deeds of trust:

(a) Securing a commercial loan;

(b) Securing obligations of a grantor who is not the borrower or a guarantor;

(c) Securing a purchaser's obligations under a seller-financed sale; or

(d) Where the grantor is a partnership, corporation, or limited liability company, or where the property is vested in a partnership, corporation, or limited liability company at the time the notice of default is issued.

(3) RCW 61.24.163 ((~~does not apply to association beneficiaries subject to chapter 64.32, 64.34, or 64.38 RCW~~))also applies to associations seeking to foreclose liens or deficiencies via nonjudicial or judicial foreclosure.

(4) For purposes of referral and mediation under RCW 61.24.163, a person may be referred to mediation if the borrower or unit owner is deceased and the person is a successor in interest of the deceased borrower or unit owner. The referring counselor or attorney must determine a person's eligibility under this section and indicate the grounds for eligibility on the referral to mediation submitted to the department. For the purposes of mediation under RCW 61.24.163, the person must be treated as a "borrower" or "unit owner." This subsection does not impose an affirmative duty on the beneficiary to accept an assumption of the loan.

(5) For purposes of referral and mediation under RCW 61.24.163, a person may be referred to mediation if the person has been awarded title to the property in a proceeding for dissolution or legal separation. The referring counselor or attorney must determine the person's eligibility under this section and indicate the grounds for eligibility on the referral to mediation submitted to the department. For the purposes of mediation under RCW 61.24.163, the person must be treated as a "borrower" or "unit owner." This subsection does not impose an affirmative duty on the beneficiary to accept an assumption of the loan.

NEW SECTION. **Sec. 5.** A new section is added to chapter 61.24 RCW to read as follows:

(1) A unit owner who is or may become delinquent to an association for an assessment charged may contact a housing counselor to receive housing counseling services.

(2) Housing counselors have a duty to act in good faith to assist unit owners by:

(a) Preparing the unit owner for meetings with the association;

(b) Advising the unit owner about what documents the unit owner must have to seek a repayment plan, modification, or other resolution of an assessment charged or that may be charged in the future by the association;

(c) Informing the unit owner about the alternatives to foreclosure, including a repayment plan, modification, or other possible resolution of an assessment charged or that may be charged in the future by the association; and

(d) Providing other guidance, advice, and education as the housing counselor considers necessary.

(3) Nothing in RCW 64.90.485 or this section precludes a meeting or negotiations between the housing counselor, unit owner, and the association at any time, including after the issuance of a notice of delinquency by the association for past due assessments to the unit owner by the association.

(4) A unit owner who seeks the assistance of a housing counselor may use the assistance of an attorney at any time.

(5)(a) A housing counselor or attorney assisting a unit owner may refer the unit owner to mediation, pursuant to RCW 61.24.163.

(b) Prior to referring the unit owner to mediation, the housing counselor or attorney shall submit a written request to the association on behalf of the owner requesting that the unit owner and association meet and confer over the assessment charged.

(c) The meet and confer session should occur within 30 days of the housing counselor's or attorney's request to the association to meet and confer, or at a

later date as otherwise agreed by the parties.

(d) During the meet and confer session, the participants must address the issues which led to the delinquency that may enable the unit owner and the association to reach a resolution including, but not limited to, a delinquent assessment payment plan, waiver of association imposed late fees or attorneys' fees, modification of a delinquent assessment, modification of late fees or charges associated with a delinquent assessment, or any other workout plan.

(e) The meet and confer session may be held by telephone or videoconference.

(f) For the meet and confer session, the unit owner and the association shall be responsible for their own respective attorneys' fees, if any are incurred. Legal representation is not required for either party participating in the meet and confer session.

(g) Following the meet and confer session, the housing counselor or attorney shall determine whether mediation is appropriate based on the individual circumstances.

(h) If the association refuses to participate in the meet and confer session within 30 days of the request, or otherwise fails to respond to the request within 30 days, then the unit owner may be referred to mediation pursuant to RCW 61.24.163.

(i) If the unit owner refuses to participate in the meet and confer session after it has been scheduled, then the housing counselor or attorney may not refer the matter to mediation; however, when a notice of trustee's sale has been recorded creating insufficient time to meet and confer, or where a judgment in foreclosure is pending and there is insufficient time to meet and confer, a unit owner may be referred to mediation regardless of whether the unit owner participates in a meet and confer session.

(6) During the time period between the date that the request to meet and confer is made and the date that the meet and confer session with the association is held, the association is prohibited from charging to the unit owner any attorneys' fees the association may have incurred attempting to collect the past due assessment.

(7) The referral to mediation may be made at any time after the meet and confer session occurs, after refusal to participate by the association, or after 30 days has passed since the request was made with no response from the association, but no later than 90 days prior to the date of sale listed in a notice of trustee's sale provided to the unit owner, or for a judicial foreclosure, at any time prior to the entry of a judgment in foreclosure. If an amended notice of trustee's sale is recorded after the trustee sale has been stayed pursuant to RCW 61.24.130, the unit owner may be referred to mediation no later than 25 days prior to the date of sale listed in the amended notice of trustee's sale. Nothing in this section requires a delay or prohibits the referral of a unit owner to mediation once a notice of trustee's sale has been recorded or a judicial foreclosure has been filed.

(8) Housing counselors providing assistance to unit owners under this section are not liable for civil damages resulting from any acts or omissions in providing assistance, unless the acts or omissions constitute gross negligence or willful or wanton misconduct.

(9) Housing counselors shall provide information to the department to assist the department in its annual report to the legislature as required under RCW 61.24.163(22). The information provided to the department by the housing counselors should include outcomes of foreclosures and be similar to the information requested in the national foreclosure mortgage counseling client level foreclosure outcomes report form.

Sec. 6. RCW 61.24.165 and 2024 c 321 s 413 are each amended to read as follows:

(1) Except as provided in subsection (3) of this section, RCW 61.24.163 applies only to deeds of trust that are recorded against residential real property of up to four units.

(2) RCW 61.24.163 does not apply to deeds of trust:

(a) Securing a commercial loan;

(b) Securing obligations of a grantor who is not the borrower or a guarantor;

(c) Securing a purchaser's obligations under a seller-financed sale; or

(d) Where the grantor is a partnership, corporation, or limited liability company, or where the property is vested in a partnership, corporation, or limited liability company at the time the notice of default is issued.

(3) RCW 61.24.163 ((~~does not apply to association beneficiaries subject to chapter 64.90 RCW~~))also applies to associations seeking to foreclose liens or deficiencies via nonjudicial or judicial foreclosure.

(4) For purposes of referral and mediation under RCW 61.24.163, a person may be referred to mediation if the borrower or unit owner is deceased and the person is a successor in interest of the deceased borrower or unit owner. The referring counselor or attorney must determine a person's eligibility under this section and indicate the grounds for eligibility on the referral to mediation submitted to the department. For the purposes of mediation under RCW 61.24.163, the person must be treated as a "borrower" or "unit owner." This subsection does not impose an affirmative duty on the beneficiary to accept an assumption of the loan.

(5) For purposes of referral and mediation under RCW 61.24.163, a person may be referred to mediation if the person has been awarded title to the property in a proceeding for dissolution or legal separation. The referring counselor or attorney must determine the person's eligibility under this section and indicate the grounds for eligibility on the referral to mediation submitted to the department. For the purposes of mediation under RCW 61.24.163, the person must be treated as a "borrower" or "unit owner." This subsection does not impose an affirmative duty on the

beneficiary to accept an assumption of the loan.

Sec. 7. RCW 61.24.005 and 2021 c 151 s 2 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Affiliate of beneficiary" means any entity which controls, is controlled by, or is under common control with a beneficiary.

(2) "Assessment" means all sums chargeable by the association against a unit, including any assessments levied for common expenses, fines or fees levied or imposed by the association pursuant to chapter 64.90 RCW or the governing documents, interest and late charges on any delinquent account, and all costs of collection incurred by the association in connection with the collection of a delinquent owner's account, including reasonable attorneys' fees.

(3) "Association" means an association subject to chapter 64.90 RCW.

(4) "Beneficiary" means the holder of the instrument or document evidencing the obligations secured by the deed of trust, excluding persons holding the same as security for a different obligation.

((~~(3)~~))(5) "Borrower" means a person or a general partner in a partnership, including a joint venture, that is liable for all or part of the obligations secured by the deed of trust under the instrument or other document that is the principal evidence of such obligations, or the person's successors if they are liable for those obligations under a written agreement with the beneficiary.

((~~(4)~~))(6) "Commercial loan" means a loan that is not made primarily for personal, family, or household purposes.

((~~(5)~~))(7) "Department" means the department of commerce or its designee.

((~~(6)~~))(8) "Fair value" means the value of the property encumbered by a deed of trust that is sold pursuant to a trustee's sale. This value shall be determined by the court or other appropriate adjudicator by reference to the most probable price, as of the date of the trustee's sale, which would be paid in cash or other immediately available funds, after deduction of prior liens and encumbrances with interest to the date of the trustee's sale, for which the property would sell on such date after reasonable exposure in the market under conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under duress.

((~~(7)~~))(9) "Grantor" means a person, or its successors, who executes a deed of trust to encumber the person's interest in property as security for the performance of all or part of the borrower's obligations.

((~~(8)~~))(10) "Guarantor" means any person and its successors who is not a borrower and who guarantees any of the obligations secured by a deed of trust in any written agreement other than the deed of trust.

((~~(9)~~))(11) "Housing counselor" means a housing counselor that has been approved by the United States department of housing and urban development or approved by the Washington state housing finance commission.

((~~(10)~~))(12) "Notice of delinquency" means a notice of delinquency as that phrase is used in chapter 64.90 RCW.

(13) "Owner-occupied" means property that is the principal residence of the borrower.

((~~(11)~~))(14) "Person" means any natural person, or legal or governmental entity.

((~~(12)~~))(15) "Record" and "recorded" includes the appropriate registration proceedings, in the instance of registered land.

((~~(13)~~))(16) "Residential real property" means property consisting solely of a single-family residence, a residential condominium unit, or a residential cooperative unit. For the purposes of the application of RCW 61.24.163, residential real property includes residential real property of up to four units.

((~~(14)~~))(17) "Senior beneficiary" means the beneficiary of a deed of trust that has priority over any other deeds of trust encumbering the same residential real property.

((~~(15)~~))(18) "Tenant-occupied property" means property consisting solely of residential real property that is the principal residence of a tenant subject to chapter 59.18 RCW or other building with four or fewer residential units that is the principal residence of a tenant subject to chapter 59.18 RCW.

((~~(16)~~))(19) "Trustee" means the person designated as the trustee in the deed of trust or appointed under RCW 61.24.010(2).

((~~(17)~~))(20) "Trustee's sale" means a nonjudicial sale under a deed of trust undertaken pursuant to this chapter.

(21) "Unit owner" means an owner of a unit in an association subject to chapter 64.90 RCW.

NEW SECTION. **Sec. 8.** A new section is added to chapter 61.24 RCW to read as follows:

(1) For each residential mortgage loan, as defined in RCW 31.04.015(24), originated within or outside of the state of Washington and related to property located within the state of Washington, excepting only reverse mortgage loans issued to seniors over the age of 61, a foreclosure prevention fee of $80 shall be assessed and due and payable at the time of closing by the escrow agent or other settlement or closing agent processing the loan closing into the foreclosure fairness account created in RCW 61.24.172. This foreclosure prevention fee may be financed in the loan and paid from the loan proceeds or from any borrower cash contribution at the time of closing. The department may make policies and procedures related to the implementation, collection, remittance, and management of the fee and may enter into individualized agreements governing the efficient remittance of the fee.

(2) At or before the time that the foreclosure prevention fee is assessed under subsection (1) of this section, the escrow agent or other settlement or closing agent must provide the borrower with a notice of the foreclosure prevention fee and its

purpose. The department must create a notice form that an escrow agent or other settlement or closing agent may use to satisfy this notice requirement. The notice form must include the toll-free numbers for the statewide foreclosure hotline recommended by the housing finance commission.

Sec. 9. RCW 61.24.172 and 2021 c 151 s 9 are each amended to read as follows:

The foreclosure fairness account is created in the custody of the state treasurer. All receipts received under RCW 61.24.174, as it existed prior to July 1, 2016, 61.24.173, ((~~and~~)) 61.24.190, and section 8 of this act must be deposited into the account. Only the director of the department of commerce or the director's designee may authorize expenditures from the account. Funding to agencies and organizations under this section must be provided by the department through an interagency agreement or other applicable contract instrument. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures. ((~~Biennial expenditures from the account must be used as follows: Four hundred thousand dollars to fund the counselor referral hotline.~~)) The ((~~remaining~~)) funds shall be distributed as follows: (1) ((~~Sixty-nine~~))50 percent for the purposes of providing housing counseling activities to benefit borrowers; (2) eight percent to the office of the attorney general to be used by the consumer protection division to enforce this chapter; (3) ((~~six~~))16.5 percent to the office of civil legal aid to be used for the purpose of contracting with qualified legal aid programs for legal representation of homeowners in matters relating to foreclosure; (4) 15 percent to fund the foreclosure prevention hotline; (5) 0.5 percent to fund outreach; and (6) 10 percent to the department to be used for implementation and operation of the foreclosure fairness act. Funds provided under ((~~this~~)) subsection (3) of this section must be used to supplement, not supplant, other federal, state, and local funds((~~; and (4) seventeen percent to the department to be used for implementation and operation of the foreclosure fairness act~~)).

The department shall enter into interagency agreements to contract with the Washington state housing finance commission and other appropriate entities to implement the foreclosure fairness act.

NEW SECTION. **Sec. 10.** A new section is added to chapter 61.24 RCW to read as follows:

By December 31, 2025, the department shall provide a report to the appropriate committees of the legislature on the number and amounts received from the notice of default fee remitted under RCW 61.24.190 and the foreclosure prevention fee remitted under section 8 of this act into the foreclosure fairness account authorized under RCW 61.24.172 for revenue collected from July 1, 2025, through November 30, 2025, and then post such information on the department website annually thereafter.

Sec. 11. RCW 64.32.200 and 2023 c 214 s 2 are each amended to read as follows:

(1) The declaration may provide for the collection of all sums assessed by the association of apartment owners for the share of the common expenses chargeable to any apartment and the collection may be enforced in any manner provided in the declaration including, but not limited to, (a) 10 days notice shall be given the delinquent apartment owner to the effect that unless such assessment is paid within 10 days any or all utility services will be forthwith severed and shall remain severed until such assessment is paid, or (b) collection of such assessment may be made by such lawful method of enforcement, judicial or extra-judicial, as may be provided in the declaration and/or bylaws.

(2) All sums assessed by the association of apartment owners but unpaid for the share of the common expenses chargeable to any apartment shall constitute a lien on such apartment prior to all other liens except only (a) tax liens on the apartment in favor of any assessing unit and/or special district, and (b) all sums unpaid on all mortgages of record. Such lien is not subject to the ban against execution or forced sales of homesteads under RCW 6.13.080 and, subject to the provisions in subsection (5) of this section, may be foreclosed by suit by the manager or board of directors, acting on behalf of the apartment owners, in like manner as a mortgage of real property. In any such foreclosure the apartment owner shall be required to pay a reasonable rental for the apartment, if so provided in the bylaws, and the plaintiff in such foreclosures shall be entitled to the appointment of a receiver to collect the same. The manager or board of directors, acting on behalf of the apartment owners, shall have power, unless prohibited by the declaration, to bid on the apartment at foreclosure sale, and to acquire and hold, lease, mortgage, and convey the same. Upon an express waiver in the complaint of any right to a deficiency judgment, the period of redemption shall be eight months after the sale. Suit to recover any judgment for any unpaid common expenses shall be maintainable without foreclosing or waiving the liens securing the same.

(3) Where the mortgagee of a mortgage of record or other purchaser of an apartment obtains possession of the apartment as a result of foreclosure of the mortgage, such possessor, his or her successors and assigns shall not be liable for the share of the common expenses or assessments by the association of apartment owners chargeable to such apartment which became due prior to such possession. Such unpaid share of common expenses of assessments shall be deemed to be common expenses collectible from all of the apartment owners including such possessor, his or her successors and assigns.

(4)(a) ((~~When the association, or the manager or board of directors on its behalf, mails to the apartment owner by first-class~~

~~mail the first notice of delinquency for past due assessments to the apartment address and to any other address that the owner has provided to the association, the association shall include a first preforeclosure notice that states~~))No later than 30 days after an assessment becomes past due, an association must provide a notice of delinquency to an apartment owner by first-class mail that meets the following criteria. The notice of delinquency must:

(i) Be mailed to the apartment address and to any other address that an apartment owner has provided to the association for the transmission of notice, and by email if the apartment owner's electronic address is known to the association;

(ii) Be provided in English and any other language indicated as a preference for correspondence by an apartment owner. Translation inaccuracies shall not diminish a good faith effort to provide notice in a preferred language other than English; and

(iii) Include a first preforeclosure notice that states as follows:

THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS
FROM THE APARTMENT OWNERS' ASSOCIATION TO WHICH YOUR HOME BELONGS.
THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOUR LOSING YOUR HOME.
CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW to assess your situation and refer you to mediation if you might benefit. **DO NOT DELAY.**
BE CAREFUL of people who claim they can help you. There are many individuals and businesses that prey upon borrowers in distress.
REFER TO THE CONTACTS BELOW for sources of assistance.

SEEKING ASSISTANCE

Housing counselors and legal assistance may be available at little or no cost to you. Housing counselors and attorneys may assist you in meeting and conferring with your association to resolve the past due assessments, and based on the circumstances refer you to the foreclosure mediation program. If you would like assistance in determining your rights and opportunities to keep your house, you may contact the following:

The statewide foreclosure hotline for assistance and referral to housing counselors recommended by the Housing Finance Commission

Telephone: . . . . . .
Website: . . . . . .

The United States Department of Housing and Urban Development

Telephone: . . . . . .
Website: . . . . . .

The statewide civil legal aid hotline for assistance and referrals to other housing counselors and attorneys

Telephone: . . . . . .
Website: . . . . . .

The association shall obtain the toll-free numbers and website information from the department of commerce for inclusion in the notice.

(b) Notwithstanding any other provisions of this chapter, until the 15th day after providing an apartment owner with a notice of delinquency that meets the requirements in (a) of this subsection, an association may not:

(i) Take any other action to collect a delinquent assessment; or

(ii) Charge an apartment owner for any costs related to the collection of the delinquent assessment except for:

(A) The actual costs of printing and mailing the notice of delinquency;

(B) An administrative fee of no more than $10 related to providing the notice of delinquency; and

(C) A single late fee of no more than $50 or five percent of the amount of the unpaid assessment which triggered the fee, whichever is less.

(c) If, when a delinquent account is referred to an association's attorney, the first preforeclosure notice required under (a) of this subsection has not yet been mailed to the apartment owner, the association or the association's attorney shall mail the first preforeclosure notice to the apartment owner in order to satisfy the requirement in (a) of this subsection.

((~~(c)~~))(d) Mailing the first preforeclosure notice pursuant to (a) of this subsection does not satisfy the requirement in subsection (5)(b) of this section to mail a second preforeclosure notice at or after the date that assessments have become past due for at least 90 days. The second preforeclosure notice may not be mailed sooner than 60 days after the first preforeclosure notice is mailed.

(e) The association must maintain the preforeclosure information required under this section and make it available to apartment owners in accordance with RCW 64.32.170.

(5) An association, or the manager or board of directors on its behalf, may not commence an action to foreclose a lien on an apartment under this section unless:

(a) The apartment owner, at the time the action is commenced, owes at least a sum equal to the greater of:

(i) Three months or more of assessments, not including fines, late charges, interest, attorneys' fees, or costs incurred by the association in connection with the collection of a delinquent owner's account; or

(ii) $2,000 of assessments, not including fines, late charges, interest, attorneys' fees, or costs incurred by the association in connection with the collection of a delinquent owner's account;

(b) At or after the date that assessments have become past due for at least 90 days, but no sooner than 60 days after the first preforeclosure notice required in subsection (4)(a) of this section is mailed, the association has mailed, by first-class mail, to the owner, at the apartment address and to any other address which the owner has provided to the association, a second notice of delinquency, which must include a second preforeclosure notice that contains the same information as the first preforeclosure notice provided to the apartment owner pursuant to subsection (4)(a) of this section. The second preforeclosure notice may not be mailed sooner than 60 days after

the first preforeclosure notice required in subsection (4)(a) of this section is mailed;

(c) At least 90 days have elapsed from the date the minimum amount required in (a) of this subsection has accrued; ((~~and~~))

(d) If the apartment owner was referred to mediation pursuant to RCW 61.24.163, until the mediation is completed and the certification of mediation is issued or after 10 days from the date the mediator's certification was due to the association; and

(e) The board approves commencement of a foreclosure action specifically against that apartment.

(6) Every aspect of a collection, foreclosure, sale, or other conveyance under this section, including the method, advertising, time, date, place, and terms, must be commercially reasonable.

Sec. 12. RCW 64.34.364 and 2023 c 214 s 4 are each amended to read as follows:

(1) The association has a lien on a unit for any unpaid assessments levied against a unit from the time the assessment is due.

(2) A lien under this section shall be prior to all other liens and encumbrances on a unit except: (a) Liens and encumbrances recorded before the recording of the declaration; (b) a mortgage on the unit recorded before the date on which the assessment sought to be enforced became delinquent; and (c) liens for real property taxes and other governmental assessments or charges against the unit. A lien under this section is not subject to the provisions of chapter 6.13 RCW.

(3) Except as provided in subsections (4) and (5) of this section, the lien shall also be prior to the mortgages described in subsection (2)(b) of this section to the extent of assessments for common expenses, excluding any amounts for capital improvements, based on the periodic budget adopted by the association pursuant to RCW 64.34.360(1) which would have become due during the six months immediately preceding the date of a sheriff's sale in an action for judicial foreclosure by either the association or a mortgagee, the date of a trustee's sale in a nonjudicial foreclosure by a mortgagee, or the date of recording of the declaration of forfeiture in a proceeding by the vendor under a real estate contract.

(4) The priority of the association's lien against units encumbered by a mortgage held by an eligible mortgagee or by a mortgagee which has given the association a written request for a notice of delinquent assessments shall be reduced by up to three months if and to the extent that the lien priority under subsection (3) of this section includes delinquencies which relate to a period after such holder becomes an eligible mortgagee or has given such notice and before the association gives the holder a written notice of the delinquency. This subsection does not affect the priority of mechanics' or material suppliers' liens, or the priority of liens for other assessments made by the association.

(5) If the association forecloses its lien under this section nonjudicially pursuant to chapter 61.24 RCW, as provided by subsection (9) of this section, the association shall not be entitled to the lien priority provided for under subsection (3) of this section.

(6) Unless the declaration otherwise provides, if two or more associations have liens for assessments created at any time on the same real estate, those liens have equal priority.

(7) Recording of the declaration constitutes record notice and perfection of the lien for assessments. While no further recording of any claim of lien for assessment under this section shall be required to perfect the association's lien, the association may record a notice of claim of lien for assessments under this section in the real property records of any county in which the condominium is located. Such recording shall not constitute the written notice of delinquency to a mortgagee referred to in subsection (2) of this section.

(8) A lien for unpaid assessments and the personal liability for payment of assessments is extinguished unless proceedings to enforce the lien or collect the debt are instituted within three years after the amount of the assessments sought to be recovered becomes due.

(9) The lien arising under this section may be enforced judicially by the association or its authorized representative in the manner set forth in chapter 61.12 RCW. The lien arising under this section may be enforced nonjudicially in the manner set forth in chapter 61.24 RCW for nonjudicial foreclosure of deeds of trust if the declaration (a) contains a grant of the condominium in trust to a trustee qualified under RCW 61.24.010 to secure the obligations of the unit owners to the association for the payment of assessments, (b) contains a power of sale, (c) provides in its terms that the units are not used principally for agricultural or farming purposes, and (d) provides that the power of sale is operative in the case of a default in the obligation to pay assessments. The association or its authorized representative shall have the power, unless prohibited by the declaration, to purchase the unit at the foreclosure sale and to acquire, hold, lease, mortgage, or convey the same. Upon an express waiver in the complaint of any right to a deficiency judgment in a judicial foreclosure action, the period of redemption shall be eight months. Nothing in this section shall prohibit an association from taking a deed in lieu of foreclosure.

(10) From the time of commencement of an action by the association to foreclose a lien for nonpayment of delinquent assessments against a unit that is not occupied by the owner thereof, the association shall be entitled to the appointment of a receiver to collect from the lessee thereof the rent for the unit as and when due. If the rental is not paid, the receiver may obtain possession of the unit, refurbish it for rental up to a reasonable standard for rental units in this type of condominium, rent the unit or permit its rental to others, and apply the rents first to the cost of the receivership and

attorneys' fees thereof, then to the cost of refurbishing the unit, then to applicable charges, then to costs, fees, and charges of the foreclosure action, and then to the payment of the delinquent assessments. Only a receiver may take possession and collect rents under this subsection, and a receiver shall not be appointed less than 90 days after the delinquency. The exercise by the association of the foregoing rights shall not affect the priority of preexisting liens on the unit.

(11) Except as provided in subsection (3) of this section, the holder of a mortgage or other purchaser of a unit who obtains the right of possession of the unit through foreclosure shall not be liable for assessments or installments thereof that became due prior to such right of possession. Such unpaid assessments shall be deemed to be common expenses collectible from all the unit owners, including such mortgagee or other purchaser of the unit. Foreclosure of a mortgage does not relieve the prior owner of personal liability for assessments accruing against the unit prior to the date of such sale as provided in this subsection.

(12) In addition to constituting a lien on the unit, each assessment shall be the joint and several obligation of the owner or owners of the unit to which the same are assessed as of the time the assessment is due. In a voluntary conveyance, the grantee of a unit shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor up to the time of the grantor's conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. Suit to recover a personal judgment for any delinquent assessment shall be maintainable in any court of competent jurisdiction without foreclosing or waiving the lien securing such sums.

(13) The association may from time to time establish reasonable late charges and a rate of interest to be charged on all subsequent delinquent assessments or installments thereof. In the absence of another established nonusurious rate, delinquent assessments shall bear interest from the date of delinquency at the maximum rate permitted under RCW 19.52.020 on the date on which the assessments became delinquent.

(14) The association shall be entitled to recover any costs and reasonable attorneys' fees incurred in connection with the collection of delinquent assessments, whether or not such collection activities result in suit being commenced or prosecuted to judgment. In addition, the association shall be entitled to recover costs and reasonable attorneys' fees if it prevails on appeal and in the enforcement of a judgment.

(15) The association upon written request shall furnish to a unit owner or a mortgagee a statement signed by an officer or authorized agent of the association setting forth the amount of unpaid assessments against that unit. The statement shall be furnished within fifteen days after receipt of the request and is binding on the association, the board of directors, and every unit owner, unless and to the extent known by the recipient to be false.

(16) To the extent not inconsistent with this section, the declaration may provide for such additional remedies for collection of assessments as may be permitted by law.

(17)(a) ((~~When the association mails to the unit owner by first-class mail the first notice of delinquency for past due assessments to the unit address and to any other address that the owner has provided to the association, the association shall include a first preforeclosure notice that states~~))No later than 30 days after an assessment becomes past due, an association must provide a notice of delinquency to a unit owner by first-class mail that meets the following criteria. The notice of delinquency must:

(i) Be mailed to the unit address and to any other address that a unit owner has provided to the association for the transmission of notice, and by email if the unit owner's electronic address is known to the association;

(ii) Be provided in English and any other language indicated as a preference for correspondence by a unit owner. Translation inaccuracies shall not diminish a good faith effort to provide notice in a preferred language other than English; and

(iii) Include a first preforeclosure notice that states as follows:

THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS
FROM THE UNIT OWNERS' ASSOCIATION TO WHICH YOUR HOME BELONGS.
THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOUR LOSING YOUR HOME.
CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW to assess your situation and refer you to mediation if you might benefit. **DO NOT DELAY.**
BE CAREFUL of people who claim they can help you. There are many individuals and businesses that prey upon borrowers in distress.
REFER TO THE CONTACTS BELOW for sources of assistance.

SEEKING ASSISTANCE

Housing counselors and legal assistance may be available at little or no cost to you. Housing counselors and attorneys may assist you in meeting and conferring with your association to resolve the past due assessments, and based on the circumstances refer you to the foreclosure mediation program. If you would like assistance in determining your rights and opportunities to keep your house, you may contact the following:

The statewide foreclosure hotline for assistance and referral to housing counselors recommended by the Housing Finance Commission

Telephone: . . . . . Website: . . . . . .

The United States Department of Housing and Urban Development

Telephone: . . . . . Website: . . . . . .

The statewide civil legal aid hotline for assistance and referrals to other housing counselors and attorneys

Telephone: . . . . . .
Website: . . . . . .

The association shall obtain the toll-free numbers and website information from the department of commerce for inclusion in the notice.

(b) Notwithstanding any other provisions of this chapter, until the 15th day after providing a unit owner with a notice of delinquency that meets the requirements in (a) of this subsection, an association may not:

(i) Take any other action to collect a delinquent assessment; or

(ii) Charge a unit owner for any costs related to the collection of the delinquent assessment except for:

(A) The actual costs of printing and mailing the notice of delinquency;

(B) An administrative fee of no more than $10 related to providing the notice of delinquency; and

(C) A single late fee of no more than $50 or five percent of the amount of the unpaid assessment which triggered the fee, whichever is less.

(c) If, when a delinquent account is referred to an association's attorney, the first preforeclosure notice required under (a) of this subsection has not yet been mailed to the unit owner, the association or the association's attorney shall mail the first preforeclosure notice to the unit owner in order to satisfy the requirement in (a) of this subsection.

((~~(c)~~))(d) Mailing the first preforeclosure notice pursuant to (a) of this subsection does not satisfy the requirement in subsection (18)(b) of this section to mail a second preforeclosure notice at or after the date that assessments have become past due for at least 90 days. The second preforeclosure notice may not be mailed sooner than 60 days after the first preforeclosure notice is mailed.

(e) The association must maintain the preforeclosure information required under this section and make it available to unit owners in accordance with RCW 64.34.372.

(18) An association may not commence an action to foreclose a lien on a unit under this section unless:

(a) The unit owner, at the time the action is commenced, owes at least a sum equal to the greater of:

(i) Three months or more of assessments, not including fines, late charges, interest, attorneys' fees, or costs incurred by the association in connection with the collection of a delinquent owner's account; or

(ii) $2,000 of assessments, not including fines, late charges, interest, attorneys' fees, or costs incurred by the association in connection with the collection of a delinquent owner's account;

(b) At or after the date that assessments have become past due for at least 90 days, but no sooner than 60 days after the first preforeclosure notice required in subsection (17)(a) of this section is mailed, the association has mailed, by first-class mail, to the owner, at the unit address and to any other address which the owner has provided to the association, a second notice of delinquency, which must include a second preforeclosure notice that contains the same information as the first preforeclosure notice provided to the unit owner pursuant to subsection (17)(a) of this section. The second preforeclosure notice may not be mailed sooner than 60 days after the first preforeclosure notice required in subsection (17)(a) of this section is mailed;

(c) At least 90 days have elapsed from the date the minimum amount required in (a) of this subsection has accrued; ((~~and~~))

(d) If the unit owner has been referred to mediation pursuant to RCW 61.24.163, until the mediation is completed and the certification of mediation is issued or after 10 days from the date the mediator's certification was due to the association; and

(e) The board approves commencement of a foreclosure action specifically against that unit.

(19) Every aspect of a collection, foreclosure, sale, or other conveyance under this section, including the method, advertising, time, date, place, and terms, must be commercially reasonable.

Sec. 13. RCW 64.38.100 and 2023 c 214 s 6 are each amended to read as follows:

(1)(a) If the governing documents of an association provide for a lien on the lot of any owner for unpaid assessments, ((~~the association shall include the following first preforeclosure notice when mailing to the lot owner by first-class mail the first notice of delinquency to the lot address and to any other address that the owner has provided to the association~~))no later than 30 days after an assessment becomes past due, an association must provide a notice of delinquency to a lot owner by first-class mail that meets the following criteria. The notice of delinquency must:

(i) Be mailed to the lot address and to any other address that a lot owner has provided to the association for the transmission of notice, and by email if the lot owner's electronic address is known to the association;

(ii) Be provided in English and any other language indicated as a preference for correspondence by a lot owner. Translation inaccuracies shall not diminish a good faith effort to provide notice in a preferred language other than English; and

(iii) Include a first preforeclosure notice that states as follows:

THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS
FROM THE HOMEOWNERS' ASSOCIATION TO WHICH YOUR HOME BELONGS.
THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOUR LOSING YOUR HOME.
CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW to assess your situation and refer you to mediation if you might benefit. **DO NOT DELAY.**
BE CAREFUL of people who claim they can help you. There are many individuals and businesses that prey upon borrowers in distress.
REFER TO THE CONTACTS BELOW for sources of assistance.

SEEKING ASSISTANCE

Housing counselors and legal assistance may be available at little or no cost to you. Housing counselors and attorneys may assist you in meeting and conferring with your association to resolve the past due assessments, and based on the circumstances refer you to the foreclosure mediation program. If you would like assistance in determining your rights and opportunities to keep your house, you may contact the following:

The statewide foreclosure hotline for assistance and referral to housing counselors recommended by the Housing Finance Commission

Telephone: . . . . . .
Website: . . . . . .

The United States Department of Housing and Urban Development

Telephone: . . . . . .
Website: . . . . . .

The statewide civil legal aid hotline for assistance and referrals to other housing counselors and attorneys

Telephone: . . . . . .
Website: . . . . . .

The association shall obtain the toll-free numbers and website information from the department of commerce for inclusion in the notice.

(b) Notwithstanding any other provisions of this chapter, until the 15th day after providing a lot owner with a notice of delinquency that meets the requirements in (a) of this subsection, an association may not:

(i) Take any other action to collect a delinquent assessment; or

(ii) Charge a lot owner for any costs related to the collection of the delinquent assessment except for:

(A) The actual costs of printing and mailing the notice of delinquency;

(B) An administrative fee of no more than $10 related to providing the notice of delinquency; and

(C) A single late fee of no more than $50 or five percent of the amount of the unpaid assessment which triggered the fee, whichever is less.

(c) If, when a delinquent account is referred to an association's attorney, the first preforeclosure notice required under (a) of this subsection has not yet been mailed to the lot owner, the association or the association's attorney shall mail the first preforeclosure notice to the lot owner in order to satisfy the requirement in (a) of this subsection.

((~~(c)~~)) (d) Mailing the first preforeclosure notice pursuant to (a) of this subsection does not satisfy the requirement in subsection (2)(b) of this section to mail a second preforeclosure notice at or after the date that assessments have become past due for at least 90 days. The second preforeclosure notice may not be mailed sooner than 60 days after the first preforeclosure notice is mailed.

(e) The association must maintain the preforeclosure information required under this section and make it available to lot owners in accordance with RCW 64.38.045.

(2) If the governing documents of an association provide for a lien on the lot of any owner for unpaid assessments, the association may not commence an action to foreclose the lien unless:

(a) The lot owner, at the time the action is commenced, owes at least a sum equal to the greater of:

(i) Three months or more of assessments, not including fines, late charges, interest, attorneys' fees, or costs incurred by the association in connection with the collection of a delinquent owner's account; or

(ii) $2,000 of assessments, not including fines, late charges, interest, attorneys' fees, or costs incurred by the association in connection with the collection of a delinquent owner's account;

(b) At or after the date that assessments have become past due for at least 90 days, but no sooner than 60 days after the first preforeclosure notice required in subsection (1)(a) of this section is mailed, the association has mailed, by first-class mail, to the owner, at the lot address and to any other address which the owner has provided to the association, a second notice of delinquency, which must include a second preforeclosure notice that contains the same information as the first preforeclosure notice provided to the lot owner pursuant to subsection (1)(a) of this section. The second preforeclosure notice may not be mailed sooner than 60 days after the first preforeclosure notice required in subsection (1)(a) of this section is mailed;

(c) At least 90 days have elapsed from the date the minimum amount required in (a) of this subsection has accrued; ((~~and~~))

(d) If the lot owner was referred to mediation pursuant to RCW 61.24.163, until the mediation is completed and the certification of mediation is issued or after 10 days from the date the mediator's certification was due to the association;

(e) The board approves commencement of a foreclosure action specifically against that lot.

(3) Every aspect of a collection, foreclosure, sale, or other conveyance under this section, including the method, advertising, time, date, place, and terms, must be commercially reasonable.

Sec. 14. RCW 64.90.485 and 2024 c 321 s 319 are each amended to read as follows:

(1) The association has a statutory lien on each unit for any unpaid assessment against the unit from the time such assessment is due.

(2) A lien under this section has priority over all other liens and encumbrances on a unit except:

(a) Liens and encumbrances recorded before the recordation of the declaration and, in a cooperative, liens and encumbrances that the association creates, assumes, or takes subject to;

(b) Except as otherwise provided in subsection (3) of this section, a security interest on the unit recorded before the date on which the unpaid assessment became due or, in a cooperative, a security interest encumbering only the unit owner's

interest and perfected before the date on which the unpaid assessment became due; and

(c) Liens for real estate taxes and other state or local governmental assessments or charges against the unit or cooperative.

(3)(a) A lien under this section also has priority over the security interests described in subsection (2)(b) of this section to the extent of an amount equal to the following:

(i) The common expense assessments, excluding any amounts for capital improvements, based on the periodic budget adopted by the association pursuant to RCW 64.90.480(1), along with any specially allocated assessments that are properly assessable against the unit under such periodic budget, which would have become due in the absence of acceleration during the six months immediately preceding the institution of proceedings to foreclose either the association's lien or a security interest described in subsection (2)(b) of this section;

(ii) The association's actual costs and reasonable attorneys' fees incurred in foreclosing its lien but incurred after the giving of the notice described in (a)(iii) of this subsection; provided, however, that the costs and reasonable attorneys' fees that will have priority under this subsection (3)(a)(ii) shall not exceed $2,000 or an amount equal to the amounts described in (a)(i) of this subsection, whichever is less;

(iii) The amounts described in (a)(ii) of this subsection shall be prior only to the security interest of the holder of a security interest on the unit recorded before the date on which the unpaid assessment became due and only if the association has given that holder not less than 60 days' prior written notice that the owner of the unit is in default in payment of an assessment. The notice shall contain:

(A) Name of the borrower;

(B) Recording date of the trust deed or mortgage;

(C) Recording information;

(D) Name of condominium, unit owner, and unit designation stated in the declaration or applicable supplemental declaration;

(E) Amount of unpaid assessment; and

(F) A statement that failure to, within 60 days of the written notice, submit the association payment of six months of assessments as described in (a)(i) of this subsection will result in the priority of the amounts described in (a)(ii) of this subsection; and

(iv) Upon payment of the amounts described in (a)(i) and (ii) of this subsection by the holder of a security interest, the association's lien described in this subsection (3)(a) shall thereafter be fully subordinated to the lien of such holder's security interest on the unit.

(b) For the purposes of this subsection:

(i) "Institution of proceedings" means either:

(A) The date of recording of a notice of trustee's sale by a deed of trust beneficiary;

(B) The date of commencement, pursuant to applicable court rules, of an action for judicial foreclosure either by the association or by the holder of a recorded security interest; or

(C) The date of recording of a notice of intention to forfeit in a real estate contract forfeiture proceeding by the vendor under a real estate contract.

(ii) "Capital improvements" does not include making, in the ordinary course of management, repairs to common elements or replacements of the common elements with substantially similar items, subject to: (A) Availability of materials and products, (B) prevailing law, or (C) sound engineering and construction standards then prevailing.

(c) The adoption of a periodic budget that purports to allocate to a unit any fines, late charges, interest, attorneys' fees and costs incurred for services unrelated to the foreclosure of the association's lien, other collection charges, or specially allocated assessments assessed under RCW 64.90.480 (6) or (7) does not cause any such items to be included in the priority amount affecting such unit.

(4) Subsections (2) and (3) of this section do not affect the priority of mechanics' or material suppliers' liens to the extent that law of this state other than chapter 277, Laws of 2018 gives priority to such liens, or the priority of liens for other assessments made by the association.

(5) A lien under this section is not subject to chapter 6.13 RCW.

(6) If the association forecloses its lien under this section nonjudicially pursuant to chapter 61.24 RCW, as provided under subsection (13) of this section, the association is not entitled to the lien priority provided for under subsection (3) of this section, and is subject to the limitations on deficiency judgments as provided in chapter 61.24 RCW.

(7) Unless the declaration provides otherwise, if two or more associations have liens for assessments created at any time on the same property, those liens have equal priority as to each other, and any foreclosure of one such lien shall not affect the lien of the other.

(8) Recording of the declaration constitutes record notice and perfection of the statutory lien created under this section. Further notice or recordation of any claim of lien for assessment under this section is not required, but is not prohibited.

(9) A lien for unpaid assessments and the personal liability for payment of those assessments are extinguished unless proceedings to enforce the lien or collect the debt are instituted within six years after the full amount of the assessments sought to be recovered becomes due.

(10) This section does not prohibit actions against unit owners to recover sums for which subsection (1) of this section creates a lien or prohibit an association from taking a deed in lieu of foreclosure.

(11) The association upon written request must furnish to a unit owner or a mortgagee a statement signed by an officer or authorized agent of the association setting forth the amount of unpaid assessments or the priority amount against that unit, or both. The statement must be furnished within 15 days after receipt of the request and is

binding on the association, the board, and every unit owner unless, and to the extent, known by the recipient to be false. The liability of a recipient who reasonably relies upon the statement must not exceed the amount set forth in any statement furnished pursuant to this section or RCW 64.90.640(1)(b).

(12) In a cooperative, upon nonpayment of an assessment on a unit, the unit owner may be evicted in the same manner as provided by law in the case of an unlawful holdover by a commercial tenant, and the lien may be foreclosed as provided under this section.

(13) The association's lien may be foreclosed in accordance with (a) and (b) of this subsection.

(a) In a common interest community other than a cooperative, the association's lien may be foreclosed judicially in accordance with chapter 61.12 RCW, subject to any rights of redemption under chapter 6.23 RCW.

(b) The lien may be enforced nonjudicially in the manner set forth in chapter 61.24 RCW for nonjudicial foreclosure of deeds of trust if the declaration: Contains a grant of the common interest community in trust to a trustee qualified under RCW 61.24.010 to secure the obligations of the unit owners to the association for the payment of assessments, contains a power of sale, provides in its terms that the units are not used principally for agricultural purposes, and provides that the power of sale is operative in the case of a default in the obligation to pay assessments. The association or its authorized representative may purchase the unit at the foreclosure sale and acquire, hold, lease, mortgage, or convey the unit. Upon an express waiver in the complaint of any right to a deficiency judgment in a judicial foreclosure action, the period of redemption is eight months.

(c) In a cooperative in which the unit owners' interests in the units are real estate, the association's lien must be foreclosed in like manner as a mortgage on real estate or by power of sale under (b) of this subsection.

(d) In a cooperative in which the unit owners' interests in the units are personal property, the association's lien must be foreclosed in like manner as a security interest under chapter 62A.9A RCW.

(e) No member of the association's board, or their immediate family members or affiliates, are eligible to bid for or purchase, directly or indirectly, any interest in a unit at a foreclosure of the association's lien. For the purposes of this subsection, "immediate family member" includes spouses, domestic partners, children, siblings, parents, parents-in-law, and stepfamily members; and "affiliate" of a board member includes any person controlled by the board member, including any entity in which the board member is a general partner, managing member, majority member, officer, or director. Nothing in this subsection prohibits an association from bidding for or purchasing interest in a unit at a foreclosure of the association's lien.

(14) If the unit owner's interest in a unit in a cooperative is real estate, the following requirements apply:

(a) The association, upon nonpayment of assessments and compliance with this subsection, may sell that unit at a public sale or by private negotiation, and at any time and place. The association must give to the unit owner and any lessee of the unit owner reasonable notice in a record of the time, date, and place of any public sale or, if a private sale is intended, of the intention of entering into a contract to sell and of the time and date after which a private conveyance may be made. Such notice must also be sent to any other person that has a recorded interest in the unit that would be cut off by the sale, but only if the recorded interest was on record seven weeks before the date specified in the notice as the date of any public sale or seven weeks before the date specified in the notice as the date after which a private sale may be made. The notices required under this subsection may be sent to any address reasonable in the circumstances. A sale may not be held until five weeks after the sending of the notice. The association may buy at any public sale and, if the sale is conducted by a fiduciary or other person not related to the association, at a private sale.

(b) Unless otherwise agreed to or as stated in this section, the unit owner is liable for any deficiency in a foreclosure sale.

(c) The proceeds of a foreclosure sale must be applied in the following order:

(i) The reasonable expenses of sale;

(ii) The reasonable expenses of securing possession before sale; the reasonable expenses of holding, maintaining, and preparing the unit for sale, including payment of taxes and other governmental charges and premiums on insurance; and, to the extent provided for by agreement between the association and the unit owner, reasonable attorneys' fees, costs, and other legal expenses incurred by the association;

(iii) Satisfaction of the association's lien;

(iv) Satisfaction in the order of priority of any subordinate claim of record; and

(v) Remittance of any excess to the unit owner.

(d) A good-faith purchaser for value acquires the unit free of the association's debt that gave rise to the lien under which the foreclosure sale occurred and any subordinate interest, even though the association or other person conducting the sale failed to comply with this section. The person conducting the sale must execute a conveyance to the purchaser sufficient to convey the unit and stating that it is executed by the person after a foreclosure of the association's lien by power of sale and that the person was empowered to make the sale. Signature and title or authority of the person signing the conveyance as grantor and a recital of the facts of nonpayment of the assessment and of the giving of the notices required under this subsection are sufficient proof of the facts recited and of the authority to sign. Further proof of authority is not required even though the association is named as grantee in the conveyance.

(e) At any time before the association has conveyed a unit in a cooperative or entered into a contract for its conveyance under the power of sale, the unit owners or the holder of any subordinate security interest may cure the unit owner's default and prevent sale or other conveyance by tendering the performance due under the security agreement, including any amounts due because of exercise of a right to accelerate, plus the reasonable expenses of proceeding to foreclosure incurred to the time of tender, including reasonable attorneys' fees and costs of the creditor.

(15) In an action by an association to collect assessments or to foreclose a lien on a unit under this section, the court may appoint a receiver to collect all sums alleged to be due and owing to a unit owner before commencement or during pendency of the action. The receivership is governed under chapter 7.60 RCW. During pendency of the action, the court may order the receiver to pay sums held by the receiver to the association for any assessments against the unit. The exercise of rights under this subsection by the association does not affect the priority of preexisting liens on the unit.

(16) Except as provided in subsection (3) of this section, the holder of a mortgage or other purchaser of a unit who obtains the right of possession of the unit through foreclosure is not liable for assessments or installments of assessments that became due prior to such right of possession. Such unpaid assessments are deemed to be common expenses collectible from all the unit owners, including such mortgagee or other purchaser of the unit. Foreclosure of a mortgage does not relieve the prior unit owner of personal liability for assessments accruing against the unit prior to the date of such sale as provided in this subsection.

(17) In addition to constituting a lien on the unit, each assessment is the joint and several obligation of the unit owner of the unit to which the same are assessed as of the time the assessment is due. A unit owner may not exempt himself or herself from liability for assessments. In a voluntary conveyance other than by foreclosure, the grantee of a unit is jointly and severally liable with the grantor for all unpaid assessments against the grantor up to the time of the grantor's conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee. Suit to recover a personal judgment for any delinquent assessment is maintainable in any court of competent jurisdiction without foreclosing or waiving the lien securing such sums.

(18) The association may from time to time establish reasonable late charges and a rate of interest to be charged, not to exceed the maximum rate calculated under RCW 19.52.020, on all subsequent delinquent assessments or installments of assessments. If the association does not establish such a rate, delinquent assessments bear interest from the date of delinquency at the maximum rate calculated under RCW 19.52.020 on the date on which the assessments became delinquent.

(19) The association is entitled to recover any costs and reasonable attorneys' fees incurred in connection with the collection of delinquent assessments, whether or not such collection activities result in a suit being commenced or prosecuted to judgment. The prevailing party is also entitled to recover costs and reasonable attorneys' fees in such suits, including any appeals, if it prevails on appeal and in the enforcement of a judgment.

(20) To the extent not inconsistent with this section, the declaration may provide for such additional remedies for collection of assessments as may be permitted by law.

(21)(a) ((~~When the association mails to the unit owner by first-class mail the first notice of delinquency for past due assessments to the unit address and to any other address that the owner has provided to the association, the association shall include a first preforeclosure notice that states~~))No later than 30 days after an assessment becomes past due, an association must provide a notice of delinquency to a unit owner by first-class mail that meets the following criteria. The notice of delinquency must:

(i) Be mailed to the unit address and to any other address that a unit owner has provided to the association for the transmission of notice, and by email if the unit owner's electronic address is known to the association;

(ii) Be provided in English and any other language indicated as a preference for correspondence by a unit owner. Translation inaccuracies shall not diminish a good faith effort to provide notice in a preferred language other than English; and

(iii) Include a first preforeclosure notice that states as follows:

THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS
FROM THE UNIT OWNERS ASSOCIATION TO WHICH YOUR HOME BELONGS.
THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOUR LOSING YOUR HOME.
CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW to assess your situation and refer you to mediation if you might benefit. **DO NOT DELAY.**
BE CAREFUL of people who claim they can help you. There are many individuals and businesses that prey upon borrowers in distress.
REFER TO THE CONTACTS BELOW for sources of assistance.

SEEKING ASSISTANCE

Housing counselors and legal assistance may be available at little or no cost to you. Housing counselors and attorneys may assist you in meeting and conferring with your association to resolve the past due assessments, and based on the circumstances refer you to the foreclosure mediation program. If you would like assistance in determining your rights and opportunities to keep your house, you may contact the following:

The statewide foreclosure hotline for assistance and referral to housing counselors recommended by the Housing Finance Commission

Telephone: . . . . . .
Website: . . . . . .

The United States Department of Housing and Urban Development

Telephone: . . . . . .
Website: . . . . . .

The statewide civil legal aid hotline for assistance and referrals to other housing counselors and attorneys

Telephone: . . . . . .
Website: . . . . . .

The association shall obtain the toll-free numbers and website information from the department of commerce for inclusion in the notice.

(b) Notwithstanding any other provisions of this chapter, until the 15th day after providing a unit owner with a notice of delinquency that meets the requirements in (a) of this subsection, an association may not:

(i) Take any other action to collect a delinquent assessment; or

(ii) Charge a unit owner for any costs related to the collection of the delinquent assessment except for:

(A) The actual costs of printing and mailing the notice of delinquency;

(B) An administrative fee of no more than $10 related to providing the notice of delinquency; and

(C) A single late fee of no more than $50 or five percent of the amount of the unpaid assessment which triggered the fee, whichever is less.

(c) If, when a delinquent account is referred to an association's attorney, the first preforeclosure notice required under (a) of this subsection has not yet been mailed to the unit owner, the association or the association's attorney shall mail the first preforeclosure notice to the unit owner in order to satisfy the requirement in (a) of this subsection.

((~~(c)~~))(d) Mailing the first preforeclosure notice pursuant to (a) of this subsection does not satisfy the requirement in subsection (22)(b) of this section to mail a second preforeclosure notice at or after the date that assessments have become past due for at least 90 days. The second preforeclosure notice may not be mailed sooner than 60 days after the first preforeclosure notice is mailed.

(e) The association must maintain the preforeclosure information required under this section and make it available to unit owners in accordance with RCW 64.90.495.

(22) An association may not commence an action to foreclose a lien on a unit under this section unless:

(a) The unit owner, at the time the action is commenced, owes at least a sum equal to the greater of:

(i) Three months or more of assessments, not including fines, late charges, interest, attorneys' fees, or costs incurred by the association in connection with the collection of a delinquent owner's account; or

(ii) $2,000 of assessments, not including fines, late charges, interest, attorneys' fees, or costs incurred by the association in connection with the collection of a delinquent owner's account;

(b) At or after the date that assessments have become past due for at least 90 days, but no sooner than 60 days after the first preforeclosure notice required in subsection (21)(a) of this section is mailed, the association has mailed, by first-class mail, to the owner, at the unit address and to any other address which the owner has provided to the association, a second notice of delinquency, which must include a second preforeclosure notice that contains the same information as the first preforeclosure notice provided to the owner pursuant to subsection (21)(a) of this section. The second preforeclosure notice may not be mailed sooner than 60 days after the first preforeclosure notice required in subsection (21)(a) of this section is mailed;

(c) At least 90 days have elapsed from the date the minimum amount required in (a) of this subsection has accrued; ((~~and~~))

(d) If the unit owner was referred to mediation pursuant to RCW 61.24.163, until the mediation is completed and the certification of mediation is issued or after 10 days from the date the mediator's certification was due to the association; and

(e) The board approves commencement of a foreclosure action specifically against that unit.

(23) Every aspect of a collection, foreclosure, sale, or other conveyance under this section, including the method, advertising, time, date, place, and terms, must be commercially reasonable.

Sec. 15. RCW 64.32.170 and 2023 c 409 s 1 are each amended to read as follows:

(1) An association of apartment owners must retain the following:

(a) The current budget, detailed records of receipts and expenditures affecting the operation and administration of the association, and other appropriate accounting records within the last seven years;

(b) Minutes of all meetings of its apartment owners and board other than executive sessions, a record of all actions taken by the apartment owners or board without a meeting, and a record of all actions taken by a committee in place of the board on behalf of the association;

(c) The names of current apartment owners, addresses used by the association to communicate with them, and the number of votes allocated to each apartment;

(d) Its original or restated declaration, organizational documents, all amendments to the declaration and organizational documents, and all rules currently in effect;

(e) All financial statements and tax returns of the association for the past seven years;

(f) A list of the names and addresses of its current board members and officers;

(g) Its most recent annual report delivered to the secretary of state, if any;

(h) Copies of contracts to which it is or was a party within the last seven years;

(i) Materials relied upon by the board or any committee to approve or deny any requests for design or architectural

approval for a period of seven years after the decision is made;

(j) Materials relied upon by the board or any committee concerning a decision to enforce the governing documents for a period of seven years after the decision is made;

(k) Copies of insurance policies under which the association is a named insured;

(l) Any current warranties provided to the association;

(m) Copies of all notices provided to apartment owners or the association in accordance with this chapter or the governing documents; ((~~and~~))

(n) Ballots, proxies, absentee ballots, and other records related to voting by apartment owners for one year after the election, action, or vote to which they relate; and

(o) The preforeclosure information required by RCW 64.32.200(4).

(2)(a) Subject to subsections (3) through (5) of this section, and except as provided in (b) of this subsection, all records required to be retained by an association of apartment owners must be made available for examination and copying by all apartment owners, holders of mortgages on the apartments, and their respective authorized agents as follows, unless agreed otherwise:

(i) During reasonable business hours or at a mutually convenient time and location; and

(ii) At the offices of the association or its managing agent.

(b) The list of apartment owners required to be retained by an association under subsection (1)(c) of this section is not required to be made available for examination and copying by holders of mortgages on the apartments.

(3) Records retained by an association of apartment owners must have the following information redacted or otherwise removed prior to disclosure:

(a) Personnel and medical records relating to specific individuals;

(b) Contracts, leases, and other commercial transactions to purchase or provide goods or services currently being negotiated;

(c) Existing or potential litigation or mediation, arbitration, or administrative proceedings;

(d) Existing or potential matters involving federal, state, or local administrative or other formal proceedings before a governmental tribunal for enforcement of the governing documents;

(e) Legal advice or communications that are otherwise protected by the attorney-client privilege or the attorney work product doctrine, including communications with the managing agent or other agent of the association;

(f) Information the disclosure of which would violate a court order or law;

(g) Records of an executive session of the board;

(h) Individual apartment files other than those of the requesting apartment owner;

(i) Unlisted telephone number or electronic address of any apartment owner or resident;

(j) Security access information provided to the association for emergency purposes; or

(k) Agreements that for good cause prohibit disclosure to the members.

(4) In addition to the requirements in subsection (3) of this section, an association of apartment owners must, prior to disclosure of the list of apartment owners required to be retained by an association under subsection (1)(c) of this section, redact or otherwise remove the address of any apartment owner or resident who is known to the association to be a participant in the address confidentiality program described in chapter 40.24 RCW or any similar program established by law.

(5)(a) Except as provided in (b) and (c) of this subsection, an association of apartment owners may charge a reasonable fee for producing and providing copies of any records under this section and for supervising the apartment owner's inspection.

(b) An apartment owner is entitled to receive a free annual electronic or paper copy of the list retained under subsection (1)(c) of this section from the association.

(c) An apartment owner is entitled to receive a free electronic or paper copy of the preforeclosure information retained under subsection (1)(o) of this section from the association which must be provided in English and any other language indicated as a preference for correspondence by an apartment owner. Translation inaccuracies shall not diminish a good faith effort to provide preforeclosure information in a preferred language other than English.

(6) A right to copy records under this section includes the right to receive copies by photocopying or other means, including through an electronic transmission if available upon request by the apartment owner.

(7) An association of apartment owners is not obligated to compile or synthesize information.

(8) Information provided pursuant to this section may not be used for commercial purposes.

(9) An association of apartment owners' managing agent must deliver all of the association's original books and records to the association immediately upon termination of its management relationship with the association, or upon such other demand as is made by the board. An association managing agent may keep copies of the association records at its own expense.

(10) All books and records shall be kept in accordance with good accounting procedures and be audited at least once a year by an auditor outside of the organization.

(11) This section applies to records in the possession of the association on July 23, 2023, and to records created or maintained after July 23, 2023. An association has no liability under this section for records disposed of prior to July 23, 2023.

Sec. 16. RCW 64.34.372 and 2023 c 409 s 2 are each amended to read as follows:

(1) The association shall keep financial records sufficiently detailed to enable the association to comply with RCW 64.34.425. All financial and other records of the association, including but not limited to checks, bank records, and invoices, are the property of the association. At least annually, the association shall prepare, or cause to be prepared, a financial statement of the association in accordance with generally accepted accounting principles. The financial statements of condominiums consisting of 50 or more units shall be audited at least annually by a certified public accountant. In the case of a condominium consisting of fewer than 50 units, an annual audit is also required but may be waived annually by unit owners other than the declarant of units to which 60 percent of the votes are allocated, excluding the votes allocated to units owned by the declarant.

(2) The funds of an association shall be kept in accounts in the name of the association and shall not be commingled with the funds of any other association, nor with the funds of any manager of the association or any other person responsible for the custody of such funds. Any reserve funds of an association shall be kept in a segregated account and any transaction affecting such funds, including the issuance of checks, shall require the signature of at least two persons who are officers or directors of the association.

(3) An association must retain the following:

(a) The current budget, detailed records of receipts and expenditures affecting the operation and administration of the association, and other appropriate accounting records within the last seven years;

(b) Minutes of all meetings of its unit owners and board other than executive sessions, a record of all actions taken by the unit owners or board without a meeting, and a record of all actions taken by a committee in place of the board on behalf of the association;

(c) The names of current unit owners, addresses used by the association to communicate with them, and the number of votes allocated to each unit;

(d) Its original or restated declaration, organizational documents, all amendments to the declaration and organizational documents, and all rules currently in effect;

(e) All financial statements and tax returns of the association for the past seven years;

(f) A list of the names and addresses of its current board members and officers;

(g) Its most recent annual report delivered to the secretary of state, if any;

(h) Copies of contracts to which it is or was a party within the last seven years;

(i) Materials relied upon by the board or any committee to approve or deny any requests for design or architectural approval for a period of seven years after the decision is made;

(j) Materials relied upon by the board or any committee concerning a decision to enforce the governing documents for a period of seven years after the decision is made;

(k) Copies of insurance policies under which the association is a named insured;

(l) Any current warranties provided to the association;

(m) Copies of all notices provided to unit owners or the association in accordance with this chapter or the governing documents; ((~~and~~))

(n) Ballots, proxies, absentee ballots, and other records related to voting by unit owners for one year after the election, action, or vote to which they relate; and

(o) The preforeclosure information required by RCW 64.34.364(17).

(4)(a) Subject to subsections (5) through (7) of this section, and except as provided in (b) of this subsection, all records required to be retained by an association must be made available for examination and copying by all unit owners, holders of mortgages on the units, and their respective authorized agents as follows, unless agreed otherwise:

(i) During reasonable business hours or at a mutually convenient time and location; and

(ii) At the offices of the association or its managing agent.

(b) The list of unit owners required to be retained by an association under subsection (3)(c) of this section is not required to be made available for examination and copying by holders of mortgages on the units.

(5) Records retained by an association must have the following information redacted or otherwise removed prior to disclosure:

(a) Personnel and medical records relating to specific individuals;

(b) Contracts, leases, and other commercial transactions to purchase or provide goods or services currently being negotiated;

(c) Existing or potential litigation or mediation, arbitration, or administrative proceedings;

(d) Existing or potential matters involving federal, state, or local administrative or other formal proceedings before a governmental tribunal for enforcement of the governing documents;

(e) Legal advice or communications that are otherwise protected by the attorney-client privilege or the attorney work product doctrine, including communications with the managing agent or other agent of the association;

(f) Information the disclosure of which would violate a court order or law;

(g) Records of an executive session of the board;

(h) Individual unit files other than those of the requesting unit owner;

(i) Unlisted telephone number or electronic address of any unit owner or resident;

(j) Security access information provided to the association for emergency purposes; or

(k) Agreements that for good cause prohibit disclosure to the members.

(6) In addition to the requirements in subsection (5) of this section, an association must, prior to disclosure of the

list of unit owners required to be retained by an association under subsection (3)(c) of this section, redact or otherwise remove the address of any unit owner or resident who is known to the association to be a participant in the address confidentiality program described in chapter 40.24 RCW or any similar program established by law.

(7)(a) Except as provided in (b) and (c) of this subsection, an association may charge a reasonable fee for producing and providing copies of any records under this section and for supervising the unit owner's inspection.

(b) A unit owner is entitled to receive a free annual electronic or paper copy of the list retained under subsection (3)(c) of this section from the association.

(c) A unit owner is entitled to receive a free electronic or paper copy of the preforeclosure information retained under subsection (3)(o) of this section from the association which must be provided in English and any other language indicated as a preference for correspondence by a unit owner. Translation inaccuracies shall not diminish a good faith effort to provide preforeclosure information in a preferred language other than English.

(8) A right to copy records under this section includes the right to receive copies by photocopying or other means, including through an electronic transmission if available upon request by the unit owner.

(9) An association is not obligated to compile or synthesize information.

(10) Information provided pursuant to this section may not be used for commercial purposes.

(11) An association's managing agent must deliver all of the association's original books and records to the association immediately upon termination of its management relationship with the association, or upon such other demand as is made by the board. An association managing agent may keep copies of the association records at its own expense.

(12) This section applies to records in the possession of the association on July 23, 2023, and to records created or maintained after July 23, 2023. An association has no liability under this section for records disposed of prior to July 23, 2023.

Sec. 17. RCW 64.38.045 and 2023 c 409 s 3 are each amended to read as follows:

(1) The association or its managing agent shall keep financial and other records sufficiently detailed to enable the association to fully declare to each owner the true statement of its financial status. All financial and other records of the association, including but not limited to checks, bank records, and invoices, in whatever form they are kept, are the property of the association. Each association managing agent shall turn over all original books and records to the association immediately upon termination of the management relationship with the association, or upon such other demand as is made by the board of directors. An association managing agent is entitled to keep copies of association records. All records which the managing agent has turned over to the association shall be made reasonably available for the examination and copying by the managing agent.

(2) At least annually, the association shall prepare, or cause to be prepared, a financial statement of the association. The financial statements of associations with annual assessments of $50,000 or more shall be audited at least annually by an independent certified public accountant, but the audit may be waived if 67 percent of the votes cast by owners, in person or by proxy, at a meeting of the association at which a quorum is present, vote each year to waive the audit.

(3) The funds of the association shall be kept in accounts in the name of the association and shall not be commingled with the funds of any other association, nor with the funds of any manager of the association or any other person responsible for the custody of such funds.

(4) An association must retain the following:

(a) The current budget, detailed records of receipts and expenditures affecting the operation and administration of the association, and other appropriate accounting records within the last seven years;

(b) Minutes of all meetings of its owners and board other than executive sessions, a record of all actions taken by the owners or board without a meeting, and a record of all actions taken by a committee in place of the board on behalf of the association;

(c) The names of current owners, addresses used by the association to communicate with them, and the number of votes allocated to each lot;

(d) Its original or restated declaration, organizational documents, all amendments to the declaration and organizational documents, and all rules currently in effect;

(e) All financial statements and tax returns of the association for the past seven years;

(f) A list of the names and addresses of its current board members and officers;

(g) Its most recent annual report delivered to the secretary of state, if any;

(h) Copies of contracts to which it is or was a party within the last seven years;

(i) Materials relied upon by the board or any committee to approve or deny any requests for design or architectural approval for a period of seven years after the decision is made;

(j) Materials relied upon by the board or any committee concerning a decision to enforce the governing documents for a period of seven years after the decision is made;

(k) Copies of insurance policies under which the association is a named insured;

(l) Any current warranties provided to the association;

(m) Copies of all notices provided to owners or the association in accordance with this chapter or the governing documents; ((~~and~~))

(n) Ballots, proxies, absentee ballots, and other records related to voting by

owners for one year after the election, action, or vote to which they relate; and

(o) The preforeclosure information required by RCW 64.38.100(1).

(5)(a) Subject to subsections (6) through (8) of this section, and except as provided in (b) of this subsection, all records required to be retained by an association must be made available for examination and copying by all owners, holders of mortgages on the lots, and their respective authorized agents as follows, unless agreed otherwise:

(i) During reasonable business hours or at a mutually convenient time and location; and

(ii) At the offices of the association or its managing agent.

(b) The list of owners required to be retained by an association under subsection (4)(c) of this section is not required to be made available for examination and copying by holders of mortgages on the lots.

(6) Records retained by an association must have the following information redacted or otherwise removed prior to disclosure:

(a) Personnel and medical records relating to specific individuals;

(b) Contracts, leases, and other commercial transactions to purchase or provide goods or services currently being negotiated;

(c) Existing or potential litigation or mediation, arbitration, or administrative proceedings;

(d) Existing or potential matters involving federal, state, or local administrative or other formal proceedings before a governmental tribunal for enforcement of the governing documents;

(e) Legal advice or communications that are otherwise protected by the attorney-client privilege or the attorney work product doctrine, including communications with the managing agent or other agent of the association;

(f) Information the disclosure of which would violate a court order or law;

(g) Records of an executive session of the board;

(h) Individual lot files other than those of the requesting owner;

(i) Unlisted telephone number or electronic address of any owner or resident;

(j) Security access information provided to the association for emergency purposes; or

(k) Agreements that for good cause prohibit disclosure to the members.

(7) In addition to the requirements in subsection (6) of this section, an association must, prior to disclosure of the list of owners required to be retained by an association under subsection (4)(c) of this section, redact or otherwise remove the address of any owner or resident who is known to the association to be a participant in the address confidentiality program described in chapter 40.24 RCW or any similar program established by law.

(8)(a) Except as provided in (b) and (c) of this subsection, an association may charge a reasonable fee for producing and providing copies of any records under this section and for supervising the owner's inspection.

(b) An owner is entitled to receive a free annual electronic or paper copy of the list retained under subsection (4)(c) of this section from the association.

(c) An owner is entitled to receive a free electronic or paper copy of the preforeclosure information retained under subsection (4)(o) of this section from the association which must be provided in English and any other language indicated as a preference for correspondence by an owner. Translation inaccuracies shall not diminish a good faith effort to provide preforeclosure information in a preferred language other than English.

(9) A right to copy records under this section includes the right to receive copies by photocopying or other means, including through an electronic transmission if available upon request by the owner.

(10) An association is not obligated to compile or synthesize information.

(11) Information provided pursuant to this section may not be used for commercial purposes.

(12) An association's managing agent must deliver all of the association's original books and records to the association immediately upon termination of its management relationship with the association, or upon such other demand as is made by the board. An association managing agent may keep copies of the association records at its own expense.

(13) This section applies to records in the possession of the association on July 23, 2023, and to records created or maintained after July 23, 2023. An association has no liability under this section for records disposed of prior to July 23, 2023.

Sec. 18. RCW 64.90.495 and 2024 c 321 s 320 are each amended to read as follows:

(1) An association must retain the following:

(a) The current budget, detailed records of receipts and expenditures affecting the operation and administration of the association, and other appropriate accounting records within the last seven years;

(b) Minutes of all meetings of its unit owners and board other than executive sessions, a record of all actions taken by the unit owners or board without a meeting, and a record of all actions taken by a committee in place of the board on behalf of the association;

(c) The names of current unit owners, addresses used by the association to communicate with them, and the number of votes allocated to each unit;

(d) Its original or restated declaration, organizational documents, all amendments to the declaration and organizational documents, and all rules currently in effect;

(e) All financial statements and tax returns of the association for the past seven years;

(f) A list of the names and addresses of its current board members and officers;

(g) Its most recent annual report delivered to the secretary of state, if any;

(h) Financial and other records sufficiently detailed to enable the association to comply with RCW 64.90.640;

(i) Copies of contracts to which it is or was a party within the last seven years;

(j) Materials relied upon by the board or any committee to approve or deny any requests for design or architectural approval for a period of seven years after the decision is made;

(k) Materials relied upon by the board or any committee concerning a decision to enforce the governing documents for a period of seven years after the decision is made;

(l) Copies of insurance policies under which the association is a named insured;

(m) Any current warranties provided to the association;

(n) Copies of all notices provided to unit owners or the association in accordance with this chapter or the governing documents;

(o) Ballots, proxies, absentee ballots, and other records related to voting by unit owners for one year after the election, action, or vote to which they relate;

(p) Originals or copies of any plans and specifications delivered by the declarant pursuant to RCW 64.90.420(1);

(q) Originals or copies of any instruments of conveyance for any common elements included within the common interest community but not appurtenant to the units delivered by the declarant pursuant to RCW 64.90.420(1); ((~~and~~))

(r) Originals or copies of any permits or certificates of occupancy for the common elements in the common interest community delivered by the declarant pursuant to RCW 64.90.420(1)<u>; and</u>

<u>(s) The preforeclosure information required by RCW 64.90.485 (21)</u>.

(2)(a) Subject to subsections (3) through (5) of this section, and except as provided in (b) of this subsection, all records required to be retained by an association must be made available for examination and copying by all unit owners, holders of mortgages on the units, and their respective authorized agents as follows, unless agreed otherwise:

(i) During reasonable business hours and at the offices of the association or its managing agent, or at a mutually convenient time and location; and

(ii) Upon 10 days' notice unless the size of the request or need to redact information reasonably requires a longer time, but in no event later than 21 days without a court order allowing a longer time.

(b) The list of unit owners required to be retained by an association under subsection (1)(c) of this section is not required to:

(i) Be made available for examination and copying by holders of mortgages on the units; or

(ii) Contain the electronic addresses of unit owners who have elected to keep such addresses confidential pursuant to RCW 64.90.515(3)(a).

(3) Records retained by an association must have the following information redacted or otherwise removed prior to disclosure:

(a) Personnel and medical records relating to specific individuals;

(b) Contracts, leases, and other commercial transactions to purchase or provide goods or services currently being negotiated;

(c) Existing or potential litigation or mediation, arbitration, or administrative proceedings;

(d) Existing or potential matters involving federal, state, or local administrative or other formal proceedings before a governmental tribunal for enforcement of the governing documents;

(e) Legal advice or communications that are otherwise protected by the attorney-client privilege or the attorney work product doctrine, including communications with the managing agent or other agent of the association;

(f) Information the disclosure of which would violate a court order or law;

(g) Records of an executive session of the board;

(h) Individual unit files other than those of the requesting unit owner;

(i) Unlisted telephone number of any unit owner or resident, electronic address of any unit owner that elects to keep such electronic address confidential, or electronic address of any resident;

(j) Security access information provided to the association for emergency purposes;

(k) Agreements that for good cause prohibit disclosure to the members; or

(l) Any information which would compromise the secrecy of a ballot cast under RCW 64.90.455(9).

(4) In addition to the requirements in subsection (3) of this section, an association must, prior to disclosure of the list of unit owners required to be retained by an association under subsection (1)(c) of this section, redact or otherwise remove the address of any unit owner or resident who is known to the association to be a participant in the address confidentiality program described in chapter 40.24 RCW or any similar program established by law.

(5)(a) Except as provided in (b) <u>and (c)</u> of this subsection, an association may charge a reasonable fee for producing and providing copies of any records under this section and for supervising the unit owner's inspection.

(b) A unit owner is entitled to receive a free annual electronic or written copy of the list retained under subsection (1)(c) of this section from the association.

<u>(c) A unit owner is entitled to receive a free electronic or written copy of the preforeclosure information retained under subsection (1)(s) of this section from the association which must be provided in English and any other language indicated as a preference for correspondence by a unit owner. Translation inaccuracies shall not diminish a good faith effort to provide preforeclosure information in a preferred language other than English.</u>

(6) A right to copy records under this section includes the right to receive copies by photocopying or other means, including through an electronic transmission if available upon request by the unit owner.

(7) An association is not obligated to compile or synthesize information.

(8) Information provided pursuant to this section may not be used for commercial purposes.

(9) An association's managing agent must deliver all of the association's original books and records to the association upon termination of its management relationship with the association, or upon such other demand as is made by the board. Electronic records must be provided within five business days of termination or the board's demand and written records must be provided within 10 business days of termination or the board's demand. An association managing agent may keep copies of the association records at its own expense.

NEW SECTION. **Sec. 19.** (1) Sections 1 through 4 and 11 through 14 of this act take effect January 1, 2026.

(2) Sections 5 through 7 of this act take effect January 1, 2028.

NEW SECTION. **Sec. 20.** Sections 1, 2, 4, 11 through 13, and 15 through 17 of this act expire January 1, 2028."

Correct the title.

Representative Jacobsen moved the adoption of amendment (1379) to the striking amendment (975):

Beginning on page 21, line 15, strike all of section 8 and insert the following:

"Sec. 8. RCW 61.24.190 and 2023 c 206 s 8 are each amended to read as follows:

(1) Except as provided in subsections (6) and (7) of this section, beginning January 1, 2022, and every quarter thereafter, every beneficiary issuing notices of default, or causing notices of default to be issued on its behalf, on residential real property under this chapter must:

(a) Report to the department, on a form approved by the department, the total number of residential real properties for which the beneficiary has issued a notice of default during the previous quarter, together with the street address, city, and zip code;

(b) Remit the amount required under subsection (2) of this section; and

(c) Report and update beneficiary contact information for the person and work group responsible for the beneficiary's compliance with the requirements of the foreclosure fairness act created in this chapter.

(2) For each residential real property for which a notice of default has been issued, the beneficiary issuing the notice of default, or causing the notice of default to be issued on the beneficiary's behalf, shall remit ((~~$250~~))$330 to the department to be deposited, as provided under RCW 61.24.172, into the foreclosure fairness account. The ((~~$250~~))$330 payment is required per property and not per notice of default. The beneficiary shall remit the total amount required in a lump sum each quarter.

(3) Reporting and payments under subsections (1) and (2) of this section are due within 45 days of the end of each quarter.

(4) For purposes of this section, "residential real property" includes residential real property with up to four dwelling units, whether or not the property or any part thereof is owner occupied.

(5) The department, including its officials and employees, may not be held civilly liable for damages arising from any release of information or the failure to release information related to the reporting required under this section, so long as the release was without gross negligence.

(6)(a) Beginning on January 1, 2023, this section does not apply to any beneficiary or loan servicer that is a federally insured depository institution, as defined in 12 U.S.C. Sec. 461(b)(1)(A), and that certifies under penalty of perjury that it has issued, or has directed a trustee or authorized agent to issue, fewer than 250 notices of default in the preceding year.

(b) During the 2023 calendar year, this section does not apply to any beneficiary or loan servicer that is a federally insured depository institution, as defined in 12 U.S.C. Sec. 461(b)(1)(A), and that certifies under penalty of perjury that fewer than 50 notices of trustee's sale were recorded on its behalf in 2019.

(c) This subsection (6) applies retroactively to January 1, 2023, and prospectively beginning with May 1, 2023.

(7) This section does not apply to association beneficiaries subject to chapter 64.32, 64.34, or 64.38 RCW.

Sec. 9. RCW 61.24.190 and 2024 c 321 s 414 are each amended to read as follows:

(1) Except as provided in subsections (6) and (7) of this section, beginning January 1, 2022, and every quarter thereafter, every beneficiary issuing notices of default, or causing notices of default to be issued on its behalf, on residential real property under this chapter must:

(a) Report to the department, on a form approved by the department, the total number of residential real properties for which the beneficiary has issued a notice of default during the previous quarter, together with the street address, city, and zip code;

(b) Remit the amount required under subsection (2) of this section; and

(c) Report and update beneficiary contact information for the person and work group responsible for the beneficiary's compliance with the requirements of the foreclosure fairness act created in this chapter.

(2) For each residential real property for which a notice of default has been issued, the beneficiary issuing the notice of default, or causing the notice of default to be issued on the beneficiary's behalf, shall remit ((~~$250~~))$330 to the department to be deposited, as provided under RCW 61.24.172, into the foreclosure fairness account. The ((~~$250~~))$330 payment is required per property and not per notice of default. The beneficiary shall remit the total amount required in a lump sum each quarter.

(3) Reporting and payments under subsections (1) and (2) of this section are due within 45 days of the end of each quarter.

(4) For purposes of this section, "residential real property" includes residential real property with up to four dwelling units, whether or not the property or any part thereof is owner occupied.

(5) The department, including its officials and employees, may not be held civilly liable for damages arising from any release of information or the failure to release information related to the reporting required under this section, so long as the release was without gross negligence.

(6)(a) Beginning on January 1, 2023, this section does not apply to any beneficiary or loan servicer that is a federally insured depository institution, as defined in 12 U.S.C. Sec. 461(b)(1)(A), and that certifies under penalty of perjury that it has issued, or has directed a trustee or authorized agent to issue, fewer than 250 notices of default in the preceding year.

(b) During the 2023 calendar year, this section does not apply to any beneficiary or loan servicer that is a federally insured depository institution, as defined in 12 U.S.C. Sec. 461(b)(1)(A), and that certifies under penalty of perjury that fewer than 50 notices of trustee's sale were recorded on its behalf in 2019.

(c) This subsection (6) applies retroactively to January 1, 2023, and prospectively beginning with May 1, 2023.

(7) This section does not apply to association beneficiaries subject to chapter 64.90 RCW."

Renumber the remaining sections consecutively and correct any internal references accordingly.

On page 22, beginning on line 5, after "61.24.173," strike all material through "act" on line 6 and insert "and 61.24.190"

On page 22, beginning on line 38, after "61.24.190" strike all material through "act" on line 39

On page 60, line 7, after "7" insert "and 9"

On page 60, line 8, after "4," insert "8,"

Representatives Jacobsen, Jacobsen (again), Walsh and Dufault spoke in favor of the adoption of the amendment to the striking amendment.

Representative Peterson spoke against the adoption of the amendment to the striking amendment.

Amendment (1379) to the striking amendment (975) was not adopted.

Representative Manjarrez moved the adoption of amendment (1380) to the striking amendment (975):

On page 21, beginning on line 15 of the striking amendment, strike all of section 8

Renumber the remaining sections consecutively and correct any internal references accordingly.

On page 22, beginning on line 5 of the striking amendment, after "61.24.173," strike all material through "act" on line 6 and insert "and 61.24.190"

On page 22, beginning on line 38 of the striking amendment, after "61.24.190" strike all material through "act" on line 39

Representatives Manjarrez and Dufault spoke in favor of the adoption of the amendment to the striking amendment.

Representative Peterson spoke against the adoption of the amendment to the striking amendment.

Amendment (1380) to the striking amendment (975) was not adopted.

Representative Dufault moved the adoption of amendment (1378) to the striking amendment (975):

On page 22, line 16 of the striking amendment, after "((~~Sixty-nine~~))" strike "50" and insert "75"

On page 22, beginning on line 17 of the striking amendment, after "(2)" strike all material through "(4)" on line 22 and insert "((~~eight percent to the office of the attorney general to be used by the consumer protection division to enforce this chapter; (3) six percent to the office of civil legal aid to be used for the purpose of contracting with qualified legal aid programs for legal representation of homeowners in matters relating to foreclosure~~))"

On page 22, beginning on line 23 of the striking amendment, after "hotline;" strike all material through "(6)" on line 24 and insert "and (3)"

On page 22, beginning on line 26 of the striking amendment, after "act." strike all material through "~~act~~))." on line 29 and insert "((~~Funds provided under this subsection (3) must be used to supplement, not supplant, other federal, state, and local funds; and (4) seventeen percent to the department to be used for implementation and operation of the foreclosure fairness act.~~))"

Representatives Dufault, Dufault (again) and Walsh spoke in favor of the adoption of the amendment to the striking amendment.

Representative Peterson spoke against the adoption of the amendment to the striking amendment.

Amendment (1378) to the striking amendment (975) was not adopted.

Representatives Peterson and Connors spoke in favor of the adoption of the striking amendment.

The striking amendment (975) was adopted.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House, was placed on final passage.

Representative Peterson spoke in favor of the passage of the bill.

Representatives Connors, Dufault, Jacobsen and Walsh spoke against the passage of the bill.

The Speaker (Representative Timmons presiding) stated the question before the House to be the final passage of Engrossed Second Substitute Senate Bill No. 5686, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Second Substitute Senate Bill No. 5686, as amended by the House, and the bill passed the House by the following vote: Yeas, 56; Nays, 41; Absent, 0; Excused, 1

Voting Yea: Representatives Berg, Bergquist, Bernbaum, Berry, Bronoske, Callan, Cortes, Davis, Doglio, Donaghy, Duerr, Entenman, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Gregerson, Hackney, Hill, Hunt, Kloba, Leavitt, Lekanoff, Macri, Mena, Morgan, Nance, Obras, Ormsby, Ortiz-Self, Parshley, Peterson, Pollet, Ramel, Reed, Reeves, Richards, Ryu, Salahuddin, Santos, Scott, Simmons, Springer, Stearns, Stonier, Street, Taylor, Thai, Tharinger, Thomas, Timmons, Walen, Wylie, Zahn and Mme. Speaker

Voting Nay: Representatives Abbarno, Abell, Barkis, Burnett, Caldier, Chase, Connors, Corry, Couture, Dent, Dufault, Dye, Engell, Eslick, Graham, Griffey, Jacobsen, Keaton, Klicker, Ley, Low, Manjarrez, Marshall, McClintock, McEntire, Mendoza, Orcutt, Paul, Penner, Rude, Rule, Schmick, Schmidt, Shavers, Steele, Stokesbary, Stuebe, Volz, Walsh, Waters and Ybarra

Excused: Representative Barnard

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5686, as amended by the House, having received the necessary constitutional majority, was declared passed.

SUBSTITUTE SENATE BILL NO. 5583, Liias, Robinson and Noblesby Senate Committee on Ways & Means (originally sponsored by Liias, Robinson and Nobles)

Concerning recreational fishing and hunting licenses.

The bill was read the second time.

Representative Connors moved the adoption of amendment (1373):

On page 21, after line 28, insert the following:

"The following resident and nonresident recreational fishing fee amounts are phased in as follows:

(a) From July 1, 2025 through March 31, 2026, resident and nonresident fee amounts are 72% of the amounts in the fee table in this section;

(a) From April 1, 2026 through March 31, 2027, resident and nonresident fee amounts are 79% of the amounts in the fee table in this section;

(b) From April 1, 2027 through March 31, 2028, resident and nonresident fee amounts are 86% of the amounts in the fee table in this section;

(c) From April 1, 2028 through March 31, 2029, resident and nonresident fee amounts are 93% of the amounts in the fee table in this section; and

(d) Beginning April 1, 2029, resident and nonresident fee amounts are the full amounts in the fee table in this section."

On page 22, after line 16, insert the following:

"The following resident and nonresident hunting fee amounts are phased in as follows:

(a) From July 1, 2025 through March 31, 2026, resident and nonresident fee amounts are 72% of the amounts in the fee table in this section;

(a) From April 1, 2026 through March 31, 2027, resident and nonresident fee amounts are 79% of the amounts in the fee table in this section;

(b) From April 1, 2027 through March 31, 2028, resident and nonresident fee amounts are 86% of the amounts in the fee table in this section;

(c) From April 1, 2028 through March 31, 2029, resident and nonresident fee amounts are 93% of the amounts in the fee table in this section; and

(d) Beginning April 1, 2029, resident and nonresident fee amounts are the full amounts in the fee table in this section."

Representatives Couture, Walsh and Abell spoke in favor of the adoption of the amendment.

Representative Fitzgibbon spoke against the adoption of the amendment.

Amendment (1373) was not adopted.

Representative Engell moved the adoption of amendment (1374):

On page 21, after line 28, insert the following:

"For residents with income at or below 100 percent of the median income of their county of residence, as verified by the department in coordination with the employment security department, recreational fishing license fees are the same as they existed on January 1, 2025."

On page 22, after line 16, insert the following:

"For residents with income at or below 100 percent of the median income of their county of residence, as verified by the department in coordination with the employment security department, hunting license fees are the same as they existed on January 1, 2025."

Representatives Engell and Walsh spoke in favor of the adoption of the amendment.

Representative Gregerson spoke against the adoption of the amendment.

Amendment (1374) was not adopted.

Representative Walsh moved the adoption of amendment (1377):

On page 21, after line 28, insert the following:

"The equivalent of 2.5 percent of the revenue from license fees in this section must be deposited in the limited fish and wildlife account created in RCW 77.12.170 and used to mitigate pinniped predation."

On page 22, after line 16, insert the following:

"The equivalent of 2.5 percent of the revenue from big game license fees in this section must be deposited in the limited fish and wildlife account created in RCW

77.12.170 and used by the Washington state university veterinary medicine program to address elk hoof disease, as described in RCW 77.12.272."

Representatives Walsh, Couture, Orcutt and Walsh (again) spoke in favor of the adoption of the amendment.

Representative Fitzgibbon spoke against the adoption of the amendment.

Amendment (1377) was not adopted.

Representative McEntire moved the adoption of amendment (1372):

On page 21, at the beginning of line 29, insert "(1)"

On page 22, after line 14, insert the following:
"(2) The commission shall adopt rules to increase bag limits for species fished under each respective license required by this chapter by the same percentage as the percentage difference between the resident fees in effect as of March 31, 2025, and the resident fees provided in this section."

On page 22, at the beginning of line 17, insert "(1)"

On page 24, after line 5, insert the following:
"(2) The commission shall adopt rules to increase bag limits for species hunted under each respective license required by this chapter by the same percentage as the percentage difference between the resident fees in effect as of March 31, 2025, and the resident fees provided in this section."

Representatives McEntire, Ybarra and Walsh spoke in favor of the adoption of the amendment.

Representative Gregerson spoke against the adoption of the amendment.

Amendment (1372) was not adopted.

Representative Orcutt moved the adoption of amendment (1376):

On page 21, at the beginning of line 29, insert "(1)"

On page 22, after line 14, insert the following:
"(2) Upon written application, the department shall issue licenses required by this chapter to veterans of the United States armed forces who have a qualifying discharge as defined in RCW 73.04.005 at the resident senior rates established in this section."

On page 22, at the beginning of line 17, insert "(1)"

On page 24, after line 5, insert the following:
"(2) Upon written application, the department shall issue licenses required by this chapter to veterans of the United States armed forces who have a qualifying discharge as defined in RCW 73.04.005 at the resident senior rates established in this section."

On page 24, after line 30, insert the following:

"**Sec. 1.** RCW 73.04.005 and 2024 c 146 s 4 are each amended to read as follows:
For purposes of RCW 9.46.070, 28A.230.120, 28B.15.012, 28B.15.621, 28B.102.020, 41.04.005, 41.04.007, 41.04.010, 41.06.133, 41.08.040, 41.12.040, 43.24.130, 43.70.270, 46.18.270, 46.18.280, 46.20.161, 72.36.030, 73.08.005, section 16 of this act, section 17 of this act, and 77.32.480:
(1) A "qualifying discharge" means:
(a) A discharge with an honorable characterization of service;
(b) A discharge with a general under honorable conditions characterization of service;
(c) A discharge with an other than honorable characterization of service if the applicant provides a letter, administrative decision, or other documentation from the United States department of veterans affairs showing eligibility for or receipt of monetary benefits, such as disability compensation or nonservice-connected pension; or
(d) Any characterization of service if the reason for discharge was listed as solely due to: (i) A person's sexual orientation, gender identity, or gender expression; (ii) statements, consensual sexual conduct, or consensual acts relating to sexual orientation, gender identity, or gender expression unless the statements, conduct, or acts are or were prohibited by the uniform code of military justice on grounds other than the person's sexual orientation, gender identity, or gender expression; or (iii) the disclosure of statements, conduct, or acts relating to sexual orientation, gender identity, or gender expression to military officials.
(2)(a) To prove a "qualifying discharge" under this section, an individual must provide official documentation that shows the following to the agency administering the sought benefit or protection:
(i) The individual's characterization of service; and
(ii) If an individual has a qualifying discharge under subsection (1)(d) of this section, also the individual's reason for discharge or narrative reason for separation.
(b) Proof may include, but is not limited to, a department of defense DD form 214, NGB form 22, or equivalent or successor official paperwork stating the required information from a government agency. Copies of official documents are acceptable as proof."

Renumber the remaining sections consecutively and correct any internal references accordingly.

Representatives Orcutt, Keaton, Abell, Stuebe, Marshall, McEntire, Connors and Dufault spoke in favor of the adoption of the amendment.

Representatives Gregerson and Ryu spoke against the adoption of the amendment.

Division was demanded and the demand was sustained. The Speaker (Representative Timmons presiding) divided the House. The result was 41 - YEAS; 45 - NAYS.

Amendment (1376) was not adopted.

Representative Corry moved the adoption of amendment (1375):

On page 25, beginning on line 4, strike all of section 22

Representatives Corry, Corry (again), Marshall, Manjarrez, Walsh, Orcutt, Rude and Couture spoke in favor of the adoption of the amendment.

Representative Gregerson spoke against the adoption of the amendment.

Division was demanded and the demand was sustained. The Speaker (Representative Timmons presiding) divided the House. The result was 37 - YEAS; 49 - NAYS.

Amendment (1375) was not adopted.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representative Gregerson spoke in favor of the passage of the bill.

Representatives Orcutt, Abell, Walsh and Connors spoke against the passage of the bill.

The Speaker (Representative Timmons presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 5583.

ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 5583, and the bill passed the House by the following vote: Yeas, 51; Nays, 46; Absent, 0; Excused, 1

Voting Yea: Representatives Berg, Bergquist, Berry, Bronoske, Callan, Cortes, Davis, Doglio, Donaghy, Duerr, Entenman, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Gregerson, Hackney, Hill, Hunt, Kloba, Lekanoff, Macri, Mena, Morgan, Nance, Obras, Ormsby, Ortiz-Self, Parshley, Peterson, Pollet, Ramel, Reed, Ryu, Salahuddin, Santos, Scott, Simmons, Springer, Stearns, Stonier, Street, Taylor, Thai, Tharinger, Thomas, Walen, Wylie, Zahn and Mme. Speaker

Voting Nay: Representatives Abbarno, Abell, Barkis, Bernbaum, Burnett, Caldier, Chase, Connors, Corry, Couture, Dent, Dufault, Dye, Engell, Eslick, Graham, Griffey, Jacobsen, Keaton, Klicker, Leavitt, Ley, Low, Manjarrez, Marshall, McClintock, McEntire, Mendoza, Orcutt, Paul, Penner, Reeves, Richards, Rude, Rule, Schmick, Schmidt, Shavers, Steele, Stokesbary, Stuebe, Timmons, Volz, Walsh, Waters and Ybarra

Excused: Representative Barnard

SUBSTITUTE SENATE BILL NO. 5583, having received the necessary constitutional majority, was declared passed.

ENGROSSED SUBSTITUTE SENATE BILL NO. 5752, Wilson, C., Robinson and Dhingraby Senate Committee on Ways & Means (originally sponsored by Wilson, C., Robinson and Dhingra)

Modifying child care and early childhood development programs.

The bill was read the second time.

There being no objection, the committee striking amendment by the Committee on Early Learning & Human Services was not adopted. For Committee amendment, see Journal, Day 79, Tuesday, April 1, 2025.

There being no objection, the committee striking amendment by the Committee on Appropriations was not adopted. For Committee amendment, see Journal, Day 86, Tuesday, April 8, 2025.

FORMAT CHANGED TO ACCOMMODATE TEXT

Representative Bergquist moved the adoption of the striking amendment (1386):

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 43.216.556 and 2021 c 199 s 208 are each amended to read as follows:

(1) Funding for the program of early learning established under this chapter must be appropriated to the department. The department shall distribute funding to approved early childhood education and assistance program contractors on the basis of eligible children enrolled.

(2) The program shall be implemented in phases, so that full implementation is achieved in the ((~~2026-27~~))2030-31 school year.

(3) Funding shall continue to be phased in each year until full statewide implementation of the early learning program is achieved in the ((~~2026-27~~))2030-31 school year, at which time any eligible child is entitled to be enrolled in the program. Entitlement under this section is voluntary enrollment.

(4) School districts and approved community-based early learning providers may contract with the department to provide services under the program. The department shall collaborate with school districts, community-based providers, and educational service districts to promote an adequate supply of approved providers.

Sec. 2. RCW 43.216.505 and 2024 c 225 s 2 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout RCW 43.216.500 through 43.216.559, 43.216.900, and 43.216.901.

(1) "Advisory committee" means the advisory committee under RCW 43.216.520.

(2) "Approved programs" means those state-supported education and special assistance programs which are recognized by the department as meeting the minimum program rules adopted by the department to qualify under RCW 43.216.500 through 43.216.550, 43.216.900, and 43.216.901 and are designated as eligible for funding by the department under RCW 43.216.530 and 43.216.540.

(3) "Comprehensive" means an assistance program that focuses on the needs of the child and includes education, health, and family support services.

(4) "Eligible child" means a three to five-year old child who is not age-eligible for kindergarten, is not a participant in a federal or state program providing comprehensive services, and who:

(a) Has a family with an income at or below 50 percent of the state median income adjusted for family size;

(b) Is experiencing homelessness;

(c) Has participated in early head start or a successor federal program providing comprehensive services for children from birth through two years of age, the early support for infants and toddlers program or received class C developmental services, the birth to three early childhood education and assistance program, or the early childhood intervention and prevention services program;

(d) Is eligible for special education due to disability under RCW 28A.155.020;

(e) ((~~Is a member of an assistance unit that is eligible for or is receiving basic food benefits under the federal supplemental nutrition assistance program or the state food assistance program;~~

~~(f)~~)) Is Indian as defined in rule by the department after consultation and agreement with Washington state's federally recognized tribes pursuant to RCW 43.216.5052 and is at or below 100 percent of the state median income adjusted for family size; or

((~~(g)~~))(f) Meets criteria under rules adopted by the department if the number of such children equals not more than ten percent of the total enrollment in the early childhood program. Preference for enrollment in this group shall be given to children from families with the lowest income, children in foster care, or to eligible children from families with multiple needs.

(5) "Experiencing homelessness" means a child without a fixed, regular, and adequate nighttime residence as described in the federal McKinney-Vento homeless assistance act (Title 42 U.S.C., chapter 119, subchapter VI, part B) as it existed on January 1, 2021.

(6) "Family support services" means providing opportunities for parents to:

(a) Actively participate in their child's early childhood program;

(b) Increase their knowledge of child development and parenting skills;

(c) Further their education and training;

(d) Increase their ability to use needed services in the community;

(e) Increase their self-reliance; and

(f) Connect with culturally competent, disability positive therapists and supports where appropriate.

Sec. 3. RCW 43.216.578 and 2024 c 225 s 5 are each amended to read as follows:

(1) ((~~Within resources available under the federal preschool development grant birth to five grant award received in December 2018~~))Subject to the availability of amounts appropriated for this specific purpose, the department shall develop a plan for phased implementation of a birth to three early childhood education and assistance program pilot project for eligible children under thirty-six months old. Funds to implement the pilot project may include a combination of federal, state, or private sources.

(2) The department may adopt rules to implement the pilot project and may waive or adapt early childhood education and assistance program requirements when necessary to allow for the operation of the birth to three early childhood education and assistance program. The department shall consider early head start rules and regulations when developing the provider and family eligibility requirements and program requirements. Any deviations from early head start standards, rules, or regulations must be identified and explained by the department in its annual report under subsection (6) of this section.

(3)(a) Upon securing adequate funds to begin implementation, the pilot project programs must be delivered through child care centers and family home providers who meet minimum licensing standards and are enrolled in the early achievers program.

(b) The department must determine minimum early achievers ratings scores for programs participating in the pilot project.

(4) When selecting pilot project locations for service delivery, the department may allow each pilot project location to have up to three classrooms per location. When selecting and approving pilot project locations, the department shall attempt to select a combination of rural, urban, and suburban locations. The department shall prioritize locations with programs currently operating early head start, head start, or the early childhood education and assistance program.

(5) ((~~Until November 1, 2024, to be eligible for the birth to three early childhood education and assistance program, a child's family income must be at or below one hundred thirty percent of the federal poverty level and the child must be under thirty-six months old. Beginning November 1, 2024, to~~))(a) To be eligible for the birth to three early childhood education and assistance program, a child must be under 36 months old and either:

((~~(a)~~))(i) From a family with a household income at or below 130 percent of the federal poverty level; or

((~~(b)~~))(ii) A member of an assistance unit that is eligible for or is receiving basic food benefits under the federal supplemental nutrition assistance program or the state food assistance program.

(b) Enrollment of children in the birth to three early childhood education and assistance program is as space is available and subject to the availability of amounts appropriated for this specific purpose.

(6) Beginning November 1, 2020, and each November 1st thereafter during pilot project activity, the department shall submit an annual report to the governor and legislature that includes a status update that describes the planning work completed, the status of funds secured, and any implementation activities of the pilot project. Implementation activity reports must include a description of the participating programs and number of children and families served.

Sec. 4. RCW 43.216.578 and 2024 c 225 s 6 are each amended to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, the department shall administer a birth to three early childhood education and assistance program for eligible children under thirty-six months old. Funds to implement the program may include a combination of federal, state, or private sources.

(2) The department may adopt rules to implement the program and may waive or adapt early childhood education and assistance program requirements when necessary to allow for the operation of the birth to three early childhood education and assistance program. The department shall consider early head start rules and regulations when developing the provider and family eligibility requirements and program requirements.

(3)(a) The birth to three early childhood education and assistance program must be delivered through child care centers and family home providers who meet minimum licensing standards and are enrolled in the early achievers program.

(b) The department must determine minimum early achievers ratings scores for participating contractors.

(4)(a) To be eligible for the birth to three early childhood education and assistance program, a child must be under 36 months old and either:

((~~(a)~~))(i) From a family with a household income at or below 50 percent of the state median income; or

((~~(b)~~))(ii) A member of an assistance unit that is eligible for or is receiving basic food benefits under the federal supplemental nutrition assistance program or the state food assistance program.

(b) Enrollment of children in the birth to three early childhood education and assistance program is as space is available and subject to the availability of amounts appropriated for this specific purpose.

Sec. 5. RCW 43.216.802 and 2024 c 225 s 1 and 2024 c 67 s 2 are each reenacted and amended to read as follows:

(1) It is the intent of the legislature to increase working families' access to affordable, high quality child care and to support the expansion of the workforce to support businesses and the statewide economy.

(2) A family is eligible for working connections child care when the household's annual income is at or below 60 percent of the state median income adjusted for family size and:

(a) The child receiving care is: (i) Less than 13 years of age; or (ii) less than 19 years of age and has a verified special need according to department rule or is under court supervision; and

(b) The household meets all other program eligibility requirements established in this chapter or in rule by the department as authorized by RCW 43.216.055 or 43.216.065 or any other authority granted by this chapter.

(3) Beginning July 1, ((~~2025~~))2029, a family is eligible for working connections child care when the household's annual income is above 60 percent and at or below 75 percent of the state median income adjusted for family size and:

(a) The child receiving care is: (i) Less than 13 years of age; or (ii) less than 19 years of age and has a verified special need according to department rule or is under court supervision; and

(b) The household meets all other program eligibility requirements established in this chapter or in rule by the department as authorized by RCW 43.216.055 or 43.216.065 or any other authority granted by this chapter.

(4) Beginning July 1, ((~~2027~~))2031, and subject to the availability of amounts appropriated for this specific purpose, a family is eligible for working connections child care when the household's annual income is above 75 percent of the state median income and is at or below 85 percent of the state median income adjusted for family size and:

(a) The child receiving care is: (i) Less than 13 years of age; or (ii) less than 19 years of age and has a verified special need according to department rule or is under court supervision; and

(b) The household meets all other program eligibility requirements established in this chapter or in rule by the department as authorized by RCW 43.216.055 or 43.216.065 or any other authority granted by this chapter.

(5) Beginning November 1, 2024, when an applicant or consumer is a member of an assistance unit that is eligible for or receiving basic food benefits under the federal supplemental nutrition assistance program or the state food assistance program the department must determine that the household income eligibility requirements in this section are met.

(6) The department must adopt rules to implement this section, including an income phase-out eligibility period.

(7) The department may not consider the citizenship status of an applicant or consumer's child when determining eligibility for working connections child care benefits.

(8) The income eligibility requirements in subsections (2) through (4) of this section do not apply to households eligible for the working connections child care program under RCW 43.216.808((~~, 43.216.810, 43.216.812,~~)) and 43.216.814.

Sec. 6. RCW 43.216.804 and 2024 c 67 s 3 are each amended to read as follows:

(1) Effective until ((~~July 1, 2025~~))October 1, 2026, the department must calculate a monthly copayment according to the following schedule((~~:~~

~~If the household's income is:~~	~~Then the household's maximum monthly copayment is:~~
~~At or below 20 percent of the state median income~~	~~Waived to the extent allowable under federal law; otherwise, a maximum of $15~~
~~Above 20 percent and at or below 36 percent of the state median income~~	~~$65~~
~~Above 36 percent and at or below 50 percent of the state median income~~	~~$90~~
~~Above 50 percent and at or below 60 percent of the state median income~~	~~$165~~

~~(2) Beginning July 1, 2025, the department must calculate a monthly copayment according to the following schedule~~)):

If the household's income is:	Then the household's maximum monthly copayment is:
At or below 20 percent of the state median income	Waived to the extent allowable under federal law; otherwise, a maximum of $15
Above 20 percent and at or below 36 percent of the state median income	$65
Above 36 percent and at or below 50 percent of the state median income	$90
Above 50 percent and at or below 60 percent of the state median income	$165
Above 60 percent and at or below 75 percent of the state median income	$215

((~~(3)~~))(2) Subject to the availability of amounts appropriated for this specific purpose, the department shall adopt a copayment model applicable until October 1, 2026, for households with annual incomes above 75 percent of the state median income and at or below 85 percent of the state median income. The model must calculate a copayment for each household that is no greater than seven percent of the household's countable income within this income range.

(3) Beginning October 1, 2026, the department must calculate a monthly copayment according to the following schedule:

If the household's income is:	Then the household's maximum monthly copayment is:
Below 25 percent of the state median income	$0
At or above 25 percent and below 35 percent of the state median income	25 percent of the state median income for a household of two, multiplied by five percent
At or above 35 percent and below 45 percent of the state median income	35 percent of the state median income for a household of two, multiplied by 5.5 percent
At or above 45 percent and below 55 percent of the state median income	45 percent of the state median income for a household of two, multiplied by six percent
At or above 55 percent of the state median income	55 percent of the state median income for a household of two, multiplied by 6.5 percent

(4) The department may adjust the copayment schedule to comply with federal law.

(5) The department must adopt rules to implement this section.

(6) This section does not apply to households eligible for the working connections child care program under RCW 43.216.808((~~, 43.216.812,~~)) and 43.216.814.

NEW SECTION. **Sec. 7.** (1) In accordance with RCW 43.216.800, authorizations for a working connections child care subsidy are effective for 12 months and any changes related to eligibility in this act only apply to new applications and reapplications. The changes related to eligibility in this act do not apply to consumers who were authorized for a working connections child care subsidy before July 1, 2025 until the next reapplication.

(2) The changes related to the copayment schedule in section 6, chapter . . . (ESSB 5752), Laws of 2025 only apply to new applications and reapplications for a working connections child care subsidy. Consumers authorized for a working connections child care subsidy as of October 1, 2026, must not have their copayments adjusted by the schedule in section 6(3), chapter . . . (ESSB 5752), Laws of 2025 until reapplication.

(3) This section expires December 31, 2027.

Sec. 8. RCW 43.216.806 and 2024 c 282 s 4 are each amended to read as follows:

(1)(a) Subject to the availability of amounts appropriated for this specific purpose, the department may not require an applicant or consumer to meet work requirements as a condition of receiving working connections child care benefits when the applicant or consumer is ((~~in a state registered apprenticeship program or is~~)) a full-time student of a community, technical, or tribal college and is enrolled in:

(i) A vocational education program that leads to a degree or certificate in a specific occupation; or

(ii) An associate degree program.

(b) An applicant or consumer is a full-time student for the purposes of this subsection if the applicant or consumer meets the college's definition of a full-time student.

(c) Subject to the availability of amounts appropriated for this specific purpose, the department may extend the provisions of this subsection to full-time students who are enrolled in a bachelor's degree program or applied baccalaureate degree program.

(2) The department must consider an applicant or consumer's participation in the birth to three early childhood education and assistance program or the early head start program as an approved activity when determining eligibility for working connections child care benefits.

Sec. 9. RCW 43.216.590 and 2021 c 199 s 304 are each amended to read as follows:

(1) ((~~Beginning July 1, 2022~~))Subject to the availability of amounts appropriated for this specific purpose, the department shall provide supports to aid eligible providers in providing trauma-informed care. Trauma-informed care supports may be used by eligible providers for the following purposes:

(a) Additional compensation for individual staff who have an infant and early childhood mental health or other child development specialty credential;

(b) Trauma-informed professional development and training;

(c) The purchase of screening tools and assessment materials;

(d) Supportive services for children with complex needs that are offered as fee-for-service within local communities; or

(e) Other related expenses.

(2) This section does not interfere with, impede, or in any way diminish the right of family child care providers to bargain collectively with the state through the exclusive bargaining representatives as provided for under RCW 41.56.028.

(3) The department must adopt rules to implement this section.

((~~(3)~~))(4) For the purposes of this section, "eligible provider" means: (a) An employee or owner of a licensed or certified child care center or outdoor nature-based care accepting state subsidy; (b) an employee or owner of a licensed family home provider accepting state subsidy; (c) a contractor or provider of the early childhood education and assistance program or birth to three early childhood education and assistance program; (d) a license-exempt child care program; or (e) an early achievers coach.

Sec. 10. RCW 43.216.090 and 2021 c 199 s 309 are each amended to read as follows:

(1) ((~~The~~))Subject to the availability of amounts appropriated for this specific purpose, the department shall administer or contract for infant and early childhood mental health consultation services to child care providers and early learning providers participating in the early achievers program.

(2) ((~~Beginning July 1, 2021~~))Subject to the availability of amounts appropriated for this specific purpose, the department ((~~of children, youth, and families~~)) must have or contract for one infant and early childhood mental health consultation coordinator and must enter into a contractual agreement with an organization providing coaching services to early achievers program participants to hire at least 12 qualified infant and early childhood mental health consultants. The department shall determine, in collaboration with the statewide child care resource and referral network, where the additional consultants should be sited based on factors such as the total provider numbers overlaid with indicators of highest need. The infant and early childhood mental health consultants must support early achievers program coaches and child care providers by providing resources, information, and guidance regarding challenging behavior and expulsions and may travel to assist providers in serving families and children with severe behavioral needs.

(3) The department shall provide, or contract with an entity to provide, reflective supervision and professional development for infant and early childhood mental health consultants to meet national competency standards.

(4) As capacity allows, the department may provide access to infant and early childhood mental health consultation services to caregivers and licensed or certified, military, and tribal early learning providers, license-exempt family, friend, and neighbor care providers, and families with children expelled or at risk of expulsion from child care.

Sec. 11. RCW 43.216.592 and 2021 c 199 s 305 are each amended to read as follows:

(1) ((~~Beginning July 1, 2022~~))Subject to the availability of amounts appropriated for this specific purpose, the department shall establish a dual language designation and provide subsidy rate enhancements or site-specific grants for licensed or certified child care providers who are accepting state subsidy((~~,~~))or early childhood education and assistance program contractors; or birth to three early childhood education and assistance program contractors. It is the intent of the legislature to allow uses of rate enhancements or site-specific grants to include increased wages for individual staff who provide bilingual instruction, professional development training, the purchase of dual language and culturally appropriate curricula and accompanying training programs, instructional materials, or other related expenses.

(2) The department must consult with a culturally and linguistically diverse stakeholder advisory group to develop criteria for the dual language designation.

(3) This section does not interfere with, impede, or in any way diminish the right of family child care providers to bargain collectively with the state through the exclusive bargaining representatives as provided for under RCW 41.56.028.

(4) The department must adopt rules to implement this section.

Sec. 12. RCW 43.216.512 and 2024 c 225 s 4 are each amended to read as follows:

(1) The department shall adopt rules that allow the enrollment of children in the early childhood education and assistance program, as space is available, if the number of such children equals not more than 25 percent of total statewide enrollment, when the child is not eligible under RCW 43.216.505 and((~~:~~

~~(a) Has~~))has a family income level above 36 percent of the state median income but at or below 50 percent of the state median income adjusted for family size and the child meets at least one of the risk factor criterion described in subsection (2) of this section((~~; or~~

~~(b) Is a member of an assistance unit that is eligible for or is receiving basic food benefits under the federal supplemental nutrition assistance program or the state food assistance program~~)).

(2) Children enrolled in the early childhood education and assistance program pursuant to this section must be prioritized for available funded slots according to a prioritization system adopted in rule by the department that considers risk factors that have a disproportionate effect on kindergarten readiness and school performance, including:

(a) Family income as a percent of the state median income;

(b) Child welfare system involvement;

(c) ((~~Eligible for services under part C of the federal individuals with disabilities education act but not eligible for services under part B of the federal individuals with disabilities education act;~~

~~(d)~~)) Domestic violence;

((~~(e)~~))(d) English as a second language;

((~~(f)~~))(e) Expulsion from an early learning setting;

((~~(g)~~))(f) A parent who is incarcerated;

((~~(h)~~))(g) A parent with a behavioral health treatment need; and

((~~(i)~~))(h) Other risk factors determined by the department to be linked by research to school performance.

(3) Children enrolled in the early childhood education and assistance program under this section are not considered eligible children as defined in RCW 43.216.505 and are not considered to be part of the state-funded entitlement required in RCW 43.216.556.

(4) This section expires August 1, 2030.

NEW SECTION. **Sec. 13.** A new section is added to chapter 43.216 RCW under the subchapter heading "subsidized child care" to read as follows:

(1) The department shall adopt a rule that requires prospective payment to child care providers who accept child care subsidies to occur when child care is expected to begin.

(2) The department shall adopt a rule that prohibits child care providers who accept child care subsidies from claiming a prospective payment when a child has not attended at least one day within the authorization period in the previous month.

NEW SECTION. **Sec. 14.** A new section is added to chapter 43.216 RCW under the subchapter heading "subsidized child care" to read as follows:

By June 1st of every even-numbered year, the department shall publish a cost of quality child care and market rate study and submit the study to the relevant committees of the legislature in compliance with RCW 43.01.036.

Sec. 15. RCW 43.216.800 and 2024 c 67 s 1 are each amended to read as follows:

(1) The department shall establish and implement policies in the working connections child care program to promote stability and quality of care for children from low-income households. These policies shall focus on supporting school readiness for young learners.

Policies for the expenditure of funds constituting the working connections child care program must be consistent with the outcome measures established by the department and the standards established in this section intended to promote stability, quality, and continuity of early care and education programming.

(2) As recommended by P.L. 113-186, authorizations for the working connections child care subsidy are effective for 12 months.

((~~(a) A household's 12-month authorization begins on the date that child care is expected to begin.~~

~~(b) If a newly eligible household does not begin care within 12 months of being determined eligible by the department, the household must reapply in order to qualify for subsidy.~~))

(3)(a) The department must extend the homeless grace period, as adopted in department rule as of January 1, 2020, from a four-month grace period to a 12-month grace period.

(b) For the purposes of this subsection, "homeless" means being without a fixed, regular, and adequate nighttime residence as described in the federal McKinney-Vento homeless assistance act (42 U.S.C. Sec. 11434a) as it existed on January 1, 2020.

((~~(4) For purposes of this section, "authorization" means a transaction created by the department that allows a child care provider to claim payment for care. The department may adjust an authorization based on a household's eligibility status.~~))

NEW SECTION. **Sec. 16.** The following acts or parts of acts are each repealed:

(1) RCW 43.216.810 (Expanded eligibility—Registered apprenticeships) and 2024 c 67 s 6; and

(2) RCW 43.216.812 (Expanded eligibility—Child care employees) and 2024 c 282 s 2, 2024 c 67 s 7, & 2023 c 222 s 2.

NEW SECTION. **Sec. 17.** (1) The department of children, youth, and families must partner with a school district and a metropolitan park district to conduct a pilot to increase access to school-age-only child care programs. The pilot must explore processes and system changes to decrease the administrative, regulatory, and financial burdens on school-age-only child care providers operating in public school buildings.

(2) The pilot site must be in a city west of the Cascade mountain range with a population between 215,000 and 250,000 residents and the capacity to serve at least 27,000 students. The park district of the partner site must be willing to provide up to $300,000 in funding to support the work of the partnership, with the total determined after negotiating the workload. The parties may negotiate additional funding by mutual consent, and may also negotiate the addition of other school districts or child care providers by mutual consent.

(3) The pilot must operate in at least three school buildings that had a licensed school-age-only child care site in operation during the 2024-2025 school year.

(4) The pilot must:

(a) Explore and test the feasibility and impact of licensing all child-friendly areas in school buildings;

(b) Explore and test methods for streamlining access to the working connections child care program so that the school district, the park district, and their child care partners can expand access for families. The pilot must allow the school district, the park district, and their child care partners access to the online application portal to support application access to working connections child care for families. The department of children, youth, and families must pay providers directly using policies required under the federal child care and development fund; and

(c) Identify processes, systems, administrative rules, and statutes, that may need to be added, modified, or eliminated in order to support the objectives identified in (a) and (b) of this subsection.

(5) By July 1, 2028, and in compliance with RCW 43.01.036, the department of children, youth, and families must submit a report regarding the pilot to the legislature that includes the pilot's successes and challenges, any recommended changes to regulatory requirements, and the pilot's outcomes for child care program staff, school staff, and students.

(6) This section expires July 1, 2029.

NEW SECTION. **Sec. 18.** If any part of this act is found to be in conflict with federal requirements that are a prescribed condition to the allocation of federal funds to the state, the conflicting part of this act is inoperative solely to the extent of the conflict and with respect to the agencies directly affected, and this finding does not affect the operation of the remainder of this act in its application to the agencies concerned. Rules adopted under this act must meet federal requirements that are a necessary condition to the receipt of federal funds by the state.

NEW SECTION. **Sec. 19.** Except for sections 2 and 4 of this act, this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2025.

NEW SECTION. **Sec. 20.** Section 3 of this act expires July 1, 2026.

NEW SECTION. **Sec. 21.** (1) Section 4 of this act takes effect July 1, 2026. (2) Section 2 of this act takes effect August 1, 2030.

Sec. 22. 2021 c 199 s 604 (uncodified) is amended to read as follows: (1) Section((~~s 204 through 206 and~~)) 403 of this act takes effect July 1, 2026. (2) Sections 204 through 206 of this act take effect July 1, 2025.

Sec. 23. 2024 c 225 s 7 (uncodified) is amended to read as follows: (1) Section 2 of this act takes effect August 1, 2030. ((~~Sections 4 and~~))(2) Section 4 of this act takes effect July 1, 2025. (3) Section 6 of this act ((~~take~~))takes effect July 1, 2026.

Sec. 24. 2024 c 225 s 8 (uncodified) is amended to read as follows: (1) Section 3 of this act expires July 1, 2025. ((~~Sections 3 and~~))(2) Section 5 of this act ((~~expire~~))expires July 1, 2026."

Correct the title.

Representatives Bergquist and Couture spoke in favor of the adoption of the striking amendment.

The striking amendment (1386) was adopted.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House, was placed on final passage.

Representatives Bergquist, Couture and Engell spoke in favor of the passage of the bill.

Representative Walsh spoke against the passage of the bill.

The Speaker (Representative Timmons presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 5752, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 5752, as amended by the House, and the bill passed the House by the following vote: Yeas, 87; Nays, 10; Absent, 0; Excused, 1

Voting Yea: Representatives Abbarno, Abell, Barkis, Berg, Bergquist, Berry, Bronoske, Burnett, Caldier, Callan, Chase, Connors, Corry, Cortes, Couture, Davis, Dent, Doglio, Donaghy, Duerr, Dye, Engell, Entenman, Eslick, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Gregerson, Griffey, Hackney, Hill, Hunt, Jacobsen, Keaton, Klicker, Kloba, Leavitt, Lekanoff, Ley, Low, Macri, Marshall, McClintock, Mena, Morgan, Nance, Obras, Orcutt, Ormsby, Ortiz-Self, Parshley, Paul, Penner, Peterson, Pollet, Ramel, Reed, Reeves, Richards, Rude, Rule, Ryu, Salahuddin, Santos, Schmick, Schmidt, Shavers, Simmons, Springer, Stearns, Steele, Stokesbary, Stonier, Street, Stuebe, Taylor, Thai, Tharinger, Thomas, Timmons, Walen, Waters, Wylie, Zahn and Mme. Speaker

Voting Nay: Representatives Bernbaum, Dufault, Graham, Manjarrez, McEntire, Mendoza, Scott, Volz, Walsh and Ybarra

Excused: Representative Barnard

ENGROSSED SUBSTITUTE SENATE BILL NO. 5752, as amended by the House, having received the necessary constitutional majority, was declared passed.

STATEMENT FOR THE JOURNAL

I intended to vote NAY on Engrossed Substitute Senate Bill No. 5752.

Representative McClintock, 18th District

There being no objection, the House advanced to the seventh order of business.

THIRD READING

MESSAGE FROM THE SENATE

Thursday, April 17, 2025

Mme. Speaker:

The Senate refuses to concur in the House amendment(s) to ENGROSSED SUBSTITUTE SENATE BILL NO. 5143 and asks the House to recede therefrom.

and the same is herewith transmitted.

Colleen Pehar, Deputy Secretary

HOUSE AMENDMENT TO SENATE BILL

There being no objection, the House receded from its amendment. The rules were suspended and ENGROSSED SUBSTITUTE SENATE BILL NO. 5143 was returned to second reading for the purpose of amendment.

There being no objection, the House reverted to the sixth order of business.

Representative Stearns moved the adoption of amendment (1310):

On page 26, line 17, after "to" strike "a legislator's" and insert "an"

On page 26, line 25, after "resources;" strike "and"

On page 26, line 28, after "award" insert ";

(v) A legislator if the information posted has a direct and tangible relationship to a legislative proposal or policy introduced in the legislature; and

(vi) Commemorations or celebrations of Washington state historical events, holidays, or persons who are not current legislators"

On page 27, line 5, after "(2)" strike "This" and insert "((~~This~~)) Subsection (1) of this"

On page 28, at the beginning of line 16, strike "~~distinction~~)); and" insert "~~distinction; and~~))"

On page 28, line 22, after "responsibilities" insert "; and

(f) Activities with a legislative nexus as described under section 12 of this act. For the official legislative website of a legislator, this subsection is subject to subsection (2)(c)(ii) of this section. Official legislative websites that are not the official legislative website of a legislator are not subject to subsection (2)(c)(ii) of this section but may not directly or indirectly reference a ballot measure or legislator running for elected office, during the period described in subsection (2)(c)(ii) of this section"

On page 29, line 3, after "(2)" strike "This" and insert "((~~This~~)) Subsection (1) of this"

On page 30, at the beginning of line 14, strike "~~distinction~~)); and" insert "~~distinction; and~~))"

On page 30, line 20, after "responsibilities" insert "; and

(f) Activities with a legislative nexus as described under section 12 of this act. For the official legislative website of a legislator, this subsection is subject to subsection (2)(c)(ii) of this section. Official legislative websites that are not the official legislative website of a legislator are not subject to subsection (2)(c)(ii) of this section but may not directly or indirectly reference a ballot measure or legislator running for elected office, during the period described in subsection (2)(c)(ii) of this section"

Representatives Stearns and Waters spoke in favor of the adoption of the amendment.

Amendment (1310) was adopted.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House, was placed on final passage.

Representatives Stearns and Waters spoke in favor of the passage of the bill.

The Speaker (Representative Timmons presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 5143, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 5143, as amended by the House, and the bill passed the House by the following vote: Yeas, 58; Nays, 39; Absent, 0; Excused, 1

Voting Yea: Representatives Barkis, Berg, Bergquist, Berry, Bronoske, Callan, Connors, Cortes, Davis, Doglio, Donaghy, Duerr, Entenman, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Graham, Gregerson, Hackney, Hill, Jacobsen, Keaton, Kloba, Leavitt, Lekanoff, Low, Macri, Mena, Morgan, Obras, Ormsby, Ortiz-Self, Penner, Peterson, Ramel, Reed, Reeves, Rude, Ryu, Santos, Schmidt, Scott, Simmons, Springer, Stearns, Stonier, Street, Stuebe, Taylor, Thai, Tharinger, Thomas, Volz, Waters, Wylie and Mme. Speaker

Voting Nay: Representatives Abbarno, Abell, Bernbaum, Burnett, Caldier, Chase, Corry, Couture, Dent, Dufault, Dye, Engell, Eslick, Griffey, Hunt, Klicker, Ley, Manjarrez, Marshall, McClintock, McEntire, Mendoza, Nance, Orcutt, Parshley, Paul, Pollet, Richards, Rule, Salahuddin, Schmick, Shavers, Steele, Stokesbary, Timmons, Walen, Walsh, Ybarra and Zahn

Excused: Representative Barnard

ENGROSSED SUBSTITUTE SENATE BILL NO. 5143, as amended by the House, having received the necessary constitutional majority, was declared passed.

MESSAGE FROM THE SENATE

Thursday, April 17, 2025

Mme. Speaker:

The Senate refuses to concur in the House amendment(s) to SENATE BILL NO. 5571 and asks the House to recede therefrom.

and the same is herewith transmitted.

Colleen Pehar, Deputy Secretary

HOUSE AMENDMENT TO SENATE BILL

There being no objection, the House receded from its amendment. The rules were suspended and SENATE BILL NO. 5571 was returned to second reading for the purpose of amendment.

There being no objection, the House reverted to the sixth order of business.

Representative Burnett moved the adoption of the striking amendment (1312):

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** A new section is added to chapter 35.21 RCW to read as follows:

(1) Except as provided in subsection (3) of this section, a city is prohibited from requiring or excluding exterior cladding materials that are in compliance with the state building code.

(2) "Exterior cladding" means a nonload-bearing material attached to the exterior of a building.

(3) The limitation in this section does not apply to homeowners' associations governed by chapter 64.38 RCW, plat communities governed by chapter 64.90 RCW, structures in an area designated as a local historic district, structures located in an area designated as a historic district on the national register of historic places, structures designated as a local, state, or national historic landmark, areas subject to provisions of the international wildland urban interface code adopted by a city or town, and any city or town with old world Bavarian architectural themed building requirements in law. Furthermore, a city or town that adopts building codes requiring fire-resistant siding materials as protection from wildfire is not in violation of the provisions of this section.

NEW SECTION. **Sec. 2.** A new section is added to chapter 35A.21 RCW to read as follows:

(1) Except as provided in subsection (3) of this section, a code city is prohibited from requiring or excluding exterior cladding materials that are in compliance with the state building code.

(2) "Exterior cladding" means a nonload-bearing material attached to the exterior of a building.

(3) The limitation in this section does not apply to homeowners' associations governed by chapter 64.38 RCW, plat communities governed by chapter 64.90 RCW, structures in an area designated as a local historic district, structures located in an area designated as a historic district on the national register of historic places, structures designated as a local, state, or national historic landmark, areas subject to provisions of the international wildland urban interface code adopted by a code city, and any code city with old world Bavarian architectural themed building requirements in law. Furthermore, a code city that adopts building codes requiring fire-resistant siding materials as protection from wildfire is not in violation of the provisions of this section.

NEW SECTION. **Sec. 3.** A new section is added to chapter 36.01 RCW to read as follows:

(1) Except as provided in subsection (3) of this section, a county is prohibited from requiring or excluding exterior cladding materials that are in compliance with the state building code.

(2) "Exterior cladding" means a nonload-bearing material attached to the exterior of a building.

(3) The limitation in this section does not apply to homeowners' associations governed by chapter 64.38 RCW, plat communities governed by chapter 64.90 RCW, structures in an area designated as a local historic district, structures located in an area designated as a historic district on the national register of historic places, structures designated as a local, state, or national historic landmark, areas subject to provisions of the international wildland urban interface code adopted by a county, and any structures in a county that are adjacent to a city or code city with old world Bavarian architectural themed building requirements in law. Furthermore, a county that adopts building codes requiring fire-resistant siding materials as protection from wildfire is not in violation of the provisions of this section."

Correct the title.

Representatives Burnett and Parshley spoke in favor of the adoption of the striking amendment.

The striking amendment (1312) was adopted.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House, was placed on final passage.

Representative Parshley spoke in favor of the passage of the bill.

Representative Klicker spoke against the passage of the bill.

The Speaker (Representative Timmons presiding) stated the question before the House to be the final passage of Senate Bill No. 5571, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Senate Bill No. 5571, as amended by the House, and the bill passed the House by the following vote: Yeas, 64; Nays, 33; Absent, 0; Excused, 1

Voting Yea: Representatives Abell, Berg, Bergquist, Bernbaum, Berry, Bronoske, Callan, Cortes, Davis, Doglio, Donaghy, Duerr, Engell, Entenman, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Gregerson, Hackney, Hill, Hunt, Jacobsen, Kloba, Leavitt, Lekanoff, Macri, Mena, Morgan, Nance, Obras, Orcutt, Ormsby, Ortiz-Self, Parshley, Paul, Peterson, Pollet, Ramel, Reed, Reeves, Richards, Rule, Ryu, Salahuddin, Santos, Scott, Shavers, Simmons, Springer, Stearns, Stonier, Street, Stuebe, Taylor, Thai, Tharinger, Thomas, Timmons, Walen, Wylie, Zahn and Mme. Speaker

Voting Nay: Representatives Abbarno, Barkis, Burnett, Caldier, Chase, Connors, Corry, Couture, Dent, Dufault, Dye, Eslick, Graham, Griffey, Keaton, Klicker, Ley, Low, Manjarrez, Marshall, McClintock, McEntire, Mendoza, Penner, Rude, Schmick, Schmidt, Steele, Stokesbary, Volz, Walsh, Waters and Ybarra

Excused: Representative Barnard

SENATE BILL NO. 5571, as amended by the House, having received the necessary constitutional majority, was declared passed.

RECONSIDERATION

There being no objection, the House immediately reconsidered the vote by which ENGROSSED SUBSTITUTE SENATE BILL NO. 5752, as amended by the House, passed the House.

The Speaker (Representative Timmons presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 5752, as amended by the House, on reconsideration.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 5752, as amended by the House, on reconsideration, and the bill passed the House by the following vote: Yeas, 86; Nays, 11; Absent, 0; Excused, 1

Voting Yea: Representatives Abell, Barkis, Berg, Bergquist, Berry, Bronoske, Burnett, Caldier, Callan, Connors, Corry, Cortes, Couture, Davis, Dent, Doglio, Donaghy, Duerr, Dye, Engell, Entenman, Eslick, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Gregerson, Griffey, Hackney, Hill, Hunt, Jacobsen, Keaton, Klicker, Kloba, Leavitt, Lekanoff, Ley, Low, Macri, Marshall, McClintock, Mena, Morgan, Nance, Obras, Orcutt, Ormsby, Ortiz-Self, Parshley, Paul, Penner, Peterson, Pollet, Ramel, Reed, Reeves, Richards, Rude, Rule, Ryu, Salahuddin, Santos, Schmick, Schmidt, Shavers, Simmons, Springer, Stearns, Steele, Stokesbary, Stonier, Street, Stuebe, Taylor, Thai, Tharinger, Thomas, Timmons, Walen, Waters, Wylie, Ybarra, Zahn and Mme. Speaker

Voting Nay: Representatives Abbarno, Bernbaum, Chase, Dufault, Graham, Manjarrez, McEntire, Mendoza, Scott, Volz and Walsh

Excused: Representative Barnard

ENGROSSED SUBSTITUTE SENATE BILL NO. 5752, as amended by the House, on reconsideration, having received the necessary constitutional majority, was declared passed.

There being no objection, the House advanced to the eighth order of business.

MOTION

Representative Fitzgibbon moved that the committee on Rules be relieved of Engrossed Substitute Senate Bill No. 5814; Engrossed Substitute Senate Bill No. 5794; and Engrossed

Substitute Senate Bill No. 5813, and that they be placed on the second reading calendar.

An electronic roll call has been requested.

ROLL CALL

The Clerk called the roll on the motion to relieve the committee on Rules of Senate bills and place them on the second reading calendar, and the motion carried by the following vote: Yeas, 59; Nays, 38; Absent, 0; Excused, 1

Voting Yea: Representatives Berg, Bergquist, Bernbaum, Berry, Bronoske, Callan, Cortes, Davis, Doglio, Donaghy, Duerr, Entenman, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Gregerson, Hackney, Hill, Hunt, Kloba, Leavitt, Lekanoff, Macri, Mena, Morgan, Nance, Obras, Ormsby, Ortiz-Self, Parshley, Paul, Peterson, Pollet, Ramel, Reed, Reeves, Richards, Rule, Ryu, Salahuddin, Santos, Scott, Shavers, Simmons, Springer, Stearns, Stonier, Street, Taylor, Thai, Tharinger, Thomas, Timmons, Walen, Wylie, Zahn and Mme. Speaker

Voting Nay: Representatives Abbarno, Abell, Barkis, Burnett, Caldier, Chase, Connors, Corry, Couture, Dent, Dufault, Dye, Engell, Eslick, Graham, Griffey, Jacobsen, Keaton, Klicker, Ley, Low, Manjarrez, Marshall, McClintock, McEntire, Mendoza, Orcutt, Penner, Rude, Schmick, Schmidt, Steele, Stokesbary, Stuebe, Volz, Walsh, Waters and Ybarra

Excused: Representative Barnard

The Speaker assumed the chair.

SIGNED BY THE SPEAKER

The Speaker signed the following bills:

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1131
SECOND SUBSTITUTE HOUSE BILL NO. 1162
ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1163
ENGROSSED HOUSE BILL NO. 1329
SUBSTITUTE HOUSE BILL NO. 1351
SECOND SUBSTITUTE HOUSE BILL NO. 1359
SUBSTITUTE HOUSE BILL NO. 1371
ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1432
SUBSTITUTE HOUSE BILL NO. 1460
SECOND SUBSTITUTE HOUSE BILL NO. 1462
THIRD SUBSTITUTE HOUSE BILL NO. 1491
SECOND SUBSTITUTE HOUSE BILL NO. 1497
SECOND SUBSTITUTE HOUSE BILL NO. 1514
SECOND SUBSTITUTE HOUSE BILL NO. 1515
SUBSTITUTE HOUSE BILL NO. 1543
ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1648
SUBSTITUTE HOUSE BILL NO. 1670
SUBSTITUTE HOUSE BILL NO. 1709
HOUSE BILL NO. 1731
SUBSTITUTE HOUSE BILL NO. 1774
HOUSE BILL NO. 1934
SECOND SUBSTITUTE HOUSE BILL NO. 1975
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2015
ENGROSSED SUBSTITUTE SENATE BILL NO. 5014
SUBSTITUTE SENATE BILL NO. 5025
SUBSTITUTE SENATE BILL NO. 5323
SUBSTITUTE SENATE BILL NO. 5370
ENGROSSED SENATE BILL NO. 5471
ENGROSSED SENATE BILL NO. 5559
SUBSTITUTE SENATE BILL NO. 5579
SENATE BILL NO. 5653
ENGROSSED SENATE BILL NO. 5662
SENATE BILL NO. 5672
ENGROSSED SUBSTITUTE SENATE BILL NO. 5677
ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1232
SUBSTITUTE HOUSE BILL NO. 1958

The Speaker called upon Representative Stearns to preside.

There being no objection, the House reverted to the sixth order of business.

SECOND READING

ENGROSSED SUBSTITUTE SENATE BILL NO. 5813, Wilson, C., Stanford, Alvarado, Frame, Nobles, Pedersen and Valdezby Senate Committee on Ways & Means (originally sponsored by Wilson, C., Stanford, Alvarado, Frame, Nobles, Pedersen and Valdez)

Increasing funding to the education legacy trust account by creating a more progressive rate structure for the capital gains tax and estate tax.

The bill was read the second time.

There being no objection, the committee striking amendment by the Committee on Finance was before the House for purpose of amendment. For Committee amendment, see Journal, Day 100, Tuesday, April 22, 2025.

Representative Couture moved the adoption of amendment (1388) to the committee striking amendment:

Beginning on page 1, line 3, strike all of section 1 and insert the following:

"NEW SECTION. **Sec. 1.** The legislature finds that Washington state's paramount duty under the Constitution is to amply fund public education. The legislature also finds that capital gains taxes, which this legislature has used as a crutch to fund our public schools, are among the most volatile and unpredictable sources of revenue, and heavily dependent on market performance and investor behavior.

The legislature finds that relying on a highly volatile tax to fund the state's most fundamental obligation is fiscally irresponsible and structurally unsound. The unpredictable nature of capital gains revenue has already contributed to budget shortfalls, and this instability is a key driver of the deficit Washington currently faces.

The legislature finds that public education should not be subjected to the whims of high net-worth individuals moving to Florida or other states that do not penalize proper allocation of capital. Basing school funding on a revenue stream that can fluctuate by billions of dollars year-to-year jeopardizes students, educators, and communities who depend on consistent and dependable support.

Therefore, the legislature intends to further rely on capital gains tax revenue as a funding source for public education and perpetuate further fiscal instability in attempting to fulfill the state's constitutional responsibility."

Representatives Couture, Walsh and McEntire spoke in favor of the adoption of the amendment to the committee striking amendment.

Representative Street spoke against the adoption of the amendment to the committee striking amendment.

Amendment (1388) to the committee striking amendment was not adopted.

Representative Penner moved the adoption of amendment (1389) to the committee striking amendment:

On page 2, line 14, after "(1)" strike "(a)" and insert "Subject to the limitation in subsection (2) of this section,
(a)"

On page 2, line 22, after "(2)" insert "(a) To make the capital gains tax imposed in subsection (1) more progressive, an individual may claim an exemption of $1,000,000 in Washington capital gains over a lifetime. This exemption is cumulative and applies to Washington capital gains as defined in RCW 82.87.020(13).
(b) The exemption may be carried forward into subsequent years until $1,000,000 in Washington capital gains exemptions has been claimed by the individual.
(c)In the case of the case of spouses or domestic partners, their combined lifetime exemption is $2,000,000, if filing jointly.
(d) An individual must still file a Washington capital gains return even if no tax is due and payable.
(e) The department may adopt rules necessary to assist in the claiming and tracking of the exemption in this subsection (2).
(3)"

Renumber the remaining subsections consecutively and correct any internal references accordingly.

Representatives Penner, Walsh and Jacobsen spoke in favor of the adoption of the amendment to the committee striking amendment.

Representatives Street and Berg spoke against the adoption of the amendment to the committee striking amendment.

Amendment (1389) to the committee striking amendment was not adopted.

FORMAT CHANGED TO ACCOMMODATE TEXT

Representative Orcutt moved the adoption of amendment (1390) to the committee striking amendment:

Beginning on page 6, line 32, strike all material through page 7, line 8 and insert the following:

"If Washington Taxable Estate is at least | But Less Than | The Tax Rate Is: | Of Washington Taxable Estate Value Greater than

$0	$5,000,000	10.00%	$0
$5,000,000	$6,000,000	11.00%	$5,000,000
$6,000,000	$7,000,000	12.00%	$6,000,000
$7,000,000	$8,000,000	13.00%	$7,000,000
$8,000,000	$9,000,000	14.00%	$8,000,000
$9,000,000	$12,000,000	15.00%	$9,000,000
$12,000,000	$15,000,000	16.00%	$12,000,000
$15,000,000	$25,000,000	17.00%	$15,000,000
$25,000,000	$50,000,000	18.00%	$25,000,000
$50,000,000	$100,000,000	19.00%	$50,000,000
$100,000,000		20.00%	$100,000,000"

Representatives Orcutt, Jacobsen, Walsh and Dufault spoke in favor of the adoption of the amendment to the committee striking amendment.

Representative Street spoke against the adoption of the amendment to the committee striking amendment.

Amendment (1390) to the committee striking amendment was not adopted.

Representative Orcutt moved the adoption of amendment (1391) to the committee striking amendment:

On page 7, after line 21, insert the following:
"(4)(a) For estates of decedents dying in calendar year 2026 and each calendar year thereafter, the Washington taxable estate amounts in the table in subsection (2)(a)(ii) of this section must be adjusted annually. The annual adjustments are determined by multiplying the Washington taxable estate amounts by the sum of one and the percentage by which the most recent October consumer price index exceeds the consumer price index for October 2024, and rounding the result to the nearest $1,000. No adjustments to the Washington taxable estate amounts are made for a calendar year if the adjustments would result in the same or lesser applicable Washington taxable estate amounts than the Washington taxable estate amounts for the immediately preceding calendar year.
(b) For purposes of this subsection (4), "consumer price index" means the consumer price index for all urban consumers, all items, for the Seattle metropolitan area as calculated by the United States bureau of labor statistics. For the purposes of this subsection (4), "Seattle metropolitan area" means the geographic area sample that includes Seattle and surrounding areas."

Representatives Orcutt, Dufault, Jacobsen and Walsh spoke in favor of the adoption of the amendment to the committee striking amendment.

Representative Street spoke against the adoption of the amendment to the committee striking amendment.

Amendment (1391) to the committee striking amendment was not adopted.

Representative Abell moved the adoption of amendment (1392) to the committee striking amendment:

On page 17, beginning on line 1, strike all of section 302 and insert the following:

"NEW SECTION. **Sec. 302.** Sections 201 through 204 of this act apply to the estate of decedents dying on or after January 1, 2026."

On page 17, beginning on line 12, strike all of section 305 and insert the following:

"NEW SECTION. **Sec. 305.** This act takes effect January 1, 2026."

Representatives Abell, Manjarrez, Orcutt and Walsh spoke in favor of the adoption of the amendment to the committee striking amendment.

Representative Street spoke against the adoption of the amendment to the committee striking amendment.

Amendment (1392) to the committee striking amendment was not adopted.

The committee striking amendment, as amended, was adopted.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House, was placed on final passage.

Representative Street spoke in favor of the passage of the bill.

Representatives Orcutt, Dufault, Jacobsen, Walsh, Ley, Manjarrez and McEntire spoke against the passage of the bill.

The Speaker (Representative Stearns presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 5813, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 5813, as amended by the House, and the bill passed the House by the following vote: Yeas, 53; Nays, 45; Absent, 0; Excused, 0

Voting Yea: Representatives Berg, Bergquist, Bernbaum, Berry, Bronoske, Callan, Cortes, Davis, Doglio, Donaghy, Duerr, Entenman, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Gregerson, Hackney, Hill, Hunt, Kloba, Lekanoff, Macri, Mena, Morgan, Nance, Obras, Ormsby, Ortiz-Self, Parshley, Peterson, Pollet, Ramel, Reed, Reeves, Ryu, Salahuddin, Santos, Scott, Simmons, Springer, Stearns, Stonier, Street, Taylor, Thai, Tharinger, Thomas, Walen, Wylie, Zahn and Mme. Speaker

Voting Nay: Representatives Abbarno, Abell, Barkis, Barnard, Burnett, Caldier, Chase, Connors, Corry, Couture, Dent, Dufault, Dye, Engell, Eslick, Graham, Griffey, Jacobsen, Keaton, Klicker, Leavitt, Ley, Low, Manjarrez, Marshall, McClintock, McEntire, Mendoza, Orcutt, Paul, Penner, Richards, Rude, Rule, Schmick, Schmidt, Shavers, Steele, Stokesbary, Stuebe, Timmons, Volz, Walsh, Waters and Ybarra

ENGROSSED SUBSTITUTE SENATE BILL NO. 5813, as amended by the House, having received the necessary constitutional majority, was declared passed.

ENGROSSED SUBSTITUTE SENATE BILL NO. 5794, Salomon, Lovelett, Alvarado, Bateman, Dhingra, Frame, Hasegawa, Nobles, Ramos, Riccelli, Trudeau and Wellmanby Senate Committee on Ways & Means (originally sponsored by Salomon, Lovelett, Alvarado, Bateman, Dhingra, Frame, Hasegawa, Nobles, Ramos, Riccelli, Trudeau and Wellman)

Adopting recommendations from the tax preference performance review process, eliminating obsolete tax preferences, clarifying legislative intent, and addressing changes in constitutional law.

The bill was read the second time.

There being no objection, the committee striking amendment by the Committee on Finance was before the House for purpose of amendment. For Committee amendment, see Journal, Day 100, Tuesday, April 22, 2025.

With the consent of the House, amendments (1395) and (1394) were withdrawn.

Representative Berg moved the adoption of amendment (1401) to the committee striking amendment:

On page 28, beginning on line 21 of the striking amendment, after "entrance." strike "((~~"Storage warehouse" does not include a building or structure, or that part of such building or structure, in which an activity taxable under RCW 82.04.272 is conducted.~~)) and insert ""Storage warehouse" does not include a building or structure, or that part of such building or structure, in which an activity taxable under RCW 82.04.272 is conducted."

Representatives Berg and Orcutt spoke in favor of the adoption of the amendment to the committee striking amendment.

Amendment (1401) to the committee striking amendment was adopted.

Representative Caldier moved the adoption of amendment (1393) to the committee striking amendment:

On page 31, beginning on line 18 of the striking amendment, after "19.150.010" insert ", except for self-service storage facilities located within one mile of a military installation, a domestic violence shelter, or an institution of higher learning"

Representatives Caldier, Orcutt and Dufault spoke in favor of the adoption of the amendment to the committee striking amendment.

Representative Peterson spoke against the adoption of the amendment to the committee striking amendment.

Amendment (1393) to the committee striking amendment was not adopted.

Representative Chase moved the adoption of amendment (1396) to the committee striking amendment:

On page 23, beginning on line 25, strike all of subsection (1)

Renumber the remaining subsections consecutively and correct any internal references accordingly.

Representatives Chase, Orcutt, Dufault and Walsh spoke in favor of the adoption of the amendment to the committee striking amendment.

Representative Ramel spoke against the adoption of the amendment to the committee striking amendment.

Amendment (1396) to the committee striking amendment was not adopted.

Representative Orcutt moved the adoption of amendment (1397) to the committee striking amendment:

On page 23, beginning on line 28, strike all of subsection (2)

Renumber the remaining subsections consecutively and correct any internal references accordingly.

Representative Orcutt spoke in favor of the adoption of the amendment to the committee striking amendment.

Representative Street spoke against the adoption of the amendment to the committee striking amendment.

Amendment (1397) to the committee striking amendment was not adopted.

Representative Abell moved the adoption of amendment (1399) to the committee striking amendment:

On page 32, beginning on line 1, strike all of section 402

Renumber the remaining sections consecutively and correct any internal references accordingly.

Representatives Abell and Walsh spoke in favor of the adoption of the amendment to the committee striking amendment.

Representative Parshley spoke against the adoption of the amendment to the committee striking amendment.

Amendment (1399) to the committee striking amendment was not adopted.

Representative Jacobsen moved the adoption of amendment (1398) to the committee striking amendment:

Beginning on page 28, line 29, strike all material through **"PART IV"** on page 31, line 30

Renumber the remaining sections consecutively and correct any internal references accordingly.

On page 32, beginning on line 7, strike all of section 405

Renumber the remaining section consecutively and correct any internal references accordingly.

On page 32, line 9, after "for" strike "sections 102, 301, and 302" and insert "section 102"

Representatives Jacobsen, Jacobsen (again) and Dufault spoke in favor of the adoption of the amendment to the committee striking amendment.

Representative Peterson spoke against the adoption of the amendment to the committee striking amendment.

Amendment (1398) to the committee striking amendment was not adopted.

Division was demanded and the demand was sustained. The Speaker (Representative Stearns presiding) divided the House. The result was 53 - YEAS; 39 - NAYS.

The committee striking amendment, as amended, was adopted.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House, was placed on final passage.

Representative Street spoke in favor of the passage of the bill.

Representatives Orcutt, Dufault, Walsh, Jacobsen and Caldier spoke against the passage of the bill.

The Speaker (Representative Stearns presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 5794, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 5794, as amended by the House, and the bill passed the House by the following vote: Yeas, 53; Nays, 45; Absent, 0; Excused, 0

Voting Yea: Representatives Berg, Bergquist, Bernbaum, Berry, Bronoske, Callan, Cortes, Davis, Doglio, Donaghy, Duerr, Entenman, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Gregerson, Hackney, Hill, Hunt, Kloba, Lekanoff, Macri, Mena, Morgan, Nance, Obras, Ormsby, Ortiz-Self, Parshley, Peterson, Pollet, Ramel, Reed, Reeves, Ryu, Salahuddin, Santos, Scott, Simmons, Springer, Stearns, Stonier, Street, Taylor, Thai, Tharinger, Thomas, Walen, Wylie, Zahn and Mme. Speaker

Voting Nay: Representatives Abbarno, Abell, Barkis, Barnard, Burnett, Caldier, Chase, Connors, Corry, Couture, Dent, Dufault, Dye, Engell, Eslick, Graham, Griffey, Jacobsen, Keaton, Klicker, Leavitt, Ley, Low, Manjarrez, Marshall, McClintock, McEntire, Mendoza, Orcutt, Paul, Penner, Richards, Rude, Rule, Schmick, Schmidt, Shavers, Steele, Stokesbary, Stuebe, Timmons, Volz, Walsh, Waters and Ybarra

ENGROSSED SUBSTITUTE SENATE BILL NO. 5794, as amended by the House, having received the necessary constitutional majority, was declared passed.

The Speaker (Representative Stearns presiding) called upon Representative Shavers to preside.

SECOND READING

ENGROSSED SUBSTITUTE SENATE BILL NO. 5814, Frame, Trudeau, Alvarado, Nobles, Pedersen, Valdez and Wilson, C.by Senate Committee on Ways & Means (originally sponsored by Frame, Trudeau, Alvarado, Nobles, Pedersen, Valdez and Wilson, C.)

Modifying the application and administration of certain excise taxes.

The bill was read the second time.

There being no objection, the committee striking amendment by the Committee on Finance was not adopted. For Committee amendment, see Journal, Day 100, Tuesday, April 22, 2025.

With the consent of the House, amendments (1387), (1408), (1409), (1382) and (1384) were withdrawn.

Representative Schmick moved the adoption of amendment (1410):

On page 6, line 11, after "consulting" insert ", but not including the customization of electronic medical records"

On page 6, line 16, after "processing services" insert ", but not including the customization of electronic medical records"

On page 6, line 20, after "customer" insert ", but not including the customization of electronic medical records"

On page 6, line 30, after "RCW" insert ", health professionals regulated under chapter 18.130 RCW, or nursing homes under chapter 18.51 RCW"

Representative Schmick spoke in favor of the adoption of the amendment.

Representative Macri spoke against the adoption of the amendment.

MOTION

On motion of Representative Griffey, Representative Eslick was excused.

Amendment (1410) was not adopted.

Representative Jacobsen moved the adoption of amendment (1412):

On page 6, at the beginning of line 26, insert "security services provided to fairs as defined in RCW 15.76.120 and"

Representative Jacobsen spoke in favor of the adoption of the amendment.

Representative Fitzgibbon spoke against the adoption of the amendment.

Amendment (1412) was not adopted.

Representative Schmidt moved the adoption of amendment (1411):

On page 6, beginning on line 21, after "(j)" strike all material through "(k)" on line 27

Reletter the remaining subsections consecutively and correct any internal references accordingly.

On page 7, line 7, after "hosting services" insert ", shopping cart platforms, owned digital content, user-generated content, affiliate marketing links, physical signage systems,"

On page 25, line 32, after "period" insert "or equal to 80 percent of the average monthly amount of state sales tax collected by the taxpayer during the first six months of 2026"

On page 25, line 36, after "2027" insert ", and may adjust for sourcing, refunds, exchanges, or accounting reconciliation without penalty"

On page 28, line 33, after "to" strike "10" and insert "five"

On page 29, beginning on line 1, after "(b)" strike all material through "sales" on line 5 and insert "The department shall waive the penalty under (a) of this subsection if:

(i) The taxpayer provides documentation to the department indicating that the taxpayer's June 2027 taxable retail sales are less than 80 percent of the taxpayer's June 2026 taxable retail sales; or

(ii) The taxpayer can demonstrate financial hardship, including the sale or closing of a significant part of the business, a substantial decline in sales, or extenuating circumstances as approved by the department, such as a one-time extraordinary event"

Representative Jacobsen spoke in favor of the adoption of the amendment.

Representative Berg spoke against the adoption of the amendment.

Amendment (1411) was not adopted.

Representative Berg moved the adoption of amendment (1406):

On page 6, beginning on line 33, after "services." strike all material through "registration" on page 7, line 8 and insert

"(a) For the purposes of this subsection (3), "advertising services" means all digital and nondigital services related to the creation, preparation, production, or dissemination of advertisements including, but not limited to:

(i) Layout, art direction, graphic design, mechanical preparation, production supervision, placement, referrals, acquisition of advertising space, and rendering advice concerning the best methods of advertising products or services; and

(ii) Online referrals, search engine marketing, and lead generation optimization, web campaign planning, the acquisition of advertising space in the internet media, and the monitoring and evaluation of website traffic for purposes of determining the effectiveness of an advertising campaign.

(b) "Advertising services" do not include:

(i) Web hosting services and domain name registration;

(ii) Services rendered in respect to the following:

(A) "Newspapers" as defined in RCW 82.04.214;

(B) Printing or publishing under RCW 82.04.280; and

(C) "Radio and television broadcasting" within this state as defined in RCW 82.04 (section 1, chapter 9, Laws of 2025); and

(iii) Services rendered in respect to out-of-home advertising, including: billboard advertising; street furniture advertising; transit advertising; place-based advertising, such as in-store display advertising or point-of-sale advertising;

dynamic or static signage at live events; naming rights; and fixed signage advertising. Out-of-home advertising does not include direct mail"

Representatives Berg and Orcutt spoke in favor of the adoption of the amendment.

Amendment (1406) was adopted.

Representative Penner moved the adoption of amendment (1413):

On page 9, line 16, after "(f)." insert "For the purposes of (g) through (m) of this subsection (3), the terms "sale at retail" and "retail sale" do not include sales to any health professionals regulated under chapter 18.130 RCW, health care facilities, health carriers, health systems and health care provider groups."

On page 11, line 7, after "(f)" insert "and sales made to any health professionals regulated under chapter 18.130 RCW, health care facilities, health carriers, health systems and health care provider groups"

Representative Penner spoke in favor of the adoption of the amendment.

Representative Macri spoke against the adoption of the amendment.

Amendment (1413) was not adopted.

Representative Connors moved the adoption of amendment (1414):

On page 9, line 16, after "(f)." insert "For the purposes of (g) through (m) of this subsection (3), the terms "sale at retail" and "retail sale" do not include sales to any entity involved in the construction of housing, including but not limited to the lumber and milling industries and entities involved in the building and construction trades."

On page 11, line 7, after "(f)" insert "and to sales made to any entity involved in the construction of housing, including but not limited to the lumber and milling industries and entities involved in the building and construction trades"

Representative Connors spoke in favor of the adoption of the amendment.

Representative Peterson spoke against the adoption of the amendment.

Amendment (1414) was not adopted.

Representative Manjarrez moved the adoption of amendment (1415):

On page 9, line 16, after "(f)." insert "For the purposes of (g) through (m) of this subsection (3), the terms "sale at retail" and "retail sale" do not include sales to any entity involved in the food industry, including but not limited to farmers, restaurants, grocers, wholesalers, truck drivers, and farmers markets."

On page 11, line 7, after "(f)" insert "and to sales made to any entity involved in the food industry, including but not limited to farmers, restaurants, grocers, wholesalers, truck drivers, and farmers markets"

Representative Manjarrez spoke in favor of the adoption of the amendment.

Representative Berg spoke against the adoption of the amendment.

Amendment (1415) was not adopted.

Representative Orcutt moved the adoption of amendment (1403):

On page 22, line 8, after "(3)" insert "(a) "Alternative nicotine product" means any noncombustible product that contains nicotine from any source, including synthetically derived nicotine or an analog thereto, that is intended for human consumption, whether chewed, absorbed, dissolved, ingested, inhaled, or consumed by any other means.

(b) "Alternative nicotine product" does not include:

(i) "Moist snuff" as defined in this section;

(ii) "Vapor product" as defined in RCW 70.345.010 or 82.25.005; or

(iii) A drug, device, or combination product approved, as of December 31, 2024, for sale by the United States food and drug administration under the federal food, drug, and cosmetic act (21 U.S.C. Sec. 301 et seq.) as it exists on the effective date of this section.

(4)"

Renumber the remaining subsections consecutively and correct any internal references accordingly.

On page 25, beginning on line 2, after "tobacco" strike all material through "synthetically," on line 3

On page 25, beginning on line 6, after "82.24.010" strike all material through "section" on line 10

On page 25, after line 16, insert the following:

"Sec. 302. RCW 82.26.020 and 2019 c 445 s 404 are each amended to read as follows:

(1) There is levied and collected a tax upon the sale, handling, or distribution of all tobacco products in this state at the following rate:

(a) For cigars except little cigars, ninety-five percent of the taxable sales price of cigars, not to exceed sixty-five cents per cigar;

(b) For all tobacco products except those covered under separate provisions of this subsection, ninety-five percent of the taxable sales price. The tax imposed on a product under this subsection must be reduced by fifty percent if that same product is issued a modified risk tobacco

product order by the secretary of the United States department of health and human services pursuant to Title 21 U.S.C. Sec. 387k(g)(1), or by twenty-five percent if that same product is issued a modified risk tobacco product order by the secretary of the United States department of health and human services pursuant to Title 21 U.S.C. Sec. 387k(g)(2). The tax reduction applies during the period the modified risk tobacco product order is in effect;

(c) For moist snuff, as established in this subsection (1)(c) and computed on the net weight listed by the manufacturer:

(i) On each single unit consumer-sized can or package whose net weight is one and two-tenths ounces or less, a rate per single unit that is equal to the greater of 2.526 dollars or eighty-three and one-half percent of the cigarette tax under chapter 82.24 RCW multiplied by twenty; or

(ii) On each single unit consumer-sized can or package whose net weight is more than one and two-tenths ounces, a proportionate tax at the rate established in (c)(i) of this subsection (1) on each ounce or fractional part of an ounce; ((~~and~~))

(d) For little cigars, an amount per cigar equal to the cigarette tax under chapter 82.24 RCW; and

(e) For alternative nicotine products:

(i) $1.25 per single unit consumer-sized container or package of 15 or fewer discrete consumable units; or

(ii) $1.85 per single unit consumer-sized container or package of more than 15 discrete consumable units.

(2) Taxes under this section must be imposed at the time the distributor (a) brings, or causes to be brought, into this state from without the state tobacco products for sale, (b) makes, manufactures, fabricates, or stores tobacco products in this state for sale in this state, (c) ships or transports tobacco products to retailers in this state, to be sold by those retailers, or (d) handles for sale any tobacco products that are within this state but upon which tax has not been imposed.

(3) The moneys collected under this section must be deposited into the state general fund."

Correct any internal references accordingly.

On page 30, line 19, after "**604.**" strike "Section 301 of this act takes" and insert "Sections 301 and 302 of this act take"

Correct the title.

Representative Orcutt spoke in favor of the adoption of the amendment.

Representative Parshley spoke against the adoption of the amendment.

Division was demanded and the demand was sustained. The Speaker (Representative Shavers presiding) divided the House. The result was 41 - YEAS; 47 - NAYS.

Amendment (1403) was not adopted.

Representative Orcutt moved the adoption of amendment (1404):

On page 22, line 8, after "(3)" insert "(a) "Alternative nicotine product" means any noncombustible product that contains nicotine from any source, including synthetically derived nicotine or an analog thereto, that is intended for human consumption, whether chewed, absorbed, dissolved, ingested, inhaled, or consumed by any other means.

(b) "Alternative nicotine product" does not include:

(i) "Moist snuff" as defined in this section;

(ii) "Vapor product" as defined in RCW 70.345.010 or 82.25.005; or

(iii) A drug, device, or combination product approved, as of December 31, 2024, for sale by the United States food and drug administration under the federal food, drug, and cosmetic act (21 U.S.C. Sec. 301 et seq.) as it exists on the effective date of this section.

(4)"

Renumber the remaining subsections consecutively and correct any internal references accordingly.

On page 25, beginning on line 2, after "tobacco" strike all material through "synthetically," on line 3

On page 25, beginning on line 6, after "82.24.010" strike all material through "section" on line 10

On page 25, after line 16, insert the following:

"**Sec. 302.** RCW 82.26.020 and 2019 c 445 s 404 are each amended to read as follows:

(1) There is levied and collected a tax upon the sale, handling, or distribution of all tobacco products in this state at the following rate:

(a) For cigars except little cigars, ninety-five percent of the taxable sales price of cigars, not to exceed sixty-five cents per cigar;

(b) For all tobacco products except those covered under separate provisions of this subsection, ninety-five percent of the taxable sales price. The tax imposed on a product under this subsection must be reduced by fifty percent if that same product is issued a modified risk tobacco product order by the secretary of the United States department of health and human services pursuant to Title 21 U.S.C. Sec. 387k(g)(1), or by twenty-five percent if that same product is issued a modified risk tobacco product order by the secretary of the United States department of health and human services pursuant to Title 21 U.S.C. Sec. 387k(g)(2). The tax reduction applies during the period the modified risk tobacco product order is in effect;

(c) For moist snuff, as established in this subsection (1)(c) and computed on the net weight listed by the manufacturer:

(i) On each single unit consumer-sized can or package whose net weight is one and two-tenths ounces or less, a rate per single unit that is equal to the greater of 2.526 dollars or eighty-three and one-half percent of the cigarette tax under chapter 82.24 RCW multiplied by twenty; or

(ii) On each single unit consumer-sized can or package whose net weight is more than one and two-tenths ounces, a proportionate tax at the rate established in (c)(i) of this subsection (1) on each ounce or fractional part of an ounce; ((~~and~~))

(d) For little cigars, an amount per cigar equal to the cigarette tax under chapter 82.24 RCW; and

(e) For alternative nicotine products, $1.85 per single unit consumer-sized container or package.

(2) Taxes under this section must be imposed at the time the distributor (a) brings, or causes to be brought, into this state from without the state tobacco products for sale, (b) makes, manufactures, fabricates, or stores tobacco products in this state for sale in this state, (c) ships or transports tobacco products to retailers in this state, to be sold by those retailers, or (d) handles for sale any tobacco products that are within this state but upon which tax has not been imposed.

(3) The moneys collected under this section must be deposited into the state general fund."

Correct any internal references accordingly.

On page 30, line 19, after "**604.**" strike "Section 301 of this act takes" and insert "Sections 301 and 302 of this act take"

Correct the title.

Representative Orcutt spoke in favor of the adoption of the amendment.

Representative Parshley spoke against the adoption of the amendment.

Division was demanded and the demand was sustained. The Speaker (Representative Shavers presiding) divided the House. The result was 40 - YEAS; 44 - NAYS.

Amendment (1404) was not adopted.

Representative Orcutt moved the adoption of amendment (1416):

On page 30, after line 10, insert the following:

"NEW SECTION. **Sec. 601.** (1) No assessment of penalties or interest for taxes imposed in this act may be made by the department of revenue against a taxpayer for taxes from the effective date of this section through January 1, 2027, including underpayments, failures to file, and other compliance errors.

(2) The definitions in RCW 82.32.020 apply to this section."

Renumber the remaining sections consecutively and correct any internal references accordingly.

Representative Orcutt spoke in favor of the adoption of the amendment.

Representative Berg spoke against the adoption of the amendment.

Amendment (1416) was not adopted.

Representative Orcutt moved the adoption of amendment (1417):

Beginning on page 2, line 33, strike all material through "sale." on page 21, line 32

Renumber the remaining parts and sections consecutively and correct any internal references accordingly.

On page 30, beginning on line 17, strike all of section 603

Renumber the remaining sections consecutively and correct any internal references accordingly.

Correct the title.

Representative Orcutt spoke in favor of the adoption of the amendment.

Representative Berg spoke against the adoption of the amendment.

Amendment (1417) was not adopted.

Representative Berg moved the adoption of amendment (1405):

On page 6, line 8, after "(g)" strike all material through "(h)" on line 12

Renumber the remaining subsections consecutively and correct any internal references accordingly.

Representatives Berg and Orcutt spoke in favor of the adoption of the amendment.

Amendment (1405) was adopted.

Representative Marshall moved the adoption of amendment (1418):

On page 21, beginning on line 33, strike all of Part III

Renumber the remaining parts and sections consecutively and correct any internal references accordingly.

Representative Marshall spoke in favor of the adoption of the amendment.

Representative Pollet spoke against the adoption of the amendment.

Amendment (1418) was not adopted.

Representative Berg moved the adoption of amendment (1402):

On page 25, beginning on line 17, after "**PART IV**" strike all material through "**PART V**" on page 29, line 16

Renumber the remaining sections consecutively and correct any internal references accordingly.

On page 30, beginning on line 21, strike all of section 605

Representatives Berg and Orcutt spoke in favor of the adoption of the amendment.

Amendment (1402) was adopted.

Representative Stonier moved the adoption of amendment (1383):

On page 29, beginning on line 16, strike all of Part V

Renumber the remaining parts and sections consecutively and correct any internal references accordingly.

Representatives Stonier and Orcutt spoke in favor of the adoption of the amendment.

Amendment (1383) was adopted.

Representative Walsh moved the adoption of amendment (1419):

On page 30, beginning on line 15, strike all of section 602

Renumber the remaining sections consecutively, correct any internal references accordingly, and correct the title.

Representative Walsh spoke in favor of the adoption of the amendment.

Representative Parshley spoke against the adoption of the amendment.

Amendment (1419) was not adopted.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House, was placed on final passage.

Representatives Berg and Reeves spoke in favor of the passage of the bill.

Representatives Orcutt, Engell, Dufault, Jacobsen, Caldier, Walsh and Jacobsen (again) spoke against the passage of the bill.

The Speaker (Representative Shavers presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 5814, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 5814, as amended by the House, and the bill passed the House by the following vote: Yeas, 50; Nays, 47; Absent, 0; Excused, 1

Voting Yea: Representatives Berg, Bergquist, Berry, Callan, Cortes, Davis, Doglio, Donaghy, Duerr, Entenman, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Gregerson, Hill, Hunt, Kloba, Lekanoff, Macri, Mena, Morgan, Nance, Obras, Ormsby, Ortiz-Self, Parshley, Peterson, Pollet, Ramel, Reed, Reeves, Ryu, Salahuddin, Santos, Scott, Simmons, Springer, Stearns, Stonier, Street, Taylor, Thai, Tharinger, Thomas, Walen, Wylie, Zahn and Mme. Speaker

Voting Nay: Representatives Abbarno, Abell, Barkis, Barnard, Bernbaum, Bronoske, Burnett, Caldier, Chase, Connors, Corry, Couture, Dent, Dufault, Dye, Engell, Graham, Griffey, Hackney, Jacobsen, Keaton, Klicker, Leavitt, Ley, Low, Manjarrez, Marshall, McClintock, McEntire, Mendoza, Orcutt, Paul, Penner, Richards, Rude, Rule, Schmick, Schmidt, Shavers, Steele, Stokesbary, Stuebe, Timmons, Volz, Walsh, Waters and Ybarra

Excused: Representative Eslick

ENGROSSED SUBSTITUTE SENATE BILL NO. 5814, as amended by the House, having received the necessary constitutional majority, was declared passed.

There being no objection, the House adjourned until 9:30 a.m., Thursday, April 24, 2025, the 102nd Day of the 2025 Regular Session.

LAURIE JINKINS, Speaker

BERNARD DEAN, Chief Clerk