

ESSB 5974 - H AMD 1215

By Representative Fey

ADOPTED AS AMENDED 03/01/2022

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

3 **"Part I**

4 **Climate Commitment Act Allocations**

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

7 (1) The carbon emissions reduction account is created in the
8 state treasury. Moneys in the account may be spent only after
9 appropriation. Expenditures from the account are intended to affect
10 reductions in transportation sector carbon emissions through a
11 variety of carbon reducing investments. These can include, but are
12 not limited to: Transportation alternatives to single occupancy
13 passenger vehicles; reductions in single occupancy passenger vehicle
14 miles traveled; reductions in per mile emissions in vehicles,
15 including through the funding of alternative fuel infrastructure and
16 incentive programs; and emission reduction programs for freight
17 transportation, including motor vehicles and rail, as well as for
18 ferries and other maritime and port activities. Expenditures from the
19 account may only be made for transportation carbon emission reducing
20 purposes and may not be made for highway purposes authorized under
21 the 18th Amendment of the Washington state Constitution, other than
22 specified in this section, and shall be made in accordance with
23 subsection (2) of this section. It is the legislature's intent that
24 expenditures from the account used to reduce carbon emissions be made
25 with the goal of achieving equity for communities that historically
26 have been omitted or adversely impacted by past transportation
27 policies and practices.

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

31 (a) Active transportation;

- 1 (b) Transit programs and projects;
- 2 (c) Alternative fuel and electrification;
- 3 (d) Ferries; and
- 4 (e) Rail.

5 NEW SECTION. **Sec. 102.** The legislature intends to program
6 funding from the carbon emissions reduction account, the climate
7 active transportation account, and the climate transit programs
8 account for the activities identified in LEAP Transportation Document
9 2022-A as developed February 8, 2022.

10 NEW SECTION. **Sec. 103.** A new section is added to chapter 46.68
11 RCW to read as follows:

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

21 (2) Beginning July 1, 2022, the state treasurer shall annually
22 transfer 24 percent of the revenues accruing annually to the carbon
23 emissions reduction account created in RCW 70A.65.240 to the climate
24 active transportation account.

25 NEW SECTION. **Sec. 104.** A new section is added to chapter 46.68
26 RCW to read as follows:

27 (1) The climate transit programs account is hereby created in the
28 state treasury. Moneys in the account may be spent only after
29 appropriation. Expenditures from the account may be used only for the
30 following transit grant programs: Transit support grant program,
31 tribal transit mobility grants, transit coordination grants, special
32 needs transit grants, bus and bus facility grant program, green
33 transit grants, and transportation demand management grants, as well
34 as transit projects identified in an omnibus transportation
35 appropriations act as move ahead WA projects.

36 (2) Beginning July 1, 2022, the state treasurer shall annually
37 transfer 56 percent of the revenues accruing annually to the carbon

1 emissions reduction account created in RCW 70A.65.240 to the climate
2 transit programs account.

3 **Sec. 105.** RCW 70A.65.030 and 2021 c 316 s 4 are each amended to
4 read as follows:

5 (1) Each year or biennium, as appropriate, when allocating funds
6 from the carbon emissions reduction account created in RCW
7 70A.65.240, the climate investment account created in RCW 70A.65.250,
8 ~~((~~o~~))~~ the air quality and health disparities improvement account
9 created in RCW 70A.65.280, the climate transit programs account
10 created in section 104 of this act, or the climate active
11 transportation account created in section 103 of this act, or
12 administering grants or programs funded by the accounts, agencies
13 shall conduct an environmental justice assessment consistent with the
14 requirements of RCW 70A.02.060 and establish a minimum of not less
15 than 35 percent and a goal of 40 percent of total investments that
16 provide direct and meaningful benefits to vulnerable populations
17 within the boundaries of overburdened communities through: (a) The
18 direct reduction of environmental burdens in overburdened
19 communities; (b) the reduction of disproportionate, cumulative risk
20 from environmental burdens, including those associated with climate
21 change; (c) the support of community led project development,
22 planning, and participation costs; or (d) meeting a community need
23 identified by the community that is consistent with the intent of
24 this chapter or RCW 70A.02.010.

25 (2) The allocation of funding under subsection (1) of this
26 section must adhere to the following principles, additional to the
27 requirements of RCW 70A.02.080: (a) Benefits and programs should be
28 directed to areas and targeted to vulnerable populations and
29 overburdened communities to reduce statewide disparities; (b)
30 investments and benefits should be made roughly proportional to the
31 health disparities that a specific community experiences, with a goal
32 of eliminating the disparities; (c) investments and programs should
33 focus on creating environmental benefits, including eliminating
34 health burdens, creating community and population resilience, and
35 raising the quality of life of those in the community; and (d)
36 efforts should be made to balance investments and benefits across the
37 state and within counties, local jurisdictions, and unincorporated
38 areas as appropriate to reduce disparities by location and to ensure

1 efforts contribute to a reduction in disparities that exist based on
2 race or ethnicity, socioeconomic status, or other factors.

3 (3) State agencies allocating funds or administering grants or
4 programs from the carbon emissions reduction account created in RCW
5 70A.65.240, the climate investment account created in RCW 70A.65.250,
6 ~~((and from))~~ the air quality and health disparities improvement account
7 created in RCW 70A.65.280, the climate transit programs account
8 created in section 104 of this act, or the climate active
9 transportation account created in section 103 of this act, must:

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

13 (b) Consider recommendations by the environmental justice
14 council; and

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

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

24 **Sec. 106.** RCW 70A.65.040 and 2021 c 316 s 5 are each amended to
25 read as follows:

26 (1) The environmental justice council created in RCW 70A.02.110
27 must provide recommendations to the legislature, agencies, and the
28 governor in the development and implementation of the program
29 established in RCW 70A.65.060 through 70A.65.210, and the programs
30 funded from the carbon emissions reduction account created in RCW
31 70A.65.240 ~~((and from))~~, the climate investment account created in
32 RCW 70A.65.250, the climate transit programs account created in
33 section 104 of this act, and the climate active transportation
34 account created in section 103 of this act.

35 (2) In addition to the duties and authorities granted in chapter
36 70A.02 RCW to the environmental justice council, the environmental
37 justice council must:

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

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

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

11 (b) Provide a forum to analyze policies adopted under this
12 chapter to determine if the policies lead to improvements within
13 overburdened communities;

14 (c) Recommend procedures and criteria for evaluating programs,
15 activities, or projects;

16 (d) Recommend copollutant emissions reduction goals in
17 overburdened communities;

18 (e) Evaluate the level of funding provided to assist vulnerable
19 populations, low-income individuals, and impacted workers and the
20 funding of projects and activities located within or benefiting
21 overburdened communities;

22 (f) Recommend environmental justice and environmental health
23 goals for programs, activities, and projects funded from the climate
24 investment account, and review agency annual reports on outcomes and
25 progress toward meeting these goals;

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

29 (h) Recommend how to support public participation through
30 capacity grants for participation.

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

34 **Part II**

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

1 NEW SECTION. **Sec. 201.** FINDINGS AND INTENT. (1) The legislature
2 finds that a portion of the state's greenhouse gas emissions are
3 directly related to petroleum fuel products produced by the state's
4 five refineries that are exported to other states and jurisdictions.
5 These carbon emissions have a real impact on the citizens of the
6 state of Washington and these impacts are not adequately compensated
7 for under the existing taxing structures.

8 (2) The legislature further finds that carbon emissions directly
9 attributable to just the refining process associated with petroleum
10 fuel products that are subsequently exported has been estimated at
11 3,300,000 metric tons per year.

12 (3) The legislature further finds that the costs associated with
13 carbon emissions are global in nature and the impacts associated with
14 carbon emissions are not simply felt by those within a state's
15 geographic boundary. However, applying a standard societal costs of
16 carbon method results in estimated annual impacts over \$250,000,000
17 associated with the current amount of exported petroleum fuel
18 products.

19 (4) Therefore, the legislature intends to modify state fuel tax
20 law in a manner that compensates the state for a portion of the
21 societal costs of carbon attributable to the refining process
22 associated with petroleum fuel products that are subsequently
23 exported, but also ensures that the current favorable tax treatment
24 for petroleum fuel products that are exported continues.

25 **Sec. 202.** RCW 82.38.020 and 2013 c 225 s 102 are each amended to
26 read as follows:

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

29 (1) "Biofuel" means fuel derived from biomass that has at least
30 40 percent lower greenhouse gas emissions based on a full life-cycle
31 analysis when compared to petroleum fuel for which biofuel is capable
32 of serving as a substitute.

33 (2) "Blended fuel" means a mixture of fuel and another liquid,
34 other than a de minimis amount of the liquid.

35 ((+2)) (3) "Blender" means a person who produces blended fuel
36 outside the bulk transfer-terminal system.

37 ((+3)) (4) "Bond" means a bond duly executed with a corporate
38 surety qualified under chapter 48.28 RCW payable to the state of

1 Washington conditioned upon faithful performance of all requirements
2 of this chapter.

3 ~~((4))~~ (5) "Bulk transfer-terminal system" means the fuel
4 distribution system consisting of refineries, pipelines, vessels, and
5 terminals. Fuel in a refinery, pipeline, vessel, or terminal is in
6 the bulk transfer-terminal system.

7 ~~((5))~~ (6) "Bulk transfer" means a transfer of fuel by pipeline
8 or vessel.

9 ~~((6))~~ (7) "Bulk storage" means the placing of fuel into a
10 receptacle other than the fuel supply tank of a motor vehicle.

11 ~~((7))~~ (8) "Department" means the department of licensing.

12 ~~((8))~~ (9) "Distributor" means a person who acquires fuel
13 outside the bulk transfer-terminal system for importation into
14 Washington, from a terminal or refinery rack located within
15 Washington for distribution within Washington, or for immediate
16 export outside the state of Washington.

17 ~~((9))~~ (10) "Dyed special fuel user" means a person authorized
18 by the internal revenue code to operate a motor vehicle on the
19 highway using dyed special fuel, in which the use is not exempt from
20 the fuel tax.

21 ~~((10))~~ (11) "Evasion" or "evade" means to diminish or avoid the
22 computation, assessment, or payment of authorized taxes or fees
23 through:

24 (a) A knowing: False statement; omission; misrepresentation of
25 fact; or other act of deception;

26 (b) An intentional: Failure to file a return or report; or other
27 act of deception; or

28 (c) The unlawful use of dyed special fuel.

29 ~~((11))~~ (12) "Exempt sale" means the sale of fuel to a person
30 whose use of fuel is exempt from the fuel tax.

31 ~~((12))~~ (13) "Export" means to obtain fuel in this state for
32 sales or distribution outside the state. Fuel distributed to a
33 federally recognized Indian tribal reservation located within the
34 state of Washington is not considered exported outside this state.

35 ~~((13))~~ (14) "Exporter" means a person who purchases fuel
36 physically located in this state at the time of purchase and directly
37 exports the fuel by a means other than the bulk transfer-terminal
38 system to a destination outside of the state. If the exporter of
39 record is acting as an agent, the person for whom the agent is acting

1 is the exporter. If there is no exporter of record, the owner of the
2 fuel at the time of exportation is the exporter.

3 ~~((14))~~ (15) "Fuel" means motor vehicle fuel or special fuel.

4 ~~((15))~~ (16) "Fuel user" means a person engaged in uses of fuel
5 that are not specifically exempted from the fuel tax imposed under
6 this chapter.

7 ~~((16))~~ (17) "Highway" means every way or place open to the use
8 of the public, as a matter of right, for the purpose of vehicular
9 travel.

10 ~~((17))~~ (18) "Import" means to bring fuel into this state by a
11 means of conveyance other than the fuel supply tank of a motor
12 vehicle.

13 ~~((18))~~ (19) "Importer" means a person who imports fuel into the
14 state by a means other than the bulk transfer-terminal system. If the
15 importer of record is acting as an agent, the person for whom the
16 agent is acting is the importer. If there is no importer of record,
17 the owner of the fuel at the time of importation is the importer.

18 ~~((19))~~ (20) "International fuel tax agreement licensee" means a
19 fuel user operating qualified motor vehicles in interstate commerce
20 and licensed by the department under the international fuel tax
21 agreement.

22 ~~((20))~~ (21) "Licensee" means a person holding a license issued
23 under this chapter.

24 ~~((21))~~ (22) "Motor vehicle" means a self-propelled vehicle
25 utilizing fuel as a means of propulsion.

26 ~~((22))~~ (23) "Motor vehicle fuel" means gasoline and any other
27 inflammable gas or liquid, by whatsoever name the gasoline, gas, or
28 liquid may be known or sold the chief use of which is as a fuel for
29 the propulsion of motor vehicles or vessels.

30 ~~((23))~~ (24) "Natural gas" means naturally occurring mixtures of
31 hydrocarbon gases and vapors consisting principally of methane,
32 whether in gaseous or liquid form.

33 ~~((24))~~ (25) "Person" means any individual, partnership,
34 association, public or private corporation, limited liability
35 company, or any other type of legal or commercial entity, including
36 their members, managers, partners, directors, or officers.

37 ~~((25))~~ (26) "Position holder" means a person who holds the
38 inventory position in fuel, as reflected by the records of the
39 terminal operator. A person holds the inventory position if the
40 person has a contractual agreement with the terminal for the use of

1 storage facilities and terminating services. "Position holder"
2 includes a terminal operator that owns fuel in their terminal.

3 ~~((26))~~ (27) "Rack" means a mechanism for delivering fuel from a
4 refinery or terminal into a truck, trailer, railcar, or other means
5 of nonbulk transfer.

6 ~~((27))~~ (28) "Refiner" means a person who owns, operates, or
7 otherwise controls a refinery.

8 ~~((28))~~ (29) "Removal" means a physical transfer of fuel other
9 than by evaporation, loss, or destruction.

10 ~~((29))~~ (30) "Special fuel" means diesel fuel, propane, natural
11 gas, kerosene, biodiesel, and any other combustible liquid or gas by
12 whatever name the liquid or gas may be known or sold for the
13 generation of power to propel a motor vehicle on the highways, except
14 it does not include motor vehicle fuel.

15 ~~((30))~~ (31) "Supplier" means a person who holds a federal
16 certificate of registry issued under the internal revenue code and
17 authorizes the person to engage in tax-free transactions of fuel in
18 the bulk transfer-terminal system.

19 ~~((31))~~ (32) "Terminal" means a fuel storage and distribution
20 facility that has been assigned a terminal control number by the
21 internal revenue service.

22 ~~((32))~~ (33) "Terminal operator" means a person who owns,
23 operates, or otherwise controls a terminal.

24 ~~((33))~~ (34) "Two-party exchange" or "buy-sell agreement" means
25 a transaction in which taxable fuel is transferred from one licensed
26 supplier to another licensed supplier whereby the supplier that is
27 the position holder agrees to deliver taxable fuel to the other
28 supplier or the other supplier's customer at the terminal at which
29 the delivering supplier is the position holder.

30 (35) "United States" means a state of the United States, the
31 District of Columbia, the Commonwealth of Puerto Rico, or a territory
32 or insular possession subject to the jurisdiction of the United
33 States. "United States" also includes all federally recognized tribal
34 reservations and federal trust lands within the geographic boundaries
35 of the United States as they exist now or in the future.

36 **Sec. 203.** RCW 82.38.030 and 2015 3rd sp.s. c 44 s 103 are each
37 amended to read as follows:

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

1 (2) Beginning July 1, 2003, an additional and cumulative tax rate
2 of five cents per gallon of fuel is imposed on fuel licensees. This
3 subsection (2) expires when the bonds issued for transportation 2003
4 projects are retired.

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

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

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

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

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

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

19 (9) ~~((Taxes))~~ Except as provided in subsection (10) of this
20 section, taxes are imposed when:

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

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

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

32 (ii) The removal is at the refinery rack or by bulk transfer
33 unless the removal is to a licensed supplier or distributor for
34 direct delivery to a destination outside of the ~~((state))~~ United
35 States, or the removal is to a licensed supplier for direct delivery
36 to an international fuel tax agreement licensee under RCW 82.38.320;

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

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

3 (ii) The entry is not by bulk transfer;

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

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

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

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

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

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

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

23 (10) Taxes are not imposed under subsection (9) of this section
24 when the fuel is a biofuel and the removal is for export.

25 **Sec. 204.** RCW 82.38.035 and 2013 c 225 s 105 are each amended to
26 read as follows:

27 (1) A licensed supplier is liable for and must pay tax on fuel as
28 provided in RCW 82.38.030(~~((7))~~) (9) (a) and (i). On a two-party
29 exchange, or buy-sell agreement between two licensed suppliers, the
30 receiving exchange partner or buyer shall be liable for and pay the
31 tax.

32 (2) A refiner is liable for and must pay tax on fuel removed from
33 a refinery as provided in RCW 82.38.030(~~((7))~~) (9) (b).

34 (3) A licensed distributor is liable for and must pay tax on fuel
35 as provided in RCW 82.38.030(~~((7))~~) (9) (c).

36 (4) A licensed blender is liable for and must pay tax on fuel as
37 provided in RCW 82.38.030(~~((7))~~) (9) (f).

38 (5) A licensed dyed special fuel user is liable for and must pay
39 tax on fuel as provided in RCW 82.38.030(~~((7))~~) (9) (g).

1 (6) A terminal operator is jointly and severally liable for and
2 must pay tax on fuel if, at the time of removal:

3 (a) The position holder of the fuel is a person other than the
4 terminal operator and is not a licensee;

5 (b) The terminal operator is not a licensee;

6 (c) The position holder has an expired internal revenue
7 notification certificate;

8 (d) The terminal operator has reason to believe that information
9 on the internal revenue notification certificate is false.

10 (7) A terminal operator is jointly and severally liable for and
11 must pay tax on special fuel if the special fuel is removed and is
12 not dyed or marked in accordance with internal revenue service
13 requirements, and the terminal operator provides a person with a bill
14 of lading, shipping paper, or similar document indicating the special
15 fuel is dyed or marked in accordance with internal revenue service
16 requirements.

17 (8) International fuel tax agreement licensees, or persons
18 operating motor vehicles under other reciprocity agreements entered
19 into with the state of Washington, are liable for and must pay tax on
20 fuel used to operate motor vehicles on state highways.

21 (9) Dyed special fuel users are liable for and must pay tax on
22 dyed special fuel used on state highways unless the use of the fuel
23 is exempt from the tax.

24 (10) The department shall adopt rules under RCW 82.38.260 to
25 ensure compliance with this chapter with respect to fuel exported
26 from the state, including necessary audits and data reporting
27 requirements.

28 NEW SECTION. Sec. 205. A new section is added to chapter 82.38
29 RCW to read as follows:

30 (1) In computing the tax imposed under this chapter, a credit is
31 allowed for fuel exported from the state. Except as provided in
32 subsection (2) of this section, the credit is equal to the number of
33 gallons of fuel exported multiplied by the total rate of tax imposed
34 under this chapter, less six cents per gallon. Fuel distributed to a
35 federally recognized Indian tribal reservation located within the
36 state of Washington is not considered exported from this state.

37 (2) If the total rate of a comparable fuel tax imposed by the
38 importing state exceeds the total rate of tax imposed under this
39 chapter less six cents per gallon, the credit is equal to the number

1 of gallons of fuel exported multiplied by the total rate of tax
2 imposed by the importing state.

3 (3) The amount of credit earned under this section may not exceed
4 the tax otherwise due under this chapter with respect to the fuel
5 exported.

6 (4) The department may adopt rules under chapter 34.05 RCW
7 regarding the administration of the credit under this section.

8 **Sec. 206.** RCW 82.38.180 and 2013 c 225 s 119 are each amended to
9 read as follows:

10 (1) Any person who has purchased fuel on which tax has been paid
11 may file a claim with the department for a refund of the tax for:

12 (a) Fuel used for purposes other than for the propulsion of motor
13 vehicles upon the public highways in this state. However, a refund
14 may not be made under this subsection (1)(a) for motor vehicle fuel
15 consumed by a motor vehicle required to be registered under chapter
16 46.16A RCW or under a comparable motor vehicle registration
17 requirement in an importing state.

18 (b) Fuel exported for use outside of (~~this state~~) the United
19 States. Fuel carried from this state outside of the United States in
20 the fuel tank of a motor vehicle is deemed to be exported from this
21 state under this subsection (1)(b). Fuel distributed to a federally
22 recognized Indian tribal reservation located within the state of
23 Washington is not considered exported outside (~~this state~~) of the
24 United States.

25 (c) Tax, penalty, or interest erroneously or illegally collected
26 or paid.

27 (d) Fuel which is lost or destroyed, while the licensee is the
28 owner thereof, through fire, lightning, flood, windstorm, or
29 explosion.

30 (e) Fuel of (~~five hundred~~) 500 gallons or more which is lost or
31 destroyed while the licensee is the owner thereof, through leakage or
32 other casualty except evaporation, shrinkage, or unknown causes.

33 (f) Fuel used in power pumping units or other power take-off
34 equipment of any motor vehicle which is accurately measured by
35 metering devices that have been specifically approved by the
36 department or by a formula determined by the department.

37 (2) Any person who has purchased special fuel on which tax has
38 been paid may file a claim with the department for a refund of tax
39 for:

1 (a) Special fuel used for the operation of a motor vehicle as a
2 part of or incidental to logging operations upon a highway under
3 federal jurisdiction within the boundaries of a federal area if the
4 federal government requires a fee for the privilege of operating the
5 motor vehicle upon the highway, the proceeds of which are reserved
6 for constructing or maintaining roads in the federal area, or
7 requires maintenance or construction work to be performed on the
8 highway for the privilege of operating the motor vehicle on the
9 highway;

10 (b) Special fuel used by special mobile equipment as defined in
11 RCW 46.04.552;

12 (c) Special fuel used in a motor vehicle for movement between two
13 pieces of private property wherein the movement is incidental to the
14 primary use of the vehicle; and

15 (d) Special fuel inadvertently mixed with dyed special fuel.

16 (3) Any person who has purchased motor vehicle fuel on which tax
17 has been paid may file a claim with the department for a refund of
18 tax for:

19 (a) Motor vehicle fuel used by a private, nonprofit
20 transportation provider regulated under chapter 81.66 RCW or under a
21 comparable regulation in an importing state to provide transportation
22 services for persons with special transportation needs; and

23 (b) Motor vehicle fuel used by an urban passenger transportation
24 system. For purposes of this subsection "urban passenger
25 transportation system" means every transportation system, publicly or
26 privately owned, having as its principal source of revenue the income
27 from transporting persons for compensation by means of motor vehicles
28 or trackless trolleys, each having a seating capacity of over
29 (~~fifteen~~) 15 persons, over prescribed routes in such a manner that
30 the routes of such motor vehicles or trackless trolleys, either alone
31 or in conjunction with routes of other such motor vehicles or
32 trackless trolleys subject to the routing by the same transportation
33 system, do not extend for a distance exceeding (~~fifteen~~) 15 road
34 miles beyond the corporate limits of the city in which the original
35 starting points of such motor vehicles or trackless trolleys are
36 located. No refunds are authorized for fuel used on any trip where
37 any portion of the trip is more than (~~fifteen~~) 15 road miles beyond
38 the corporate limits of the city in which the trip originated.

39 (4) Recovery for such loss or destruction under subsections
40 (1)(d) or (e) or (2)(d) of this section must be susceptible to

1 positive proof thereby enabling the department to conduct such
2 investigation and require such information as it may deem necessary.
3 In the event that the department is not satisfied that the fuel was
4 lost, destroyed, or contaminated as claimed because information or
5 proof as required hereunder is not sufficient to substantiate the
6 accuracy of the claim, it may deem such as sufficient cause to deny
7 all right relating to the refund or credit for the excise tax paid on
8 fuel alleged to be lost or destroyed.

9 (5) No refund or claim for credit may be approved by the
10 department unless the gallons of fuel claimed as nontaxable satisfy
11 the conditions specifically set forth in this section and the
12 nontaxable event or use occurred during the period covered by the
13 refund claim. Refunds or claims for credit are not (~~be~~~~[are not]~~)
14 allowed for anticipated nontaxable use or events.

15 (6) The department shall establish, by rule, minimum acceptable
16 requirements and conditions on refunds subject to the authority in
17 this section.

18 **Sec. 207.** RCW 46.68.090 and 2015 3rd sp.s. c 44 s 105 are each
19 amended to read as follows:

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

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

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

33 (2) All of the remaining net tax amount collected under RCW
34 82.38.030(1) must be distributed as set forth in (a) through (j) of
35 this subsection.

36 (a) For distribution to the motor vehicle fund an amount equal to
37 44.387 percent to be expended for highway purposes of the state as
38 defined in RCW 46.68.130;

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

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

9 (A) Accident experience;

10 (B) Fatal accident experience;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (8) Revenues generated from the fuel tax imposed on fuel exported
2 from the state under chapter 82.38 RCW must be deposited into the
3 move ahead WA account created in section 401 of this act.

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

9 **Sec. 208.** RCW 82.42.020 and 2013 c 225 s 302 are each amended to
10 read as follows:

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

18 **Sec. 209.** RCW 46.17.200 and 2014 c 80 s 4 are each amended to
19 read as follows:

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

23 (a) The following license plate fees for each license plate,
24 unless the owner or type of vehicle is exempt from payment or
25 qualifies for a reduced original license plate fee as provided in (e)
26 of this subsection:

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

	FEE TYPE	FEE	DISTRIBUTION
1			
2	Original issue, moped	\$ 1.50	RCW 46.68.070

3 (b) A license plate retention fee, as required under RCW
4 46.16A.200(9)(a), of (~~twenty dollars~~) \$20 if the owner wishes to
5 retain the current license plate number upon license plate
6 replacement, unless the owner or type of vehicle is exempt from
7 payment. The (~~twenty dollar~~) \$20 fee must be deposited in the
8 multimodal transportation account created in RCW 47.66.070.

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

15 (d) Former prisoner of war license plates, as described in RCW
16 46.18.235, may be transferred to a replacement vehicle upon payment
17 of a (~~five dollar~~) \$5 license plate fee, in addition to any other
18 fee required by law.

19 (e) An original issue license plate fee of \$40 for each plate if
20 the vehicle is a used car as defined in RCW 46.04.660.

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

30 (3) \$40 of the original issue license plate fee imposed under
31 subsection (1)(a) of this section, \$30 of the original issue license
32 plate fee imposed under subsection (1)(e) of this section, and \$16 of
33 the original issue motorcycle license plate fee imposed under
34 subsection (1)(a) of this section must be deposited in the move ahead
35 WA account created in section 401 of this act.

36 (4) \$20 of the replacement license plate fee imposed under
37 subsection (1)(a) of this section and \$8 of the replacement
38 motorcycle license plate fee imposed under subsection (1)(a) of this

1 section must be deposited in the move ahead WA account created in
2 section 401 of this act.

3 **Sec. 210.** RCW 46.17.120 and 2020 c 239 s 1 are each amended to
4 read as follows:

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

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

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

14 (2) An applicant is exempt from the (~~fifteen dollar~~) \$50 fee if
15 the applicant previously registered the vehicle in Washington state
16 and maintained ownership of the vehicle while registered in another
17 state or country.

18 **Sec. 211.** RCW 46.17.400 and 2011 c 171 s 62 are each amended to
19 read as follows:

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

25	PERMIT TYPE	FEE	AUTHORITY	DISTRIBUTION
26				
27	(a) Dealer temporary	(\$ 15.00) <u>\$40.00</u>	RCW 46.16A.300	RCW 46.68.030
28	(b) Department	\$.50	RCW 46.16A.305	RCW 46.68.450
29	temporary			
30	(c) Farm vehicle trip	\$ 6.25	RCW 46.16A.330	RCW 46.68.035
31				
32	(d) Nonresident	\$ 10.00	RCW 46.16A.340	RCW 46.68.070
	military			

1	PERMIT TYPE	FEE	AUTHORITY	DISTRIBUTION
2				
3	(e) Nonresident	\$ 5.00	RCW 46.10.450	RCW 46.68.350
4	temporary			
	snowmobile			
5	(f) Special fuel trip	\$ 30.00	RCW 82.38.100	RCW 46.68.460
6				
7				
8	(g) Temporary ORV	\$ 7.00	RCW 46.09.430	RCW 46.68.045
	use			
9	(h) Vehicle trip	\$ 25.00	RCW 46.16A.320	RCW 46.68.455

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

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

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

24 **Sec. 212.** RCW 46.20.202 and 2021 c 317 s 21 and 2021 c 158 s 9
25 are each reenacted and amended to read as follows:

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

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

33 (3)(a) The department may issue an enhanced driver's license or
34 identicard for the purposes of crossing the border between the state
35 of Washington and the Canadian province of British Columbia to an

1 applicant who provides the department with proof of: United States
2 citizenship, identity, and state residency. The department shall
3 continue to offer a standard driver's license and identicard. If the
4 department chooses to issue an enhanced driver's license, the
5 department must allow each applicant to choose between a standard
6 driver's license or identicard, or an enhanced driver's license or
7 identicard.

8 (b) The department shall implement a one-to-many biometric
9 matching system for the enhanced driver's license or identicard. An
10 applicant for an enhanced driver's license or identicard shall submit
11 a biometric identifier as designated by the department. The biometric
12 identifier must be used solely for the purpose of verifying the
13 identity of the holders and for any purpose set out in RCW 46.20.037.
14 Applicants are required to sign a declaration acknowledging their
15 understanding of the one-to-many biometric match.

16 (c) The enhanced driver's license or identicard must include
17 reasonable security measures to protect the privacy of Washington
18 state residents, including reasonable safeguards to protect against
19 unauthorized disclosure of data about Washington state residents. If
20 the enhanced driver's license or identicard includes a radio
21 frequency identification chip, or similar technology, the department
22 shall ensure that the technology is encrypted or otherwise secure
23 from unauthorized data access.

24 (d) The requirements of this subsection are in addition to the
25 requirements otherwise imposed on applicants for a driver's license
26 or identicard. The department shall adopt such rules as necessary to
27 meet the requirements of this subsection. From time to time the
28 department shall review technological innovations related to the
29 security of identity cards and amend the rules related to enhanced
30 driver's licenses and identicards as the director deems consistent
31 with this section and appropriate to protect the privacy of
32 Washington state residents.

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

37 (4) Beginning (~~on July 23, 2017~~) October 1, 2022, the fee for
38 an enhanced driver's license or enhanced identicard is (~~thirty-two~~
39 ~~dollars~~) \$56, which is in addition to the fees for any regular
40 driver's license or identicard. If the enhanced driver's license or

1 enhanced identicard is issued, renewed, or extended for a period
2 other than eight years, the fee for each class is (~~four dollars~~) \$7
3 for each year that the enhanced driver's license or enhanced
4 identicard is issued, renewed, or extended.

5 (5)(a) The first \$4 per year of issuance, to a maximum of \$32 of
6 the enhanced driver's license and enhanced identicard fee under this
7 section must be deposited into the highway safety fund unless prior
8 to July 1, 2023, the actions described in (a)(i) or (~~(b)~~) (ii) of
9 this subsection occur, in which case the portion of the revenue that
10 is the result of the fee increased in section 209, chapter 44, Laws
11 of 2015 3rd sp. sess. must be distributed to the connecting
12 Washington account created under RCW 46.68.395.

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

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

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

29 (b) \$24 of the enhanced driver's license and enhanced identicard
30 fee under this section must be deposited into the move ahead WA
31 flexible account created in section 402 of this act. If the enhanced
32 driver's license or enhanced identicard is issued, renewed, or
33 extended for a period other than eight years, the amount deposited
34 into the move ahead WA flexible account created in section 402 of
35 this act is \$3 for each year that the enhanced driver's license or
36 enhanced identicard is issued, renewed, or extended.

37 **Sec. 213.** RCW 46.52.130 and 2021 c 93 s 8 are each amended to
38 read as follows:

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

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

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

8 (i) The total number of vehicles involved;

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

10 (iii) Whether the vehicles were occupied at the time of the
11 accident; and

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

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

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

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

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

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

29 (ii) Nothing in this section prevents a court from providing a
30 copy of the driver's abstract to the individual named in the abstract
31 or that named individual's attorney, provided that the named
32 individual has a pending or open infraction or criminal case in that
33 court. A pending case includes criminal cases that have not reached a
34 disposition by plea, stipulation, trial, or amended charge. An open
35 infraction or criminal case includes cases on probation, payment
36 agreement or subject to, or in collections. Courts may charge a
37 reasonable fee for the production and copying of the abstract for the
38 individual.

39 (b) **Employers or prospective employers.** (i) An abstract of the
40 full driving record maintained by the department may be furnished to

1 an employer or prospective employer or agents acting on behalf of an
2 employer or prospective employer of the named individual for purposes
3 related to driving by the individual as a condition of employment or
4 otherwise at the direction of the employer.

5 (ii) The department may provide employers or their agents a
6 three-year insurance carrier driving record of existing employees
7 only for the purposes of sharing the driving record with its
8 insurance carrier for underwriting. Employers may not provide the
9 employees' full driving records to its insurance carrier.

10 (iii) An abstract of the full driving record maintained by the
11 department may be furnished to an employer or prospective employer or
12 the agent(s) acting on behalf of an employer or prospective employer
13 of the named individual for purposes unrelated to driving by the
14 individual when a driving record is required by federal or state law,
15 or the employee or prospective employee will be handling heavy
16 equipment or machinery.

17 (iv) Release of an abstract of the driving record of an employee
18 or prospective employee requires a statement signed by: (A) The
19 employee or prospective employee that authorizes the release of the
20 record; and (B) the employer attesting that the information is
21 necessary for employment purposes related to driving by the
22 individual as a condition of employment or otherwise at the direction
23 of the employer. If the employer or prospective employer authorizes
24 agents to obtain this information on their behalf, this must be noted
25 in the statement. The statement must also note that any information
26 contained in the abstract related to an adjudication that is subject
27 to a court order sealing the juvenile record of an employee or
28 prospective employee may not be used by the employer or prospective
29 employer, or an agent authorized to obtain this information on their
30 behalf, unless required by federal regulation or law. The employer or
31 prospective employer must afford the employee or prospective employee
32 an opportunity to demonstrate that an adjudication contained in the
33 abstract is subject to a court order sealing the juvenile record.

34 (v) Upon request of the person named in the abstract provided
35 under this subsection, and upon that same person furnishing copies of
36 court records ruling that the person was not at fault in a motor
37 vehicle accident, the department must indicate on any abstract
38 provided under this subsection that the person was not at fault in
39 the motor vehicle accident.

1 (vi) No employer or prospective employer, nor any agents of an
2 employer or prospective employer, may use information contained in
3 the abstract related to an adjudication that is subject to a court
4 order sealing the juvenile record of an employee or prospective
5 employee for any purpose unless required by federal regulation or
6 law. The employee or prospective employee must furnish a copy of the
7 court order sealing the juvenile record to the employer or
8 prospective employer, or the agents of the employer or prospective
9 employer, as may be required to ensure the application of this
10 subsection.

11 (c) **Volunteer organizations.** (i) An abstract of the full driving
12 record maintained by the department may be furnished to a volunteer
13 organization or an agent for a volunteer organization for which the
14 named individual has submitted an application for a position that
15 would require driving by the individual at the direction of the
16 volunteer organization.

17 (ii) Release of an abstract of the driving record of a
18 prospective volunteer requires a statement signed by: (A) The
19 prospective volunteer that authorizes the release of the record; and
20 (B) the volunteer organization attesting that the information is
21 necessary for purposes related to driving by the individual at the
22 direction of the volunteer organization. If the volunteer
23 organization authorizes an agent to obtain this information on their
24 behalf, this must be noted in the statement.

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

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

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

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

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

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

39 (A) Not contain any information related to actions committed by
40 law enforcement officers or firefighters, as both terms are defined

1 in RCW 41.26.030, or by Washington state patrol officers, while
2 driving official vehicles in the performance of their occupational
3 duty, or by registered tow truck operators as defined in RCW
4 46.55.010 in the performance of their occupational duties while at
5 the scene of a roadside impound or recovery so long as they are not
6 issued a citation. This does not apply to any situation where the
7 vehicle was used in the commission of a misdemeanor or felony;

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

12 (C) Exclude any deferred prosecution under RCW 10.05.060, except
13 that if a person is removed from a deferred prosecution under RCW
14 10.05.090, the abstract must show the deferred prosecution as well as
15 the removal.

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

20 (iv) Any insurance company or its agents, for underwriting
21 purposes relating to the operation of commercial motor vehicles, may
22 not use any information contained in the abstract relative to any
23 person's operation of motor vehicles while not engaged in such
24 employment. Any insurance company or its agents, for underwriting
25 purposes relating to the operation of noncommercial motor vehicles,
26 may not use any information contained in the abstract relative to any
27 person's operation of commercial motor vehicles. For the purposes of
28 this subsection, "commercial motor vehicle" has the same meaning as
29 in RCW 46.25.010(6).

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

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

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

3 (g) **Attorneys—City attorneys, county prosecuting attorneys, and**
4 **named individual's attorney of record.** An abstract of the full
5 driving record maintained by the department, including whether a
6 recorded violation is an alcohol-related offense, as defined in RCW
7 46.01.260(2), that was originally charged as a violation of either
8 RCW 46.61.502 or 46.61.504, may be furnished to city attorneys,
9 county prosecuting attorneys, or the named individual's attorney of
10 record. City attorneys, county prosecuting attorneys, or the named
11 individual's attorney of record may provide the driving record to
12 alcohol/drug assessment or treatment agencies approved by the
13 department of social and health services to which the named
14 individual has applied or been assigned for evaluation or treatment.

15 (h) **State colleges, universities, or agencies, or units of local**
16 **government.** An abstract of the full driving record maintained by the
17 department may be furnished to (i) state colleges, universities, or
18 agencies for employment and risk management purposes or (ii) units of
19 local government authorized to self-insure under RCW 48.62.031, or
20 their agents, for employment and risk management purposes. "Unit of
21 local government" includes an insurance pool established under RCW
22 48.62.031.

23 (i) **Superintendent of public instruction.** (i) An abstract of the
24 full driving record maintained by the department may be furnished to
25 the superintendent of public instruction for review of public school
26 bus driver records. The superintendent or superintendent's designee
27 may discuss information on the driving record with an authorized
28 representative of the employing school district for employment and
29 risk management purposes.

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

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

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

1 (1) **Research.** (i) The department may furnish driving record data
2 to state agencies and bona fide scientific research organizations.
3 The department may require review and approval by an institutional
4 review board. For the purposes of this subsection, "research" means a
5 planned and systematic sociological, psychological, epidemiological,
6 biomedical, or other scientific investigation carried out by a state
7 agency, or by a scientific research professional associated with a
8 bona fide scientific research organization with an objective to
9 contribute to scientific knowledge, the solution of social and health
10 problems, or the evaluation of public benefit and service programs.
11 This definition excludes methods of record analysis and data
12 collection that are subjective, do not permit replication, and are
13 not designed to yield reliable and valid results.

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

20 (3) **Reviewing of driving records.** (a) In addition to the methods
21 described herein, the director may enter into a contractual agreement
22 for the purpose of reviewing the driving records of existing
23 employees for changes to the record during specified periods of time.
24 The department shall establish a fee for this service, which must be
25 deposited in the highway safety fund. The fee for this service must
26 be set at a level that does not result in a net revenue loss to the
27 state. Any information provided under this subsection must be treated
28 in the same manner and is subject to the same restrictions as driving
29 record abstracts.

30 (b) The department may provide reviewing services to the
31 following entities:

- 32 (i) Employers for existing employees, or their agents;
- 33 (ii) Transit authorities for current vanpool drivers, or their
34 agents;
- 35 (iii) Insurance carriers for current policyholders, or their
36 agents;
- 37 (iv) State colleges, universities, or agencies, or units of local
38 government, or their agents;
- 39 (v) The office of the superintendent of public instruction for
40 school bus drivers statewide; and

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

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

8 (b) The following release of records to third parties are hereby
9 authorized:

10 (i) Employers may divulge driving records to regulatory bodies,
11 as defined by the department by rule, such as the United States
12 department of transportation and the federal motor carrier safety
13 administration.

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

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

19 (5) (~~(Fee-)~~) **Fees.** (a) The director shall collect a (~~(thirteen~~
20 ~~dollar)~~) \$15 fee for each abstract of a person's driving record
21 furnished by the department. After depositing \$2 of the driver's
22 abstract fee in the move ahead WA flexible account created in section
23 402 of this act, the remainder shall be distributed as follows:

24 (i) Fifty percent (~~(of the fee)~~) must be deposited in the highway
25 safety fund(~~(7)~~); and (~~(fifty)~~)

26 (ii) Fifty percent (~~(of the fee)~~) must be deposited according to
27 RCW 46.68.038.

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

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

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

39 (b) Any intentional violation of this section is a class C
40 felony.

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

5 **Sec. 214.** RCW 46.17.015 and 2010 c 161 s 502 are each amended to
6 read as follows:

7 (1) A person who applies for a vehicle registration or for any
8 other right to operate a vehicle on the highways of this state shall
9 pay a (~~twenty-five~~) 25 cent license plate technology fee in
10 addition to any other fees and taxes required by law. The license
11 plate technology fee must be distributed under RCW 46.68.370.

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

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

18 **Sec. 215.** RCW 46.17.025 and 2010 c 161 s 503 are each amended to
19 read as follows:

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

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

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

31 **Sec. 216.** RCW 46.20.200 and 2012 c 80 s 10 are each amended to
32 read as follows:

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

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

5 **Sec. 217.** RCW 46.68.041 and 2020 c 330 s 18 are each amended to
6 read as follows:

7 (1) Except as provided in (~~subsection~~) subsections (2) and (3)
8 of this section, the department (~~shall~~) must forward all funds
9 accruing under the provisions of chapter 46.20 RCW together with a
10 proper identifying, detailed report to the state treasurer who
11 (~~shall~~) must deposit such moneys to the credit of the highway
12 safety fund.

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

16 (3) Fifty percent of the revenue from the fees imposed under RCW
17 46.20.200(2) must be deposited in the move ahead WA flexible account
18 created in section 402 of this act.

19 **Sec. 218.** RCW 46.70.180 and 2017 c 41 s 1 are each amended to
20 read as follows:

21 Each of the following acts or practices is unlawful:

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

27 (a) That no down payment is required in connection with the sale
28 of a vehicle when a down payment is in fact required, or that a
29 vehicle may be purchased for a smaller down payment than is actually
30 required;

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

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

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

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

8 (2)(a)(i) To incorporate within the terms of any purchase and
9 sale or lease agreement any statement or representation with regard
10 to the sale, lease, or financing of a vehicle which is false,
11 deceptive, or misleading, including but not limited to terms that
12 include as an added cost to the selling price or capitalized cost of
13 a vehicle an amount for licensing or transfer of title of that
14 vehicle which is not actually due to the state, unless such amount
15 has in fact been paid by the dealer prior to such sale.

16 (ii) However, an amount not to exceed (~~one hundred fifty~~
17 ~~dollars~~) \$200 per vehicle sale or lease may be charged by a dealer
18 to recover administrative costs for collecting motor vehicle excise
19 taxes, licensing and registration fees and other agency fees,
20 verifying and clearing titles, transferring titles, perfecting,
21 releasing, or satisfying liens or other security interests, and other
22 administrative and documentary services rendered by a dealer in
23 connection with the sale or lease of a vehicle and in carrying out
24 the requirements of this chapter or any other provisions of state
25 law.

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

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

31 (ii) The dealer discloses to the purchaser or lessee in writing
32 that the documentary service fee is a negotiable fee. The disclosure
33 must be written in a typeface that is at least as large as the
34 typeface used in the standard text of the document that contains the
35 disclosure and that is bold faced, capitalized, underlined, or
36 otherwise set out from the surrounding material so as to be
37 conspicuous. The dealer shall not represent to the purchaser or
38 lessee that the fee or charge is required by the state to be paid by
39 either the dealer or prospective purchaser or lessee;

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

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

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

10 (3) To set up, promote, or aid in the promotion of a plan by
11 which vehicles are to be sold or leased to a person for a
12 consideration and upon further consideration that the purchaser or
13 lessee agrees to secure one or more persons to participate in the
14 plan by respectively making a similar purchase and in turn agreeing
15 to secure one or more persons likewise to join in said plan, each
16 purchaser or lessee being given the right to secure money, credits,
17 goods, or something of value, depending upon the number of persons
18 joining the plan.

19 (4) To commit, allow, or ratify any act of "bushing" which is
20 defined as follows: Entering into a written contract, written
21 purchase order or agreement, retail installment sales agreement, note
22 and security agreement, or written lease agreement, hereinafter
23 collectively referred to as contract or lease, signed by the
24 prospective buyer or lessee of a vehicle, which:

25 (a) Is subject to any conditions or the dealer's or his or her
26 authorized representative's future acceptance, and the dealer fails
27 or refuses within the "bushing" period, which is four calendar days,
28 exclusive of Saturday, Sunday, or legal holiday, and prior to any
29 further negotiations with said buyer or lessee to inform the buyer or
30 lessee either: (i) That the dealer unconditionally accepts the
31 contract or lease, having satisfied, removed, or waived all
32 conditions to acceptance or performance, including, but not limited
33 to, financing, assignment, or lease approval; or (ii) that the dealer
34 rejects the contract or lease, thereby automatically voiding the
35 contract or lease, as long as such voiding does not negate
36 commercially reasonable contract or lease provisions pertaining to
37 the return of the subject vehicle and any physical damage, excessive
38 mileage after the demand for return of the vehicle, and attorneys'
39 fees authorized by law, and tenders the refund of any initial payment
40 or security made or given by the buyer or lessee, including, but not

1 limited to, any down payment, and tenders return of the trade-in
2 vehicle, key, other trade-in, or certificate of title to a trade-in.
3 Tender may be conditioned on return of the subject vehicle if
4 previously delivered to the buyer or lessee.

5 The provisions of this subsection (4)(a) do not impair,
6 prejudice, or abrogate the rights of a dealer to assert a claim
7 against the buyer or lessee for misrepresentation or breach of
8 contract and to exercise all remedies available at law or in equity,
9 including those under chapter 62A.9A RCW, if the dealer, bank, or
10 other lender or leasing company discovers that approval of the
11 contract or financing or approval of the lease was based upon
12 material misrepresentations made by the buyer or lessee, including,
13 but not limited to, misrepresentations regarding income, employment,
14 or debt of the buyer or lessee, as long as the dealer, or his or her
15 staff, has not, with knowledge of the material misrepresentation,
16 aided, assisted, encouraged, or participated, directly or indirectly,
17 in the misrepresentation. A dealer shall not be in violation of this
18 subsection (4)(a) if the buyer or lessee made a material
19 misrepresentation to the dealer, as long as the dealer, or his or her
20 staff, has not, with knowledge of the material misrepresentation,
21 aided, assisted, encouraged, or participated, directly or indirectly,
22 in the misrepresentation.

23 A dealer may inform a buyer or lessee under this subsection
24 (4)(a) regarding the unconditional acceptance or rejection of the
25 contract, lease, or financing by sending an email message to the
26 buyer's or lessee's supplied email address, by phone call, by leaving
27 a voice message or sending a text message to a phone number provided
28 by the buyer or lessee, by in-person oral communication, by mailing a
29 letter by first-class mail if the buyer or lessee expresses a
30 preference for a letter or declines to provide an email address and a
31 phone number capable of receiving a free text message, or by another
32 means agreed to by the buyer or lessee or approved by the department,
33 effective upon the execution, mailing, or sending of the
34 communication and before expiration of the "bushing" period;

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

39 (i) Failure to disclose that the vehicle's certificate of title
40 has been branded for any reason, including, but not limited to,

1 status as a rebuilt vehicle as provided in RCW 46.12.540 and
2 46.12.560; or

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

7 (iii) Excessive additional miles or a discrepancy in the mileage.
8 "Excessive additional miles" means the addition of (~~five hundred~~)
9 500 miles or more, as reflected on the vehicle's odometer, between
10 the time the vehicle was first valued by the dealer for purposes of
11 determining its trade-in value and the time of actual delivery of the
12 vehicle to the dealer. "A discrepancy in the mileage" means (A) a
13 discrepancy between the mileage reflected on the vehicle's odometer
14 and the stated mileage on the signed odometer statement; or (B) a
15 discrepancy between the mileage stated on the signed odometer
16 statement and the actual mileage on the vehicle; or

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

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

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

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

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

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

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

38 (c) The dealer has proof that payment of the lien was made within
39 two calendar days, exclusive of Saturday, Sunday, or a legal holiday,
40 after the sales contract has been executed by all parties and all

1 conditions and contingencies in the sales contract have been met or
2 otherwise satisfied.

3 (9) For a dealer, salesperson, or mobile home manufacturer,
4 having taken an instrument or cash "on deposit" from a purchaser or
5 lessee prior to the delivery of the bargained-for vehicle, to
6 commingle the "on deposit" funds with assets of the dealer,
7 salesperson, or mobile home manufacturer instead of holding the "on
8 deposit" funds as trustee in a separate trust account until the
9 purchaser or lessee has taken delivery of the bargained-for vehicle.
10 Delivery of a manufactured home shall be deemed to occur in
11 accordance with RCW 46.70.135(5). Failure, immediately upon receipt,
12 to endorse "on deposit" instruments to such a trust account, or to
13 set aside "on deposit" cash for deposit in such trust account, and
14 failure to deposit such instruments or cash in such trust account by
15 the close of banking hours on the day following receipt thereof,
16 shall be evidence of intent to commit this unlawful practice:
17 PROVIDED, HOWEVER, That a motor vehicle dealer may keep a separate
18 trust account which equals his or her customary total customer
19 deposits for vehicles for future delivery. For purposes of this
20 section, "on deposit" funds received from a purchaser of a
21 manufactured home means those funds that a seller requires a
22 purchaser to advance before ordering the manufactured home, but does
23 not include any loan proceeds or moneys that might have been paid on
24 an installment contract.

25 (10) For a dealer or manufacturer to fail to comply with the
26 obligations of any written warranty or guarantee given by the dealer
27 or manufacturer requiring the furnishing of goods and services or
28 repairs within a reasonable period of time, or to fail to furnish to
29 a purchaser or lessee, all parts which attach to the manufactured
30 unit including but not limited to the undercarriage, and all items
31 specified in the terms of a sales or lease agreement signed by the
32 seller and buyer or lessee.

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

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

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

9 (b) Signing any vehicle purchase orders, sales contracts, leases,
10 odometer statements, or title documents, or having the name of the
11 buyer's agent appear on the vehicle purchase order, sales contract,
12 lease, or title; or

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

15 It is unlawful for a buyer's agent to use a power of attorney
16 obtained from the consumer to accomplish or effect the purchase,
17 sale, lease, or transfer of ownership documents of any new motor
18 vehicle by any means which would otherwise be prohibited under (a)
19 through (c) of this subsection. However, the buyer's agent may use a
20 power of attorney for physical delivery of motor vehicle license
21 plates to the consumer.

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

27 (13) For a buyer's agent to arrange for or to negotiate the
28 purchase, or both, of a new motor vehicle through an out-of-state
29 dealer without disclosing in writing to the customer that the new
30 vehicle would not be subject to chapter 19.118 RCW. This subsection
31 also applies to leased vehicles. In addition, it is unlawful for any
32 buyer's agent to fail to have a written agreement with the customer
33 that: (a) Sets forth the terms of the parties' agreement; (b)
34 discloses to the customer the total amount of any fees or other
35 compensation being paid by the customer to the buyer's agent for the
36 agent's services; and (c) further discloses whether the fee or any
37 portion of the fee is refundable.

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

1 (a) Coerce or attempt to coerce any vehicle dealer to order or
2 accept delivery of any vehicle or vehicles, parts or accessories, or
3 any other commodities which have not been voluntarily ordered by the
4 vehicle dealer: PROVIDED, That recommendation, endorsement,
5 exposition, persuasion, urging, or argument are not deemed to
6 constitute coercion;

7 (b) Cancel or fail to renew the franchise or selling agreement of
8 any vehicle dealer doing business in this state without fairly
9 compensating the dealer at a fair going business value for his or her
10 capital investment which shall include but not be limited to tools,
11 equipment, and parts inventory possessed by the dealer on the day he
12 or she is notified of such cancellation or termination and which are
13 still within the dealer's possession on the day the cancellation or
14 termination is effective, if: (i) The capital investment has been
15 entered into with reasonable and prudent business judgment for the
16 purpose of fulfilling the franchise; and (ii) the cancellation or
17 nonrenewal was not done in good faith. Good faith is defined as the
18 duty of each party to any franchise to act in a fair and equitable
19 manner towards each other, so as to guarantee one party freedom from
20 coercion, intimidation, or threats of coercion or intimidation from
21 the other party: PROVIDED, That recommendation, endorsement,
22 exposition, persuasion, urging, or argument are not deemed to
23 constitute a lack of good faith;

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

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

31 (e) Refuse to deliver any vehicle publicly advertised for
32 immediate delivery to any duly licensed vehicle dealer having a
33 franchise or contractual agreement for the retail sale or lease of
34 new and unused vehicles sold or distributed by such manufacturer
35 within sixty days after such dealer's order has been received in
36 writing unless caused by inability to deliver because of shortage or
37 curtailment of material, labor, transportation, or utility services,
38 or by any labor or production difficulty, or by any cause beyond the
39 reasonable control of the manufacturer;

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

7 Nothing in this section may be construed to impair the
8 obligations of a contract or to prevent a manufacturer, distributor,
9 representative, or any other person, whether or not licensed under
10 this chapter, from requiring performance of a written contract
11 entered into with any licensee hereunder, nor does the requirement of
12 such performance constitute a violation of any of the provisions of
13 this section if any such contract or the terms thereof requiring
14 performance, have been freely entered into and executed between the
15 contracting parties. This paragraph and subsection (14)(b) of this
16 section do not apply to new motor vehicle manufacturers governed by
17 chapter 46.96 RCW.

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

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

27 (17)(a) For a dealer to enter into a new motor vehicle sales
28 contract without disclosing in writing to a buyer of the new motor
29 vehicle, or to a dealer in the case of an unregistered motor vehicle,
30 any known damage and repair to the new motor vehicle if the damage
31 exceeds five percent of the manufacturer's suggested retail price as
32 calculated at the dealer's authorized warranty rate for labor and
33 parts, or (~~one thousand dollars~~) \$1,000, whichever amount is
34 greater. A manufacturer or new motor vehicle dealer is not required
35 to disclose to a dealer or buyer that glass, tires, bumpers, or
36 cosmetic parts of a new motor vehicle were damaged at any time if the
37 damaged item has been replaced with original or comparable equipment.
38 A replaced part is not part of the cumulative damage required to be
39 disclosed under this subsection.

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

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

8 (d) As used in this section:

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

13 (ii) "Manufacturer's suggested retail price" means the retail
14 price of the new motor vehicle suggested by the manufacturer, and
15 includes the retail delivered price suggested by the manufacturer for
16 each accessory or item of optional equipment physically attached to
17 the new motor vehicle at the time of delivery to the new motor
18 vehicle dealer that is not included within the retail price suggested
19 by the manufacturer for the new motor vehicle.

20 Part III

21 General Fund and Other Related Support

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

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

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

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

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

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

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

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

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

28 **Sec. 302.** RCW 82.08.993 and 2021 c 171 s 2 are each amended to
29 read as follows:

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

36 (b)(i) By the end of the fifth working day of each month, until
37 the expiration of the exemption as described in (c) of this
38 subsection, the department must determine the cumulative number of

1 vehicles that have claimed the exemption as described in (a) of this
2 subsection.

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

7 (c) The exemption under this section expires after the last day
8 of the calendar month immediately following the month the department
9 determines that the total number of vehicles exempt under (a) of this
10 subsection reaches 650. All leased vehicles that qualified for the
11 exemption before the expiration of the exemption must continue to
12 receive the exemption as described under (a) of this subsection on
13 lease payments due through the remainder of the lease.

14 (d) The department must provide notification on its website
15 monthly on the amount of exemptions that have been applied for, the
16 amount issued, and the amount remaining before the limit described in
17 (c) of this subsection has been reached, and, once that limit has
18 been reached, the date the exemption expires pursuant to (c) of this
19 subsection.

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

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

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

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

37 (c) A person may not claim the exemption under this subsection
38 (2) if the person claims the exemption under RCW 82.08.9999 or
39 82.12.9999.

1 (3) (a) For qualifying vehicles sold by a person licensed to do
2 business in the state of Washington, the seller must keep records
3 necessary for the department to verify eligibility under this
4 section. The seller reporting the exemption must also submit itemized
5 information to the department for all vehicles for which an exemption
6 is claimed that must include the following: Vehicle make; vehicle
7 model; model year; whether the vehicle has been sold or leased; date
8 of sale or start date of lease; length of lease; sales price for
9 purchased vehicles and fair market value at the inception of the
10 lease for leased vehicles; and the total amount qualifying for the
11 incentive claimed for each vehicle, in addition to the future monthly
12 amount to be claimed for each leased vehicle. This information must
13 be provided in a form and manner prescribed by the department.

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

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

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

32 ~~(5) ((On the last day of July, October, January, and April of~~
33 ~~each year, the state treasurer, based upon information provided by~~
34 ~~the department, must transfer from the electric vehicle account to~~
35 ~~the general fund a sum equal to the dollar amount that would~~
36 ~~otherwise have been deposited into the general fund during the prior~~
37 ~~fiscal quarter but for the exemptions provided in this section.~~
38 ~~Information provided by the department to the state treasurer must be~~
39 ~~based on the best available data, except that the department may~~
40 ~~provide estimates of taxes exempted under this section until such~~

1 ~~time as retailers are able to report such exempted amounts on their~~
2 ~~tax returns.~~

3 ~~(6))~~ By the last day of August 2023, and annually thereafter
4 until this section expires, based on the best available data, the
5 department must report the following information to the
6 transportation committees of the legislature: The cumulative number
7 of fuel cell electric vehicles that qualified for the exemptions
8 under this section and RCW 82.12.817 by month of purchase or lease
9 start and vehicle make and model; the dollar amount of all state
10 retail sales and use taxes exempted on or after the qualification
11 period start date, under this section and RCW 82.12.817; and
12 estimates of the future costs of leased vehicles that qualified for
13 the exemptions under this section and RCW 82.12.817.

14 ~~((7))~~ (6)(a) Sales of vehicles delivered to the buyer after the
15 expiration of this section, or leased vehicles for which the lease
16 agreement was signed after the expiration of this section, do not
17 qualify for the exemptions under this section.

18 (b) All leased vehicles that qualified for the exemption under
19 this section before the expiration of this section must continue to
20 receive the exemption on any lease payments due through the remainder
21 of the lease.

22 ~~((8))~~ (7) For the purposes of this section:

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

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

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

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

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

33 ~~((9))~~ (8) This section expires June 30, 2029.

34 **Sec. 303.** RCW 82.12.817 and 2021 c 171 s 3 are each amended to
35 read as follows:

36 (1) Subject to the limitations in this subsection and RCW
37 82.08.993(1)(c), beginning July 1, 2022, with sales made or lease
38 agreements signed on or after this date until the expiration of this
39 section, ~~((fifty))~~ 50 percent of the tax levied by RCW 82.12.020 does

1 not apply to sales or leases of new electric passenger cars, light
2 duty trucks, and medium duty passenger vehicles, that are powered by
3 a fuel cell.

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

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

16 (c) A person may not claim the exemption under this subsection
17 (2) if the person claims the exemption under RCW 82.08.9999 or
18 82.12.9999.

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

31 (4) (~~On the last day of July, October, January, and April of~~
32 ~~each year, the state treasurer, based upon information provided by~~
33 ~~the department, must transfer from the electric vehicle account to~~
34 ~~the general fund a sum equal to the dollar amount that would~~
35 ~~otherwise have been deposited into the general fund during the prior~~
36 ~~fiscal quarter but for the exemptions provided in this section.~~
37 ~~Information provided by the department to the state treasurer must be~~
38 ~~based on the best available data.~~

39 (5)) (a) Sales of vehicles delivered to the buyer after the
40 expiration of this section, or leased vehicles for which the lease

1 agreement was signed after the expiration of this section, do not
2 qualify for the exemptions under this section.

3 (b) All leased vehicles that qualified for the exemption under
4 this section before the expiration of this section must continue to
5 receive the exemption on any lease payments due through the remainder
6 of the lease.

7 (~~(6)~~) (5) The definitions in RCW 82.08.993 apply to this
8 section.

9 (~~(7)~~) (6) This section expires June 30, 2029.

10 **Sec. 304.** RCW 82.08.9999 and 2021 c 145 s 13 are each amended to
11 read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35 (3)(a) The department of licensing must maintain and publish a
36 list of all vehicle models qualifying for the tax exemptions under
37 this section or RCW 82.12.9999 until the expiration date of this
38 section, and is authorized to issue final rulings on vehicle model
39 qualification for these criteria. A seller is not responsible for
40 repayment of the tax exemption under this section and RCW 82.12.9999

1 for a vehicle if the department of licensing's published list of
2 qualifying vehicle models on the purchase date or the date the lease
3 agreement was signed includes the vehicle model and the department of
4 licensing subsequently removes the vehicle model from the published
5 list, and, if applicable, the vehicle meets the qualifying criterion
6 under subsection (1)(a)(iii)(B) of this section and RCW
7 82.12.9999(1)(a)(iii)(B).

8 (b) The department of revenue retains responsibility for
9 determining whether a vehicle meets the applicable qualifying
10 criterion under subsection (1)(a)(iii)(B) of this section and RCW
11 82.12.9999(1)(a)(iii)(B).

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

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

34 ~~((6))~~ (5) The definitions in this subsection apply throughout
35 this section unless the context clearly requires otherwise.

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

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

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

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

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

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

8 ~~((7))~~ (6) (a) Sales of vehicles delivered to the buyer or leased
9 vehicles for which the lease agreement was signed after the
10 qualification period end date do not qualify for the exemption under
11 this section.

12 (b) All leased vehicles that qualified for the exemption under
13 this section before the qualification period end date must continue
14 to receive the exemption as described under subsection (1)(b) of this
15 section on any lease payments due through the remainder of the lease
16 before August 1, 2028.

17 ~~((8))~~ (7) This section expires August 1, 2028.

18 ~~((9))~~ (8) This section is supported by the revenues generated
19 in RCW 46.17.324, and therefore takes effect only if RCW 46.17.324 is
20 enacted by June 30, 2019.

21 **Sec. 305.** RCW 82.12.9999 and 2019 c 287 s 10 are each amended to
22 read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

16 (B) The total lease payments made plus any additional purchase
17 price of the leased vehicle if the original lessee purchases the
18 leased vehicle before the qualification period end date, for lease
19 agreements signed.

20 (ii) Based on the purchase date or the date the lease agreement
21 was signed of the vehicle if the vehicle is a new vehicle at the time
22 of the purchase date or the date the lease agreement was signed:

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

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

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

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

36 (2) (a) The seller must keep records necessary for the department
37 to verify eligibility under this section, except as provided in (b)
38 of this subsection. A person claiming the exemption must also submit
39 itemized information to the department for all vehicles for which an
40 exemption is claimed that must include the following: Vehicle make;

1 vehicle model; model year; whether the vehicle has been sold or
2 leased; date of sale or start date of lease; length of lease; fair
3 market value of the vehicle; and the total amount qualifying for the
4 incentive claimed for each vehicle, in addition to the future monthly
5 amount to be claimed for each leased vehicle. This information must
6 be provided in a form and manner prescribed by the department.

7 (b) (a) of this subsection applies only if the seller or person
8 claiming the exemption is a vehicle dealer, as defined under RCW
9 46.70.011. When the seller is not a vehicle dealer, the department of
10 licensing must establish a process for granting the tax exemption
11 under this section for use tax otherwise collected at the time the
12 ownership of a vehicle is transferred when the vehicle qualifies for
13 the use tax exemption under subsection (1)(a) of this section, and
14 must provide any information required under (a) of this subsection
15 that it obtains as part of the vehicle titling and registration
16 process for these vehicles to the department on at least a quarterly
17 basis.

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

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

29 (b) All leased vehicles that qualified for the exemption under
30 this section before the qualification period end date must continue
31 to receive the exemption as described under subsection (1)(b) of this
32 section on any lease payments due through the remainder of the lease
33 before August 1, 2028.

34 ~~((5))~~ (4) The definitions in RCW 82.08.9999 apply to this
35 section.

36 ~~((6))~~ (5) This section is supported by the revenues generated
37 in RCW 46.17.324, and therefore takes effect only if RCW 46.17.324 is
38 enacted by June 30, 2019.

39 ~~((7))~~ (6) This section expires August 1, 2028.

1 **Sec. 306.** RCW 82.04.4496 and 2019 c 287 s 8 are each amended to
2 read as follows:

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

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

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

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

37 (c) The credit provided in (a) (i) of this subsection is available
38 for the lease of a vehicle. The credit amount for a leased vehicle is

1 equal to the credit in (a)(i) of this subsection multiplied by the
2 lease reduction factor. The person claiming the credit for a leased
3 vehicle must be the lessee as identified in the lease contract.

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

11 (3) The total credits under subsection (1)(a)(i) of this section
12 may not exceed the lesser of (~~two hundred fifty thousand dollars~~)
13 \$250,000 or (~~twenty-five~~) 25 vehicles per person per calendar year.

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

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

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

26 (b) The department must disallow any credits, or portion thereof,
27 that would cause the total amount of credits claimed beginning July
28 15, 2015, under this section and RCW 82.16.0496 to exceed (~~thirty-~~
29 ~~two and one-half million dollars~~) \$32,500,000. The department must
30 provide notification on its website monthly on the total amount of
31 credits that have been applied for, the amount issued, and the amount
32 remaining before the statewide limit is reached. In addition, the
33 department must provide written notice to any person who has applied
34 to claim tax credits in excess of the limitation in this subsection.

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

38 (7) To claim a credit under this section a person must
39 electronically file with the department all returns, forms, and any
40 other information required by the department, in an electronic format

1 as provided or approved by the department. No refunds may be granted
2 for credits under this section.

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

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

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

8 (ii) A quote or unexecuted copy of the purchase requisition or
9 order for the vehicle, infrastructure, infrastructure components,
10 infrastructure construction, or infrastructure installation;

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

13 (iv) The incremental cost of the alternative fuel system for
14 vehicle credits;

15 (v) The anticipated delivery date of the vehicle, the anticipated
16 delivery date of the infrastructure or infrastructure components, the
17 anticipated construction completion date of the infrastructure, or
18 the anticipated installation completion date of the infrastructure;

19 (vi) The estimated annual fuel use of the vehicle in the
20 anticipated duties or the estimated annual fuel to be supplied by the
21 infrastructure;

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

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

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

28 (b) Within (~~fifteen~~) 15 days of notice of credit availability
29 from the department, provide notice of intent to claim the credit
30 including:

31 (i) A copy of the order for the vehicle or infrastructure-related
32 item, including the total cost for the vehicle or infrastructure-
33 related item;

34 (ii) The anticipated delivery date of the vehicle or
35 infrastructure or infrastructure component, which must be within one
36 year of acceptance of the credit;

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

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

3 (c) Provide final documentation within (~~thirty~~) 30 days of
4 receipt of the vehicle or infrastructure or infrastructure components
5 or of completion of construction or installation of the
6 infrastructure, including:

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

9 (ii) A copy of the factory build sheet or equivalent
10 documentation;

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

12 (iv) The incremental cost of the alternative fuel system for
13 vehicle credits;

14 (v) Attestations signed by both the seller and purchaser of each
15 vehicle attesting that the incremental cost of the alternative fuel
16 system includes only the costs necessary for the vehicle to run on
17 alternative fuel and no other vehicle options, equipment, or costs;
18 and

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

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

29 (10) To administer the credits, the department must, at a
30 minimum:

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

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

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

1 (d) Within (~~fifteen~~) 15 days of receipt of final documentation,
2 review the documentation and notify the person applying of the
3 acceptance of their final documentation.

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

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

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

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

16 (iii) Sales of alternative fuel vehicle infrastructure or
17 infrastructure components, or the cost of construction or
18 installation of alternative fuel vehicle infrastructure.

19 (b) A credit is earned when the purchaser or the lessee takes
20 receipt of the qualifying commercial vehicle or infrastructure-
21 related item, the vehicle conversion is complete, or the construction
22 or installation of the infrastructure is complete.

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

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

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

37 ~~(15))~~ The department must conduct outreach to interested parties
38 to obtain input on how best to streamline the application process
39 required for the credit made available in this section and RCW
40 82.16.0496 to further adoption of alternative fuel technologies in

1 commercial vehicle fleets, and must incorporate the findings
2 resulting from this outreach effort into the rules and practices it
3 adopts to implement and administer this section and RCW 82.16.0496 to
4 the extent permitted under law.

5 ((~~(16)~~)) (15) The definitions in this subsection apply throughout
6 this section unless the context clearly requires otherwise.

7 (a) "Alternative fuel vehicle infrastructure" means structures,
8 machinery, and equipment necessary and integral to support a clean
9 alternative fuel vehicle.

10 (b) "Auto transportation company" means any corporation or person
11 owning, controlling, operating, or managing any motor propelled
12 vehicle, used in the business of transporting persons for
13 compensation over public highways within the state of Washington,
14 between fixed points or over a regular route. For the purposes of
15 this section, "auto transportation company" also includes the
16 following categories of providers irrespective of whether they
17 provide service between fixed points or over a regular route:
18 "Private, nonprofit transportation provider" as defined in RCW
19 81.66.010, "charter party carrier" as defined in RCW 81.70.020, and
20 paratransit service providers who primarily provide special needs
21 transportation to individuals with disabilities and the elderly.

22 (c) "Clean alternative fuel" means electricity, dimethyl ether,
23 hydrogen, methane, natural gas, liquefied natural gas, compressed
24 natural gas, or propane.

25 (d) "Commercial vehicle" means any commercial vehicle that is
26 purchased by a private business and that is used exclusively in the
27 provision of commercial services or the transportation of
28 commodities, merchandise, produce, refuse, freight, animals, or
29 passengers, and that is displaying a Washington state license plate.
30 All commercial vehicles that provide transportation to passengers
31 must be operated by an auto transportation company.

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

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

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

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

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

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

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

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

11 (~~(17)~~) (16) Credits may be earned under this section from
12 January 1, 2016, until the maximum total credit amount in subsection
13 (1)(b) of this section is reached, except for credits for leased
14 vehicles, which may be earned from July 1, 2016, until the maximum
15 total credit amount in subsection (1)(b) of this section is reached.

16 **Sec. 307.** RCW 82.16.0496 and 2019 c 287 s 13 are each amended to
17 read as follows:

18 (1)(a)(i) A person who is taxable under this chapter is allowed a
19 credit against the tax imposed in this chapter according to the gross
20 vehicle weight rating of the vehicle and the incremental cost of the
21 vehicle purchased above the purchase price of a comparable
22 conventionally fueled vehicle. The credit is limited, as set forth in
23 the table below, to the lesser of the incremental cost amount or the
24 maximum credit amount per vehicle purchased, and subject to a maximum
25 annual credit amount per vehicle class.

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

31 (ii) A person who is taxable under this chapter is allowed a
32 credit against the tax imposed in this chapter for up to (~~fifty~~) 50
33 percent of the cost to purchase alternative fuel vehicle
34 infrastructure, tangible personal property that will become a
35 component of alternative fuel vehicle infrastructure, and
36 installation and construction of alternative fuel vehicle

1 infrastructure, but excluding the cost of property acquisition and
2 site improvement related to the installation of alternative fuel
3 vehicle infrastructure. The credit is subject to a maximum annual
4 credit amount of (~~two million dollars~~) \$2,000,000.

5 (b) On September 1st of each year, any unused credits from any
6 category identified in (a) of this subsection must be made available
7 to applicants applying for credits under any other category
8 identified in (a) of this subsection, subject to the maximum annual
9 and total credit amounts identified in this subsection. The credit
10 established in this section and RCW 82.04.4496 is subject to a
11 maximum annual credit amount of (~~six million dollars~~) \$6,000,000,
12 and a maximum total credit amount of (~~thirty-two and one-half~~
13 ~~million dollars~~) \$32,500,000 beginning July 15, 2015.

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

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

26 (3) The total credits under subsection (1)(a)(i) of this section
27 may not exceed the lesser of (~~two hundred fifty thousand dollars~~)
28 \$250,000 or (~~twenty-five~~) 25 vehicles per person per calendar year.

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

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

32 (a) The department must disallow any credits, or portion thereof,
33 that would cause the total amount of credits claimed under this
34 section, and RCW 82.04.4496, during any calendar year to exceed (~~six~~
35 ~~million—dollars~~) \$6,000,000. The department must provide
36 notification on its website monthly on the amount of credits that
37 have been applied for, the amount issued, and the amount remaining
38 before the statewide annual limit is reached. In addition, the
39 department must provide written notice to any person who has applied
40 to claim tax credits in excess of the limitation in this subsection.

1 (b) The department must disallow any credits, or portion thereof,
2 that would cause the total amount of credits claimed beginning July
3 15, 2015, under this section and RCW 82.04.4496 to exceed (~~thirty-~~
4 ~~two and one-half million dollars~~) \$32,500,000. The department must
5 provide notification on its website monthly on the total amount of
6 credits that have been applied for, the amount issued, and the amount
7 remaining before the statewide limit is reached. In addition, the
8 department must provide written notice to any person who has applied
9 to claim tax credits in excess of the limitation in this subsection.

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

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

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

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

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

23 (ii) A quote or unexecuted copy of the purchase requisition or
24 order for the vehicle, infrastructure, infrastructure components,
25 infrastructure construction, or infrastructure installation;

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

28 (iv) The incremental cost of the alternative fuel system for
29 vehicle credits;

30 (v) The anticipated delivery date of the vehicle, the anticipated
31 delivery date of the infrastructure or infrastructure components, the
32 anticipated construction completion date of the infrastructure, or
33 the anticipated installation completion date of the infrastructure;

34 (vi) The estimated annual fuel use of the vehicle in the
35 anticipated duties or the estimated annual fuel to be supplied by the
36 infrastructure;

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

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

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

3 (b) Within (~~fifteen~~) 15 days of notice of credit availability
4 from the department, provide notice of intent to claim the credit
5 including:

6 (i) A copy of the order for the vehicle or infrastructure-related
7 item, including the total cost for the vehicle or infrastructure-
8 related item;

9 (ii) The anticipated delivery date of the vehicle or
10 infrastructure or infrastructure component, which must be within one
11 year of acceptance of the credit;

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

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

17 (c) Provide final documentation within (~~thirty~~) 30 days of
18 receipt of the vehicle or infrastructure or infrastructure components
19 or of completion of construction or installation of the
20 infrastructure, including:

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

23 (ii) A copy of the factory build sheet or equivalent
24 documentation;

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

26 (iv) The incremental cost of the alternative fuel system for
27 vehicle credits;

28 (v) Attestations signed by both the seller and purchaser of the
29 vehicle attesting that the incremental cost of the alternative fuel
30 system includes only the costs necessary for the vehicle to run on
31 alternative fuel and no other vehicle options, equipment, or costs;
32 and

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

35 (9) A person applying for credit under subsection (8) of this
36 section may apply for multiple vehicles on the same application, but
37 the application must include the required information for each
38 vehicle included in the application. A separate application is
39 required for infrastructure-related items, but all infrastructure-
40 related items at a single location may be included in a single

1 application provided the required information for each
2 infrastructure-related item is included in the application.

3 (10) To administer the credits, the department must, at a
4 minimum:

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

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

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

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

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

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

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

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

30 (iii) Sales of alternative fuel vehicle infrastructure or
31 infrastructure components, or the cost of construction or
32 installation of alternative fuel vehicle infrastructure.

33 (b) A credit is earned when the purchaser or the lessee takes
34 receipt of the qualifying commercial vehicle or infrastructure-
35 related item, the vehicle conversion is complete, or the construction
36 or installation of the infrastructure is complete.

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

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

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

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

12 ~~(16))~~) Credits may be earned under this section from January 1,
13 2016, until the maximum total credit amount in subsection (1)(b) of
14 this section is reached, except for credits for leased vehicles,
15 which may be earned from July 1, 2016, until the maximum total credit
16 amount in subsection (1)(b) of this section is reached.

17 **Sec. 308.** RCW 82.08.816 and 2019 c 287 s 11 are each amended to
18 read as follows:

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

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

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

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

30 (d) The sale of tangible personal property that will become a
31 component of battery or fuel cell electric vehicle infrastructure
32 during the course of installing, constructing, repairing, or
33 improving battery or fuel cell electric vehicle infrastructure; and

34 (e) The sale of zero emissions buses.

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

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

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

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

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

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

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

36 (e) "Renewable hydrogen" means hydrogen produced using renewable
37 resources both as the source for hydrogen and the source for the
38 energy input into the production process.

39 (f) "Renewable resource" means (i) water; (ii) wind; (iii) solar
40 energy; (iv) geothermal energy; (v) renewable natural gas; (vi)

1 renewable hydrogen; (vii) wave, ocean, or tidal power; (viii)
2 biodiesel fuel that is not derived from crops raised on land cleared
3 from old growth or first growth forests; or (ix) biomass energy.

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

6 (~~(5)~~) (4) This section expires July 1, 2025.

7 **Sec. 309.** RCW 82.12.816 and 2019 c 287 s 12 are each amended to
8 read as follows:

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

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

14 (b) Labor and services rendered in respect to installing,
15 repairing, altering, or improving electric vehicle batteries or fuel
16 cells;

17 (c) Tangible personal property that will become a component of
18 battery or fuel cell electric vehicle infrastructure during the
19 course of installing, constructing, repairing, or improving battery
20 or fuel cell electric vehicle infrastructure; and

21 (d) Zero emissions buses.

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

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

29 (b) "Battery exchange station" means a fully automated facility
30 that will enable an electric vehicle with a swappable battery to
31 enter a drive lane and exchange the depleted battery with a fully
32 charged battery through a fully automated process, which meets or
33 exceeds any standards, codes, and regulations set forth by chapter
34 19.28 RCW and consistent with rules adopted under RCW 19.27.540.

35 (c) "Electric vehicle infrastructure" means structures,
36 machinery, and equipment necessary and integral to support a battery
37 or fuel cell electric vehicle, including battery charging stations,
38 rapid charging stations, battery exchange stations, fueling stations

1 that provide hydrogen for fuel cell electric vehicles, and renewable
2 hydrogen production facilities.

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

8 (e) "Renewable hydrogen" means hydrogen produced using renewable
9 resources both as the source for hydrogen and the source for the
10 energy input into the production process.

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

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

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

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

30 **Sec. 310.** RCW 82.70.040 and 2016 c 32 s 3 are each amended to
31 read as follows:

32 (1) (a) The department must keep a running total of all credits
33 allowed under RCW 82.70.020 during each fiscal year. The department
34 may not allow any credits that would cause the total amount allowed
35 to exceed ~~((two million seven hundred fifty thousand dollars))~~
36 \$2,750,000 in any fiscal year.

37 (b) If the total amount of credit applied for by all applicants
38 in any year exceeds the limit in this subsection, the department must
39 ratably reduce the amount of credit allowed for all applicants so

1 that the limit in this subsection is not exceeded. If a credit is
2 reduced under this subsection, the amount of the reduction may not be
3 carried forward and claimed in subsequent fiscal years.

4 (2) (a) Tax credits under RCW 82.70.020 may not be claimed in
5 excess of the amount of tax otherwise due under chapter 82.04 or
6 82.16 RCW.

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

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

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

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

28 **Sec. 311.** RCW 82.70.050 and 2015 3rd sp.s. c 44 s 415 are each
29 amended to read as follows:

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

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

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

2 **Sec. 312.** RCW 82.21.030 and 2021 c 333 s 705 are each amended to
3 read as follows:

4 (1)(a) A tax is imposed on the privilege of possession of
5 hazardous substances in this state. Except as provided in (b) of this
6 subsection, the rate of the tax is seven-tenths of one percent
7 multiplied by the wholesale value of the substance. Moneys collected
8 under this subsection (1)(a) must be deposited in the model toxics
9 control capital account.

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

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

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

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

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

33 (d) The department must compile a list of petroleum products that
34 are not easily measured on a per barrel basis. Petroleum products
35 identified on the list are subject to the rate under (a) of this
36 subsection in lieu of the volumetric rate under (b) of this
37 subsection. The list will be made in a form and manner prescribed by
38 the department and must be made available on the department's
39 internet website. In compiling the list, the department may accept

1 technical assistance from persons that sell, market, or distribute
2 petroleum products and consider any other resource the department
3 finds useful in compiling the list.

4 (2) Chapter 82.32 RCW applies to the tax imposed in this chapter.
5 The tax due dates, reporting periods, and return requirements
6 applicable to chapter 82.04 RCW apply equally to the tax imposed in
7 this chapter.

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

15 **Part IV**
16 **Account Creation, Local Options, and**
17 **Other Provisions**

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

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

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

28 The move ahead WA flexible account is created in the state
29 treasury. Moneys in the account may be spent only after
30 appropriation. Expenditures from the account may be used only for
31 transportation projects, programs, or activities identified as move
32 ahead WA flexible projects, programs, or activities in an omnibus
33 transportation appropriations act.

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

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

4 (2) The treasury income account shall be utilized to pay or
5 receive funds associated with federal programs as required by the
6 federal cash management improvement act of 1990. The treasury income
7 account is subject in all respects to chapter 43.88 RCW, but no
8 appropriation is required for refunds or allocations of interest
9 earnings required by the cash management improvement act. Refunds of
10 interest to the federal treasury required under the cash management
11 improvement act fall under RCW 43.88.180 and shall not require
12 appropriation. The office of financial management shall determine the
13 amounts due to or from the federal government pursuant to the cash
14 management improvement act. The office of financial management may
15 direct transfers of funds between accounts as deemed necessary to
16 implement the provisions of the cash management improvement act, and
17 this subsection. Refunds or allocations shall occur prior to the
18 distributions of earnings set forth in subsection (4) of this
19 section.

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

29 (4) Monthly, the state treasurer shall distribute the earnings
30 credited to the treasury income account. The state treasurer shall
31 credit the general fund with all the earnings credited to the
32 treasury income account except:

33 (a) The following accounts and funds shall receive their
34 proportionate share of earnings based upon each account's and fund's
35 average daily balance for the period: The abandoned recreational
36 vehicle disposal account, the aeronautics account, the Alaskan Way
37 viaduct replacement project account, the ambulance transport fund,
38 the brownfield redevelopment trust fund account, the budget
39 stabilization account, the capital vessel replacement account, the
40 capitol building construction account, the Central Washington

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

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

1 pension principal fund, the volunteer firefighters' and reserve
2 officers' administrative fund, the vulnerable roadway user education
3 account, the Washington judicial retirement system account, the
4 Washington law enforcement officers' and firefighters' system plan 1
5 retirement account, the Washington law enforcement officers' and
6 firefighters' system plan 2 retirement account, the Washington public
7 safety employees' plan 2 retirement account, the Washington school
8 employees' retirement system combined plan 2 and 3 account, the
9 Washington state patrol retirement account, the Washington State
10 University building account, the Washington State University bond
11 retirement fund, the water pollution control revolving administration
12 account, the water pollution control revolving fund, the Western
13 Washington University capital projects account, the Yakima integrated
14 plan implementation account, the Yakima integrated plan
15 implementation revenue recovery account, and the Yakima integrated
16 plan implementation taxable bond account. Earnings derived from
17 investing balances of the agricultural permanent fund, the normal
18 school permanent fund, the permanent common school fund, the
19 scientific permanent fund, and the state university permanent fund
20 shall be allocated to their respective beneficiary accounts.

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

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

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

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

35 (2) The treasury income account shall be utilized to pay or
36 receive funds associated with federal programs as required by the
37 federal cash management improvement act of 1990. The treasury income
38 account is subject in all respects to chapter 43.88 RCW, but no
39 appropriation is required for refunds or allocations of interest

1 earnings required by the cash management improvement act. Refunds of
2 interest to the federal treasury required under the cash management
3 improvement act fall under RCW 43.88.180 and shall not require
4 appropriation. The office of financial management shall determine the
5 amounts due to or from the federal government pursuant to the cash
6 management improvement act. The office of financial management may
7 direct transfers of funds between accounts as deemed necessary to
8 implement the provisions of the cash management improvement act, and
9 this subsection. Refunds or allocations shall occur prior to the
10 distributions of earnings set forth in subsection (4) of this
11 section.

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

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

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

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

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

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

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

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

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

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

1 bureau of economic analysis of the federal department of commerce,
2 for the period of time between calendar year 2022 and when the tax is
3 placed on the ballot for voter approval.

4 (2) The tax imposed in this section shall be collected and paid
5 to the jurisdiction but once in respect to any motor vehicle fuel or
6 special fuel. This tax shall be in addition to any other tax
7 authorized or imposed by law.

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

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

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

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

28 (3) A district may not increase any taxes, fees, charges, or
29 range of tolls imposed or change a rebate program under this chapter
30 once the taxes, fees, charges, tolls, or rebate program takes effect,
31 except:

32 (a) If authorized by the district voters pursuant to RCW
33 36.73.160;

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

37 (c) For up to (~~forty dollars~~) \$40 of the vehicle fee authorized
38 in RCW 82.80.140 by the governing board of the district if a vehicle

1 fee of (~~twenty dollars~~) \$20 has been imposed for at least (~~twenty-~~
2 ~~four~~) 24 months; (~~or~~)

3 (d) For up to (~~fifty dollars~~) \$50 of the vehicle fee authorized
4 in RCW 82.80.140 by the governing board of the district if a vehicle
5 fee of (~~forty dollars~~) \$40 has been imposed for at least (~~twenty-~~
6 ~~four~~) 24 months and a district has met the requirements of
7 subsection (6) of this section; or

8 (e) For up to three-tenths of one percent of the selling price,
9 in the case of a sales tax, or value of the article used, in the case
10 of a use tax, pursuant to the sales and use tax authorized in RCW
11 82.14.0455.

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

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

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

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

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

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

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

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

39 (ii) A district solely comprised of a city or cities identified
40 in RCW 36.73.020(6)(b) may not impose the fees or charges until after

1 May 22, 2008, unless the county in which the city or cities reside,
2 by resolution, declares that it will not impose the fees or charges
3 identified in (a) of this subsection through May 22, 2008.

4 (5) If the interlocal agreement in RCW 82.80.140(2)(a) cannot be
5 reached, a district that includes only the unincorporated territory
6 of a county may impose by a majority vote of the governing body of
7 the district up to: (a) (~~Twenty dollars~~) \$20 of the vehicle fee
8 authorized in RCW 82.80.140, (b) (~~forty dollars~~) \$40 of the vehicle
9 fee authorized in RCW 82.80.140 if a fee of (~~twenty dollars~~) \$20
10 has been imposed for at least (~~twenty-four~~) 24 months, or (c)
11 (~~fifty dollars~~) \$50 of the vehicle fee authorized in RCW 82.80.140
12 if a vehicle fee of (~~forty dollars~~) \$40 has been imposed for at
13 least (~~twenty-four~~) 24 months and a district has met the
14 requirements of subsection (6) of this section.

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

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

34 (1) Subject to the provisions in RCW 36.73.065, a transportation
35 benefit district under chapter 36.73 RCW may fix and impose a sales
36 and use tax in accordance with the terms of this chapter. The tax
37 authorized in this section is in addition to any other taxes
38 authorized by law and shall be collected from those persons who are
39 taxable by the state under chapters 82.08 and 82.12 RCW upon the

1 occurrence of any taxable event within the boundaries of the
2 district. The rate of tax shall not exceed (~~two-tenths~~) three-
3 tenths of one percent of the selling price in the case of a sales
4 tax, or value of the article used, in the case of a use tax. Except
5 as provided in subsection (2) of this section, the tax may not be
6 imposed for a period exceeding (~~ten~~) 10 years. This tax, if not
7 imposed under the conditions of subsection (2) of this section, may
8 be extended for a period not exceeding (~~ten~~) 10 years with an
9 affirmative vote of the voters voting at the election or a majority
10 vote of the governing board of the district. The governing board of
11 the district may only fix, impose, or extend a sales and use tax of
12 up to one-tenth of one percent of the selling price in the case of a
13 sales tax, or value of the article used, in the case of a use tax.

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

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

21 NEW SECTION. **Sec. 408.** A new section is added to chapter
22 70A.535 RCW to read as follows:

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

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

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

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

37 (d) Must assign credits that can be used to satisfy or offset
38 compliance obligations to fuels whose carbon intensity is below the

1 standards adopted by the department and that elect to participate in
2 the program, consistent with the requirements of RCW 70A.535.030.

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

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

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

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

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

14 (3) The department shall, throughout a compliance period,
15 regularly monitor the availability of fuels needed for compliance
16 with the clean fuels program.

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

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

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

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

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

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

39 (iv) No change in 2032 and 2033.

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

3 (6) Beginning with the program year beginning in calendar year
4 2028, the department may not increase the carbon intensity reductions
5 required by the applicable clean fuels program standard adopted by
6 the department under subsection (5) of this section beyond a 10
7 percent reduction in carbon intensity until the department
8 demonstrates that the following have occurred:

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

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

22 (7) Beginning with the program year beginning in calendar year
23 2031, the department may not increase the carbon intensity reductions
24 required by the applicable clean fuels program standard adopted by
25 the department under subsection (5) of this section beyond a 10
26 percent reduction in carbon intensity until the:

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

29 (b) 2033 regular legislative session has adjourned, in order to
30 allow an opportunity for the legislature to amend the requirements of
31 this chapter in light of the report required in (a) of this
32 subsection.

33 (8) Transportation fuels exported from Washington are not subject
34 to the greenhouse gas emissions reduction requirements in this
35 section.

36 (9) To the extent the requirements of this chapter conflict with
37 the requirements of chapter 19.112 RCW, the requirements of this
38 chapter prevail.

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

3 The definitions in this section apply throughout this chapter
4 unless the context clearly indicates otherwise.

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

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

10 (3) "Clean fuels program" means the requirements established
11 under this chapter.

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

15 (5) "Credit" means a unit of measure generated when a
16 transportation fuel with a carbon intensity that is less than the
17 applicable standard adopted by the department under ((RCW
18 ~~70A.535.020~~)) section 408 of this act is produced, imported, or
19 dispensed for use in Washington, such that one credit is equal to one
20 metric ton of carbon dioxide equivalents. A credit may also be
21 generated through other activities consistent with this chapter.

22 (6) "Deficit" means a unit of measure generated when a
23 transportation fuel with a carbon intensity that is greater than the
24 applicable standard adopted by the department under ((RCW
25 ~~70A.535.020~~)) section 408 of this act is produced, imported, or
26 dispensed for use in Washington, such that one deficit is equal to
27 one metric ton of carbon dioxide equivalents.

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

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

31 (9) "Greenhouse gas" has the same meaning as defined in RCW
32 70A.45.010.

33 (10) "Military tactical vehicle" means a motor vehicle owned by
34 the United States department of defense or the United States military
35 services and that is used in combat, combat support, combat service
36 support, tactical or relief operations, or training for such
37 operations.

38 (11) "Motor vehicle" has the same meaning as defined in RCW
39 46.04.320.

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

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

7 (14)(a) "Tactical support equipment" means equipment using a
8 portable engine, including turbines, that meets military
9 specifications, owned by the United States military services or its
10 allies, and that is used in combat, combat support, combat service
11 support, tactical or relief operations, or training for such
12 operations.

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

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

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

22 The rules adopted by the department to achieve the greenhouse gas
23 emissions reductions per unit of fuel energy specified in ((RCW
24 70A.535.020)) section 408 of this act must include, but are not
25 limited to, the following:

26 (1) Standards for greenhouse gas emissions attributable to the
27 transportation fuels throughout their life cycles, including but not
28 limited to emissions from the production, storage, transportation,
29 and combustion of transportation fuels and from changes in land use
30 associated with transportation fuels and any permanent greenhouse gas
31 sequestration activities.

32 (a) The rules adopted by the department under this subsection (1)
33 may:

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

36 (ii) Consider carbon intensity calculations for transportation
37 fuels developed by national laboratories or used by similar programs
38 in other states; and

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

4 (b) The rules adopted by the department under this subsection (1)
5 must:

6 (i) Neutrally consider the life-cycle emissions associated with
7 transportation fuels with respect to the political jurisdiction in
8 which the fuels originated and may not discriminate against fuels on
9 the basis of having originated in another state or jurisdiction.
10 Nothing in this subsection may be construed to prohibit inclusion or
11 assessment of emissions related to fuel production, storage,
12 transportation, or combustion or associated changes in land use in
13 determining the carbon intensity of a fuel;

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

20 (iii) Include mechanisms for certifying electricity that has a
21 carbon intensity of zero. This electricity must include, at minimum,
22 electricity:

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

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

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

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

38 (c) If the department determines that it is necessary for
39 purposes of accurately measuring greenhouse gas emissions associated
40 with transportation fuels, the department may require transportation

1 fuel suppliers to submit data or information to be used for purposes
2 of calculating greenhouse gas emissions that is different from or
3 additional to the greenhouse gas emissions data reported under RCW
4 70A.15.2200(5)(a)(iii).

5 (d) If the department determines that it is necessary for
6 purposes of accurately measuring greenhouse gas emissions associated
7 with electricity supplied to retail customers or hydrogen production
8 facilities by an electric utility, the department may require
9 electric utilities participating in the clean fuels program to submit
10 data or information to be used for purposes of calculating greenhouse
11 gas emissions that is different from or additional to the fuel mix
12 disclosure information submitted under chapter 19.29A RCW. To the
13 extent practicable, rules adopted by the department may allow data
14 requested of utilities to be submitted in a form and manner
15 consistent with other required state or federal data submissions;

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

28 (3)(a) Methods for assigning compliance obligations and methods
29 for tracking tradable credits. The department may assign the
30 generation of a credit when a fuel with associated life-cycle
31 greenhouse gas emissions that are lower than the applicable per-unit
32 standard adopted by the department under ((RCW 70A.535.020)) section
33 408 of this act is produced, imported, or dispensed for use in
34 Washington, or when specified activities are undertaken that support
35 the reduction of greenhouse gas emissions associated with
36 transportation in Washington;

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

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

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

6 (5) Mechanisms for persons associated with the supply chains of
7 transportation fuels that are used for purposes that are exempt from
8 the clean fuels program compliance obligations including, but not
9 limited to, fuels used by aircraft, vessels, railroad locomotives,
10 and other exempt fuels specified in RCW 70A.535.040, to elect to
11 participate in the clean fuels program by earning credits for the
12 production, import, distribution, use, or retail of exempt fuels with
13 associated life-cycle greenhouse gas emissions lower than the per-
14 unit standard established in (~~RCW 70A.535.020~~) section 408 of this
15 act;

16 (6) Mechanisms that allow for the assignment of credits to an
17 electric utility for electricity used within its utility service
18 area, at minimum, for residential electric vehicle charging or
19 fueling;

20 (7) Cost containment mechanisms.

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

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

29 (ii) Similar procedures that ensure that credit prices do not
30 significantly exceed credit prices in other jurisdictions that have
31 adopted similar programs to reduce the carbon intensity of
32 transportation fuels.

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

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

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

5 (8) (a) (i) A credit clearance market for any compliance period in
6 which at least one regulated party reports that the regulated party
7 has a net deficit balance at the end of the compliance period, after
8 retirement of all credits held by the regulated party, that is
9 greater than a small deficit. A regulated party described by this
10 subsection is required to participate in the credit clearance market.

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

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

18 (i) Allow any regulated party, credit generator, or credit
19 aggregator that holds excess credits at the end of the compliance
20 period to voluntarily participate in the credit clearance market as a
21 seller by pledging a specified number of credits for sale in the
22 market;

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

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

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

30 (iii) Require all sellers to:

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

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

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

1 (c)(i) The department shall set a maximum price for credits in a
2 credit clearance market, consistent with states that have adopted
3 similar clean fuels programs, not to exceed \$200 in 2018 dollars for
4 2023.

5 (ii) For 2024 and subsequent years, the maximum price may exceed
6 \$200 in 2018 dollars, but only to the extent that a greater maximum
7 price for credits is necessary to annually adjust for inflation,
8 beginning on January 1, 2024, pursuant to the increase, if any, from
9 the preceding calendar year in the consumer price index for all urban
10 consumers, west region (all items), as published by the bureau of
11 labor statistics of the United States department of labor.

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

14 (i) Must carry over the remaining deficits into the next
15 compliance period; and

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

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

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

33 (ii) Compel a person to sell credits.

34 (f) If credits sold in a credit clearance market are subsequently
35 invalidated as a result of fraud or any other form of noncompliance
36 on the part of the generator of the credit, the department may not
37 pursue civil penalties against, or require credit replacement by, the
38 regulated party that purchased the credits unless the regulated party
39 was a party to the fraud or other form of noncompliance.

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

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

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

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

13 (a) Fuels used in volumes below thresholds adopted by the
14 department;

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

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

19 (2)(a) The rules adopted under RCW (~~70A.535.020~~ and)
20 70A.535.030 and section 408 of this act must exempt the following
21 transportation fuels from greenhouse gas emissions intensity
22 reduction requirements until January 1, 2028:

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

25 (ii) Dyed special fuel used in vehicles that are not designed
26 primarily to transport persons or property, that are not designed to
27 be primarily operated on highways, and that are used primarily for
28 construction work including, but not limited to, mining and timber
29 harvest operations; and

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

32 (b) Prior to January 1, 2028, fuels identified in this subsection
33 (2) are eligible to generate credits, consistent with subsection (5)
34 of this section. Beginning January 1, 2028, the fuels identified in
35 this subsection (2) are subject to the greenhouse gas emissions
36 intensity reduction requirements applicable to transportation fuels
37 specified in (~~RCW 70A.535.020~~) section 408 of this act.

38 (3) The department may adopt rules to specify the standards for
39 persons to qualify for the exemptions provided in this section. The

1 department may implement the exemptions under subsection (2) of this
2 section to align with the implementation of exemptions for similar
3 fuels exempt from chapter 82.38 RCW.

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

10 (a) Mismatched incentives across programs;

11 (b) Fuel shifting between markets; or

12 (c) Other results that are counter to the intent of this chapter.

13 (5) Nothing in this chapter precludes the department from
14 adopting rules under RCW (~~70A.535.020 and~~) 70A.535.030 and section
15 408 of this act that allow the generation of credits associated with
16 electric or alternative transportation infrastructure that existed
17 prior to July 25, 2021, or to the start date of program requirements.
18 The department must apply the same baseline years to credits
19 associated with electric or alternative transportation infrastructure
20 that apply to gasoline and diesel liquid fuels in any market-based
21 program enacted by the legislature that establishes a cap on
22 greenhouse gas emissions.

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

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

30 (a) Carbon capture and sequestration projects, including but not
31 limited to:

32 (i) Innovative crude oil production projects that include carbon
33 capture and sequestration;

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

37 (iii) Direct air capture projects;

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

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

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

12 (2)(a) The rules adopted under RCW (~~(70A.535.020 and)~~)
13 70A.535.030 and section 408 of this act must allow the generation of
14 credits based on capacity for zero emission vehicle refueling
15 infrastructure, including DC fast charging infrastructure and
16 hydrogen refueling infrastructure.

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

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

35 (4) The rules adopted by the department may establish limits for
36 the number of credits that may be earned each year by persons
37 participating in the program for some or all of the activities
38 specified in subsections (1) and (2) of this section. The department
39 must limit the number of credits that may be earned each year under
40 subsection (3) of this section to 10 percent of the total program

1 credits. Any limits established under this subsection must take into
2 consideration the return on investment required in order for an
3 activity specified in subsection (2) of this section to be
4 financially viable.

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

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

13 (a) Extreme and unusual circumstances exist that prevent the
14 distribution of an adequate supply of renewable fuels needed for
15 regulated parties to comply with the clean fuels program taking into
16 consideration all available methods of obtaining sufficient credits
17 to comply with the standard;

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

24 (c) It is in the public interest to grant the deferral such as
25 when a deferral is necessary to meet projected temporary shortfalls
26 in the supply of the renewable fuel in the state and that other
27 methods of obtaining compliance credits are unavailable to compensate
28 for the shortage of renewable fuel supply.

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

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

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

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

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

1 (a) The duration of the emergency deferral;
2 (b) The types of fuel to which the emergency deferral applies;
3 (c) Which of the following methods the department has selected
4 for deferring compliance with the clean fuels program during the
5 emergency deferral:

6 (i) Temporarily adjusting the scheduled applicable carbon
7 intensity standard to a standard identified in the order that better
8 reflects the availability of credits during the emergency deferral
9 and requiring regulated parties to comply with the temporary
10 standard;

11 (ii) Allowing for the carryover of deficits accrued during the
12 emergency deferral into the next compliance period without penalty;
13 or

14 (iii) Suspending deficit accrual during the emergency deferral
15 period.

16 (4) An emergency deferral may be terminated prior to the
17 expiration date of the emergency deferral if new information becomes
18 available indicating that the shortage that provided the basis for
19 the emergency deferral has ended. The director of the department
20 shall consult with the department of commerce and the governor's
21 office in making an early termination decision. Termination of an
22 emergency deferral is effective 15 calendar days after the date that
23 the order declaring the termination is adopted.

24 (5)(a) In addition to the emergency deferral specified in
25 subsection (1) of this section, the department may issue a full or
26 partial deferral for one calendar quarter of a person's obligation to
27 furnish credits for compliance under RCW 70A.535.030 if it finds that
28 the person is unable to comply with the requirements of this chapter
29 due to reasons beyond the person's reasonable control. The department
30 may initiate a deferral under this subsection at its own discretion
31 or at the request of a person regulated under this chapter. The
32 department may renew issued deferrals. In evaluating whether to issue
33 a deferral under this subsection, the department may consider the
34 results of the fuel supply forecast in RCW 70A.535.100, but is not
35 bound in its decision-making discretion by the results of the
36 forecast.

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

39 (i) Direct the person subject to the deferral to file a progress
40 report on achieving full compliance with the requirements of this

1 chapter within an amount of time determined to be reasonable by the
2 department; and

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

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

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

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

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

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

20 (1) The department shall establish a bus and bus facilities grant
21 program. The purpose of this competitive grant program is to provide
22 grants to any transit authority for the replacement, expansion,
23 rehabilitation, and purchase of transit rolling stock; construction,
24 modification, or rehabilitation of transit facilities; and funding to
25 adapt to technological change or innovation through the retrofitting
26 of transit rolling stock and facilities.

27 (2) (a) The department must incorporate environmental justice
28 principles into the grant selection process, with the goal of
29 increasing the distribution of funding to communities based on
30 addressing environmental harms and provide environmental benefits for
31 overburdened communities, as defined in RCW 70A.02.010, and
32 vulnerable populations.

33 (b) The department must incorporate geographic diversity into the
34 grant selection process.

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

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

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

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

7 (5) For the purposes of this section:

8 (a) "Transit authority" means a city transit system under RCW
9 35.58.2721 or chapter 35.95A RCW, a county public transportation
10 authority under chapter 36.57 RCW, a metropolitan municipal
11 corporation transit system under chapter 36.56 RCW, a public
12 transportation benefit area under chapter 36.57A RCW, an
13 unincorporated transportation benefit area under RCW 36.57.100, or
14 any special purpose district formed to operate a public
15 transportation system.

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

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

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

26 (2) To address these investment gaps, the connecting communities
27 program is established within the department. The purpose of the
28 program is to improve active transportation connectivity in
29 communities by:

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

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

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

1 (d) Facilitating the planning, development, and implementation of
2 projects and activities that will improve the connectivity and safety
3 of the active transportation network.

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

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

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

12 (c) Whether the project will serve:

13 (i) Overburdened communities as defined in RCW 70A.02.010 to mean
14 a geographic area where vulnerable populations face combined,
15 multiple environmental harms and health impacts, and includes, but is
16 not limited to, highly impacted communities as defined in RCW
17 19.405.020;

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

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

33 (iv) People with disabilities;

34 (d) Environmental health disparities, such as those indicated by
35 the diesel pollution burden portion of the Washington environmental
36 health disparities map developed by the department of health, or
37 other similar indicators;

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

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

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

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

6 (5) The department shall submit a report to the transportation
7 committees of the legislature by December 1, 2022, and each December
8 1st thereafter identifying the selected connecting communities
9 projects for funding by the legislature. The report must also include
10 the status of previously funded projects.

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

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

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

23 (a) Identify those locations on state rights-of-way that do not
24 have a complete and Americans with disabilities act accessible
25 sidewalk or shared-use path, that do not have bicycle facilities in
26 the form of a bike lane or adjacent parallel trail or shared-use
27 path, that have such facilities on a state route within a population
28 center that has a posted speed in excess of 30 miles per hour and no
29 buffer or physical separation from vehicular traffic for pedestrians
30 and bicyclists, and/or that have a design that hampers the ability of
31 motorists to see a crossing pedestrian with sufficient time to stop
32 given posted speed limits and roadway configuration;

33 (b) Consult with local jurisdictions to confirm existing and
34 planned active transportation connections along or across the
35 location; identification of connections to existing and planned
36 public transportation services, ferry landings, commuter and
37 passenger rail, and airports; the existing and planned facility
38 type(s) within the local jurisdiction that connect to the location;

1 and the potential use of speed management techniques to minimize
2 crash exposure and severity;

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

13 (d) Plan, design, and construct facilities providing context-
14 sensitive solutions that contribute to network connectivity and
15 safety for pedestrians, bicyclists, and people accessing public
16 transportation and other modal connections, such facilities to
17 include Americans with disabilities act accessible sidewalks or
18 shared-use paths, bicyclist facilities, and crossings as needed to
19 integrate the state route into the local network.

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

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

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

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

29 (1) The department shall establish a statewide school-based
30 bicycle education grant program. The grant will support two programs:
31 One for elementary and middle school; and one for junior high and
32 high school aged youth to develop the skills and street safety
33 knowledge to be more confident bicyclists for transportation and/or
34 recreation. In development of the grant program, the department is
35 encouraged to consult with the environmental justice council and the
36 office of equity.

37 (2)(a) For the elementary and middle school program, the
38 department shall contract with a nonprofit organization with relevant
39 reach and experience, including a statewide footprint and

1 demonstrable experience deploying bicycling and road safety education
2 curriculum via a train the trainer model in schools. The selected
3 nonprofit shall identify partner schools that serve target
4 populations, based on the criteria in subsection (3) of this section.
5 Partner schools shall receive from the nonprofit: In-school bike and
6 pedestrian safety education curriculum, materials, equipment guidance
7 and consultation, and physical education teacher trainings. Youth
8 grades three through eight are eligible for the program.

9 (b) Selected school districts shall receive and maintain a fleet
10 of bicycles for the youth in the program. Youth and families
11 participating in the school-base bicycle education grant program
12 shall have an opportunity to receive a bike, lock, helmet, and lights
13 free of cost.

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

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

32 (a) Population impacted by poverty, as measured by free and
33 reduced lunch population or 200 percent federal poverty level;

34 (b) People of color;

35 (c) People of Hispanic heritage;

36 (d) People with disabilities;

37 (e) Environmental health disparities, such as those indicated by
38 the diesel pollution burden portion of the Washington environmental
39 health disparities map developed by the department of health, or
40 other similar indicators;

- 1 (f) Location on or adjacent to an Indian reservation;
- 2 (g) Geographic location throughout the state;
- 3 (h) Crash experience involving pedestrians and bicyclists;
- 4 (i) Access to a community facility or commercial center; and
- 5 (j) Identified need in the state active transportation plan or a
- 6 regional, county, or community plan.

7 (5) The department shall submit a report for both programs to the
8 transportation committees of the legislature by December 1, 2022, and
9 each December 1st thereafter identifying the selected programs and
10 school districts for funding by the legislature. The report must also
11 include the status of previously funded programs.

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

14 For the purposes of submitting a request by October 1, 2022, to
15 Amtrak to adopt a fare policy change, the department shall negotiate
16 with the Oregon department of transportation to determine ridership,
17 revenue, and policy impacts relating to elimination of fares for
18 Amtrak Cascades passengers 18 years of age and younger. It is the
19 intent of the legislature that fares for passengers 18 years of age
20 and younger for service on the Amtrak Cascades corridor be
21 eliminated. The department shall report back to the transportation
22 committees of the legislature with results of negotiations with the
23 Oregon department of transportation and the status of fare policy
24 requests submitted to Amtrak by December 1, 2022.

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

27 Consistent with RCW 47.60.315(1)(b), the commission shall adopt
28 an annual fare policy for Washington state ferries to allow all
29 riders 18 years of age and younger to ride free of charge on all
30 system routes. This fare change must apply to both walk-on passengers
31 and passengers in vehicles. The commission is directed to make the
32 initial fare policy change effective no later than October 1, 2022.

33 NEW SECTION. **Sec. 422.** A new section is added to chapter 47.66
34 RCW to read as follows:

35 (1) The department shall establish a transit support grant
36 program for the purpose of providing financial support to transit
37 agencies for operating and capital expenses only. Public transit

1 agencies must maintain or increase their local sales tax authority on
2 or after January 1, 2022, in order to qualify for the grants.

3 (a) Grants for transit agencies must be prorated based on the
4 amount expended for operations in the most recently published report
5 of "Summary of Public Transportation" published by the department.

6 (b) No transit agency may receive more than 35 percent of these
7 distributions.

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

9 (2) To be eligible to receive a grant, the transit agency must
10 have adopted, at a minimum, a zero-fare policy that allows passengers
11 18 years of age and younger to ride free of charge on all modes
12 provided by the agency.

13 (3) The department shall, for the purposes of the "Summary of
14 Public Transportation" report, require grantees to report the number
15 of trips that were taken under this program.

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

24 **Sec. 423.** RCW 46.63.170 and 2020 c 224 s 1 are each amended to
25 read as follows:

26 (1) The use of automated traffic safety cameras for issuance of
27 notices of infraction is subject to the following requirements:

28 (a) Except for proposed locations used solely for the pilot
29 program purposes permitted under subsection (6) of this section, the
30 appropriate local legislative authority must prepare an analysis of
31 the locations within the jurisdiction where automated traffic safety
32 cameras are proposed to be located: (i) Before enacting an ordinance
33 allowing for the initial use of automated traffic safety cameras; and
34 (ii) before adding additional cameras or relocating any existing
35 camera to a new location within the jurisdiction. Automated traffic
36 safety cameras may be used to detect one or more of the following:
37 Stoplight, railroad crossing, (~~(+)~~) school speed zone
38 violations(~~(+)~~), speed violations on any roadway identified in a
39 school walk area as defined in RCW 28A.160.160, speed violations in

1 public park speed zones, hospital speed zones, speed violations
2 subject to (c) ~~or~~ (d) of this subsection(~~(c)~~), or violations included
3 in subsection (6) of this section for the duration of the pilot
4 program authorized under subsection (6) of this section. At a
5 minimum, the local ordinance must contain the restrictions described
6 in this section and provisions for public notice and signage. Cities
7 and counties using automated traffic safety cameras before July 24,
8 2005, are subject to the restrictions described in this section, but
9 are not required to enact an authorizing ordinance. Beginning one
10 year after June 7, 2012, cities and counties using automated traffic
11 safety cameras must post an annual report of the number of traffic
12 accidents that occurred at each location where an automated traffic
13 safety camera is located as well as the number of notices of
14 infraction issued for each camera and any other relevant information
15 about the automated traffic safety cameras that the city or county
16 deems appropriate on the city's or county's website.

17 (b) (i) Except as provided in (c) and (d) of this subsection and
18 subsection (6) of this section, use of automated traffic safety
19 cameras is restricted to the following locations only: ~~((i))~~ (A)
20 Intersections of two or more arterials with traffic control signals
21 that have yellow change interval durations in accordance with RCW
22 47.36.022, which interval durations may not be reduced after
23 placement of the camera; ~~((ii))~~ (B) railroad crossings; ~~(and~~
24 ~~(iii))~~ (C) school speed zones; (D) roadways identified in a school
25 walk area as defined in RCW 28A.160.160; (E) public park speed zones,
26 as defined in (b)(ii) of this subsection; and (F) hospital speed
27 zones, as defined in (b)(ii) of this subsection.

28 (ii) For the purposes of this section:

29 (A) "Public park speed zone" means the marked area within public
30 park property and extending 300 feet from the border of public park
31 property (I) consistent with active park use; and (II) where signs
32 are posted to indicate the location is within a public park speed
33 zone.

34 (B) "Hospital speed zone" means the marked area within hospital
35 property and extending 300 feet from the border of hospital property
36 (I) consistent with hospital use; and (II) where signs are posted to
37 indicate the location is within a hospital speed zone, where
38 "hospital" has the same meaning as in RCW 70.41.020.

39 (c) ~~(Any)~~ In addition to the automated traffic safety cameras
40 authorized under (d) of this subsection, any city west of the Cascade

1 mountains with a population of more than (~~one hundred ninety-five~~
2 ~~thousand~~) 195,000 located in a county with a population of fewer
3 than (~~one million five hundred thousand~~) 1,500,000 may operate an
4 automated traffic safety camera to detect speed violations subject to
5 the following limitations:

6 (i) A city may only operate one such automated traffic safety
7 camera within its respective jurisdiction; and

8 (ii) The use and location of the automated traffic safety camera
9 must have first been authorized by the Washington state legislature
10 as a pilot project for at least one full year.

11 (d) (i) Cities may operate at least one automated traffic safety
12 camera under this subsection to detect speed violations, subject to
13 the requirements of (d) (ii) of this subsection. Cities may operate
14 one additional automated traffic safety camera to detect speed
15 violations for every 10,000 residents included in the city's
16 population. Cameras must be placed in locations that comply with one
17 of the following:

18 (A) The location has been identified as a priority location in a
19 local road safety plan that a city has submitted to the Washington
20 state department of transportation and where other speed reduction
21 measures are not feasible or have not been sufficiently effective at
22 reducing travel speed;

23 (B) The location has a significantly higher rate of collisions
24 than the city average in a period of at least three years prior to
25 installation and other speed reduction measures are not feasible or
26 have not been sufficiently effective at reducing travel speed; or

27 (C) The location is in an area within the city limits designated
28 by local ordinance as a zone subject to specified restrictions and
29 penalties on racing and race attendance.

30 (ii) A city locating an automated traffic safety camera under
31 this subsection (1) (d) must complete an equity analysis that
32 evaluates livability, accessibility, economics, education, and
33 environmental health, and shall consider the outcome of that analysis
34 when identifying where to locate an automated traffic safety camera.

35 (e) All locations where an automated traffic safety camera is
36 used to detect speed violations on roadways identified in a school
37 walk area, speed violations in public park speed zones, speed
38 violations in hospital speed zones, or speed violations under (d) of
39 this subsection must be clearly marked by placing signs in locations
40 that clearly indicate to a driver either: (i) That the driver is

1 within a school walk area, public park speed zone, or hospital speed
2 zone; or (ii) that the driver is entering an area where speed
3 violations are enforced by an automated traffic safety camera. Signs
4 placed in automated traffic safety camera locations after June 7,
5 2012, must follow the specifications and guidelines under the manual
6 of uniform traffic control devices for streets and highways as
7 adopted by the department of transportation under chapter 47.36 RCW.

8 (f) Automated traffic safety cameras may only take pictures of
9 the vehicle and vehicle license plate and only while an infraction is
10 occurring. The picture must not reveal the face of the driver or of
11 passengers in the vehicle. The primary purpose of camera placement is
12 to take pictures of the vehicle and vehicle license plate when an
13 infraction is occurring. Cities and counties shall consider
14 installing cameras in a manner that minimizes the impact of camera
15 flash on drivers.

16 ~~((e))~~ (g) A notice of infraction must be mailed to the
17 registered owner of the vehicle within ~~((fourteen))~~ 14 days of the
18 violation, or to the renter of a vehicle within ~~((fourteen))~~ 14 days
19 of establishing the renter's name and address under subsection (3)(a)
20 of this section. The law enforcement officer issuing the notice of
21 infraction shall include with it a certificate or facsimile thereof,
22 based upon inspection of photographs, microphotographs, or electronic
23 images produced by an automated traffic safety camera, stating the
24 facts supporting the notice of infraction. This certificate or
25 facsimile is prima facie evidence of the facts contained in it and is
26 admissible in a proceeding charging a violation under this chapter.
27 The photographs, microphotographs, or electronic images evidencing
28 the violation must be available for inspection and admission into
29 evidence in a proceeding to adjudicate the liability for the
30 infraction. A person receiving a notice of infraction based on
31 evidence detected by an automated traffic safety camera may respond
32 to the notice by mail.

33 ~~((f))~~ (h) The registered owner of a vehicle is responsible for
34 an infraction under RCW 46.63.030(1)(d) unless the registered owner
35 overcomes the presumption in RCW 46.63.075, or, in the case of a
36 rental car business, satisfies the conditions under subsection (3) of
37 this section. If appropriate under the circumstances, a renter
38 identified under subsection (3)(a) of this section is responsible for
39 an infraction.

1 ~~((g))~~ (i) Notwithstanding any other provision of law, all
2 photographs, microphotographs, or electronic images, or any other
3 personally identifying data prepared under this section are for the
4 exclusive use of law enforcement in the discharge of duties under
5 this section and are not open to the public and may not be used in a
6 court in a pending action or proceeding unless the action or
7 proceeding relates to a violation under this section. No photograph,
8 microphotograph, or electronic image, or any other personally
9 identifying data may be used for any purpose other than enforcement
10 of violations under this section nor retained longer than necessary
11 to enforce this section.

12 ~~((h))~~ (j) All locations where an automated traffic safety
13 camera is used must be clearly marked at least ~~((thirty))~~ 30 days
14 prior to activation of the camera by placing signs in locations that
15 clearly indicate to a driver that he or she is entering a zone where
16 traffic laws are enforced by an automated traffic safety camera.
17 Signs placed in automated traffic safety camera locations after June
18 7, 2012, must follow the specifications and guidelines under the
19 manual of uniform traffic control devices for streets and highways as
20 adopted by the department of transportation under chapter 47.36 RCW.

21 ~~((i))~~ (k) If a county or city has established an authorized
22 automated traffic safety camera program under this section, the
23 compensation paid to the manufacturer or vendor of the equipment used
24 must be based only upon the value of the equipment and services
25 provided or rendered in support of the system, and may not be based
26 upon a portion of the fine or civil penalty imposed or the revenue
27 generated by the equipment.

28 (l) If a city is operating an automated traffic safety camera to
29 detect speed violations on roadways identified in a school walk area,
30 speed violations in public park speed zones, speed violations in
31 hospital speed zones, or speed violations under (d) of this
32 subsection, the city shall remit monthly to the state 50 percent of
33 the noninterest money received for infractions issued by those
34 cameras excess of the cost to administer, install, operate, and
35 maintain the automated traffic safety cameras, including the cost of
36 processing infractions. Money remitted under this subsection to the
37 state treasurer shall be deposited in the Cooper Jones active
38 transportation safety account created in RCW 46.68.480. This
39 subsection (l)(l) does not apply to automated traffic safety cameras

1 authorized for stoplight, railroad crossing, or school speed zone
2 violations.

3 (2) Infractions detected through the use of automated traffic
4 safety cameras are not part of the registered owner's driving record
5 under RCW 46.52.101 and 46.52.120. Additionally, infractions
6 generated by the use of automated traffic safety cameras under this
7 section shall be processed in the same manner as parking infractions,
8 including for the purposes of RCW 3.50.100, 35.20.220, 46.16A.120,
9 and 46.20.270(2). Except as provided otherwise in subsection (6) of
10 this section, the amount of the fine issued for an infraction
11 generated through the use of an automated traffic safety camera shall
12 not exceed the amount of a fine issued for other parking infractions
13 within the jurisdiction. However, the amount of the fine issued for a
14 traffic control signal violation detected through the use of an
15 automated traffic safety camera shall not exceed the monetary penalty
16 for a violation of RCW 46.61.050 as provided under RCW 46.63.110,
17 including all applicable statutory assessments.

18 (3) If the registered owner of the vehicle is a rental car
19 business, the law enforcement agency shall, before a notice of
20 infraction being issued under this section, provide a written notice
21 to the rental car business that a notice of infraction may be issued
22 to the rental car business if the rental car business does not,
23 within (~~eighteen~~) 18 days of receiving the written notice, provide
24 to the issuing agency by return mail:

25 (a) A statement under oath stating the name and known mailing
26 address of the individual driving or renting the vehicle when the
27 infraction occurred; or

28 (b) A statement under oath that the business is unable to
29 determine who was driving or renting the vehicle at the time the
30 infraction occurred because the vehicle was stolen at the time of the
31 infraction. A statement provided under this subsection must be
32 accompanied by a copy of a filed police report regarding the vehicle
33 theft; or

34 (c) In lieu of identifying the vehicle operator, the rental car
35 business may pay the applicable penalty.

36 Timely mailing of this statement to the issuing law enforcement
37 agency relieves a rental car business of any liability under this
38 chapter for the notice of infraction.

39 (4) Nothing in this section prohibits a law enforcement officer
40 from issuing a notice of traffic infraction to a person in control of

1 a vehicle at the time a violation occurs under RCW 46.63.030(1) (a),
2 (b), or (c).

3 (5)(a) For the purposes of this section, "automated traffic
4 safety camera" means a device that uses a vehicle sensor installed to
5 work in conjunction with an intersection traffic control system, a
6 railroad grade crossing control system, or a speed measuring device,
7 and a camera synchronized to automatically record one or more
8 sequenced photographs, microphotographs, or electronic images of the
9 rear of a motor vehicle at the time the vehicle fails to stop when
10 facing a steady red traffic control signal or an activated railroad
11 grade crossing control signal, or exceeds a speed limit as detected
12 by a speed measuring device.

13 (b) For the purposes of the pilot program authorized under
14 subsection (6) of this section, "automated traffic safety camera"
15 also includes a device used to detect stopping at intersection or
16 crosswalk violations; stopping when traffic obstructed violations;
17 public transportation only lane violations; and stopping or traveling
18 in restricted lane violations. The device, including all technology
19 defined under "automated traffic safety camera," must not reveal the
20 face of the driver or the passengers in vehicles, and must not use
21 any facial recognition technology in real time or after capturing any
22 information. If the face of any individual in a crosswalk or
23 otherwise within the frame is incidentally captured, it may not be
24 made available to the public nor used for any purpose including, but
25 not limited to, any law enforcement action, except in a pending
26 action or proceeding related to a violation under this section.

27 (6)(a)(i) A city with a population greater than (~~five hundred~~
28 ~~thousand~~) 500,000 may adopt an ordinance creating a pilot program
29 authorizing automated traffic safety cameras to be used to detect one
30 or more of the following violations: Stopping when traffic obstructed
31 violations; stopping at intersection or crosswalk violations; public
32 transportation only lane violations; and stopping or traveling in
33 restricted lane violations. Under the pilot program, stopping at
34 intersection or crosswalk violations may only be enforced at the
35 (~~twenty~~) 20 intersections where the city would most like to address
36 safety concerns related to stopping at intersection or crosswalk
37 violations. At a minimum, the local ordinance must contain the
38 restrictions described in this section and provisions for public
39 notice and signage.

1 (ii) Except where specifically exempted, all of the rules and
2 restrictions applicable to the use of automated traffic safety
3 cameras in this section apply to the use of automated traffic safety
4 cameras in the pilot program established in this subsection (6).

5 (iii) As used in this subsection (6), "public transportation
6 vehicle" means any motor vehicle, streetcar, train, trolley vehicle,
7 ferry boat, or any other device, vessel, or vehicle that is owned or
8 operated by a transit authority or an entity providing service on
9 behalf of a transit authority that is used for the purpose of
10 carrying passengers and that operates on established routes. "Transit
11 authority" has the meaning provided in RCW 9.91.025.

12 (b) Use of automated traffic safety cameras as authorized in this
13 subsection (6) is restricted to the following locations only:
14 Locations authorized in subsection (1)(b) of this section; and
15 midblock on arterials. Additionally, the use of automated traffic
16 safety cameras as authorized in this subsection (6) is further
17 limited to the following:

18 (i) The portion of state and local roadways in downtown areas of
19 the city used for office and commercial activities, as well as retail
20 shopping and support services, and that may include mixed residential
21 uses;

22 (ii) The portion of state and local roadways in areas in the city
23 within one-half mile north of the boundary of the area described in
24 (b)(i) of this subsection;

25 (iii) Portions of roadway systems in the city that travel into
26 and out of (b)(ii) of this subsection that are designated by the
27 Washington state department of transportation as noninterstate
28 freeways for up to four miles; and

29 (iv) Portions of roadway systems in the city connected to the
30 portions of the noninterstate freeways identified in (b)(iii) of this
31 subsection that are designated by the Washington state department of
32 transportation as arterial roadways for up to one mile from the
33 intersection of the arterial roadway and the noninterstate freeway.

34 (c) However, automated traffic safety cameras may not be used on
35 an on-ramp to an interstate.

36 (d) From June 11, 2020, through December 31, 2020, a warning
37 notice with no penalty must be issued to the registered owner of the
38 vehicle for a violation generated through the use of an automated
39 traffic safety camera authorized in this subsection (6). Beginning
40 January 1, 2021, a notice of infraction must be issued, in a manner

1 consistent with subsections (1)~~((e))~~ (g) and (3) of this section,
2 for a violation generated through the use of an automated traffic
3 safety camera authorized in this subsection (6). However, the penalty
4 for the violation may not exceed ~~((seventy-five dollars))~~ \$75.

5 (e) For infractions issued as authorized in this subsection (6),
6 a city with a pilot program shall remit monthly to the state
7 ~~((fifty))~~ 50 percent of the noninterest money received under this
8 subsection (6) in excess of the cost to install, operate, and
9 maintain the automated traffic safety cameras for use in the pilot
10 program. Money remitted under this subsection to the state treasurer
11 shall be deposited in the Cooper Jones active transportation safety
12 account created in RCW 46.68.480. The remaining ~~((fifty))~~ 50 percent
13 retained by the city must be used only for improvements to
14 transportation that support equitable access and mobility for persons
15 with disabilities.

16 (f) A transit authority may not take disciplinary action,
17 regarding a warning or infraction issued pursuant to this subsection
18 (6), against an employee who was operating a public transportation
19 vehicle at the time the violation that was the basis of the warning
20 or infraction was detected.

21 (g) A city that implements a pilot program under this subsection
22 (6) must provide a preliminary report to the transportation
23 committees of the legislature by June 30, ~~((2022))~~ 2024, and a final
24 report by January 1, ~~((2023))~~ 2025, on the pilot program that
25 includes the locations chosen for the automated traffic safety
26 cameras used in the pilot program, the number of warnings and traffic
27 infractions issued under the pilot program, the number of traffic
28 infractions issued with respect to vehicles registered outside of the
29 county in which the city is located, the infrastructure improvements
30 made using the penalty moneys as required under (e) of this
31 subsection, an equity analysis that includes any disproportionate
32 impacts, safety, and on-time performance statistics related to the
33 impact on driver behavior of the use of automated traffic safety
34 cameras in the pilot program, and any recommendations on the use of
35 automated traffic safety cameras to enforce the violations that these
36 cameras were authorized to detect under the pilot program.

37 **Sec. 424.** RCW 46.63.170 and 2015 3rd sp.s. c 44 s 406 are each
38 amended to read as follows:

1 (1) The use of automated traffic safety cameras for issuance of
2 notices of infraction is subject to the following requirements:

3 (a) The appropriate local legislative authority must prepare an
4 analysis of the locations within the jurisdiction where automated
5 traffic safety cameras are proposed to be located: (i) Before
6 enacting an ordinance allowing for the initial use of automated
7 traffic safety cameras; and (ii) before adding additional cameras or
8 relocating any existing camera to a new location within the
9 jurisdiction. Automated traffic safety cameras may be used to detect
10 one or more of the following: Stoplight, railroad crossing, ~~((~~o~~))~~
11 school speed zone violations~~((~~+~~))~~, speed violations on any roadway
12 identified in a school walk area as defined in RCW 28A.160.160, speed
13 violations in public park speed zones, hospital speed zones, or speed
14 violations subject to (c) or (d) of this subsection. At a minimum,
15 the local ordinance must contain the restrictions described in this
16 section and provisions for public notice and signage. Cities and
17 counties using automated traffic safety cameras before July 24, 2005,
18 are subject to the restrictions described in this section, but are
19 not required to enact an authorizing ordinance. Beginning one year
20 after June 7, 2012, cities and counties using automated traffic
21 safety cameras must post an annual report of the number of traffic
22 accidents that occurred at each location where an automated traffic
23 safety camera is located as well as the number of notices of
24 infraction issued for each camera and any other relevant information
25 about the automated traffic safety cameras that the city or county
26 deems appropriate on the city's or county's website.

27 (b) (i) Except as provided in (c) and (d) of this subsection, use
28 of automated traffic safety cameras is restricted to the following
29 locations only: ~~((~~+~~))~~ (A) Intersections of two arterials with
30 traffic control signals that have yellow change interval durations in
31 accordance with RCW 47.36.022, which interval durations may not be
32 reduced after placement of the camera; ~~((~~+~~))~~ (B) railroad
33 crossings; ~~((~~and~~—~~(iii)~~))~~ (C) school speed zones; (D) roadways
34 identified in a school walk area as defined in RCW 28A.160.160; (E)
35 public park speed zones, as defined in (b)(ii) of this subsection;
36 and (F) hospital speed zones, as defined in (b)(ii) of this
37 subsection.

38 (ii) For the purposes of this section:

39 (A) "Public park speed zone" means the marked area within public
40 park property and extending 300 feet from the border of public park

1 property (I) consistent with active park use; and (II) where signs
2 are posted to indicate the location is within a public park speed
3 zone.

4 (B) "Hospital speed zone" means the marked area within hospital
5 property and extending 300 feet from the border of hospital property
6 (I) consistent with hospital use; and (II) where signs are posted to
7 indicate the location is within a hospital speed zone, where
8 "hospital" has the same meaning as in RCW 70.41.020.

9 (c) ~~((Any))~~ In addition to the automated traffic safety cameras
10 authorized under (d) of this subsection, any city west of the Cascade
11 mountains with a population of more than (~~one hundred ninety-five~~
12 ~~thousand~~) 195,000 located in a county with a population of fewer
13 than (~~one million five hundred thousand~~) 1,500,000 may operate an
14 automated traffic safety camera to detect speed violations subject to
15 the following limitations:

16 (i) A city may only operate one such automated traffic safety
17 camera within its respective jurisdiction; and

18 (ii) The use and location of the automated traffic safety camera
19 must have first been authorized by the Washington state legislature
20 as a pilot project for at least one full year.

21 (d) (i) Cities may operate at least one automated traffic safety
22 camera under this subsection to detect speed violations, subject to
23 the requirements of (d) (ii) of this subsection. Cities may operate
24 one additional automated traffic safety camera to detect speed
25 violations for every 10,000 residents included in the city's
26 population. Cameras must be placed in locations that comply with one
27 of the following:

28 (A) The location has been identified as a priority location in a
29 local road safety plan that a city has submitted to the Washington
30 state department of transportation and where other speed reduction
31 measures are not feasible or have not been sufficiently effective at
32 reducing travel speed;

33 (B) The location has a significantly higher rate of collisions
34 than the city average in a period of at least three years prior to
35 installation and other speed reduction measures are not feasible or
36 have not been sufficiently effective at reducing travel speed; or

37 (C) The location is in an area within the city limits designated
38 by local ordinance as a zone subject to specified restrictions and
39 penalties on racing and race attendance.

1 (ii) A city locating an automated traffic safety camera under
2 this subsection (1)(d) must complete an equity analysis that
3 evaluates livability, accessibility, economics, education, and
4 environmental health, and shall consider the outcome of that analysis
5 when identifying where to locate an automated traffic safety camera.

6 (e) All locations where an automated traffic safety camera is
7 used to detect speed violations on roadways identified in a school
8 walk area, speed violations in public park speed zones, speed
9 violations in hospital speed zones, or speed violations under (d) of
10 this subsection must be clearly marked by placing signs in locations
11 that clearly indicate to a driver either: (i) That the driver is
12 within a school walk area, public park speed zone, or hospital speed
13 zone; or (ii) that the driver is entering an area where speed
14 violations are enforced by an automated traffic safety camera. Signs
15 placed in automated traffic safety camera locations after June 7,
16 2012, must follow the specifications and guidelines under the manual
17 of uniform traffic control devices for streets and highways as
18 adopted by the department of transportation under chapter 47.36 RCW.

19 (f) Automated traffic safety cameras may only take pictures of
20 the vehicle and vehicle license plate and only while an infraction is
21 occurring. The picture must not reveal the face of the driver or of
22 passengers in the vehicle. The primary purpose of camera placement is
23 to take pictures of the vehicle and vehicle license plate when an
24 infraction is occurring. Cities and counties shall consider
25 installing cameras in a manner that minimizes the impact of camera
26 flash on drivers.

27 ((~~e~~)) (g) A notice of infraction must be mailed to the
28 registered owner of the vehicle within ((~~fourteen~~)) 14 days of the
29 violation, or to the renter of a vehicle within ((~~fourteen~~)) 14 days
30 of establishing the renter's name and address under subsection (3)(a)
31 of this section. The law enforcement officer issuing the notice of
32 infraction shall include with it a certificate or facsimile thereof,
33 based upon inspection of photographs, microphotographs, or electronic
34 images produced by an automated traffic safety camera, stating the
35 facts supporting the notice of infraction. This certificate or
36 facsimile is prima facie evidence of the facts contained in it and is
37 admissible in a proceeding charging a violation under this chapter.
38 The photographs, microphotographs, or electronic images evidencing
39 the violation must be available for inspection and admission into
40 evidence in a proceeding to adjudicate the liability for the

1 infraction. A person receiving a notice of infraction based on
2 evidence detected by an automated traffic safety camera may respond
3 to the notice by mail.

4 ~~((f))~~ (h) The registered owner of a vehicle is responsible for
5 an infraction under RCW 46.63.030(1)(d) unless the registered owner
6 overcomes the presumption in RCW 46.63.075, or, in the case of a
7 rental car business, satisfies the conditions under subsection (3) of
8 this section. If appropriate under the circumstances, a renter
9 identified under subsection (3)(a) of this section is responsible for
10 an infraction.

11 ~~((g))~~ (i) Notwithstanding any other provision of law, all
12 photographs, microphotographs, or electronic images prepared under
13 this section are for the exclusive use of law enforcement in the
14 discharge of duties under this section and are not open to the public
15 and may not be used in a court in a pending action or proceeding
16 unless the action or proceeding relates to a violation under this
17 section. No photograph, microphotograph, or electronic image may be
18 used for any purpose other than enforcement of violations under this
19 section nor retained longer than necessary to enforce this section.

20 ~~((h))~~ (j) All locations where an automated traffic safety
21 camera is used must be clearly marked at least ~~((thirty))~~ 30 days
22 prior to activation of the camera by placing signs in locations that
23 clearly indicate to a driver that he or she is entering a zone where
24 traffic laws are enforced by an automated traffic safety camera.
25 Signs placed in automated traffic safety camera locations after June
26 7, 2012, must follow the specifications and guidelines under the
27 manual of uniform traffic control devices for streets and highways as
28 adopted by the department of transportation under chapter 47.36 RCW.

29 ~~((i))~~ (k) If a county or city has established an authorized
30 automated traffic safety camera program under this section, the
31 compensation paid to the manufacturer or vendor of the equipment used
32 must be based only upon the value of the equipment and services
33 provided or rendered in support of the system, and may not be based
34 upon a portion of the fine or civil penalty imposed or the revenue
35 generated by the equipment.

36 (l) If a city is operating an automated traffic safety camera to
37 detect speed violations on roadways identified in a school walk area,
38 speed violations in public park speed zones, speed violations in
39 hospital speed zones, or speed violations under (d) of this
40 subsection, the city shall remit monthly to the state 50 percent of

1 the noninterest money received for infractions issued by those
2 cameras excess of the cost to administer, install, operate, and
3 maintain the automated traffic safety cameras, including the cost of
4 processing infractions. Money remitted under this subsection to the
5 state treasurer shall be deposited in the Cooper Jones active
6 transportation safety account created in RCW 46.68.480. This
7 subsection (1)(1) does not apply to automated traffic safety cameras
8 authorized for stoplight, railroad crossing, or school speed zone
9 violations.

10 (2) Infractions detected through the use of automated traffic
11 safety cameras are not part of the registered owner's driving record
12 under RCW 46.52.101 and 46.52.120. Additionally, infractions
13 generated by the use of automated traffic safety cameras under this
14 section shall be processed in the same manner as parking infractions,
15 including for the purposes of RCW 3.50.100, 35.20.220, 46.16A.120,
16 and 46.20.270(2). The amount of the fine issued for an infraction
17 generated through the use of an automated traffic safety camera shall
18 not exceed the amount of a fine issued for other parking infractions
19 within the jurisdiction. However, the amount of the fine issued for a
20 traffic control signal violation detected through the use of an
21 automated traffic safety camera shall not exceed the monetary penalty
22 for a violation of RCW 46.61.050 as provided under RCW 46.63.110,
23 including all applicable statutory assessments.

24 (3) If the registered owner of the vehicle is a rental car
25 business, the law enforcement agency shall, before a notice of
26 infraction being issued under this section, provide a written notice
27 to the rental car business that a notice of infraction may be issued
28 to the rental car business if the rental car business does not,
29 within (~~eighteen~~) 18 days of receiving the written notice, provide
30 to the issuing agency by return mail:

31 (a) A statement under oath stating the name and known mailing
32 address of the individual driving or renting the vehicle when the
33 infraction occurred; or

34 (b) A statement under oath that the business is unable to
35 determine who was driving or renting the vehicle at the time the
36 infraction occurred because the vehicle was stolen at the time of the
37 infraction. A statement provided under this subsection must be
38 accompanied by a copy of a filed police report regarding the vehicle
39 theft; or

1 (c) In lieu of identifying the vehicle operator, the rental car
2 business may pay the applicable penalty.

3 Timely mailing of this statement to the issuing law enforcement
4 agency relieves a rental car business of any liability under this
5 chapter for the notice of infraction.

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

10 (5) For the purposes of this section, "automated traffic safety
11 camera" means a device that uses a vehicle sensor installed to work
12 in conjunction with an intersection traffic control system, a
13 railroad grade crossing control system, or a speed measuring device,
14 and a camera synchronized to automatically record one or more
15 sequenced photographs, microphotographs, or electronic images of the
16 rear of a motor vehicle at the time the vehicle fails to stop when
17 facing a steady red traffic control signal or an activated railroad
18 grade crossing control signal, or exceeds a speed limit as detected
19 by a speed measuring device.

20 (6) During the 2011-2013 and 2013-2015 fiscal biennia, this
21 section does not apply to automated traffic safety cameras for the
22 purposes of section 216(5), chapter 367, Laws of 2011 and section
23 216(6), chapter 306, Laws of 2013.

24 NEW SECTION. **Sec. 425.** A new section is added to chapter 47.56
25 RCW to read as follows:

26 The legislature recognizes the need to reduce congestion and
27 improve mobility on the Interstate 405 and state route number 167
28 corridors, and finds that performance on the corridors has not met
29 the goal that average vehicle speeds in the express toll lanes remain
30 above 45 miles per hour at least 90 percent of the time during peak
31 hours. Therefore, the legislature intends that the commission
32 reevaluate options at least every two years to improve performance on
33 the Interstate 405 and state route number 167 corridors, pursuant to
34 RCW 47.56.880 and 47.56.850.

35 **Sec. 426.** RCW 70A.65.230 and 2021 c 316 s 26 are each amended to
36 read as follows:

37 (1) It is the intent of the legislature that each year the total
38 investments made through the carbon emissions reduction account

1 created in RCW 70A.65.240, the climate commitment account created in
2 RCW 70A.65.260, the natural climate solutions account created in RCW
3 70A.65.270, (~~and~~) the air quality and health disparities
4 improvement account created in RCW 70A.65.280, the climate transit
5 programs account created in section 104 of this act, and the climate
6 active transportation account created in section 103 of this act,
7 achieve the following:

8 (a) A minimum of not less than 35 percent and a goal of 40
9 percent of total investments that provide direct and meaningful
10 benefits to vulnerable populations within the boundaries of
11 overburdened communities identified under chapter 314, Laws of 2021;
12 and

13 (b) In addition to the requirements of (a) of this subsection, a
14 minimum of not less than 10 percent of total investments that are
15 used for programs, activities, or projects formally supported by a
16 resolution of an Indian tribe, with priority given to otherwise
17 qualifying projects directly administered or proposed by an Indian
18 tribe. An investment that meets the requirements of both this
19 subsection (1)(b) and (a) of this subsection may count toward the
20 minimum percentage targets for both subsections.

21 (2) The expenditure of moneys under this chapter must be
22 consistent with applicable federal, state, and local laws, and treaty
23 rights including, but not limited to, prohibitions on uses of funds
24 imposed by the state Constitution.

25 (3) For the purposes of this section, "benefits" means
26 investments or activities that:

27 (a) Reduce vulnerable population characteristics, environmental
28 burdens, or associated risks that contribute significantly to the
29 cumulative impact designation of highly impacted communities;

30 (b) Meaningfully protect an overburdened community from, or
31 support community response to, the impacts of air pollution or
32 climate change; or

33 (c) Meet a community need identified by vulnerable members of the
34 community that is consistent with the intent of this chapter.

35 (4) The state must develop a process by which to evaluate the
36 impacts of the investments made under this chapter, work across state
37 agencies to develop and track priorities across the different
38 eligible funding categories, and work with the environmental justice
39 council pursuant to RCW 70A.65.040.

1 ~~((5) No expenditures may be made from the carbon emissions~~
2 ~~reduction account created in RCW 70A.65.240, the climate investment~~
3 ~~account created in RCW 70A.65.250, or the air quality and health~~
4 ~~disparities improvement account created in RCW 70A.65.280 if, by~~
5 ~~April 1, 2023, the legislature has not considered and enacted request~~
6 ~~legislation brought forth by the department under RCW 70A.65.060 that~~
7 ~~outlines a compliance pathway specific to emissions-intensive, trade-~~
8 ~~exposed businesses for achieving their proportionate share of the~~
9 ~~state's emissions reduction limits through 2050.))~~

10 NEW SECTION. **Sec. 427.** The legislature finds that in order to
11 meet the statewide greenhouse gas emissions limits in RCW 70A.45.020
12 and 70A.45.050, the state must drastically reduce vehicle greenhouse
13 gas emissions. A critical strategy to meet those goals is
14 transitioning to zero emissions vehicles and this transition requires
15 ongoing purposeful interagency coordination and cooperation. As such,
16 it is the intent of the legislature to create a formal interagency
17 council responsible for coordinating the state's transportation
18 electrification efforts to ensure the state is leveraging state and
19 federal resources to the best extent possible and to ensure zero
20 emissions incentives, infrastructure, and opportunities are available
21 and accessible to all Washingtonians.

22 The legislature further finds that in order to meet the statewide
23 greenhouse gas emissions limits in the transportation sector of the
24 economy, more resources must be directed toward achieving zero
25 emissions transportation and transit, while continuing to relieve
26 energy burdens that exist in overburdened communities.

27 NEW SECTION. **Sec. 428.** (1) There is hereby created an
28 interagency electric vehicle coordinating council jointly led by the
29 Washington state department of commerce and the Washington state
30 department of transportation with participation from the following
31 agencies:

- 32 (a) The office of financial management;
- 33 (b) The department of ecology;
- 34 (c) The department of enterprise services;
- 35 (d) The state efficiency and environmental performance office;
- 36 (e) The department of agriculture;
- 37 (f) The department of health;
- 38 (g) The utilities and transportation commission;

1 (h) A representative from the office of the superintendent of
2 public instruction knowledgeable on issues pertaining to student
3 transportation; and

4 (i) Other agencies with key roles in electrifying the
5 transportation sector.

6 (2) The Washington state department of commerce and Washington
7 state department of transportation shall assign staff in each agency
8 to lead the council's coordination work and provide ongoing reports
9 to the governor and legislature including, but not limited to, the
10 transportation, energy, economic development, and other appropriate
11 legislative committees.

12 NEW SECTION. **Sec. 429.** (1) Interagency electric vehicle
13 coordinating council responsibilities include, but are not limited
14 to:

15 (a) Development of a statewide transportation electrification
16 strategy to ensure market and infrastructure readiness for all new
17 vehicle sales;

18 (b) Identification of all electric vehicle infrastructure grant-
19 related funding to include existing and future opportunities,
20 including state, federal, and other funds;

21 (c) Coordination of grant funding criteria across agency grant
22 programs to most efficiently distribute state and federal electric
23 vehicle-related funding in a manner that is most beneficial to the
24 state, advances best practices, and recommends additional criteria
25 that could be useful in advancing transportation electrification;

26 (d) Development of a robust public and private outreach plan that
27 includes engaging with:

28 (i) Community organizers and the environmental justice council to
29 develop community-driven programs to address zero emissions
30 transportation needs and priorities in overburdened communities; and

31 (ii) Local governments to explore procurement opportunities and
32 work with local government and community programs to support
33 electrification;

34 (e) Creation of an industry electric vehicle advisory committee;
35 and

36 (f) Ensuring the statewide transportation electrification
37 strategy, grant distribution, programs, and activities associated
38 with advancing transportation electrification benefit vulnerable and
39 overburdened communities.

1 (2) The council shall provide an annual report to the appropriate
2 committees of the legislature summarizing electric vehicle
3 implementation progress, gaps, and resource needs.

4 **Sec. 430.** RCW 46.68.480 and 2020 c 224 s 2 are each amended to
5 read as follows:

6 The Cooper Jones active transportation safety account is created
7 in the state treasury. All receipts from penalties collected under
8 RCW 46.63.170(~~(+6)(e)~~) shall be deposited into the account.
9 Expenditures from the account may be used only to fund grant projects
10 or programs for bicycle, pedestrian, and nonmotorist safety
11 improvement (~~(administered by the Washington traffic safety~~
12 ~~commission)~~). The account is subject to allotment procedures under
13 chapter 43.88 RCW. Moneys in the account may be spent only after
14 appropriation.

15 NEW SECTION. **Sec. 431.** A new section is added to chapter 47.60
16 RCW to read as follows:

17 It is the intent of the legislature to fully fund the vessel and
18 terminal electrification program in accordance with the Washington
19 state ferries 2040 long range plan. The legislature finds that to
20 attain the 2040 target fleet size of 26 vessels, a biennial
21 replacement schedule is necessary to ensure the level of ferry
22 service and reliability expected by the public. Therefore, by June
23 30, 2025, the legislature will secure funding options, including but
24 not limited to a vessel surcharge, to devote the resources necessary
25 to fulfill the vessel and terminal needs outlined in the 2040 long
26 range plan.

27 NEW SECTION. **Sec. 432.** Washington state's target zero program
28 envisions Washington having policies that will lead to zero deaths of
29 people using the transportation system. For almost two decades more
30 than 200 people have lost their lives annually in circumstances where
31 a vehicle unintentionally left its lane of travel. Such fatalities
32 made up 48 percent of all traffic-related fatalities in 2019. There
33 are multiple ways to make improvements on the highway system that
34 have been proven in other locations to help reduce lane departures
35 and fatalities. Sections 433 and 434 of this act are intended to
36 direct resources towards deploying such improvements by requiring the

1 Washington state department of transportation to create a program
2 that is focused on addressing this specific safety concern.

3 NEW SECTION. **Sec. 433.** A new section is added to chapter 47.04
4 RCW to read as follows:

5 (1)(a) When an appropriation is made for this purpose, the
6 department shall establish a reducing rural roadway departures
7 program to provide funding for safety improvements specific to
8 preventing lane departures in areas where the departure is likely to
9 cause serious injuries or death. Funding under this program may be
10 used to:

11 (i) Widen roadway shoulders or modify roadway design to improve
12 visibility or reduce lane departure risks;

13 (ii) Improve markings and paint on roadways, including making
14 markings on roads more visible for vehicles with lane departure
15 technology;

16 (iii) Apply high friction surface treatments;

17 (iv) Install rumble strips, signage, lighting, raised barriers,
18 medians, guardrails, cable barriers, or other safety equipment,
19 including deployment of innovative technology and connected
20 infrastructure devices;

21 (v) Remove or relocate fixed objects from rights-of-way that pose
22 a significant risk of serious injury or death if a vehicle were to
23 collide with the object due to a lane departure;

24 (vi) Repair or replace existing barriers that are damaged or
25 nonfunctional; or

26 (vii) Take other reasonable actions that are deemed likely to
27 address or prevent vehicle lane departures in specific areas of
28 concern.

29 (b) The department must create a program whereby it can
30 distribute funding or install safety improvements listed in (a) of
31 this subsection on state, county, small city, or town roads in rural
32 areas that have a high risk of having or actually have incidents of
33 serious injuries or fatalities due to vehicle lane departures. Any
34 installation of safety measures that are not under the jurisdiction
35 of the department must be done with permission from the entity that
36 is responsible for operation and maintenance of the roadway.

37 (c) The department's program must create a form and application
38 process whereby towns, small cities, counties, and transportation

1 benefit districts may apply for program funding for high risk areas
2 in their jurisdictions in need of safety improvements.

3 (d) Subject to the availability of amounts appropriated for this
4 specific purpose, the department must issue program funding for
5 purposes defined in (a) and (b) of this subsection in a
6 geographically diverse manner throughout the state. Criteria used to
7 assess a location can include the communities inability or lack of
8 resources to make the corrections themselves and to make corrections
9 where there has been historic disparate impacts.

10 (e) By December 31st of each year when there is funding
11 distributed in accordance with this program, the department must
12 provide the transportation committees of the legislature and the
13 traffic safety commission with a list of locations that received
14 funding and a description of the safety improvements installed there.

15 (2) During the first five years of the program, the department
16 must track incidence of lane departures at the locations where the
17 new infrastructure is installed and evaluate the effectiveness of the
18 safety improvements.

19 **Sec. 434.** RCW 46.68.060 and 2021 c 333 s 706 are each amended to
20 read as follows:

21 There is hereby created in the state treasury a fund to be known
22 as the highway safety fund to the credit of which must be deposited
23 all moneys directed by law to be deposited therein. This fund must be
24 used for carrying out the provisions of law relating to driver
25 licensing, driver improvement, financial responsibility, cost of
26 furnishing abstracts of driving records and maintaining such case
27 records, and to carry out the purposes set forth in RCW 43.59.010,
28 ~~((and))~~ chapters 46.72 and 46.72A RCW, and section 433 of this act.
29 During the 2013-2015 and 2015-2017 fiscal biennia, the legislature
30 may transfer from the highway safety fund to the Puget Sound ferry
31 operations account, the motor vehicle fund, and the multimodal
32 transportation account such amounts as reflect the excess fund
33 balance of the highway safety fund. During the 2017-2019, 2019-2021,
34 and 2021-2023 fiscal biennia, the legislature may direct the state
35 treasurer to make transfers of moneys in the highway safety fund to
36 the multimodal transportation account and the state patrol highway
37 account.

Miscellaneous

NEW SECTION. **Sec. 501.** Sections 415 and 427 through 429 of this act constitute a new chapter in Title 43 RCW.

NEW SECTION. **Sec. 502.** 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. 503.** Sections 310 and 403 of this act expire July 1, 2024.

NEW SECTION. **Sec. 504.** Section 404 of this act takes effect July 1, 2024.

Sec. 505. 2020 c 224 s 3 (uncodified) is amended to read as follows:

Section 1 of this act expires June 30, (~~2023~~) 2025.

NEW SECTION. **Sec. 506.** Section 423 of this act expires June 30, 2025.

NEW SECTION. **Sec. 507.** Section 424 of this act takes effect June 30, 2025.

NEW SECTION. **Sec. 508.** Sections 312, 408 through 414, and 421 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 immediately.

NEW SECTION. **Sec. 509.** Sections 212, 213, 216, and 217 of this act take effect October 1, 2022.

NEW SECTION. **Sec. 510.** Sections 214 and 215 of this act take effect January 1, 2023, and apply to registrations that become due on or after that date.

NEW SECTION. **Sec. 511.** Sections 201 through 206 of this act take effect July 1, 2023.

1 NEW SECTION. **Sec. 512.** Sections 101 through 106, 208 through
2 211, 218, 301 through 311, 401 through 403, 405 through 407, 415
3 through 420, 422, 423, 425 through 430, and 505 of this act take
4 effect July 1, 2022."

5 Correct the title.

EFFECT: Strikes the entirety of the underlying bill and makes the following changes:

(1) Removes the intent to provide \$500,000,000 to enhance stormwater runoff treatment.

(2) Removes references to various LEAP Transportation Documents developed February 14, 2022, and replaces them with a reference to LEAP Transportation Document 2022-A, as developed February 8, 2022.

(3) Defines biofuel as fuel that is derived from biomass that has at least 40 percent lower GHG emissions based on a full life-cycle analysis when compared to petroleum fuel for which biofuel is capable of serving as a substitute, and is exempted from the MVFT on exported fuel.

(4) Reduces the original license plate fee for used cars from \$50 to \$40.

(5) Removes the ability of cities and towns to increase utility taxes up to two percent for transportation.

(6) Expands the responsibilities assigned to the Electric Vehicle Coordinating Council to include the development of a public and private outreach plan, creation of an industry electric vehicle advisory committee, and ensuring that activities related to transportation electrification benefit vulnerable and overburdened communities.

(7) Adds the Climate Transit Programs Account and the Climate Active Transportation Account, which are created in the bill, to the list of accounts for which the Legislature has previously established its intent to achieve certain investment outcomes relative to vulnerable populations and Indian tribes.

(8) Removes the requirement for the Freight Mobility Strategic Investment Board to create a railroad crossing grant program.

(9) Makes other technical changes regarding deposits of funds and effective dates.

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