
SUBSTITUTE HOUSE BILL 2119

State of Washington

67th Legislature

2022 Regular Session

By House Transportation (originally sponsored by Representatives Fey, Wylie, and Riccelli)

1 AN ACT Relating to transportation resources; amending RCW
2 70A.65.240, 70A.65.030, 70A.65.040, 82.38.020, 82.38.030, 82.38.035,
3 82.38.180, 46.68.090; 82.42.020, 46.17.200, 46.17.120, 46.17.400,
4 46.52.130, 46.17.015, 46.17.025, 46.20.200, 46.68.041, 46.70.180,
5 82.32.385, 82.08.993, 82.12.817, 82.08.9999, 82.12.9999, 82.04.4496,
6 82.16.0496, 82.08.816, 82.12.816, 82.70.040, 82.70.050, 82.21.030,
7 43.84.092, 43.84.092, 82.47.020, 36.73.065, 82.14.0455, 70A.535.010,
8 70A.535.030, 70A.535.040, 70A.535.050, 70A.535.120, 46.63.170,
9 46.63.170, 70A.65.230, 46.68.480, and 46.68.060; amending 2020 c 224
10 s 3 (uncodified); reenacting and amending RCW 46.20.202; adding new
11 sections to chapter 46.68 RCW; adding a new section to chapter 82.38
12 RCW; adding a new section to chapter 70A.535 RCW; adding new sections
13 to chapter 47.66 RCW; adding new sections to chapter 47.04 RCW;
14 adding a new section to chapter 47.24 RCW; adding new sections to
15 chapter 47.60 RCW; adding a new section to chapter 47.56 RCW; adding
16 a new chapter to Title 43 RCW; creating new sections; repealing RCW
17 70A.535.020; prescribing penalties; providing effective dates;
18 providing expiration dates; and declaring an emergency.

19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

20 **Part I**
21 **Climate Commitment Act Allocations**

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

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

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

27 (a) Active transportation;

28 (b) Transit programs and projects;

29 (c) Alternative fuel and electrification;

30 (d) Ferries; and

31 (e) Rail.

32 NEW SECTION. **Sec. 102.** The legislature intends to program
33 funding from the carbon emissions reduction account, the climate
34 active transportation account, and the climate transit programs
35 account for the activities identified in LEAP Transportation Document
36 2022-A as developed February 8, 2022.

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

1 (1) The climate active transportation account is hereby created
2 in the state treasury. Moneys in the account may be spent only after
3 appropriation. Expenditures from the account may be used only for the
4 following active transportation grant programs: Safe routes to
5 schools, school-based bike program, bicycle and pedestrian grant
6 program, complete streets grants program, and connecting communities
7 grant program, as well as pedestrian and bicycle or other active
8 transportation projects identified in an omnibus transportation
9 appropriations act as move ahead WA projects.

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

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

16 (1) The climate transit programs account is hereby created in the
17 state treasury. Moneys in the account may be spent only after
18 appropriation. Expenditures from the account may be used only for the
19 following transit grant programs: Transit support grant program,
20 tribal transit mobility grants, transit coordination grants, special
21 needs transit grants, bus and bus facility grant program, green
22 transit grants, and transportation demand management grants, as well
23 as transit projects identified in an omnibus transportation
24 appropriations act as move ahead WA projects.

25 (2) Beginning July 1, 2022, the state treasurer shall annually
26 transfer 56 percent of the revenues accruing annually to the carbon
27 emissions reduction account created in RCW 70A.65.240 to the climate
28 transit programs account.

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

31 (1) Each year or biennium, as appropriate, when allocating funds
32 from the carbon emissions reduction account created in RCW
33 70A.65.240, the climate investment account created in RCW 70A.65.250,
34 (~~the~~) the air quality and health disparities improvement account
35 created in RCW 70A.65.280, the climate transit programs account
36 created in section 104 of this act, or the climate active
37 transportation account created in section 103 of this act, or
38 administering grants or programs funded by the accounts, agencies

1 shall conduct an environmental justice assessment consistent with the
2 requirements of RCW 70A.02.060 and establish a minimum of not less
3 than 35 percent and a goal of 40 percent of total investments that
4 provide direct and meaningful benefits to vulnerable populations
5 within the boundaries of overburdened communities through: (a) The
6 direct reduction of environmental burdens in overburdened
7 communities; (b) the reduction of disproportionate, cumulative risk
8 from environmental burdens, including those associated with climate
9 change; (c) the support of community led project development,
10 planning, and participation costs; or (d) meeting a community need
11 identified by the community that is consistent with the intent of
12 this chapter or RCW 70A.02.010.

13 (2) The allocation of funding under subsection (1) of this
14 section must adhere to the following principles, additional to the
15 requirements of RCW 70A.02.080: (a) Benefits and programs should be
16 directed to areas and targeted to vulnerable populations and
17 overburdened communities to reduce statewide disparities; (b)
18 investments and benefits should be made roughly proportional to the
19 health disparities that a specific community experiences, with a goal
20 of eliminating the disparities; (c) investments and programs should
21 focus on creating environmental benefits, including eliminating
22 health burdens, creating community and population resilience, and
23 raising the quality of life of those in the community; and (d)
24 efforts should be made to balance investments and benefits across the
25 state and within counties, local jurisdictions, and unincorporated
26 areas as appropriate to reduce disparities by location and to ensure
27 efforts contribute to a reduction in disparities that exist based on
28 race or ethnicity, socioeconomic status, or other factors.

29 (3) State agencies allocating funds or administering grants or
30 programs from the carbon emissions reduction account created in RCW
31 70A.65.240, the climate investment account created in RCW 70A.65.250,
32 ~~((~~o~~))~~ the air quality and health disparities improvement account
33 created in RCW 70A.65.280, the climate transit programs account
34 created in section 104 of this act, or the climate active
35 transportation account created in section 103 of this act, must:

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

39 (b) Consider recommendations by the environmental justice
40 council; and

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

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

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

12 (1) The environmental justice council created in RCW 70A.02.110
13 must provide recommendations to the legislature, agencies, and the
14 governor in the development and implementation of the program
15 established in RCW 70A.65.060 through 70A.65.210, and the programs
16 funded from the carbon emissions reduction account created in RCW
17 70A.65.240 (~~and from~~), the climate investment account created in
18 RCW 70A.65.250, the climate transit programs account created in
19 section 104 of this act, and the climate active transportation
20 account created in section 103 of this act.

21 (2) In addition to the duties and authorities granted in chapter
22 70A.02 RCW to the environmental justice council, the environmental
23 justice council must:

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

26 (i) The program established in RCW 70A.65.060 through 70A.65.210
27 including, but not limited to, linkage with other jurisdictions,
28 protocols for establishing offset projects and securing offset
29 credits, designation of emissions-intensive and trade-exposed
30 industries under RCW 70A.65.110, and administration of allowances
31 under the program; and

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

36 (b) Provide a forum to analyze policies adopted under this
37 chapter to determine if the policies lead to improvements within
38 overburdened communities;

1 (c) Recommend procedures and criteria for evaluating programs,
2 activities, or projects;

3 (d) Recommend copollutant emissions reduction goals in
4 overburdened communities;

5 (e) Evaluate the level of funding provided to assist vulnerable
6 populations, low-income individuals, and impacted workers and the
7 funding of projects and activities located within or benefiting
8 overburdened communities;

9 (f) Recommend environmental justice and environmental health
10 goals for programs, activities, and projects funded from the climate
11 investment account, and review agency annual reports on outcomes and
12 progress toward meeting these goals;

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

16 (h) Recommend how to support public participation through
17 capacity grants for participation.

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

21 **Part II**

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

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

33 (2) The legislature further finds that carbon emissions directly
34 attributable to just the refining process associated with petroleum
35 fuel products that are subsequently exported has been estimated at
36 3,300,000 metric tons per year.

37 (3) The legislature further finds that the costs associated with
38 carbon emissions are global in nature and the impacts associated with

1 carbon emissions are not simply felt by those within a state's
2 geographic boundary. However, applying a standard societal costs of
3 carbon method results in estimated annual impacts over \$250,000,000
4 associated with the current amount of exported petroleum fuel
5 products.

6 (4) Therefore, the legislature intends to modify state fuel tax
7 law in a manner that compensates the state for a portion of the
8 societal costs of carbon attributable to the refining process
9 associated with petroleum fuel products that are subsequently
10 exported, but also ensures that the current favorable tax treatment
11 for petroleum fuel products that are exported continues.

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

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

16 (1) "Biofuel" means fuel derived from biomass that has at least
17 40 percent lower greenhouse gas emissions based on a full life-cycle
18 analysis when compared to petroleum fuel for which biofuel is capable
19 of serving as a substitute.

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

22 ((+2)) (3) "Blender" means a person who produces blended fuel
23 outside the bulk transfer-terminal system.

24 ((+3)) (4) "Bond" means a bond duly executed with a corporate
25 surety qualified under chapter 48.28 RCW payable to the state of
26 Washington conditioned upon faithful performance of all requirements
27 of this chapter.

28 ((+4)) (5) "Bulk transfer-terminal system" means the fuel
29 distribution system consisting of refineries, pipelines, vessels, and
30 terminals. Fuel in a refinery, pipeline, vessel, or terminal is in
31 the bulk transfer-terminal system.

32 ((+5)) (6) "Bulk transfer" means a transfer of fuel by pipeline
33 or vessel.

34 ((+6)) (7) "Bulk storage" means the placing of fuel into a
35 receptacle other than the fuel supply tank of a motor vehicle.

36 ((+7)) (8) "Department" means the department of licensing.

37 ((+8)) (9) "Distributor" means a person who acquires fuel
38 outside the bulk transfer-terminal system for importation into
39 Washington, from a terminal or refinery rack located within

1 Washington for distribution within Washington, or for immediate
2 export outside the state of Washington.

3 ~~((9))~~ (10) "Dyed special fuel user" means a person authorized
4 by the internal revenue code to operate a motor vehicle on the
5 highway using dyed special fuel, in which the use is not exempt from
6 the fuel tax.

7 ~~((10))~~ (11) "Evasion" or "evade" means to diminish or avoid the
8 computation, assessment, or payment of authorized taxes or fees
9 through:

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

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

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

15 ~~((11))~~ (12) "Exempt sale" means the sale of fuel to a person
16 whose use of fuel is exempt from the fuel tax.

17 ~~((12))~~ (13) "Export" means to obtain fuel in this state for
18 sales or distribution outside the state. Fuel distributed to a
19 federally recognized Indian tribal reservation located within the
20 state of Washington is not considered exported outside this state.

21 ~~((13))~~ (14) "Exporter" means a person who purchases fuel
22 physically located in this state at the time of purchase and directly
23 exports the fuel by a means other than the bulk transfer-terminal
24 system to a destination outside of the state. If the exporter of
25 record is acting as an agent, the person for whom the agent is acting
26 is the exporter. If there is no exporter of record, the owner of the
27 fuel at the time of exportation is the exporter.

28 ~~((14))~~ (15) "Fuel" means motor vehicle fuel or special fuel.

29 ~~((15))~~ (16) "Fuel user" means a person engaged in uses of fuel
30 that are not specifically exempted from the fuel tax imposed under
31 this chapter.

32 ~~((16))~~ (17) "Highway" means every way or place open to the use
33 of the public, as a matter of right, for the purpose of vehicular
34 travel.

35 ~~((17))~~ (18) "Import" means to bring fuel into this state by a
36 means of conveyance other than the fuel supply tank of a motor
37 vehicle.

38 ~~((18))~~ (19) "Importer" means a person who imports fuel into the
39 state by a means other than the bulk transfer-terminal system. If the
40 importer of record is acting as an agent, the person for whom the

1 agent is acting is the importer. If there is no importer of record,
2 the owner of the fuel at the time of importation is the importer.

3 ~~((19))~~ (20) "International fuel tax agreement licensee" means a
4 fuel user operating qualified motor vehicles in interstate commerce
5 and licensed by the department under the international fuel tax
6 agreement.

7 ~~((20))~~ (21) "Licensee" means a person holding a license issued
8 under this chapter.

9 ~~((21))~~ (22) "Motor vehicle" means a self-propelled vehicle
10 utilizing fuel as a means of propulsion.

11 ~~((22))~~ (23) "Motor vehicle fuel" means gasoline and any other
12 inflammable gas or liquid, by whatsoever name the gasoline, gas, or
13 liquid may be known or sold the chief use of which is as a fuel for
14 the propulsion of motor vehicles or vessels.

15 ~~((23))~~ (24) "Natural gas" means naturally occurring mixtures of
16 hydrocarbon gases and vapors consisting principally of methane,
17 whether in gaseous or liquid form.

18 ~~((24))~~ (25) "Person" means any individual, partnership,
19 association, public or private corporation, limited liability
20 company, or any other type of legal or commercial entity, including
21 their members, managers, partners, directors, or officers.

22 ~~((25))~~ (26) "Position holder" means a person who holds the
23 inventory position in fuel, as reflected by the records of the
24 terminal operator. A person holds the inventory position if the
25 person has a contractual agreement with the terminal for the use of
26 storage facilities and terminating services. "Position holder"
27 includes a terminal operator that owns fuel in their terminal.

28 ~~((26))~~ (27) "Rack" means a mechanism for delivering fuel from a
29 refinery or terminal into a truck, trailer, railcar, or other means
30 of nonbulk transfer.

31 ~~((27))~~ (28) "Refiner" means a person who owns, operates, or
32 otherwise controls a refinery.

33 ~~((28))~~ (29) "Removal" means a physical transfer of fuel other
34 than by evaporation, loss, or destruction.

35 ~~((29))~~ (30) "Special fuel" means diesel fuel, propane, natural
36 gas, kerosene, biodiesel, and any other combustible liquid or gas by
37 whatever name the liquid or gas may be known or sold for the
38 generation of power to propel a motor vehicle on the highways, except
39 it does not include motor vehicle fuel.

1 (~~(30)~~) (31) "Supplier" means a person who holds a federal
2 certificate of registry issued under the internal revenue code and
3 authorizes the person to engage in tax-free transactions of fuel in
4 the bulk transfer-terminal system.

5 (~~(31)~~) (32) "Terminal" means a fuel storage and distribution
6 facility that has been assigned a terminal control number by the
7 internal revenue service.

8 (~~(32)~~) (33) "Terminal operator" means a person who owns,
9 operates, or otherwise controls a terminal.

10 (~~(33)~~) (34) "Two-party exchange" or "buy-sell agreement" means
11 a transaction in which taxable fuel is transferred from one licensed
12 supplier to another licensed supplier whereby the supplier that is
13 the position holder agrees to deliver taxable fuel to the other
14 supplier or the other supplier's customer at the terminal at which
15 the delivering supplier is the position holder.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

32 (c) The position holder has an expired internal revenue
33 notification certificate;

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

36 (7) A terminal operator is jointly and severally liable for and
37 must pay tax on special fuel if the special fuel is removed and is
38 not dyed or marked in accordance with internal revenue service
39 requirements, and the terminal operator provides a person with a bill

1 of lading, shipping paper, or similar document indicating the special
2 fuel is dyed or marked in accordance with internal revenue service
3 requirements.

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

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

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

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

17 (1) In computing the tax imposed under this chapter, a credit is
18 allowed for fuel exported from the state. Except as provided in
19 subsection (2) of this section, the credit is equal to the number of
20 gallons of fuel exported multiplied by the total rate of tax imposed
21 under this chapter, less six cents per gallon. Fuel distributed to a
22 federally recognized Indian tribal reservation located within the
23 state of Washington is not considered exported from this state.

24 (2) If the total rate of a comparable fuel tax imposed by the
25 importing state exceeds the total rate of tax imposed under this
26 chapter less six cents per gallon, the credit is equal to the number
27 of gallons of fuel exported multiplied by the total rate of tax
28 imposed by the importing state.

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

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

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

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

1 (a) Fuel used for purposes other than for the propulsion of motor
2 vehicles upon the public highways in this state. However, a refund
3 may not be made under this subsection (1)(a) for motor vehicle fuel
4 consumed by a motor vehicle required to be registered under chapter
5 46.16A RCW or under a comparable motor vehicle registration
6 requirement in an importing state.

7 (b) Fuel exported for use outside of (~~this state~~) the United
8 States. Fuel carried from this state outside of the United States in
9 the fuel tank of a motor vehicle is deemed to be exported from this
10 state under this subsection (1)(b). Fuel distributed to a federally
11 recognized Indian tribal reservation located within the state of
12 Washington is not considered exported outside (~~this state~~) of the
13 United States.

14 (c) Tax, penalty, or interest erroneously or illegally collected
15 or paid.

16 (d) Fuel which is lost or destroyed, while the licensee is the
17 owner thereof, through fire, lightning, flood, windstorm, or
18 explosion.

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

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

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

29 (a) Special fuel used for the operation of a motor vehicle as a
30 part of or incidental to logging operations upon a highway under
31 federal jurisdiction within the boundaries of a federal area if the
32 federal government requires a fee for the privilege of operating the
33 motor vehicle upon the highway, the proceeds of which are reserved
34 for constructing or maintaining roads in the federal area, or
35 requires maintenance or construction work to be performed on the
36 highway for the privilege of operating the motor vehicle on the
37 highway;

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

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

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

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

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

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

28 (4) Recovery for such loss or destruction under subsections
29 (1)(d) or (e) or (2)(d) of this section must be susceptible to
30 positive proof thereby enabling the department to conduct such
31 investigation and require such information as it may deem necessary.
32 In the event that the department is not satisfied that the fuel was
33 lost, destroyed, or contaminated as claimed because information or
34 proof as required hereunder is not sufficient to substantiate the
35 accuracy of the claim, it may deem such as sufficient cause to deny
36 all right relating to the refund or credit for the excise tax paid on
37 fuel alleged to be lost or destroyed.

38 (5) No refund or claim for credit may be approved by the
39 department unless the gallons of fuel claimed as nontaxable satisfy
40 the conditions specifically set forth in this section and the

1 nontaxable event or use occurred during the period covered by the
2 refund claim. Refunds or claims for credit are not (~~be [are not]~~)
3 allowed for anticipated nontaxable use or events.

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

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

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

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

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

22 (2) All of the remaining net tax amount collected under RCW
23 82.38.030(1) must be distributed as set forth in (a) through (j) of
24 this subsection.

25 (a) For distribution to the motor vehicle fund an amount equal to
26 44.387 percent to be expended for highway purposes of the state as
27 defined in RCW 46.68.130;

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

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

36 (A) Accident experience;

37 (B) Fatal accident experience;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

36 There is levied upon every distributor of aircraft fuel, an
37 excise tax at the rate of (~~eleven~~) 18 cents on each gallon of
38 aircraft fuel sold, delivered, or used in this state. There must be
39 collected from every user of aircraft fuel either the use tax imposed

1 by RCW 82.12.020 or the retail sales tax imposed by RCW 82.08.020.
2 The taxes imposed by this chapter must be collected and paid to the
3 state but once in respect to any aircraft fuel.

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

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

9 (a) The following license plate fees for each license plate,
10 unless the owner or type of vehicle is exempt from payment or
11 qualifies for a reduced original license plate fee as provided in (e)
12 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
Original issue, moped	\$ 1.50	RCW 46.68.070

25 (b) A license plate retention fee, as required under RCW
26 46.16A.200(9)(a), of ~~((twenty dollars))~~ \$20 if the owner wishes to
27 retain the current license plate number upon license plate
28 replacement, unless the owner or type of vehicle is exempt from
29 payment. The ~~((twenty dollar))~~ \$20 fee must be deposited in the
30 multimodal transportation account created in RCW 47.66.070.

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

1 (d) Former prisoner of war license plates, as described in RCW
2 46.18.235, may be transferred to a replacement vehicle upon payment
3 of a (~~five-dollar~~) \$5 license plate fee, in addition to any other
4 fee required by law.

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

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

16 (3) \$40 of the original issue license plate fee imposed under
17 subsection (1)(a) of this section, \$30 of the original issue license
18 plate fee imposed under subsection (1)(e) of this section, and \$16 of
19 the original issue motorcycle license plate fee imposed under
20 subsection (1)(a) of this section must be deposited in the move ahead
21 WA account created in section 401 of this act.

22 (4) \$20 of the replacement license plate fee imposed under
23 subsection (1)(a) of this section and \$8 of the replacement
24 motorcycle license plate fee imposed under subsection (1)(a) of this
25 section must be deposited in the move ahead WA account created in
26 section 401 of this act.

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

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

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

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

38 (2) An applicant is exempt from the (~~fifteen-dollar~~) \$50 fee if
39 the applicant previously registered the vehicle in Washington state

1 and maintained ownership of the vehicle while registered in another
2 state or country.

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

5 (1) Before accepting an application for one of the following
6 permits, the department, county auditor or other agent, or subagent
7 appointed by the director shall require the applicant to pay the
8 following permit fee by permit type in addition to any other fee or
9 tax required by law:

10	PERMIT TYPE	FEE	AUTHORITY	DISTRIBUTION
11	(a) Dealer temporary	(\$ 15.00)	RCW 46.16A.300	RCW 46.68.030
12		<u>\$40.00</u>		
13	(b) Department	\$.50	RCW 46.16A.305	RCW 46.68.450
14	temporary			
15	(c) Farm vehicle trip	\$ 6.25	RCW 46.16A.330	RCW 46.68.035
16	(d) Nonresident	\$ 10.00	RCW 46.16A.340	RCW 46.68.070
17	military			
18	(e) Nonresident	\$ 5.00	RCW 46.10.450	RCW 46.68.350
19	temporary			
20	snowmobile			
21	(f) Special fuel trip	\$ 30.00	RCW 82.38.100	RCW 46.68.460
22	(g) Temporary ORV	\$ 7.00	RCW 46.09.430	RCW 46.68.045
23	use			
24	(h) Vehicle trip	\$ 25.00	RCW 46.16A.320	RCW 46.68.455

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

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

31 (3) ~~((Five dollars))~~ \$5 of the ~~((fifteen dollar))~~ \$40 dealer
32 temporary permit fee provided in subsection (1)(a) of this section
33 must be credited to the payment of vehicle license fees at the time
34 application for registration is made. \$25 of the \$40 dealer temporary
35 permit fee provided in subsection (1)(a) of this section must be
36 deposited in the move ahead WA account created in section 401 of this

1 act. The remainder must be deposited to the state patrol highway
2 account created in RCW 46.68.030.

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

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

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

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

22 (b) The department shall implement a one-to-many biometric
23 matching system for the enhanced driver's license or identicard. An
24 applicant for an enhanced driver's license or identicard shall submit
25 a biometric identifier as designated by the department. The biometric
26 identifier must be used solely for the purpose of verifying the
27 identity of the holders and for any purpose set out in RCW 46.20.037.
28 Applicants are required to sign a declaration acknowledging their
29 understanding of the one-to-many biometric match.

30 (c) The enhanced driver's license or identicard must include
31 reasonable security measures to protect the privacy of Washington
32 state residents, including reasonable safeguards to protect against
33 unauthorized disclosure of data about Washington state residents. If
34 the enhanced driver's license or identicard includes a radio
35 frequency identification chip, or similar technology, the department
36 shall ensure that the technology is encrypted or otherwise secure
37 from unauthorized data access.

38 (d) The requirements of this subsection are in addition to the
39 requirements otherwise imposed on applicants for a driver's license

1 or identicard. The department shall adopt such rules as necessary to
2 meet the requirements of this subsection. From time to time the
3 department shall review technological innovations related to the
4 security of identity cards and amend the rules related to enhanced
5 driver's licenses and identicards as the director deems consistent
6 with this section and appropriate to protect the privacy of
7 Washington state residents.

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

12 (4) Beginning (~~on July 23, 2017~~) October 1, 2022, the fee for
13 an enhanced driver's license or enhanced identicard is (~~(thirty-two~~
14 ~~dollars)~~) \$56, which is in addition to the fees for any regular
15 driver's license or identicard. If the enhanced driver's license or
16 enhanced identicard is issued, renewed, or extended for a period
17 other than eight years, the fee for each class is (~~(four dollars)~~) \$7
18 for each year that the enhanced driver's license or enhanced
19 identicard is issued, renewed, or extended.

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

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

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

38 (~~(e)~~) (iii) Nothing in this subsection acknowledges,
39 establishes, or creates legal authority for the department of ecology
40 or any other state agency to enact, adopt, order, or in any way

1 implement a fuel standard based upon or defined by the carbon
2 intensity of fuel, including a low carbon fuel standard or clean fuel
3 standard.

4 (b) \$24 of the enhanced driver's license and enhanced identicard
5 fee under this section must be deposited into the move ahead WA
6 flexible account created in section 402 of this act. If the enhanced
7 driver's license or enhanced identicard is issued, renewed, or
8 extended for a period other than eight years, the amount deposited
9 into the move ahead WA flexible account created in section 402 of
10 this act is \$3 for each year that the enhanced driver's license or
11 enhanced identicard is issued, renewed, or extended.

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

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

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

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

21 (i) The total number of vehicles involved;

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

23 (iii) Whether the vehicles were occupied at the time of the
24 accident; and

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

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

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

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

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

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

4 (ii) Nothing in this section prevents a court from providing a
5 copy of the driver's abstract to the individual named in the abstract
6 or that named individual's attorney, provided that the named
7 individual has a pending or open infraction or criminal case in that
8 court. A pending case includes criminal cases that have not reached a
9 disposition by plea, stipulation, trial, or amended charge. An open
10 infraction or criminal case includes cases on probation, payment
11 agreement or subject to, or in collections. Courts may charge a
12 reasonable fee for the production and copying of the abstract for the
13 individual.

14 (b) **Employers or prospective employers.** (i) An abstract of the
15 full driving record maintained by the department may be furnished to
16 an employer or prospective employer or agents acting on behalf of an
17 employer or prospective employer of the named individual for purposes
18 related to driving by the individual as a condition of employment or
19 otherwise at the direction of the employer.

20 (ii) The department may provide employers or their agents a
21 three-year insurance carrier driving record of existing employees
22 only for the purposes of sharing the driving record with its
23 insurance carrier for underwriting. Employers may not provide the
24 employees' full driving records to its insurance carrier.

25 (iii) An abstract of the full driving record maintained by the
26 department may be furnished to an employer or prospective employer or
27 the agent(s) acting on behalf of an employer or prospective employer
28 of the named individual for purposes unrelated to driving by the
29 individual when a driving record is required by federal or state law,
30 or the employee or prospective employee will be handling heavy
31 equipment or machinery.

32 (iv) Release of an abstract of the driving record of an employee
33 or prospective employee requires a statement signed by: (A) The
34 employee or prospective employee that authorizes the release of the
35 record; and (B) the employer attesting that the information is
36 necessary for employment purposes related to driving by the
37 individual as a condition of employment or otherwise at the direction
38 of the employer. If the employer or prospective employer authorizes
39 agents to obtain this information on their behalf, this must be noted
40 in the statement. The statement must also note that any information

1 contained in the abstract related to an adjudication that is subject
2 to a court order sealing the juvenile record of an employee or
3 prospective employee may not be used by the employer or prospective
4 employer, or an agent authorized to obtain this information on their
5 behalf, unless required by federal regulation or law. The employer or
6 prospective employer must afford the employee or prospective employee
7 an opportunity to demonstrate that an adjudication contained in the
8 abstract is subject to a court order sealing the juvenile record.

9 (v) Upon request of the person named in the abstract provided
10 under this subsection, and upon that same person furnishing copies of
11 court records ruling that the person was not at fault in a motor
12 vehicle accident, the department must indicate on any abstract
13 provided under this subsection that the person was not at fault in
14 the motor vehicle accident.

15 (vi) No employer or prospective employer, nor any agents of an
16 employer or prospective employer, may use information contained in
17 the abstract related to an adjudication that is subject to a court
18 order sealing the juvenile record of an employee or prospective
19 employee for any purpose unless required by federal regulation or
20 law. The employee or prospective employee must furnish a copy of the
21 court order sealing the juvenile record to the employer or
22 prospective employer, or the agents of the employer or prospective
23 employer, as may be required to ensure the application of this
24 subsection.

25 (c) **Volunteer organizations.** (i) An abstract of the full driving
26 record maintained by the department may be furnished to a volunteer
27 organization or an agent for a volunteer organization for which the
28 named individual has submitted an application for a position that
29 would require driving by the individual at the direction of the
30 volunteer organization.

31 (ii) Release of an abstract of the driving record of a
32 prospective volunteer requires a statement signed by: (A) The
33 prospective volunteer that authorizes the release of the record; and
34 (B) the volunteer organization attesting that the information is
35 necessary for purposes related to driving by the individual at the
36 direction of the volunteer organization. If the volunteer
37 organization authorizes an agent to obtain this information on their
38 behalf, this must be noted in the statement.

39 (d) **Transit authorities.** An abstract of the full driving record
40 maintained by the department may be furnished to an employee or

1 agents of a transit authority checking prospective or existing
2 volunteer vanpool drivers for insurance and risk management needs.

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

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

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

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

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

13 (A) Not contain any information related to actions committed by
14 law enforcement officers or firefighters, as both terms are defined
15 in RCW 41.26.030, or by Washington state patrol officers, while
16 driving official vehicles in the performance of their occupational
17 duty, or by registered tow truck operators as defined in RCW
18 46.55.010 in the performance of their occupational duties while at
19 the scene of a roadside impound or recovery so long as they are not
20 issued a citation. This does not apply to any situation where the
21 vehicle was used in the commission of a misdemeanor or felony;

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

26 (C) Exclude any deferred prosecution under RCW 10.05.060, except
27 that if a person is removed from a deferred prosecution under RCW
28 10.05.090, the abstract must show the deferred prosecution as well as
29 the removal.

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

34 (iv) Any insurance company or its agents, for underwriting
35 purposes relating to the operation of commercial motor vehicles, may
36 not use any information contained in the abstract relative to any
37 person's operation of motor vehicles while not engaged in such
38 employment. Any insurance company or its agents, for underwriting
39 purposes relating to the operation of noncommercial motor vehicles,
40 may not use any information contained in the abstract relative to any

1 person's operation of commercial motor vehicles. For the purposes of
2 this subsection, "commercial motor vehicle" has the same meaning as
3 in RCW 46.25.010(6).

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

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

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

17 (g) **Attorneys—City attorneys, county prosecuting attorneys, and**
18 **named individual's attorney of record.** An abstract of the full
19 driving record maintained by the department, including whether a
20 recorded violation is an alcohol-related offense, as defined in RCW
21 46.01.260(2), that was originally charged as a violation of either
22 RCW 46.61.502 or 46.61.504, may be furnished to city attorneys,
23 county prosecuting attorneys, or the named individual's attorney of
24 record. City attorneys, county prosecuting attorneys, or the named
25 individual's attorney of record may provide the driving record to
26 alcohol/drug assessment or treatment agencies approved by the
27 department of social and health services to which the named
28 individual has applied or been assigned for evaluation or treatment.

29 (h) **State colleges, universities, or agencies, or units of local**
30 **government.** An abstract of the full driving record maintained by the
31 department may be furnished to (i) state colleges, universities, or
32 agencies for employment and risk management purposes or (ii) units of
33 local government authorized to self-insure under RCW 48.62.031, or
34 their agents, for employment and risk management purposes. "Unit of
35 local government" includes an insurance pool established under RCW
36 48.62.031.

37 (i) **Superintendent of public instruction.** (i) An abstract of the
38 full driving record maintained by the department may be furnished to
39 the superintendent of public instruction for review of public school
40 bus driver records. The superintendent or superintendent's designee

1 may discuss information on the driving record with an authorized
2 representative of the employing school district for employment and
3 risk management purposes.

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

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

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

15 (l) **Research.** (i) The department may furnish driving record data
16 to state agencies and bona fide scientific research organizations.
17 The department may require review and approval by an institutional
18 review board. For the purposes of this subsection, "research" means a
19 planned and systematic sociological, psychological, epidemiological,
20 biomedical, or other scientific investigation carried out by a state
21 agency, or by a scientific research professional associated with a
22 bona fide scientific research organization with an objective to
23 contribute to scientific knowledge, the solution of social and health
24 problems, or the evaluation of public benefit and service programs.
25 This definition excludes methods of record analysis and data
26 collection that are subjective, do not permit replication, and are
27 not designed to yield reliable and valid results.

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

34 (3) **Reviewing of driving records.** (a) In addition to the methods
35 described herein, the director may enter into a contractual agreement
36 for the purpose of reviewing the driving records of existing
37 employees for changes to the record during specified periods of time.
38 The department shall establish a fee for this service, which must be
39 deposited in the highway safety fund. The fee for this service must
40 be set at a level that does not result in a net revenue loss to the

1 state. Any information provided under this subsection must be treated
2 in the same manner and is subject to the same restrictions as driving
3 record abstracts.

4 (b) The department may provide reviewing services to the
5 following entities:

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

7 (ii) Transit authorities for current vanpool drivers, or their
8 agents;

9 (iii) Insurance carriers for current policyholders, or their
10 agents;

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

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

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

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

22 (b) The following release of records to third parties are hereby
23 authorized:

24 (i) Employers may divulge driving records to regulatory bodies,
25 as defined by the department by rule, such as the United States
26 department of transportation and the federal motor carrier safety
27 administration.

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

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

33 (5) (~~(Fee)~~) **Fees.** (a) The director shall collect a (~~thirteen~~
34 ~~dollar~~) \$15 fee for each abstract of a person's driving record
35 furnished by the department. After depositing \$2 of the driver's
36 abstract fee in the move ahead WA flexible account created in section
37 402 of this act, the remainder shall be distributed as follows:

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

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

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

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

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

14 (b) Any intentional violation of this section is a class C
15 felony.

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

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

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

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

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

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

35 (1) A person who applies for a vehicle registration or for any
36 other right to operate a vehicle on the highways of this state shall
37 pay a ~~((fifty))~~ 50 cent license service fee in addition to any other

1 fees and taxes required by law. The license service fee must be
2 distributed under RCW 46.68.220.

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

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

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

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

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

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

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

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

31 (3) Fifty percent of the revenue from the fees imposed under RCW
32 46.20.200(2) must be deposited in the move ahead WA flexible account
33 created in section 402 of this act.

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

36 Each of the following acts or practices is unlawful:

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

6 (a) That no down payment is required in connection with the sale
7 of a vehicle when a down payment is in fact required, or that a
8 vehicle may be purchased for a smaller down payment than is actually
9 required;

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

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

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

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

23 (2)(a)(i) To incorporate within the terms of any purchase and
24 sale or lease agreement any statement or representation with regard
25 to the sale, lease, or financing of a vehicle which is false,
26 deceptive, or misleading, including but not limited to terms that
27 include as an added cost to the selling price or capitalized cost of
28 a vehicle an amount for licensing or transfer of title of that
29 vehicle which is not actually due to the state, unless such amount
30 has in fact been paid by the dealer prior to such sale.

31 (ii) However, an amount not to exceed (~~one hundred fifty~~
32 ~~dollars~~) \$200 per vehicle sale or lease may be charged by a dealer
33 to recover administrative costs for collecting motor vehicle excise
34 taxes, licensing and registration fees and other agency fees,
35 verifying and clearing titles, transferring titles, perfecting,
36 releasing, or satisfying liens or other security interests, and other
37 administrative and documentary services rendered by a dealer in
38 connection with the sale or lease of a vehicle and in carrying out
39 the requirements of this chapter or any other provisions of state
40 law.

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

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

6 (ii) The dealer discloses to the purchaser or lessee in writing
7 that the documentary service fee is a negotiable fee. The disclosure
8 must be written in a typeface that is at least as large as the
9 typeface used in the standard text of the document that contains the
10 disclosure and that is bold faced, capitalized, underlined, or
11 otherwise set out from the surrounding material so as to be
12 conspicuous. The dealer shall not represent to the purchaser or
13 lessee that the fee or charge is required by the state to be paid by
14 either the dealer or prospective purchaser or lessee;

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

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

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

24 (3) To set up, promote, or aid in the promotion of a plan by
25 which vehicles are to be sold or leased to a person for a
26 consideration and upon further consideration that the purchaser or
27 lessee agrees to secure one or more persons to participate in the
28 plan by respectively making a similar purchase and in turn agreeing
29 to secure one or more persons likewise to join in said plan, each
30 purchaser or lessee being given the right to secure money, credits,
31 goods, or something of value, depending upon the number of persons
32 joining the plan.

33 (4) To commit, allow, or ratify any act of "bushing" which is
34 defined as follows: Entering into a written contract, written
35 purchase order or agreement, retail installment sales agreement, note
36 and security agreement, or written lease agreement, hereinafter
37 collectively referred to as contract or lease, signed by the
38 prospective buyer or lessee of a vehicle, which:

39 (a) Is subject to any conditions or the dealer's or his or her
40 authorized representative's future acceptance, and the dealer fails

1 or refuses within the "bushing" period, which is four calendar days,
2 exclusive of Saturday, Sunday, or legal holiday, and prior to any
3 further negotiations with said buyer or lessee to inform the buyer or
4 lessee either: (i) That the dealer unconditionally accepts the
5 contract or lease, having satisfied, removed, or waived all
6 conditions to acceptance or performance, including, but not limited
7 to, financing, assignment, or lease approval; or (ii) that the dealer
8 rejects the contract or lease, thereby automatically voiding the
9 contract or lease, as long as such voiding does not negate
10 commercially reasonable contract or lease provisions pertaining to
11 the return of the subject vehicle and any physical damage, excessive
12 mileage after the demand for return of the vehicle, and attorneys'
13 fees authorized by law, and tenders the refund of any initial payment
14 or security made or given by the buyer or lessee, including, but not
15 limited to, any down payment, and tenders return of the trade-in
16 vehicle, key, other trade-in, or certificate of title to a trade-in.
17 Tender may be conditioned on return of the subject vehicle if
18 previously delivered to the buyer or lessee.

19 The provisions of this subsection (4)(a) do not impair,
20 prejudice, or abrogate the rights of a dealer to assert a claim
21 against the buyer or lessee for misrepresentation or breach of
22 contract and to exercise all remedies available at law or in equity,
23 including those under chapter 62A.9A RCW, if the dealer, bank, or
24 other lender or leasing company discovers that approval of the
25 contract or financing or approval of the lease was based upon
26 material misrepresentations made by the buyer or lessee, including,
27 but not limited to, misrepresentations regarding income, employment,
28 or debt of the buyer or lessee, as long as the dealer, or his or her
29 staff, has not, with knowledge of the material misrepresentation,
30 aided, assisted, encouraged, or participated, directly or indirectly,
31 in the misrepresentation. A dealer shall not be in violation of this
32 subsection (4)(a) if the buyer or lessee made a material
33 misrepresentation to the dealer, as long as the dealer, or his or her
34 staff, has not, with knowledge of the material misrepresentation,
35 aided, assisted, encouraged, or participated, directly or indirectly,
36 in the misrepresentation.

37 A dealer may inform a buyer or lessee under this subsection
38 (4)(a) regarding the unconditional acceptance or rejection of the
39 contract, lease, or financing by sending an email message to the
40 buyer's or lessee's supplied email address, by phone call, by leaving

1 a voice message or sending a text message to a phone number provided
2 by the buyer or lessee, by in-person oral communication, by mailing a
3 letter by first-class mail if the buyer or lessee expresses a
4 preference for a letter or declines to provide an email address and a
5 phone number capable of receiving a free text message, or by another
6 means agreed to by the buyer or lessee or approved by the department,
7 effective upon the execution, mailing, or sending of the
8 communication and before expiration of the "bushing" period;

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

13 (i) Failure to disclose that the vehicle's certificate of title
14 has been branded for any reason, including, but not limited to,
15 status as a rebuilt vehicle as provided in RCW 46.12.540 and
16 46.12.560; or

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

21 (iii) Excessive additional miles or a discrepancy in the mileage.
22 "Excessive additional miles" means the addition of (~~five hundred~~)
23 500 miles or more, as reflected on the vehicle's odometer, between
24 the time the vehicle was first valued by the dealer for purposes of
25 determining its trade-in value and the time of actual delivery of the
26 vehicle to the dealer. "A discrepancy in the mileage" means (A) a
27 discrepancy between the mileage reflected on the vehicle's odometer
28 and the stated mileage on the signed odometer statement; or (B) a
29 discrepancy between the mileage stated on the signed odometer
30 statement and the actual mileage on the vehicle; or

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

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

38 (6) For any vehicle dealer or vehicle salesperson to refuse to
39 furnish, upon request of a prospective purchaser or lessee, for

1 vehicles previously registered to a business or governmental entity,
2 the name and address of the business or governmental entity.

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

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

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

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

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

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

1 (10) For a dealer or manufacturer to fail to comply with the
2 obligations of any written warranty or guarantee given by the dealer
3 or manufacturer requiring the furnishing of goods and services or
4 repairs within a reasonable period of time, or to fail to furnish to
5 a purchaser or lessee, all parts which attach to the manufactured
6 unit including but not limited to the undercarriage, and all items
7 specified in the terms of a sales or lease agreement signed by the
8 seller and buyer or lessee.

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

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

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

24 (b) Signing any vehicle purchase orders, sales contracts, leases,
25 odometer statements, or title documents, or having the name of the
26 buyer's agent appear on the vehicle purchase order, sales contract,
27 lease, or title; or

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

30 It is unlawful for a buyer's agent to use a power of attorney
31 obtained from the consumer to accomplish or effect the purchase,
32 sale, lease, or transfer of ownership documents of any new motor
33 vehicle by any means which would otherwise be prohibited under (a)
34 through (c) of this subsection. However, the buyer's agent may use a
35 power of attorney for physical delivery of motor vehicle license
36 plates to the consumer.

37 Further, it is unlawful for a buyer's agent to engage in any
38 false, deceptive, or misleading advertising, disseminated in any
39 manner whatsoever, including but not limited to making any claim or

1 statement that the buyer's agent offers, obtains, or guarantees the
2 lowest price on any motor vehicle or words to similar effect.

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

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

16 (a) Coerce or attempt to coerce any vehicle dealer to order or
17 accept delivery of any vehicle or vehicles, parts or accessories, or
18 any other commodities which have not been voluntarily ordered by the
19 vehicle dealer: PROVIDED, That recommendation, endorsement,
20 exposition, persuasion, urging, or argument are not deemed to
21 constitute coercion;

22 (b) Cancel or fail to renew the franchise or selling agreement of
23 any vehicle dealer doing business in this state without fairly
24 compensating the dealer at a fair going business value for his or her
25 capital investment which shall include but not be limited to tools,
26 equipment, and parts inventory possessed by the dealer on the day he
27 or she is notified of such cancellation or termination and which are
28 still within the dealer's possession on the day the cancellation or
29 termination is effective, if: (i) The capital investment has been
30 entered into with reasonable and prudent business judgment for the
31 purpose of fulfilling the franchise; and (ii) the cancellation or
32 nonrenewal was not done in good faith. Good faith is defined as the
33 duty of each party to any franchise to act in a fair and equitable
34 manner towards each other, so as to guarantee one party freedom from
35 coercion, intimidation, or threats of coercion or intimidation from
36 the other party: PROVIDED, That recommendation, endorsement,
37 exposition, persuasion, urging, or argument are not deemed to
38 constitute a lack of good faith;

39 (c) Encourage, aid, abet, or teach a vehicle dealer to sell or
40 lease vehicles through any false, deceptive, or misleading sales or

1 financing practices including but not limited to those practices
2 declared unlawful in this section;

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

6 (e) Refuse to deliver any vehicle publicly advertised for
7 immediate delivery to any duly licensed vehicle dealer having a
8 franchise or contractual agreement for the retail sale or lease of
9 new and unused vehicles sold or distributed by such manufacturer
10 within sixty days after such dealer's order has been received in
11 writing unless caused by inability to deliver because of shortage or
12 curtailment of material, labor, transportation, or utility services,
13 or by any labor or production difficulty, or by any cause beyond the
14 reasonable control of the manufacturer;

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

21 Nothing in this section may be construed to impair the
22 obligations of a contract or to prevent a manufacturer, distributor,
23 representative, or any other person, whether or not licensed under
24 this chapter, from requiring performance of a written contract
25 entered into with any licensee hereunder, nor does the requirement of
26 such performance constitute a violation of any of the provisions of
27 this section if any such contract or the terms thereof requiring
28 performance, have been freely entered into and executed between the
29 contracting parties. This paragraph and subsection (14)(b) of this
30 section do not apply to new motor vehicle manufacturers governed by
31 chapter 46.96 RCW.

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

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

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

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

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

21 (d) As used in this section:

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

26 (ii) "Manufacturer's suggested retail price" means the retail
27 price of the new motor vehicle suggested by the manufacturer, and
28 includes the retail delivered price suggested by the manufacturer for
29 each accessory or item of optional equipment physically attached to
30 the new motor vehicle at the time of delivery to the new motor
31 vehicle dealer that is not included within the retail price suggested
32 by the manufacturer for the new motor vehicle.

33 Part III

34 General Fund and Other Related Support

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

37 (1) Beginning September 2019 and ending December 2019, by the
38 last day of September and December, the state treasurer must transfer

1 from the general fund to the connecting Washington account created in
2 RCW 46.68.395 (~~(thirteen million six hundred eighty thousand~~
3 ~~dollars)) \$13,680,000.~~

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

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

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

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

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

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

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

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

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

9 (b)(i) By the end of the fifth working day of each month, until
10 the expiration of the exemption as described in (c) of this
11 subsection, the department must determine the cumulative number of
12 vehicles that have claimed the exemption as described in (a) of this
13 subsection.

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

18 (c) The exemption under this section expires after the last day
19 of the calendar month immediately following the month the department
20 determines that the total number of vehicles exempt under (a) of this
21 subsection reaches 650. All leased vehicles that qualified for the
22 exemption before the expiration of the exemption must continue to
23 receive the exemption as described under (a) of this subsection on
24 lease payments due through the remainder of the lease.

25 (d) The department must provide notification on its website
26 monthly on the amount of exemptions that have been applied for, the
27 amount issued, and the amount remaining before the limit described in
28 (c) of this subsection has been reached, and, once that limit has
29 been reached, the date the exemption expires pursuant to (c) of this
30 subsection.

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

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

36 (2)(a) Subject to the limitations in this subsection (2),
37 beginning July 1, 2022, with sales made or lease agreements signed on
38 or after this date until the expiration of this section, the entire
39 tax levied by RCW 82.08.020 does not apply to the sale or lease of

1 used electric passenger cars, light duty trucks, and medium duty
2 passenger vehicles, that are powered by a fuel cell.

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

9 (c) A person may not claim the exemption under this subsection
10 (2) if the person claims the exemption under RCW 82.08.9999 or
11 82.12.9999.

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

25 (b) For vehicles purchased from (i) a seller that is not licensed
26 to do business in the state of Washington, or (ii) a private party,
27 the buyer must keep records necessary for the department to verify
28 eligibility under this section. The buyer claiming the exemption must
29 also submit itemized information to the department for all vehicles
30 for which an exemption is claimed that must include the following:
31 Vehicle make; vehicle model; model year; date of sale; sales price;
32 and the total amount qualifying for the incentive claimed for each
33 vehicle. This information must be provided in a form and manner
34 prescribed by the department.

35 (4)(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 and RCW 82.12.817 until the expiration of this section,
38 and is authorized to issue final rulings on vehicle model
39 qualification for these criteria.

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

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

15 ~~(6))~~ By the last day of August 2023, and annually thereafter
16 until this section expires, based on the best available data, the
17 department must report the following information to the
18 transportation committees of the legislature: The cumulative number
19 of fuel cell electric vehicles that qualified for the exemptions
20 under this section and RCW 82.12.817 by month of purchase or lease
21 start and vehicle make and model; the dollar amount of all state
22 retail sales and use taxes exempted on or after the qualification
23 period start date, under this section and RCW 82.12.817; and
24 estimates of the future costs of leased vehicles that qualified for
25 the exemptions under this section and RCW 82.12.817.

26 ~~((7))~~ (6) (a) Sales of vehicles delivered to the buyer after the
27 expiration of this section, or leased vehicles for which the lease
28 agreement was signed after the expiration of this section, do not
29 qualify for the exemptions under this section.

30 (b) All leased vehicles that qualified for the exemption under
31 this section before the expiration of this section must continue to
32 receive the exemption on any lease payments due through the remainder
33 of the lease.

34 ~~((8))~~ (7) For the purposes of this section:

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

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

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

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

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

6 ((~~9~~)) (8) This section expires June 30, 2029.

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

9 (1) Subject to the limitations in this subsection and RCW
10 82.08.993(1)(c), beginning July 1, 2022, with sales made or lease
11 agreements signed on or after this date until the expiration of this
12 section, ((~~fifty~~)) 50 percent of the tax levied by RCW 82.12.020 does
13 not apply to sales or leases of new electric passenger cars, light
14 duty trucks, and medium duty passenger vehicles, that are powered by
15 a fuel cell.

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

22 (b) 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. However, the maximum value amount eligible
25 for the exemption under (a) of this subsection is the lesser of
26 either ((~~sixteen thousand dollars~~)) \$16,000 or the fair market value
27 of the vehicle.

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

31 (3) The buyer must keep records necessary for the department to
32 verify eligibility under this section. The buyer claiming the
33 exemption must also submit itemized information to the department for
34 all vehicles for which an exemption is claimed that must include the
35 following: Vehicle make; vehicle model; model year; whether the
36 vehicle has been sold or leased; date of sale or start date of lease;
37 length of lease; sales price for purchased vehicles and fair market
38 value at the inception of the lease for leased vehicles; and the
39 total amount qualifying for the incentive claimed for each vehicle,

1 in addition to the future monthly amount to be claimed for each
2 leased vehicle. This information must be provided in a form and
3 manner prescribed by the department.

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

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

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

20 ~~((6))~~ (5) The definitions in RCW 82.08.993 apply to this
21 section.

22 ~~((7))~~ (6) This section expires June 30, 2029.

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

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

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

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

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

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

37 (I) For a vehicle that is a new vehicle at the time of the
38 purchase date or the date the lease agreement was signed, does not
39 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 applicable for up to the
13 amounts specified in (b) (ii) or (iii) of this subsection of:

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

16 (B) The total lease payments made plus any additional selling
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) The seller must keep records necessary for the department to
37 verify eligibility under this section. A person claiming the
38 exemption must also submit itemized information to the department for
39 all vehicles for which an exemption is claimed that must include the
40 following: Vehicle make; vehicle model; model year; whether the

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

8 (3) (a) The department of licensing must maintain and publish a
9 list of all vehicle models qualifying for the tax exemptions under
10 this section or RCW 82.12.9999 until the expiration date of this
11 section, and is authorized to issue final rulings on vehicle model
12 qualification for these criteria. A seller is not responsible for
13 repayment of the tax exemption under this section and RCW 82.12.9999
14 for a vehicle if the department of licensing's published list of
15 qualifying vehicle models on the purchase date or the date the lease
16 agreement was signed includes the vehicle model and the department of
17 licensing subsequently removes the vehicle model from the published
18 list, and, if applicable, the vehicle meets the qualifying criterion
19 under subsection (1) (a) (iii) (B) of this section and RCW
20 82.12.9999(1) (a) (iii) (B).

21 (b) The department of revenue retains responsibility for
22 determining whether a vehicle meets the applicable qualifying
23 criterion under subsection (1) (a) (iii) (B) of this section and RCW
24 82.12.9999(1) (a) (iii) (B).

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

36 ~~(5))~~ By the last day of October 2019, and every six months
37 thereafter until this section expires, based on the best available
38 data, the department must report the following information to the
39 transportation committees of the legislature: The cumulative number
40 of vehicles that qualified for the exemption under this section and

1 RCW 82.12.9999 by month of purchase or lease start and vehicle make
2 and model; the dollar amount of all state retail sales and use taxes
3 exempted on or after the qualification period start date, under this
4 section and RCW 82.12.9999; and estimates of the future costs of
5 leased vehicles that qualified for the exemption under this section
6 and RCW 82.12.9999.

7 ~~((+6))~~ (5) The definitions in this subsection apply throughout
8 this section unless the context clearly requires otherwise.

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

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

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

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

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

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

21 ~~((+7))~~ (6)(a) Sales of vehicles delivered to the buyer or leased
22 vehicles for which the lease agreement was signed after the
23 qualification period end date do not qualify for the exemption under
24 this section.

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

30 ~~((+8))~~ (7) This section expires August 1, 2028.

31 ~~((+9))~~ (8) This section is supported by the revenues generated
32 in RCW 46.17.324, and therefore takes effect only if RCW 46.17.324 is
33 enacted by June 30, 2019.

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

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

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

4 (i) Are exclusively powered by a clean alternative fuel; or
5 (ii) Use at least one method of propulsion that is capable of
6 being reenergized by an external source of electricity and are
7 capable of traveling at least (~~(thirty)~~) 30 miles using only battery
8 power; and

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

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

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

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

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

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

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

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

29 (B) The total lease payments made plus any additional purchase
30 price of the leased vehicle if the original lessee purchases the
31 leased vehicle before the qualification period end date, for lease
32 agreements signed.

33 (ii) Based on the purchase date or the date the lease agreement
34 was signed of the vehicle if the vehicle is a new vehicle at the time
35 of the purchase date or the date the lease agreement was signed:

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

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

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

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

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

22 (b) (a) of this subsection applies only if the seller or person
23 claiming the exemption is a vehicle dealer, as defined under RCW
24 46.70.011. When the seller is not a vehicle dealer, the department of
25 licensing must establish a process for granting the tax exemption
26 under this section for use tax otherwise collected at the time the
27 ownership of a vehicle is transferred when the vehicle qualifies for
28 the use tax exemption under subsection (1)(a) of this section, and
29 must provide any information required under (a) of this subsection
30 that it obtains as part of the vehicle titling and registration
31 process for these vehicles to the department on at least a quarterly
32 basis.

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

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

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

9 ~~((5))~~ (4) The definitions in RCW 82.08.9999 apply to this
10 section.

11 ~~((6))~~ (5) This section is supported by the revenues generated
12 in RCW 46.17.324, and therefore takes effect only if RCW 46.17.324 is
13 enacted by June 30, 2019.

14 ~~((7))~~ (6) This section expires August 1, 2028.

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

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

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

1 vehicle infrastructure. The credit is subject to a maximum annual
2 credit amount of (~~two million dollars~~) \$2,000,000.

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

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

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

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

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

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

31 (a) The department must disallow any credits, or portion thereof,
32 that would cause the total amount of credits claimed under this
33 section, and RCW 82.16.0496, during any calendar year to exceed (~~six~~
34 ~~million dollars~~) \$6,000,000. The department must provide
35 notification on its website monthly on the amount of credits that
36 have been applied for, the amount issued, and the amount remaining
37 before the statewide annual limit is reached. In addition, the
38 department must provide written notice to any person who has applied
39 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 82.16.0496 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 each
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) A credit earned during one calendar year may be carried over
38 to be credited against taxes incurred in the subsequent calendar
39 year, but may not be carried over a second year.

1 ~~(14) ((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 ~~(15))~~ The department must conduct outreach to interested parties
13 to obtain input on how best to streamline the application process
14 required for the credit made available in this section and RCW
15 82.16.0496 to further adoption of alternative fuel technologies in
16 commercial vehicle fleets, and must incorporate the findings
17 resulting from this outreach effort into the rules and practices it
18 adopts to implement and administer this section and RCW 82.16.0496 to
19 the extent permitted under law.

20 ~~((16))~~ (15) The definitions in this subsection apply throughout
21 this section unless the context clearly requires otherwise.

22 (a) "Alternative fuel vehicle infrastructure" means structures,
23 machinery, and equipment necessary and integral to support a clean
24 alternative fuel vehicle.

25 (b) "Auto transportation company" means any corporation or person
26 owning, controlling, operating, or managing any motor propelled
27 vehicle, used in the business of transporting persons for
28 compensation over public highways within the state of Washington,
29 between fixed points or over a regular route. For the purposes of
30 this section, "auto transportation company" also includes the
31 following categories of providers irrespective of whether they
32 provide service between fixed points or over a regular route:
33 "Private, nonprofit transportation provider" as defined in RCW
34 81.66.010, "charter party carrier" as defined in RCW 81.70.020, and
35 paratransit service providers who primarily provide special needs
36 transportation to individuals with disabilities and the elderly.

37 (c) "Clean alternative fuel" means electricity, dimethyl ether,
38 hydrogen, methane, natural gas, liquefied natural gas, compressed
39 natural gas, or propane.

1 (d) "Commercial vehicle" means any commercial vehicle that is
2 purchased by a private business and that is used exclusively in the
3 provision of commercial services or the transportation of
4 commodities, merchandise, produce, refuse, freight, animals, or
5 passengers, and that is displaying a Washington state license plate.
6 All commercial vehicles that provide transportation to passengers
7 must be operated by an auto transportation company.

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

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

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

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

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

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

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

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

26 (~~(17)~~) (16) Credits may be earned under this section from
27 January 1, 2016, until the maximum total credit amount in subsection
28 (1)(b) of this section is reached, except for credits for leased
29 vehicles, which may be earned from July 1, 2016, until the maximum
30 total credit amount in subsection (1)(b) of this section is reached.

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

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

1 maximum credit amount per vehicle purchased, and subject to a maximum
2 annual credit amount per vehicle class.

3 Gross Vehicle Weight	4 Incremental Cost Amount	5 Maximum Credit Amount Per Vehicle	6 Maximum Annual Credit Per Vehicle Class
7 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

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

18 (b) On September 1st of each year, any unused credits from any
19 category identified in (a) of this subsection must be made available
20 to applicants applying for credits under any other category
21 identified in (a) of this subsection, subject to the maximum annual
22 and total credit amounts identified in this subsection. The credit
23 established in this section and RCW 82.04.4496 is subject to a
24 maximum annual credit amount of (~~(six million dollars)~~) \$6,000,000,
25 and a maximum total credit amount of (~~(thirty-two and one-half~~
26 ~~million dollars)~~) \$32,500,000 beginning July 15, 2015.

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

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

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

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

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

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

16 (b) The department must disallow any credits, or portion thereof,
17 that would cause the total amount of credits claimed beginning July
18 15, 2015, under this section and RCW 82.04.4496 to exceed (~~thirty-~~
19 ~~two and one-half million dollars~~) \$32,500,000. The department must
20 provide notification on its website monthly on the total amount of
21 credits that have been applied for, the amount issued, and the amount
22 remaining before the statewide limit is reached. In addition, the
23 department must provide written notice to any person who has applied
24 to claim tax credits in excess of the limitation in this subsection.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27 ~~(16))~~ Credits may be earned under this section from January 1,
28 2016, until the maximum total credit amount in subsection (1)(b) of
29 this section is reached, except for credits for leased vehicles,
30 which may be earned from July 1, 2016, until the maximum total credit
31 amount in subsection (1)(b) of this section is reached.

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

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

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

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

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

8 (d) The sale of tangible personal property that will become a
9 component of battery or fuel cell electric vehicle infrastructure
10 during the course of installing, constructing, repairing, or
11 improving battery or fuel cell electric vehicle infrastructure; and

12 (e) The sale of zero emissions buses.

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

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

28 ~~(4))~~ The definitions in this subsection apply throughout this
29 section unless the context clearly requires otherwise.

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

35 (b) "Battery exchange station" means a fully automated facility
36 that will enable an electric vehicle with a swappable battery to
37 enter a drive lane and exchange the depleted battery with a fully
38 charged battery through a fully automated process, which meets or
39 exceeds any standards, codes, and regulations set forth by chapter
40 19.28 RCW and consistent with rules adopted under RCW 19.27.540.

1 (c) "Electric vehicle infrastructure" means structures,
2 machinery, and equipment necessary and integral to support a battery
3 or fuel cell electric vehicle, including battery charging stations,
4 rapid charging stations, battery exchange stations, fueling stations
5 that provide hydrogen for fuel cell electric vehicles, and renewable
6 hydrogen production facilities.

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

12 (e) "Renewable hydrogen" means hydrogen produced using renewable
13 resources both as the source for hydrogen and the source for the
14 energy input into the production process.

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

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

22 ((+5)) (4) This section expires July 1, 2025.

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

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

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

30 (b) Labor and services rendered in respect to installing,
31 repairing, altering, or improving electric vehicle batteries or fuel
32 cells;

33 (c) Tangible personal property that will become a component of
34 battery or fuel cell electric vehicle infrastructure during the
35 course of installing, constructing, repairing, or improving battery
36 or fuel cell electric vehicle infrastructure; and

37 (d) Zero emissions buses.

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

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

6 (b) "Battery exchange station" means a fully automated facility
7 that will enable an electric vehicle with a swappable battery to
8 enter a drive lane and exchange the depleted battery with a fully
9 charged battery through a fully automated process, which meets or
10 exceeds any standards, codes, and regulations set forth by chapter
11 19.28 RCW and consistent with rules adopted under RCW 19.27.540.

12 (c) "Electric vehicle infrastructure" means structures,
13 machinery, and equipment necessary and integral to support a battery
14 or fuel cell electric vehicle, including battery charging stations,
15 rapid charging stations, battery exchange stations, fueling stations
16 that provide hydrogen for fuel cell electric vehicles, and renewable
17 hydrogen production facilities.

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

23 (e) "Renewable hydrogen" means hydrogen produced using renewable
24 resources both as the source for hydrogen and the source for the
25 energy input into the production process.

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

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

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

1 ~~department may provide estimates of taxes exempted under this section~~
2 ~~until such time as retailers are able to report such exempted amounts~~
3 ~~on their tax returns.~~

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

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

7 (1)(a) The department must keep a running total of all credits
8 allowed under RCW 82.70.020 during each fiscal year. The department
9 may not allow any credits that would cause the total amount allowed
10 to exceed (~~two million seven hundred fifty thousand dollars~~)
11 \$2,750,000 in any fiscal year.

12 (b) If the total amount of credit applied for by all applicants
13 in any year exceeds the limit in this subsection, the department must
14 ratably reduce the amount of credit allowed for all applicants so
15 that the limit in this subsection is not exceeded. If a credit is
16 reduced under this subsection, the amount of the reduction may not be
17 carried forward and claimed in subsequent fiscal years.

18 (2)(a) Tax credits under RCW 82.70.020 may not be claimed in
19 excess of the amount of tax otherwise due under chapter 82.04 or
20 82.16 RCW.

21 (b) Through June 30, 2005, a person with taxes equal to or in
22 excess of the credit under RCW 82.70.020, and therefore not subject
23 to the limitation in (a) of this subsection, may elect to defer tax
24 credits for a period of not more than three years after the year in
25 which the credits accrue. For credits approved by the department
26 through June 30, 2015, the approved credit may be carried forward and
27 used for tax reporting periods through December 31, 2016. Credits
28 approved after June 30, 2015, must be used for tax reporting periods
29 within the calendar year for which they are approved by the
30 department and may not be carried forward to subsequent tax reporting
31 periods. Credits carried forward as authorized by this subsection are
32 subject to the limitation in subsection (1)(a) of this section for
33 the fiscal year for which the credits were originally approved.

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

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

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

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

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

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

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

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

19 (1)(a) A tax is imposed on the privilege of possession of
20 hazardous substances in this state. Except as provided in (b) of this
21 subsection, the rate of the tax is seven-tenths of one percent
22 multiplied by the wholesale value of the substance. Moneys collected
23 under this subsection (1)(a) must be deposited in the model toxics
24 control capital account.

25 (b) Beginning July 1, 2019, the rate of the tax on petroleum
26 products is one dollar and nine cents per barrel. The tax collected
27 under this subsection (1)(b) on petroleum products must be deposited
28 as follows, after first depositing the tax as provided in (c) of this
29 subsection, except that during the 2021-2023 biennium the deposit as
30 provided in (c) of this subsection may be prorated equally across
31 each month of the biennium:

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

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

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

1 (c) Until the beginning of the ensuing biennium after the
2 enactment of an additive transportation funding act, (~~fifty million~~
3 ~~dollars~~) \$50,000,000 per biennium to the motor vehicle fund to be
4 used exclusively for transportation stormwater activities and
5 projects. For purposes of this subsection, "additive transportation
6 funding act" means an act enacted after June 30, 2023, in which the
7 combined total of new revenues deposited into the motor vehicle fund
8 and the multimodal transportation account exceed (~~two billion~~
9 ~~dollars~~) \$2,000,000,000 per biennium attributable solely to an
10 increase in revenue from the enactment of the act.

11 (d) The department must compile a list of petroleum products that
12 are not easily measured on a per barrel basis. Petroleum products
13 identified on the list are subject to the rate under (a) of this
14 subsection in lieu of the volumetric rate under (b) of this
15 subsection. The list will be made in a form and manner prescribed by
16 the department and must be made available on the department's
17 internet website. In compiling the list, the department may accept
18 technical assistance from persons that sell, market, or distribute
19 petroleum products and consider any other resource the department
20 finds useful in compiling the list.

21 (2) Chapter 82.32 RCW applies to the tax imposed in this chapter.
22 The tax due dates, reporting periods, and return requirements
23 applicable to chapter 82.04 RCW apply equally to the tax imposed in
24 this chapter.

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

32 **Part IV**
33 **Account Creation, Local Options, and**
34 **Other Provisions**

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

37 The move ahead WA account is created in the motor vehicle fund.
38 Moneys in the account may be spent only after appropriation.

1 Expenditures from the account must be used only for projects or
2 improvements identified as move ahead WA projects or improvements in
3 an omnibus transportation appropriations act, including any principal
4 and interest on bonds authorized for the projects or improvements.

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

7 The move ahead WA flexible account is created in the state
8 treasury. Moneys in the account may be spent only after
9 appropriation. Expenditures from the account may be used only for
10 transportation projects, programs, or activities identified as move
11 ahead WA flexible projects, programs, or activities in an omnibus
12 transportation appropriations act.

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

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

18 (2) The treasury income account shall be utilized to pay or
19 receive funds associated with federal programs as required by the
20 federal cash management improvement act of 1990. The treasury income
21 account is subject in all respects to chapter 43.88 RCW, but no
22 appropriation is required for refunds or allocations of interest
23 earnings required by the cash management improvement act. Refunds of
24 interest to the federal treasury required under the cash management
25 improvement act fall under RCW 43.88.180 and shall not require
26 appropriation. The office of financial management shall determine the
27 amounts due to or from the federal government pursuant to the cash
28 management improvement act. The office of financial management may
29 direct transfers of funds between accounts as deemed necessary to
30 implement the provisions of the cash management improvement act, and
31 this subsection. Refunds or allocations shall occur prior to the
32 distributions of earnings set forth in subsection (4) of this
33 section.

34 (3) Except for the provisions of RCW 43.84.160, the treasury
35 income account may be utilized for the payment of purchased banking
36 services on behalf of treasury funds including, but not limited to,
37 depository, safekeeping, and disbursement functions for the state
38 treasury and affected state agencies. The treasury income account is

1 subject in all respects to chapter 43.88 RCW, but no appropriation is
2 required for payments to financial institutions. Payments shall occur
3 prior to distribution of earnings set forth in subsection (4) of this
4 section.

5 (4) Monthly, the state treasurer shall distribute the earnings
6 credited to the treasury income account. The state treasurer shall
7 credit the general fund with all the earnings credited to the
8 treasury income account except:

9 (a) The following accounts and funds shall receive their
10 proportionate share of earnings based upon each account's and fund's
11 average daily balance for the period: The abandoned recreational
12 vehicle disposal account, the aeronautics account, the Alaskan Way
13 viaduct replacement project account, the ambulance transport fund,
14 the brownfield redevelopment trust fund account, the budget
15 stabilization account, the capital vessel replacement account, the
16 capitol building construction account, the Central Washington
17 University capital projects account, the charitable, educational,
18 penal and reformatory institutions account, the Chehalis basin
19 account, the Chehalis basin taxable account, the cleanup settlement
20 account, the climate active transportation account, the climate
21 transit programs account, the Columbia river basin water supply
22 development account, the Columbia river basin taxable bond water
23 supply development account, the Columbia river basin water supply
24 revenue recovery account, the common school construction fund, the
25 community forest trust account, the connecting Washington account,
26 the county arterial preservation account, the county criminal justice
27 assistance account, the deferred compensation administrative account,
28 the deferred compensation principal account, the department of
29 licensing services account, the department of retirement systems
30 expense account, the developmental disabilities community services
31 account, the diesel idle reduction account, the drinking water
32 assistance account, the administrative subaccount of the drinking
33 water assistance account, the early learning facilities development
34 account, the early learning facilities revolving account, the Eastern
35 Washington University capital projects account, the education
36 construction fund, the education legacy trust account, the election
37 account, the electric vehicle account, the energy freedom account,
38 the energy recovery act account, the essential rail assistance
39 account, The Evergreen State College capital projects account, the
40 fair start for kids account, the ferry bond retirement fund, the

1 fish, wildlife, and conservation account, the freight mobility
2 investment account, the freight mobility multimodal account, the
3 grade crossing protective fund, the public health services account,
4 the state higher education construction account, the higher education
5 construction account, the higher education retirement plan
6 supplemental benefit fund, the highway bond retirement fund, the
7 highway infrastructure account, the highway safety fund, the hospital
8 safety net assessment fund, the Interstate 405 and state route number
9 167 express toll lanes account, the judges' retirement account, the
10 judicial retirement administrative account, the judicial retirement
11 principal account, the limited fish and wildlife account, the local
12 leasehold excise tax account, the local real estate excise tax
13 account, the local sales and use tax account, the marine resources
14 stewardship trust account, the medical aid account, the money-
15 purchase retirement savings administrative account, the money-
16 purchase retirement savings principal account, the motor vehicle
17 fund, the motorcycle safety education account, the move ahead WA
18 account, the move ahead WA flexible account, the multimodal
19 transportation account, the multiuse roadway safety account, the
20 municipal criminal justice assistance account, the oyster reserve
21 land account, the pension funding stabilization account, the
22 perpetual surveillance and maintenance account, the pilotage account,
23 the pollution liability insurance agency underground storage tank
24 revolving account, the public employees' retirement system plan 1
25 account, the public employees' retirement system combined plan 2 and
26 plan 3 account, the public facilities construction loan revolving
27 account, the public health supplemental account, the public works
28 assistance account, the Puget Sound capital construction account, the
29 Puget Sound ferry operations account, the Puget Sound Gateway
30 facility account, the Puget Sound taxpayer accountability account,
31 the real estate appraiser commission account, the recreational
32 vehicle account, the regional mobility grant program account, the
33 resource management cost account, the rural arterial trust account,
34 the rural mobility grant program account, the rural Washington loan
35 fund, the sexual assault prevention and response account, the site
36 closure account, the skilled nursing facility safety net trust fund,
37 the small city pavement and sidewalk account, the special category C
38 account, the special wildlife account, the state investment board
39 expense account, the state investment board commingled trust fund
40 accounts, the state patrol highway account, the state reclamation

1 revolving account, the state route number 520 civil penalties
2 account, the state route number 520 corridor account, the statewide
3 broadband account, the statewide tourism marketing account, the
4 supplemental pension account, the Tacoma Narrows toll bridge account,
5 the teachers' retirement system plan 1 account, the teachers'
6 retirement system combined plan 2 and plan 3 account, the tobacco
7 prevention and control account, the tobacco settlement account, the
8 toll facility bond retirement account, the transportation 2003
9 account (nickel account), the transportation equipment fund, the
10 transportation future funding program account, the transportation
11 improvement account, the transportation improvement board bond
12 retirement account, the transportation infrastructure account, the
13 transportation partnership account, the traumatic brain injury
14 account, the University of Washington bond retirement fund, the
15 University of Washington building account, the voluntary cleanup
16 account, the volunteer firefighters' and reserve officers' relief and
17 pension principal fund, the volunteer firefighters' and reserve
18 officers' administrative fund, the vulnerable roadway user education
19 account, the Washington judicial retirement system account, the
20 Washington law enforcement officers' and firefighters' system plan 1
21 retirement account, the Washington law enforcement officers' and
22 firefighters' system plan 2 retirement account, the Washington public
23 safety employees' plan 2 retirement account, the Washington school
24 employees' retirement system combined plan 2 and 3 account, the
25 Washington state patrol retirement account, the Washington State
26 University building account, the Washington State University bond
27 retirement fund, the water pollution control revolving administration
28 account, the water pollution control revolving fund, the Western
29 Washington University capital projects account, the Yakima integrated
30 plan implementation account, the Yakima integrated plan
31 implementation revenue recovery account, and the Yakima integrated
32 plan implementation taxable bond account. Earnings derived from
33 investing balances of the agricultural permanent fund, the normal
34 school permanent fund, the permanent common school fund, the
35 scientific permanent fund, and the state university permanent fund
36 shall be allocated to their respective beneficiary accounts.

37 (b) Any state agency that has independent authority over accounts
38 or funds not statutorily required to be held in the state treasury
39 that deposits funds into a fund or account in the state treasury
40 pursuant to an agreement with the office of the state treasurer shall

1 receive its proportionate share of earnings based upon each account's
2 or fund's average daily balance for the period.

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

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

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

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

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

36 (4) Monthly, the state treasurer shall distribute the earnings
37 credited to the treasury income account. The state treasurer shall
38 credit the general fund with all the earnings credited to the
39 treasury income account except:

1 (a) The following accounts and funds shall receive their
2 proportionate share of earnings based upon each account's and fund's
3 average daily balance for the period: The abandoned recreational
4 vehicle disposal account, the aeronautics account, the Alaskan Way
5 viaduct replacement project account, the brownfield redevelopment
6 trust fund account, the budget stabilization account, the capital
7 vessel replacement account, the capitol building construction
8 account, the Central Washington University capital projects account,
9 the charitable, educational, penal and reformatory institutions
10 account, the Chehalis basin account, the Chehalis basin taxable
11 account, the cleanup settlement account, the climate active
12 transportation account, the climate transit programs account, the
13 Columbia river basin water supply development account, the Columbia
14 river basin taxable bond water supply development account, the
15 Columbia river basin water supply revenue recovery account, the
16 common school construction fund, the community forest trust account,
17 the connecting Washington account, the county arterial preservation
18 account, the county criminal justice assistance account, the deferred
19 compensation administrative account, the deferred compensation
20 principal account, the department of licensing services account, the
21 department of retirement systems expense account, the developmental
22 disabilities community services account, the diesel idle reduction
23 account, the drinking water assistance account, the administrative
24 subaccount of the drinking water assistance account, the early
25 learning facilities development account, the early learning
26 facilities revolving account, the Eastern Washington University
27 capital projects account, the education construction fund, the
28 education legacy trust account, the election account, the electric
29 vehicle account, the energy freedom account, the energy recovery act
30 account, the essential rail assistance account, The Evergreen State
31 College capital projects account, the fair start for kids account,
32 the ferry bond retirement fund, the fish, wildlife, and conservation
33 account, the freight mobility investment account, the freight
34 mobility multimodal account, the grade crossing protective fund, the
35 public health services account, the state higher education
36 construction account, the higher education construction account, the
37 higher education retirement plan supplemental benefit fund, the
38 highway bond retirement fund, the highway infrastructure account, the
39 highway safety fund, the hospital safety net assessment fund, the
40 Interstate 405 and state route number 167 express toll lanes account,

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

1 account), the transportation equipment fund, the transportation
2 future funding program account, the transportation improvement
3 account, the transportation improvement board bond retirement
4 account, the transportation infrastructure account, the
5 transportation partnership account, the traumatic brain injury
6 account, the University of Washington bond retirement fund, the
7 University of Washington building account, the voluntary cleanup
8 account, the volunteer firefighters' and reserve officers' relief and
9 pension principal fund, the volunteer firefighters' and reserve
10 officers' administrative fund, the vulnerable roadway user education
11 account, the Washington judicial retirement system account, the
12 Washington law enforcement officers' and firefighters' system plan 1
13 retirement account, the Washington law enforcement officers' and
14 firefighters' system plan 2 retirement account, the Washington public
15 safety employees' plan 2 retirement account, the Washington school
16 employees' retirement system combined plan 2 and 3 account, the
17 Washington state patrol retirement account, the Washington State
18 University building account, the Washington State University bond
19 retirement fund, the water pollution control revolving administration
20 account, the water pollution control revolving fund, the Western
21 Washington University capital projects account, the Yakima integrated
22 plan implementation account, the Yakima integrated plan
23 implementation revenue recovery account, and the Yakima integrated
24 plan implementation taxable bond account. Earnings derived from
25 investing balances of the agricultural permanent fund, the normal
26 school permanent fund, the permanent common school fund, the
27 scientific permanent fund, and the state university permanent fund
28 shall be allocated to their respective beneficiary accounts.

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

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

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

1 (1) The legislative authority of a border area jurisdiction may,
2 by resolution for the purposes authorized in this chapter and by
3 approval of a majority of the registered voters of the jurisdiction
4 voting on the proposition at a general or special election, fix and
5 impose an excise tax on the retail sale of motor vehicle fuel and
6 special fuel within the jurisdiction. An election held under this
7 section must be held not more than (~~twelve~~) 12 months before the
8 date on which the proposed tax is to be levied. The ballot setting
9 forth the proposition (~~shall~~) must state the tax rate that is
10 proposed. The rate of such tax (~~shall be in increments of one-tenth~~
11 ~~of a cent per gallon and shall~~) may not exceed (~~one cent~~) two
12 cents per gallon for ballot propositions submitted in calendar year
13 2022. For ballot propositions submitted after calendar year 2022,
14 this two cents per gallon maximum tax rate may be adjusted to reflect
15 the percentage change in the implicit price deflator for personal
16 consumption expenditures for the United States as published by the
17 bureau of economic analysis of the federal department of commerce,
18 for the period of time between calendar year 2022 and when the tax is
19 placed on the ballot for voter approval.

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

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

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

31 (1) Except as provided in subsection (4) of this section, taxes,
32 fees, charges, and tolls may not be imposed by a district without
33 approval of a majority of the voters in the district voting on a
34 proposition at a general or special election. The proposition must
35 include a specific description of: (a) The transportation improvement
36 or improvements proposed by the district; (b) any rebate program
37 proposed to be established under RCW 36.73.067; and (c) the proposed
38 taxes, fees, charges, and the range of tolls imposed by the district

1 to raise revenue to fund the improvement or improvements or rebate
2 program, as applicable.

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

6 (3) A district may not increase any taxes, fees, charges, or
7 range of tolls imposed or change a rebate program under this chapter
8 once the taxes, fees, charges, tolls, or rebate program takes effect,
9 except:

10 (a) If authorized by the district voters pursuant to RCW
11 36.73.160;

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

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

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

24 (e) For up to three-tenths of one percent of the selling price,
25 in the case of a sales tax, or value of the article used, in the case
26 of a use tax, pursuant to the sales and use tax authorized in RCW
27 82.14.0455.

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

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

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

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

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

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

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

8 (c)(i) A district solely comprised of a city or cities may not
9 impose the fees or charges identified in (a) of this subsection
10 within ~~((one hundred eighty))~~ 180 days after July 22, 2007, unless
11 the county in which the city or cities reside, by resolution,
12 declares that it will not impose the fees or charges identified in
13 (a) of this subsection within the ~~((one hundred eighty-day))~~ 180-day
14 period; or

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

20 (5) If the interlocal agreement in RCW 82.80.140(2)(a) cannot be
21 reached, a district that includes only the unincorporated territory
22 of a county may impose by a majority vote of the governing body of
23 the district up to: (a) ~~((Twenty dollars))~~ \$20 of the vehicle fee
24 authorized in RCW 82.80.140, (b) ~~((forty dollars))~~ \$40 of the vehicle
25 fee authorized in RCW 82.80.140 if a fee of ~~((twenty dollars))~~ \$20
26 has been imposed for at least ~~((twenty-four))~~ 24 months, or (c)
27 ~~((fifty dollars))~~ \$50 of the vehicle fee authorized in RCW 82.80.140
28 if a vehicle fee of ~~((forty dollars))~~ \$40 has been imposed for at
29 least ~~((twenty-four))~~ 24 months and a district has met the
30 requirements of subsection (6) of this section.

31 (6) If a district intends to impose a vehicle fee of more than
32 ~~((forty dollars))~~ \$40 by a majority vote of the governing body of the
33 district, the governing body must publish notice of this intention,
34 in one or more newspapers of general circulation within the district,
35 by April 1st of the year in which the vehicle fee is to be imposed.
36 If within ~~((ninety))~~ 90 days of the date of publication a petition is
37 filed with the county auditor containing the signatures of eight
38 percent of the number of voters registered and voting in the district
39 for the office of the governor at the last preceding gubernatorial
40 election, the county auditor must canvass the signatures in the same

1 manner as prescribed in RCW 29A.72.230 and certify their sufficiency
2 to the governing body within two weeks. The proposition to impose the
3 vehicle fee must then be submitted to the voters of the district at a
4 special election, called for this purpose, no later than the date on
5 which a primary election would be held under RCW 29A.04.311. The
6 vehicle fee may then be imposed only if approved by a majority of the
7 voters of the district voting on the proposition.

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

10 (1) Subject to the provisions in RCW 36.73.065, a transportation
11 benefit district under chapter 36.73 RCW may fix and impose a sales
12 and use tax in accordance with the terms of this chapter. The tax
13 authorized in this section is in addition to any other taxes
14 authorized by law and shall be collected from those persons who are
15 taxable by the state under chapters 82.08 and 82.12 RCW upon the
16 occurrence of any taxable event within the boundaries of the
17 district. The rate of tax shall not exceed (~~two-tenths~~) three-
18 tenths of one percent of the selling price in the case of a sales
19 tax, or value of the article used, in the case of a use tax. Except
20 as provided in subsection (2) of this section, the tax may not be
21 imposed for a period exceeding (~~ten~~) 10 years. This tax, if not
22 imposed under the conditions of subsection (2) of this section, may
23 be extended for a period not exceeding (~~ten~~) 10 years with an
24 affirmative vote of the voters voting at the election or a majority
25 vote of the governing board of the district. The governing board of
26 the district may only fix, impose, or extend a sales and use tax of
27 up to one-tenth of one percent of the selling price in the case of a
28 sales tax, or value of the article used, in the case of a use tax.

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

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

36 NEW SECTION. **Sec. 408.** A new section is added to chapter
37 70A.535 RCW to read as follows:

1 (1) The department shall adopt rules that establish standards
2 that reduce carbon intensity in transportation fuels used in
3 Washington. The standards established by the rules must be based on
4 the carbon intensity of gasoline and gasoline substitutes and the
5 carbon intensity of diesel and diesel substitutes. The standards:

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

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

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

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

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

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

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

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

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

30 (3) The department shall, throughout a compliance period,
31 regularly monitor the availability of fuels needed for compliance
32 with the clean fuels program.

33 (4)(a) Under the clean fuels program, the department shall
34 monthly calculate the volume-weighted average price of credits and,
35 no later than the last day of the month immediately following the
36 month for which the calculation is completed, post the formula and
37 the nonaggregated data the department used for the calculation and
38 the results of the calculation on the department's website.

39 (b) In completing the calculation required by this subsection,
40 the department may exclude from the data set credit transfers without

1 a price or other credit transfers made for a price that falls two
2 standard deviations outside of the mean credit price for the month.
3 Data posted on the department's website under this section may not
4 include any individually identifiable information or information that
5 would constitute a trade secret.

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

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

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

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

15 (iv) No change in 2032 and 2033.

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

18 (6) Beginning with the program year beginning in calendar year
19 2028, the department may not increase the carbon intensity reductions
20 required by the applicable clean fuels program standard adopted by
21 the department under subsection (5) of this section beyond a 10
22 percent reduction in carbon intensity until the department
23 demonstrates that the following have occurred:

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

27 (b) At least one new or expanded biofuel production facility
28 representing an increase in production capacity or producing, in
29 total, in excess of 60,000,000 gallons of biofuels per year has or
30 have received after July 1, 2021, all necessary siting, operating,
31 and environmental permits post all timely and applicable appeals. As
32 part of the threshold of 60,000,000 gallons of biofuel under this
33 subsection, at least one new facility producing at least 10,000,000
34 gallons per year must have received all necessary siting, operating,
35 and environmental permits. Timely and applicable appeals must be
36 determined by the attorney general's office.

37 (7) Beginning with the program year beginning in calendar year
38 2031, the department may not increase the carbon intensity reductions
39 required by the applicable clean fuels program standard adopted by

1 the department under subsection (5) of this section beyond a 10
2 percent reduction in carbon intensity until the:

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

5 (b) 2033 regular legislative session has adjourned, in order to
6 allow an opportunity for the legislature to amend the requirements of
7 this chapter in light of the report required in (a) of this
8 subsection.

9 (8) Transportation fuels exported from Washington are not subject
10 to the greenhouse gas emissions reduction requirements in this
11 section.

12 (9) To the extent the requirements of this chapter conflict with
13 the requirements of chapter 19.112 RCW, the requirements of this
14 chapter prevail.

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

17 The definitions in this section apply throughout this chapter
18 unless the context clearly indicates otherwise.

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

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

24 (3) "Clean fuels program" means the requirements established
25 under this chapter.

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

29 (5) "Credit" means a unit of measure generated when a
30 transportation fuel with a carbon intensity that is less than the
31 applicable standard adopted by the department under ((RCW
32 70A.535.020)) section 408 of this act is produced, imported, or
33 dispensed for use in Washington, such that one credit is equal to one
34 metric ton of carbon dioxide equivalents. A credit may also be
35 generated through other activities consistent with this chapter.

36 (6) "Deficit" means a unit of measure generated when a
37 transportation fuel with a carbon intensity that is greater than the
38 applicable standard adopted by the department under ((RCW
39 70A.535.020)) section 408 of this act is produced, imported, or

1 dispensed for use in Washington, such that one deficit is equal to
2 one metric ton of carbon dioxide equivalents.

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

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

6 (9) "Greenhouse gas" has the same meaning as defined in RCW
7 70A.45.010.

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

13 (11) "Motor vehicle" has the same meaning as defined in RCW
14 46.04.320.

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

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

21 (14)(a) "Tactical support equipment" means equipment using a
22 portable engine, including turbines, that meets military
23 specifications, owned by the United States military services or its
24 allies, and that is used in combat, combat support, combat service
25 support, tactical or relief operations, or training for such
26 operations.

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

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

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

36 The rules adopted by the department to achieve the greenhouse gas
37 emissions reductions per unit of fuel energy specified in ((RCW
38 70A.535.020)) section 408 of this act must include, but are not
39 limited to, the following:

1 (1) Standards for greenhouse gas emissions attributable to the
2 transportation fuels throughout their life cycles, including but not
3 limited to emissions from the production, storage, transportation,
4 and combustion of transportation fuels and from changes in land use
5 associated with transportation fuels and any permanent greenhouse gas
6 sequestration activities.

7 (a) The rules adopted by the department under this subsection (1)
8 may:

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

11 (ii) Consider carbon intensity calculations for transportation
12 fuels developed by national laboratories or used by similar programs
13 in other states; and

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

17 (b) The rules adopted by the department under this subsection (1)
18 must:

19 (i) Neutrally consider the life-cycle emissions associated with
20 transportation fuels with respect to the political jurisdiction in
21 which the fuels originated and may not discriminate against fuels on
22 the basis of having originated in another state or jurisdiction.
23 Nothing in this subsection may be construed to prohibit inclusion or
24 assessment of emissions related to fuel production, storage,
25 transportation, or combustion or associated changes in land use in
26 determining the carbon intensity of a fuel;

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

33 (iii) Include mechanisms for certifying electricity that has a
34 carbon intensity of zero. This electricity must include, at minimum,
35 electricity:

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

38 (B) Produced using a zero emission resource including, but not
39 limited to, solar, wind, geothermal, or the industrial combustion of
40 biomass consistent with RCW 70A.45.020(3), that is directly supplied

1 as a transportation fuel by the generator of the electricity to a
2 metered customer for electric vehicle charging or refueling;

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

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

11 (c) If the department determines that it is necessary for
12 purposes of accurately measuring greenhouse gas emissions associated
13 with transportation fuels, the department may require transportation
14 fuel suppliers to submit data or information to be used for purposes
15 of calculating greenhouse gas emissions that is different from or
16 additional to the greenhouse gas emissions data reported under RCW
17 70A.15.2200(5)(a)(iii).

18 (d) If the department determines that it is necessary for
19 purposes of accurately measuring greenhouse gas emissions associated
20 with electricity supplied to retail customers or hydrogen production
21 facilities by an electric utility, the department may require
22 electric utilities participating in the clean fuels program to submit
23 data or information to be used for purposes of calculating greenhouse
24 gas emissions that is different from or additional to the fuel mix
25 disclosure information submitted under chapter 19.29A RCW. To the
26 extent practicable, rules adopted by the department may allow data
27 requested of utilities to be submitted in a form and manner
28 consistent with other required state or federal data submissions;

29 (2) Provisions allowing for the achievement of limits on the
30 greenhouse gas emissions intensity of transportation fuels in ((RCW
31 ~~70A.535.020~~)) section 408 of this act to be achieved by any
32 combination of credit generating activities capable of meeting such
33 standards. Where such provisions would not produce results counter to
34 the emission reduction goals of the program or prove administratively
35 burdensome for the department, the rules should provide each
36 participant in the clean fuels program with the opportunity to
37 demonstrate appropriate carbon intensity values taking into account
38 both emissions from production facilities and elsewhere in the
39 production cycle, including changes in land use and permanent
40 greenhouse gas sequestration activities;

1 (3) (a) Methods for assigning compliance obligations and methods
2 for tracking tradable credits. The department may assign the
3 generation of a credit when a fuel with associated life-cycle
4 greenhouse gas emissions that are lower than the applicable per-unit
5 standard adopted by the department under (~~RCW 70A.535.020~~) section
6 408 of this act is produced, imported, or dispensed for use in
7 Washington, or when specified activities are undertaken that support
8 the reduction of greenhouse gas emissions associated with
9 transportation in Washington;

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

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

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

19 (5) Mechanisms for persons associated with the supply chains of
20 transportation fuels that are used for purposes that are exempt from
21 the clean fuels program compliance obligations including, but not
22 limited to, fuels used by aircraft, vessels, railroad locomotives,
23 and other exempt fuels specified in RCW 70A.535.040, to elect to
24 participate in the clean fuels program by earning credits for the
25 production, import, distribution, use, or retail of exempt fuels with
26 associated life-cycle greenhouse gas emissions lower than the per-
27 unit standard established in (~~RCW 70A.535.020~~) section 408 of this
28 act;

29 (6) Mechanisms that allow for the assignment of credits to an
30 electric utility for electricity used within its utility service
31 area, at minimum, for residential electric vehicle charging or
32 fueling;

33 (7) Cost containment mechanisms.

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

37 (i) Procedures similar to the credit clearance market required in
38 subsection (8) of this section that provide a means of compliance
39 with the clean fuels program requirements in the event that a

1 regulated person has not been able to acquire sufficient volumes of
2 credits at the end of a compliance period; or

3 (ii) Similar procedures that ensure that credit prices do not
4 significantly exceed credit prices in other jurisdictions that have
5 adopted similar programs to reduce the carbon intensity of
6 transportation fuels.

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

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

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

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

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

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

31 (i) Allow any regulated party, credit generator, or credit
32 aggregator that holds excess credits at the end of the compliance
33 period to voluntarily participate in the credit clearance market as a
34 seller by pledging a specified number of credits for sale in the
35 market;

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

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

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

4 (iii) Require all sellers to:

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

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

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

14 (c)(i) The department shall set a maximum price for credits in a
15 credit clearance market, consistent with states that have adopted
16 similar clean fuels programs, not to exceed \$200 in 2018 dollars for
17 2023.

18 (ii) For 2024 and subsequent years, the maximum price may exceed
19 \$200 in 2018 dollars, but only to the extent that a greater maximum
20 price for credits is necessary to annually adjust for inflation,
21 beginning on January 1, 2024, pursuant to the increase, if any, from
22 the preceding calendar year in the consumer price index for all urban
23 consumers, west region (all items), as published by the bureau of
24 labor statistics of the United States department of labor.

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

27 (i) Must carry over the remaining deficits into the next
28 compliance period; and

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

32 (e) If a regulated party has been required under (a) of this
33 subsection to participate as a purchaser in two consecutive credit
34 clearance markets and continues to have a net deficit balance after
35 the close of the second consecutive credit clearance market, the
36 department shall complete, no later than two months after the close
37 of the second credit clearance market, an analysis of the root cause
38 of an inability of the regulated party to retire the remaining
39 deficits. The department may recommend and implement any remedy that
40 the department determines is necessary to address the root cause

1 identified in the analysis including, but not limited to, issuing a
2 deferral, provided that the remedy implemented does not:

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

6 (ii) Compel a person to sell credits.

7 (f) If credits sold in a credit clearance market are subsequently
8 invalidated as a result of fraud or any other form of noncompliance
9 on the part of the generator of the credit, the department may not
10 pursue civil penalties against, or require credit replacement by, the
11 regulated party that purchased the credits unless the regulated party
12 was a party to the fraud or other form of noncompliance.

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

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

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

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

25 (a) Fuels used in volumes below thresholds adopted by the
26 department;

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

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

31 (2) (a) The rules adopted under RCW (~~70A.535.020 and~~)
32 70A.535.030 and section 408 of this act must exempt the following
33 transportation fuels from greenhouse gas emissions intensity
34 reduction requirements until January 1, 2028:

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

37 (ii) Dyed special fuel used in vehicles that are not designed
38 primarily to transport persons or property, that are not designed to
39 be primarily operated on highways, and that are used primarily for

1 construction work including, but not limited to, mining and timber
2 harvest operations; and

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

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

11 (3) The department may adopt rules to specify the standards for
12 persons to qualify for the exemptions provided in this section. The
13 department may implement the exemptions under subsection (2) of this
14 section to align with the implementation of exemptions for similar
15 fuels exempt from chapter 82.38 RCW.

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

22 (a) Mismatched incentives across programs;

23 (b) Fuel shifting between markets; or

24 (c) Other results that are counter to the intent of this chapter.

25 (5) Nothing in this chapter precludes the department from
26 adopting rules under RCW (~~70A.535.020 and~~) 70A.535.030 and section
27 408 of this act that allow the generation of credits associated with
28 electric or alternative transportation infrastructure that existed
29 prior to July 25, 2021, or to the start date of program requirements.
30 The department must apply the same baseline years to credits
31 associated with electric or alternative transportation infrastructure
32 that apply to gasoline and diesel liquid fuels in any market-based
33 program enacted by the legislature that establishes a cap on
34 greenhouse gas emissions.

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

37 (1) The rules adopted under RCW (~~70A.535.020 and~~) 70A.535.030
38 and section 408 of this act may allow the generation of credits from
39 activities that support the reduction of greenhouse gas emissions

1 associated with transportation in Washington, including but not
2 limited to:

3 (a) Carbon capture and sequestration projects, including but not
4 limited to:

5 (i) Innovative crude oil production projects that include carbon
6 capture and sequestration;

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

10 (iii) Direct air capture projects;

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

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

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

22 (2) (a) The rules adopted under RCW (~~(70A.535.020 and)~~)
23 70A.535.030 and section 408 of this act must allow the generation of
24 credits based on capacity for zero emission vehicle refueling
25 infrastructure, including DC fast charging infrastructure and
26 hydrogen refueling infrastructure.

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

31 (3) The rules adopted under RCW (~~(70A.535.020 and)~~) 70A.535.030
32 and section 408 of this act must allow the generation of credits from
33 state transportation investments funded in an omnibus transportation
34 appropriations act for activities and projects that reduce greenhouse
35 gas emissions and decarbonize the transportation sector. These
36 include, but are not limited to: (a) Electrical grid and hydrogen
37 fueling infrastructure investments; (b) ferry operating and capital
38 investments; (c) electrification of the state ferry fleet; (d)
39 alternative fuel vehicle rebate programs; (e) transit grants; (f)
40 infrastructure and other costs associated with the adoption of

1 alternative fuel use by transit agencies; (g) bike and pedestrian
2 grant programs and other activities; (h) complete streets and safe
3 walking grants and allocations; (i) rail funding; and (j) multimodal
4 investments.

5 (4) The rules adopted by the department may establish limits for
6 the number of credits that may be earned each year by persons
7 participating in the program for some or all of the activities
8 specified in subsections (1) and (2) of this section. The department
9 must limit the number of credits that may be earned each year under
10 subsection (3) of this section to 10 percent of the total program
11 credits. Any limits established under this subsection must take into
12 consideration the return on investment required in order for an
13 activity specified in subsection (2) of this section to be
14 financially viable.

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

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

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

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

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

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

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

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

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

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

12 (a) The duration of the emergency deferral;

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

14 (c) Which of the following methods the department has selected
15 for deferring compliance with the clean fuels program during the
16 emergency deferral:

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

22 (ii) Allowing for the carryover of deficits accrued during the
23 emergency deferral into the next compliance period without penalty;
24 or

25 (iii) Suspending deficit accrual during the emergency deferral
26 period.

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

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

1 may initiate a deferral under this subsection at its own discretion
2 or at the request of a person regulated under this chapter. The
3 department may renew issued deferrals. In evaluating whether to issue
4 a deferral under this subsection, the department may consider the
5 results of the fuel supply forecast in RCW 70A.535.100, but is not
6 bound in its decision-making discretion by the results of the
7 forecast.

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

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

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

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

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

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

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

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

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

1 (2) (a) The department must incorporate environmental justice
2 principles into the grant selection process, with the goal of
3 increasing the distribution of funding to communities based on
4 addressing environmental harms and provide environmental benefits for
5 overburdened communities, as defined in RCW 70A.02.010, and
6 vulnerable populations.

7 (b) The department must incorporate geographic diversity into the
8 grant selection process.

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

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

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

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

18 (5) For the purposes of this section:

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

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

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

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

37 (2) To address these investment gaps, the connecting communities
38 program is established within the department. The purpose of the

1 program is to improve active transportation connectivity in
2 communities by:

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

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

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

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

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

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

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

22 (c) Whether the project will serve:

23 (i) Overburdened communities as defined in RCW 70A.02.010 to mean
24 a geographic area where vulnerable populations face combined,
25 multiple environmental harms and health impacts, and includes, but is
26 not limited to, highly impacted communities as defined in RCW
27 19.405.020;

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

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

3 (iv) People with disabilities;

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

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

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

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

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

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

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

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

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

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

1 and bicyclists, and/or that have a design that hampers the ability of
2 motorists to see a crossing pedestrian with sufficient time to stop
3 given posted speed limits and roadway configuration;

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

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

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

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

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

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

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

38 (1) The department shall establish a statewide school-based
39 bicycle education grant program. The grant will support two programs:

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

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

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

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

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

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

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

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

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

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

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

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

4 NEW SECTION. **Sec. 422.** A new section is added to chapter 47.66
5 RCW to read as follows:

6 (1) The department shall establish a transit support grant
7 program for the purpose of providing financial support to transit
8 agencies for operating and capital expenses only. Public transit
9 agencies must maintain or increase their local sales tax authority on
10 or after January 1, 2022, in order to qualify for the grants.

11 (a) Grants for transit agencies must be prorated based on the
12 amount expended for operations in the most recently published report
13 of "Summary of Public Transportation" published by the department.

14 (b) No transit agency may receive more than 35 percent of these
15 distributions.

16 (c) Fuel type may not be a factor in the grant selection process.

17 (2) To be eligible to receive a grant, the transit agency must
18 have adopted, at a minimum, a zero-fare policy that allows passengers
19 18 years of age and younger to ride free of charge on all modes
20 provided by the agency.

21 (3) The department shall, for the purposes of the "Summary of
22 Public Transportation" report, require grantees to report the number
23 of trips that were taken under this program.

24 (4) For the purposes of this section, "transit agency" or
25 "agency" means a city transit system under RCW 35.58.2721 or chapter
26 35.95A RCW, a county public transportation authority under chapter
27 36.57 RCW, a metropolitan municipal corporation transit system under
28 chapter 36.56 RCW, a public transportation benefit area under chapter
29 36.57A RCW, an unincorporated transportation benefit area under RCW
30 36.57.100, or any special purpose district formed to operate a public
31 transportation system.

32 **Sec. 423.** RCW 46.63.170 and 2020 c 224 s 1 are each amended to
33 read as follows:

34 (1) The use of automated traffic safety cameras for issuance of
35 notices of infraction is subject to the following requirements:

36 (a) Except for proposed locations used solely for the pilot
37 program purposes permitted under subsection (6) of this section, the
38 appropriate local legislative authority must prepare an analysis of

1 the locations within the jurisdiction where automated traffic safety
2 cameras are proposed to be located: (i) Before enacting an ordinance
3 allowing for the initial use of automated traffic safety cameras; and
4 (ii) before adding additional cameras or relocating any existing
5 camera to a new location within the jurisdiction. Automated traffic
6 safety cameras may be used to detect one or more of the following:
7 Stoplight, railroad crossing, ~~((+))~~ school speed zone
8 violations~~((+))~~, speed violations on any roadway identified in a
9 school walk area as defined in RCW 28A.160.160, speed violations in
10 public park speed zones, hospital speed zones, speed violations
11 subject to (c) or (d) of this subsection~~((+))~~, or violations included
12 in subsection (6) of this section for the duration of the pilot
13 program authorized under subsection (6) of this section. At a
14 minimum, the local ordinance must contain the restrictions described
15 in this section and provisions for public notice and signage. Cities
16 and counties using automated traffic safety cameras before July 24,
17 2005, are subject to the restrictions described in this section, but
18 are not required to enact an authorizing ordinance. Beginning one
19 year after June 7, 2012, cities and counties using automated traffic
20 safety cameras must post an annual report of the number of traffic
21 accidents that occurred at each location where an automated traffic
22 safety camera is located as well as the number of notices of
23 infraction issued for each camera and any other relevant information
24 about the automated traffic safety cameras that the city or county
25 deems appropriate on the city's or county's website.

26 (b) (i) Except as provided in (c) and (d) of this subsection and
27 subsection (6) of this section, use of automated traffic safety
28 cameras is restricted to the following locations only: ~~((+))~~ (A)
29 Intersections of two or more arterials with traffic control signals
30 that have yellow change interval durations in accordance with RCW
31 47.36.022, which interval durations may not be reduced after
32 placement of the camera; ~~((+))~~ (B) railroad crossings; ~~((and~~
33 ~~((+))~~) (C) school speed zones; (D) roadways identified in a school
34 walk area as defined in RCW 28A.160.160; (E) public park speed zones,
35 as defined in (b)(ii) of this subsection; and (F) hospital speed
36 zones, as defined in (b)(ii) of this subsection.

37 (ii) For the purposes of this section:

38 (A) "Public park speed zone" means the marked area within public
39 park property and extending 300 feet from the border of public park
40 property (I) consistent with active park use; and (II) where signs

1 are posted to indicate the location is within a public park speed
2 zone.

3 (B) "Hospital speed zone" means the marked area within hospital
4 property and extending 300 feet from the border of hospital property
5 (I) consistent with hospital use; and (II) where signs are posted to
6 indicate the location is within a hospital speed zone, where
7 "hospital" has the same meaning as in RCW 70.41.020.

8 (c) ((Any)) In addition to the automated traffic safety cameras
9 authorized under (d) of this subsection, any city west of the Cascade
10 mountains with a population of more than ((one hundred ninety-five
11 thousand)) 195,000 located in a county with a population of fewer
12 than ((one million five hundred thousand)) 1,500,000 may operate an
13 automated traffic safety camera to detect speed violations subject to
14 the following limitations:

15 (i) A city may only operate one such automated traffic safety
16 camera within its respective jurisdiction; and

17 (ii) The use and location of the automated traffic safety camera
18 must have first been authorized by the Washington state legislature
19 as a pilot project for at least one full year.

20 (d) (i) Cities may operate at least one automated traffic safety
21 camera under this subsection to detect speed violations, subject to
22 the requirements of (d) (ii) of this subsection. Cities may operate
23 one additional automated traffic safety camera to detect speed
24 violations for every 10,000 residents included in the city's
25 population. Cameras must be placed in locations that comply with one
26 of the following:

27 (A) The location has been identified as a priority location in a
28 local road safety plan that a city has submitted to the Washington
29 state department of transportation and where other speed reduction
30 measures are not feasible or have not been sufficiently effective at
31 reducing travel speed;

32 (B) The location has a significantly higher rate of collisions
33 than the city average in a period of at least three years prior to
34 installation and other speed reduction measures are not feasible or
35 have not been sufficiently effective at reducing travel speed; or

36 (C) The location is in an area within the city limits designated
37 by local ordinance as a zone subject to specified restrictions and
38 penalties on racing and race attendance.

39 (ii) A city locating an automated traffic safety camera under
40 this subsection (1) (d) must complete an equity analysis that

1 evaluates livability, accessibility, economics, education, and
2 environmental health, and shall consider the outcome of that analysis
3 when identifying where to locate an automated traffic safety camera.

4 (e) All locations where an automated traffic safety camera is
5 used to detect speed violations on roadways identified in a school
6 walk area, speed violations in public park speed zones, speed
7 violations in hospital speed zones, or speed violations under (d) of
8 this subsection must be clearly marked by placing signs in locations
9 that clearly indicate to a driver either: (i) That the driver is
10 within a school walk area, public park speed zone, or hospital speed
11 zone; or (ii) that the driver is entering an area where speed
12 violations are enforced by an automated traffic safety camera. Signs
13 placed in automated traffic safety camera locations after June 7,
14 2012, must follow the specifications and guidelines under the manual
15 of uniform traffic control devices for streets and highways as
16 adopted by the department of transportation under chapter 47.36 RCW.

17 (f) Automated traffic safety cameras may only take pictures of
18 the vehicle and vehicle license plate and only while an infraction is
19 occurring. The picture must not reveal the face of the driver or of
20 passengers in the vehicle. The primary purpose of camera placement is
21 to take pictures of the vehicle and vehicle license plate when an
22 infraction is occurring. Cities and counties shall consider
23 installing cameras in a manner that minimizes the impact of camera
24 flash on drivers.

25 ~~((e))~~ (g) A notice of infraction must be mailed to the
26 registered owner of the vehicle within (~~fourteen~~) 14 days of the
27 violation, or to the renter of a vehicle within (~~fourteen~~) 14 days
28 of establishing the renter's name and address under subsection (3)(a)
29 of this section. The law enforcement officer issuing the notice of
30 infraction shall include with it a certificate or facsimile thereof,
31 based upon inspection of photographs, microphotographs, or electronic
32 images produced by an automated traffic safety camera, stating the
33 facts supporting the notice of infraction. This certificate or
34 facsimile is prima facie evidence of the facts contained in it and is
35 admissible in a proceeding charging a violation under this chapter.
36 The photographs, microphotographs, or electronic images evidencing
37 the violation must be available for inspection and admission into
38 evidence in a proceeding to adjudicate the liability for the
39 infraction. A person receiving a notice of infraction based on

1 evidence detected by an automated traffic safety camera may respond
2 to the notice by mail.

3 ~~((f))~~ (h) The registered owner of a vehicle is responsible for
4 an infraction under RCW 46.63.030(1)(d) unless the registered owner
5 overcomes the presumption in RCW 46.63.075, or, in the case of a
6 rental car business, satisfies the conditions under subsection (3) of
7 this section. If appropriate under the circumstances, a renter
8 identified under subsection (3)(a) of this section is responsible for
9 an infraction.

10 ~~((g))~~ (i) Notwithstanding any other provision of law, all
11 photographs, microphotographs, or electronic images, or any other
12 personally identifying data prepared under this section are for the
13 exclusive use of law enforcement in the discharge of duties under
14 this section and are not open to the public and may not be used in a
15 court in a pending action or proceeding unless the action or
16 proceeding relates to a violation under this section. No photograph,
17 microphotograph, or electronic image, or any other personally
18 identifying data may be used for any purpose other than enforcement
19 of violations under this section nor retained longer than necessary
20 to enforce this section.

21 ~~((h))~~ (j) All locations where an automated traffic safety
22 camera is used must be clearly marked at least ~~((thirty))~~ 30 days
23 prior to activation of the camera by placing signs in locations that
24 clearly indicate to a driver that he or she is entering a zone where
25 traffic laws are enforced by an automated traffic safety camera.
26 Signs placed in automated traffic safety camera locations after June
27 7, 2012, must follow the specifications and guidelines under the
28 manual of uniform traffic control devices for streets and highways as
29 adopted by the department of transportation under chapter 47.36 RCW.

30 ~~((i))~~ (k) If a county or city has established an authorized
31 automated traffic safety camera program under this section, the
32 compensation paid to the manufacturer or vendor of the equipment used
33 must be based only upon the value of the equipment and services
34 provided or rendered in support of the system, and may not be based
35 upon a portion of the fine or civil penalty imposed or the revenue
36 generated by the equipment.

37 (l) If a city is operating an automated traffic safety camera to
38 detect speed violations on roadways identified in a school walk area,
39 speed violations in public park speed zones, speed violations in
40 hospital speed zones, or speed violations under (d) of this

1 subsection, the city shall remit monthly to the state 50 percent of
2 the noninterest money received for infractions issued by those
3 cameras excess of the cost to administer, install, operate, and
4 maintain the automated traffic safety cameras, including the cost of
5 processing infractions. Money remitted under this subsection to the
6 state treasurer shall be deposited in the Cooper Jones active
7 transportation safety account created in RCW 46.68.480. This
8 subsection (1)(1) does not apply to automated traffic safety cameras
9 authorized for stoplight, railroad crossing, or school speed zone
10 violations.

11 (2) Infractions detected through the use of automated traffic
12 safety cameras are not part of the registered owner's driving record
13 under RCW 46.52.101 and 46.52.120. Additionally, infractions
14 generated by the use of automated traffic safety cameras under this
15 section shall be processed in the same manner as parking infractions,
16 including for the purposes of RCW 3.50.100, 35.20.220, 46.16A.120,
17 and 46.20.270(2). Except as provided otherwise in subsection (6) of
18 this section, the amount of the fine issued for an infraction
19 generated through the use of an automated traffic safety camera shall
20 not exceed the amount of a fine issued for other parking infractions
21 within the jurisdiction. However, the amount of the fine issued for a
22 traffic control signal violation detected through the use of an
23 automated traffic safety camera shall not exceed the monetary penalty
24 for a violation of RCW 46.61.050 as provided under RCW 46.63.110,
25 including all applicable statutory assessments.

26 (3) If the registered owner of the vehicle is a rental car
27 business, the law enforcement agency shall, before a notice of
28 infraction being issued under this section, provide a written notice
29 to the rental car business that a notice of infraction may be issued
30 to the rental car business if the rental car business does not,
31 within (~~eighteen~~) 18 days of receiving the written notice, provide
32 to the issuing agency by return mail:

33 (a) A statement under oath stating the name and known mailing
34 address of the individual driving or renting the vehicle when the
35 infraction occurred; or

36 (b) A statement under oath that the business is unable to
37 determine who was driving or renting the vehicle at the time the
38 infraction occurred because the vehicle was stolen at the time of the
39 infraction. A statement provided under this subsection must be

1 accompanied by a copy of a filed police report regarding the vehicle
2 theft; or

3 (c) In lieu of identifying the vehicle operator, the rental car
4 business may pay the applicable penalty.

5 Timely mailing of this statement to the issuing law enforcement
6 agency relieves a rental car business of any liability under this
7 chapter for the notice of infraction.

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

12 (5)(a) For the purposes of this section, "automated traffic
13 safety camera" means a device that uses a vehicle sensor installed to
14 work in conjunction with an intersection traffic control system, a
15 railroad grade crossing control system, or a speed measuring device,
16 and a camera synchronized to automatically record one or more
17 sequenced photographs, microphotographs, or electronic images of the
18 rear of a motor vehicle at the time the vehicle fails to stop when
19 facing a steady red traffic control signal or an activated railroad
20 grade crossing control signal, or exceeds a speed limit as detected
21 by a speed measuring device.

22 (b) For the purposes of the pilot program authorized under
23 subsection (6) of this section, "automated traffic safety camera"
24 also includes a device used to detect stopping at intersection or
25 crosswalk violations; stopping when traffic obstructed violations;
26 public transportation only lane violations; and stopping or traveling
27 in restricted lane violations. The device, including all technology
28 defined under "automated traffic safety camera," must not reveal the
29 face of the driver or the passengers in vehicles, and must not use
30 any facial recognition technology in real time or after capturing any
31 information. If the face of any individual in a crosswalk or
32 otherwise within the frame is incidentally captured, it may not be
33 made available to the public nor used for any purpose including, but
34 not limited to, any law enforcement action, except in a pending
35 action or proceeding related to a violation under this section.

36 (6)(a)(i) A city with a population greater than (~~five hundred~~
37 ~~thousand~~) 500,000 may adopt an ordinance creating a pilot program
38 authorizing automated traffic safety cameras to be used to detect one
39 or more of the following violations: Stopping when traffic obstructed
40 violations; stopping at intersection or crosswalk violations; public

1 transportation only lane violations; and stopping or traveling in
2 restricted lane violations. Under the pilot program, stopping at
3 intersection or crosswalk violations may only be enforced at the
4 (~~twenty~~) 20 intersections where the city would most like to address
5 safety concerns related to stopping at intersection or crosswalk
6 violations. At a minimum, the local ordinance must contain the
7 restrictions described in this section and provisions for public
8 notice and signage.

9 (ii) Except where specifically exempted, all of the rules and
10 restrictions applicable to the use of automated traffic safety
11 cameras in this section apply to the use of automated traffic safety
12 cameras in the pilot program established in this subsection (6).

13 (iii) As used in this subsection (6), "public transportation
14 vehicle" means any motor vehicle, streetcar, train, trolley vehicle,
15 ferry boat, or any other device, vessel, or vehicle that is owned or
16 operated by a transit authority or an entity providing service on
17 behalf of a transit authority that is used for the purpose of
18 carrying passengers and that operates on established routes. "Transit
19 authority" has the meaning provided in RCW 9.91.025.

20 (b) Use of automated traffic safety cameras as authorized in this
21 subsection (6) is restricted to the following locations only:
22 Locations authorized in subsection (1)(b) of this section; and
23 midblock on arterials. Additionally, the use of automated traffic
24 safety cameras as authorized in this subsection (6) is further
25 limited to the following:

26 (i) The portion of state and local roadways in downtown areas of
27 the city used for office and commercial activities, as well as retail
28 shopping and support services, and that may include mixed residential
29 uses;

30 (ii) The portion of state and local roadways in areas in the city
31 within one-half mile north of the boundary of the area described in
32 (b)(i) of this subsection;

33 (iii) Portions of roadway systems in the city that travel into
34 and out of (b)(ii) of this subsection that are designated by the
35 Washington state department of transportation as noninterstate
36 freeways for up to four miles; and

37 (iv) Portions of roadway systems in the city connected to the
38 portions of the noninterstate freeways identified in (b)(iii) of this
39 subsection that are designated by the Washington state department of

1 transportation as arterial roadways for up to one mile from the
2 intersection of the arterial roadway and the noninterstate freeway.

3 (c) However, automated traffic safety cameras may not be used on
4 an on-ramp to an interstate.

5 (d) From June 11, 2020, through December 31, 2020, a warning
6 notice with no penalty must be issued to the registered owner of the
7 vehicle for a violation generated through the use of an automated
8 traffic safety camera authorized in this subsection (6). Beginning
9 January 1, 2021, a notice of infraction must be issued, in a manner
10 consistent with subsections (1)~~((e))~~ (g) and (3) of this section,
11 for a violation generated through the use of an automated traffic
12 safety camera authorized in this subsection (6). However, the penalty
13 for the violation may not exceed ~~((seventy-five dollars))~~ \$75.

14 (e) For infractions issued as authorized in this subsection (6),
15 a city with a pilot program shall remit monthly to the state
16 ~~((fifty))~~ 50 percent of the noninterest money received under this
17 subsection (6) in excess of the cost to install, operate, and
18 maintain the automated traffic safety cameras for use in the pilot
19 program. Money remitted under this subsection to the state treasurer
20 shall be deposited in the Cooper Jones active transportation safety
21 account created in RCW 46.68.480. The remaining ~~((fifty))~~ 50 percent
22 retained by the city must be used only for improvements to
23 transportation that support equitable access and mobility for persons
24 with disabilities.

25 (f) A transit authority may not take disciplinary action,
26 regarding a warning or infraction issued pursuant to this subsection
27 (6), against an employee who was operating a public transportation
28 vehicle at the time the violation that was the basis of the warning
29 or infraction was detected.

30 (g) A city that implements a pilot program under this subsection
31 (6) must provide a preliminary report to the transportation
32 committees of the legislature by June 30, ~~((2022))~~ 2024, and a final
33 report by January 1, ~~((2023))~~ 2025, on the pilot program that
34 includes the locations chosen for the automated traffic safety
35 cameras used in the pilot program, the number of warnings and traffic
36 infractions issued under the pilot program, the number of traffic
37 infractions issued with respect to vehicles registered outside of the
38 county in which the city is located, the infrastructure improvements
39 made using the penalty moneys as required under (e) of this
40 subsection, an equity analysis that includes any disproportionate

1 impacts, safety, and on-time performance statistics related to the
2 impact on driver behavior of the use of automated traffic safety
3 cameras in the pilot program, and any recommendations on the use of
4 automated traffic safety cameras to enforce the violations that these
5 cameras were authorized to detect under the pilot program.

6 **Sec. 424.** RCW 46.63.170 and 2015 3rd sp.s. c 44 s 406 are each
7 amended to read as follows:

8 (1) The use of automated traffic safety cameras for issuance of
9 notices of infraction is subject to the following requirements:

10 (a) The appropriate local legislative authority must prepare an
11 analysis of the locations within the jurisdiction where automated
12 traffic safety cameras are proposed to be located: (i) Before
13 enacting an ordinance allowing for the initial use of automated
14 traffic safety cameras; and (ii) before adding additional cameras or
15 relocating any existing camera to a new location within the
16 jurisdiction. Automated traffic safety cameras may be used to detect
17 one or more of the following: Stoplight, railroad crossing, ~~((~~+~~))~~
18 school speed zone violations(~~(+)~~), speed violations on any roadway
19 identified in a school walk area as defined in RCW 28A.160.160, speed
20 violations in public park speed zones, hospital speed zones, or speed
21 violations subject to (c) or (d) of this subsection. At a minimum,
22 the local ordinance must contain the restrictions described in this
23 section and provisions for public notice and signage. Cities and
24 counties using automated traffic safety cameras before July 24, 2005,
25 are subject to the restrictions described in this section, but are
26 not required to enact an authorizing ordinance. Beginning one year
27 after June 7, 2012, cities and counties using automated traffic
28 safety cameras must post an annual report of the number of traffic
29 accidents that occurred at each location where an automated traffic
30 safety camera is located as well as the number of notices of
31 infraction issued for each camera and any other relevant information
32 about the automated traffic safety cameras that the city or county
33 deems appropriate on the city's or county's website.

34 (b) (i) Except as provided in (c) and (d) of this subsection, use
35 of automated traffic safety cameras is restricted to the following
36 locations only: ~~((~~+~~))~~ (A) Intersections of two arterials with
37 traffic control signals that have yellow change interval durations in
38 accordance with RCW 47.36.022, which interval durations may not be
39 reduced after placement of the camera; ~~((~~+~~))~~ (B) railroad

1 crossings; (~~and—(iii)~~) (C) school speed zones; (D) roadways
2 identified in a school walk area as defined in RCW 28A.160.160; (E)
3 public park speed zones, as defined in (b)(ii) of this subsection;
4 and (F) hospital speed zones, as defined in (b)(ii) of this
5 subsection.

6 (ii) For the purposes of this section:

7 (A) "Public park speed zone" means the marked area within public
8 park property and extending 300 feet from the border of public park
9 property (I) consistent with active park use; and (II) where signs
10 are posted to indicate the location is within a public park speed
11 zone.

12 (B) "Hospital speed zone" means the marked area within hospital
13 property and extending 300 feet from the border of hospital property
14 (I) consistent with hospital use; and (II) where signs are posted to
15 indicate the location is within a hospital speed zone, where
16 "hospital" has the same meaning as in RCW 70.41.020.

17 (c) (~~Any~~) In addition to the automated traffic safety cameras
18 authorized under (d) of this subsection, any city west of the Cascade
19 mountains with a population of more than (~~one hundred ninety-five~~
20 ~~thousand~~) 195,000 located in a county with a population of fewer
21 than (~~one million five hundred thousand~~) 1,500,000 may operate an
22 automated traffic safety camera to detect speed violations subject to
23 the following limitations:

24 (i) A city may only operate one such automated traffic safety
25 camera within its respective jurisdiction; and

26 (ii) The use and location of the automated traffic safety camera
27 must have first been authorized by the Washington state legislature
28 as a pilot project for at least one full year.

29 (d)(i) Cities may operate at least one automated traffic safety
30 camera under this subsection to detect speed violations, subject to
31 the requirements of (d)(ii) of this subsection. Cities may operate
32 one additional automated traffic safety camera to detect speed
33 violations for every 10,000 residents included in the city's
34 population. Cameras must be placed in locations that comply with one
35 of the following:

36 (A) The location has been identified as a priority location in a
37 local road safety plan that a city has submitted to the Washington
38 state department of transportation and where other speed reduction
39 measures are not feasible or have not been sufficiently effective at
40 reducing travel speed;

1 (B) The location has a significantly higher rate of collisions
2 than the city average in a period of at least three years prior to
3 installation and other speed reduction measures are not feasible or
4 have not been sufficiently effective at reducing travel speed; or

5 (C) The location is in an area within the city limits designated
6 by local ordinance as a zone subject to specified restrictions and
7 penalties on racing and race attendance.

8 (ii) A city locating an automated traffic safety camera under
9 this subsection (1)(d) must complete an equity analysis that
10 evaluates livability, accessibility, economics, education, and
11 environmental health, and shall consider the outcome of that analysis
12 when identifying where to locate an automated traffic safety camera.

13 (e) All locations where an automated traffic safety camera is
14 used to detect speed violations on roadways identified in a school
15 walk area, speed violations in public park speed zones, speed
16 violations in hospital speed zones, or speed violations under (d) of
17 this subsection must be clearly marked by placing signs in locations
18 that clearly indicate to a driver either: (i) That the driver is
19 within a school walk area, public park speed zone, or hospital speed
20 zone; or (ii) that the driver is entering an area where speed
21 violations are enforced by an automated traffic safety camera. Signs
22 placed in automated traffic safety camera locations after June 7,
23 2012, must follow the specifications and guidelines under the manual
24 of uniform traffic control devices for streets and highways as
25 adopted by the department of transportation under chapter 47.36 RCW.

26 (f) Automated traffic safety cameras may only take pictures of
27 the vehicle and vehicle license plate and only while an infraction is
28 occurring. The picture must not reveal the face of the driver or of
29 passengers in the vehicle. The primary purpose of camera placement is
30 to take pictures of the vehicle and vehicle license plate when an
31 infraction is occurring. Cities and counties shall consider
32 installing cameras in a manner that minimizes the impact of camera
33 flash on drivers.

34 ~~((e))~~ (g) A notice of infraction must be mailed to the
35 registered owner of the vehicle within ~~((fourteen))~~ 14 days of the
36 violation, or to the renter of a vehicle within ~~((fourteen))~~ 14 days
37 of establishing the renter's name and address under subsection (3)(a)
38 of this section. The law enforcement officer issuing the notice of
39 infraction shall include with it a certificate or facsimile thereof,
40 based upon inspection of photographs, microphotographs, or electronic

1 images produced by an automated traffic safety camera, stating the
2 facts supporting the notice of infraction. This certificate or
3 facsimile is prima facie evidence of the facts contained in it and is
4 admissible in a proceeding charging a violation under this chapter.
5 The photographs, microphotographs, or electronic images evidencing
6 the violation must be available for inspection and admission into
7 evidence in a proceeding to adjudicate the liability for the
8 infraction. A person receiving a notice of infraction based on
9 evidence detected by an automated traffic safety camera may respond
10 to the notice by mail.

11 ~~((f))~~ (h) The registered owner of a vehicle is responsible for
12 an infraction under RCW 46.63.030(1)(d) unless the registered owner
13 overcomes the presumption in RCW 46.63.075, or, in the case of a
14 rental car business, satisfies the conditions under subsection (3) of
15 this section. If appropriate under the circumstances, a renter
16 identified under subsection (3)(a) of this section is responsible for
17 an infraction.

18 ~~((g))~~ (i) Notwithstanding any other provision of law, all
19 photographs, microphotographs, or electronic images prepared under
20 this section are for the exclusive use of law enforcement in the
21 discharge of duties under this section and are not open to the public
22 and may not be used in a court in a pending action or proceeding
23 unless the action or proceeding relates to a violation under this
24 section. No photograph, microphotograph, or electronic image may be
25 used for any purpose other than enforcement of violations under this
26 section nor retained longer than necessary to enforce this section.

27 ~~((h))~~ (j) All locations where an automated traffic safety
28 camera is used must be clearly marked at least ~~((thirty))~~ 30 days
29 prior to activation of the camera by placing signs in locations that
30 clearly indicate to a driver that he or she is entering a zone where
31 traffic laws are enforced by an automated traffic safety camera.
32 Signs placed in automated traffic safety camera locations after June
33 7, 2012, must follow the specifications and guidelines under the
34 manual of uniform traffic control devices for streets and highways as
35 adopted by the department of transportation under chapter 47.36 RCW.

36 ~~((i))~~ (k) If a county or city has established an authorized
37 automated traffic safety camera program under this section, the
38 compensation paid to the manufacturer or vendor of the equipment used
39 must be based only upon the value of the equipment and services
40 provided or rendered in support of the system, and may not be based

1 upon a portion of the fine or civil penalty imposed or the revenue
2 generated by the equipment.

3 (1) If a city is operating an automated traffic safety camera to
4 detect speed violations on roadways identified in a school walk area,
5 speed violations in public park speed zones, speed violations in
6 hospital speed zones, or speed violations under (d) of this
7 subsection, the city shall remit monthly to the state 50 percent of
8 the noninterest money received for infractions issued by those
9 cameras excess of the cost to administer, install, operate, and
10 maintain the automated traffic safety cameras, including the cost of
11 processing infractions. Money remitted under this subsection to the
12 state treasurer shall be deposited in the Cooper Jones active
13 transportation safety account created in RCW 46.68.480. This
14 subsection (1)(1) does not apply to automated traffic safety cameras
15 authorized for stoplight, railroad crossing, or school speed zone
16 violations.

17 (2) Infractions detected through the use of automated traffic
18 safety cameras are not part of the registered owner's driving record
19 under RCW 46.52.101 and 46.52.120. Additionally, infractions
20 generated by the use of automated traffic safety cameras under this
21 section shall be processed in the same manner as parking infractions,
22 including for the purposes of RCW 3.50.100, 35.20.220, 46.16A.120,
23 and 46.20.270(2). The amount of the fine issued for an infraction
24 generated through the use of an automated traffic safety camera shall
25 not exceed the amount of a fine issued for other parking infractions
26 within the jurisdiction. However, the amount of the fine issued for a
27 traffic control signal violation detected through the use of an
28 automated traffic safety camera shall not exceed the monetary penalty
29 for a violation of RCW 46.61.050 as provided under RCW 46.63.110,
30 including all applicable statutory assessments.

31 (3) If the registered owner of the vehicle is a rental car
32 business, the law enforcement agency shall, before a notice of
33 infraction being issued under this section, provide a written notice
34 to the rental car business that a notice of infraction may be issued
35 to the rental car business if the rental car business does not,
36 within (~~eighteen~~) 18 days of receiving the written notice, provide
37 to the issuing agency by return mail:

38 (a) A statement under oath stating the name and known mailing
39 address of the individual driving or renting the vehicle when the
40 infraction occurred; or

1 (b) A statement under oath that the business is unable to
2 determine who was driving or renting the vehicle at the time the
3 infraction occurred because the vehicle was stolen at the time of the
4 infraction. A statement provided under this subsection must be
5 accompanied by a copy of a filed police report regarding the vehicle
6 theft; or

7 (c) In lieu of identifying the vehicle operator, the rental car
8 business may pay the applicable penalty.

9 Timely mailing of this statement to the issuing law enforcement
10 agency relieves a rental car business of any liability under this
11 chapter for the notice of infraction.

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

16 (5) For the purposes of this section, "automated traffic safety
17 camera" means a device that uses a vehicle sensor installed to work
18 in conjunction with an intersection traffic control system, a
19 railroad grade crossing control system, or a speed measuring device,
20 and a camera synchronized to automatically record one or more
21 sequenced photographs, microphotographs, or electronic images of the
22 rear of a motor vehicle at the time the vehicle fails to stop when
23 facing a steady red traffic control signal or an activated railroad
24 grade crossing control signal, or exceeds a speed limit as detected
25 by a speed measuring device.

26 (6) During the 2011-2013 and 2013-2015 fiscal biennia, this
27 section does not apply to automated traffic safety cameras for the
28 purposes of section 216(5), chapter 367, Laws of 2011 and section
29 216(6), chapter 306, Laws of 2013.

30 NEW SECTION. **Sec. 425.** A new section is added to chapter 47.56
31 RCW to read as follows:

32 The legislature recognizes the need to reduce congestion and
33 improve mobility on the Interstate 405 and state route number 167
34 corridors, and finds that performance on the corridors has not met
35 the goal that average vehicle speeds in the express toll lanes remain
36 above 45 miles per hour at least 90 percent of the time during peak
37 hours. Therefore, the legislature intends that the commission
38 reevaluate options at least every two years to improve performance on

1 the Interstate 405 and state route number 167 corridors, pursuant to
2 RCW 47.56.880 and 47.56.850.

3 **Sec. 426.** RCW 70A.65.230 and 2021 c 316 s 26 are each amended to
4 read as follows:

5 (1) It is the intent of the legislature that each year the total
6 investments made through the carbon emissions reduction account
7 created in RCW 70A.65.240, the climate commitment account created in
8 RCW 70A.65.260, the natural climate solutions account created in RCW
9 70A.65.270, ~~((and))~~ the air quality and health disparities
10 improvement account created in RCW 70A.65.280, the climate transit
11 programs account created in section 104 of this act, and the climate
12 active transportation account created in section 103 of this act,
13 achieve the following:

14 (a) A minimum of not less than 35 percent and a goal of 40
15 percent of total investments that provide direct and meaningful
16 benefits to vulnerable populations within the boundaries of
17 overburdened communities identified under chapter 314, Laws of 2021;
18 and

19 (b) In addition to the requirements of (a) of this subsection, a
20 minimum of not less than 10 percent of total investments that are
21 used for programs, activities, or projects formally supported by a
22 resolution of an Indian tribe, with priority given to otherwise
23 qualifying projects directly administered or proposed by an Indian
24 tribe. An investment that meets the requirements of both this
25 subsection (1)(b) and (a) of this subsection may count toward the
26 minimum percentage targets for both subsections.

27 (2) The expenditure of moneys under this chapter must be
28 consistent with applicable federal, state, and local laws, and treaty
29 rights including, but not limited to, prohibitions on uses of funds
30 imposed by the state Constitution.

31 (3) For the purposes of this section, "benefits" means
32 investments or activities that:

33 (a) Reduce vulnerable population characteristics, environmental
34 burdens, or associated risks that contribute significantly to the
35 cumulative impact designation of highly impacted communities;

36 (b) Meaningfully protect an overburdened community from, or
37 support community response to, the impacts of air pollution or
38 climate change; or

1 (c) Meet a community need identified by vulnerable members of the
2 community that is consistent with the intent of this chapter.

3 (4) The state must develop a process by which to evaluate the
4 impacts of the investments made under this chapter, work across state
5 agencies to develop and track priorities across the different
6 eligible funding categories, and work with the environmental justice
7 council pursuant to RCW 70A.65.040.

8 ~~((5) No expenditures may be made from the carbon emissions
9 reduction account created in RCW 70A.65.240, the climate investment
10 account created in RCW 70A.65.250, or the air quality and health
11 disparities improvement account created in RCW 70A.65.280 if, by
12 April 1, 2023, the legislature has not considered and enacted request
13 legislation brought forth by the department under RCW 70A.65.060 that
14 outlines a compliance pathway specific to emissions-intensive, trade-
15 exposed businesses for achieving their proportionate share of the
16 state's emissions reduction limits through 2050.))~~

17 NEW SECTION. **Sec. 427.** The legislature finds that in order to
18 meet the statewide greenhouse gas emissions limits in RCW 70A.45.020
19 and 70A.45.050, the state must drastically reduce vehicle greenhouse
20 gas emissions. A critical strategy to meet those goals is
21 transitioning to zero emissions vehicles and this transition requires
22 ongoing purposeful interagency coordination and cooperation. As such,
23 it is the intent of the legislature to create a formal interagency
24 council responsible for coordinating the state's transportation
25 electrification efforts to ensure the state is leveraging state and
26 federal resources to the best extent possible and to ensure zero
27 emissions incentives, infrastructure, and opportunities are available
28 and accessible to all Washingtonians.

29 The legislature further finds that in order to meet the statewide
30 greenhouse gas emissions limits in the transportation sector of the
31 economy, more resources must be directed toward achieving zero
32 emissions transportation and transit, while continuing to relieve
33 energy burdens that exist in overburdened communities.

34 NEW SECTION. **Sec. 428.** (1) There is hereby created an
35 interagency electric vehicle coordinating council jointly led by the
36 Washington state department of commerce and the Washington state
37 department of transportation with participation from the following
38 agencies:

- 1 (a) The office of financial management;
2 (b) The department of ecology;
3 (c) The department of enterprise services;
4 (d) The state efficiency and environmental performance office;
5 (e) The department of agriculture;
6 (f) The department of health;
7 (g) The utilities and transportation commission;
8 (h) A representative from the office of the superintendent of
9 public instruction knowledgeable on issues pertaining to student
10 transportation; and
11 (i) Other agencies with key roles in electrifying the
12 transportation sector.

13 (2) The Washington state department of commerce and Washington
14 state department of transportation shall assign staff in each agency
15 to lead the council's coordination work and provide ongoing reports
16 to the governor and legislature including, but not limited to, the
17 transportation, energy, economic development, and other appropriate
18 legislative committees.

19 NEW SECTION. **Sec. 429.** (1) Interagency electric vehicle
20 coordinating council responsibilities include, but are not limited
21 to:

22 (a) Development of a statewide transportation electrification
23 strategy to ensure market and infrastructure readiness for all new
24 vehicle sales;

25 (b) Identification of all electric vehicle infrastructure grant-
26 related funding to include existing and future opportunities,
27 including state, federal, and other funds;

28 (c) Coordination of grant funding criteria across agency grant
29 programs to most efficiently distribute state and federal electric
30 vehicle-related funding in a manner that is most beneficial to the
31 state, advances best practices, and recommends additional criteria
32 that could be useful in advancing transportation electrification;

33 (d) Development of a robust public and private outreach plan that
34 includes engaging with:

35 (i) Community organizers and the environmental justice council to
36 develop community-driven programs to address zero emissions
37 transportation needs and priorities in overburdened communities; and

1 (ii) Local governments to explore procurement opportunities and
2 work with local government and community programs to support
3 electrification;

4 (e) Creation of an industry electric vehicle advisory committee;
5 and

6 (f) Ensuring the statewide transportation electrification
7 strategy, grant distribution, programs, and activities associated
8 with advancing transportation electrification benefit vulnerable and
9 overburdened communities.

10 (2) The council shall provide an annual report to the appropriate
11 committees of the legislature summarizing electric vehicle
12 implementation progress, gaps, and resource needs.

13 **Sec. 430.** RCW 46.68.480 and 2020 c 224 s 2 are each amended to
14 read as follows:

15 The Cooper Jones active transportation safety account is created
16 in the state treasury. All receipts from penalties collected under
17 RCW 46.63.170(~~(+6)(e)~~) shall be deposited into the account.
18 Expenditures from the account may be used only to fund grant projects
19 or programs for bicycle, pedestrian, and nonmotorist safety
20 improvement (~~administered by the Washington traffic safety~~
21 ~~commission~~). The account is subject to allotment procedures under
22 chapter 43.88 RCW. Moneys in the account may be spent only after
23 appropriation.

24 NEW SECTION. **Sec. 431.** A new section is added to chapter 47.60
25 RCW to read as follows:

26 It is the intent of the legislature to fully fund the vessel and
27 terminal electrification program in accordance with the Washington
28 state ferries 2040 long range plan. The legislature finds that to
29 attain the 2040 target fleet size of 26 vessels, a biennial
30 replacement schedule is necessary to ensure the level of ferry
31 service and reliability expected by the public. Therefore, by June
32 30, 2025, the legislature will secure funding options, including but
33 not limited to a vessel surcharge, to devote the resources necessary
34 to fulfill the vessel and terminal needs outlined in the 2040 long
35 range plan.

36 NEW SECTION. **Sec. 432.** Washington state's target zero program
37 envisions Washington having policies that will lead to zero deaths of

1 people using the transportation system. For almost two decades more
2 than 200 people have lost their lives annually in circumstances where
3 a vehicle unintentionally left its lane of travel. Such fatalities
4 made up 48 percent of all traffic-related fatalities in 2019. There
5 are multiple ways to make improvements on the highway system that
6 have been proven in other locations to help reduce lane departures
7 and fatalities. Sections 433 and 434 of this act are intended to
8 direct resources towards deploying such improvements by requiring the
9 Washington state department of transportation to create a program
10 that is focused on addressing this specific safety concern.

11 NEW SECTION. **Sec. 433.** A new section is added to chapter 47.04
12 RCW to read as follows:

13 (1)(a) When an appropriation is made for this purpose, the
14 department shall establish a reducing rural roadway departures
15 program to provide funding for safety improvements specific to
16 preventing lane departures in areas where the departure is likely to
17 cause serious injuries or death. Funding under this program may be
18 used to:

19 (i) Widen roadway shoulders or modify roadway design to improve
20 visibility or reduce lane departure risks;

21 (ii) Improve markings and paint on roadways, including making
22 markings on roads more visible for vehicles with lane departure
23 technology;

24 (iii) Apply high friction surface treatments;

25 (iv) Install rumble strips, signage, lighting, raised barriers,
26 medians, guardrails, cable barriers, or other safety equipment,
27 including deployment of innovative technology and connected
28 infrastructure devices;

29 (v) Remove or relocate fixed objects from rights-of-way that pose
30 a significant risk of serious injury or death if a vehicle were to
31 collide with the object due to a lane departure;

32 (vi) Repair or replace existing barriers that are damaged or
33 nonfunctional; or

34 (vii) Take other reasonable actions that are deemed likely to
35 address or prevent vehicle lane departures in specific areas of
36 concern.

37 (b) The department must create a program whereby it can
38 distribute funding or install safety improvements listed in (a) of
39 this subsection on state, county, small city, or town roads in rural

1 areas that have a high risk of having or actually have incidents of
2 serious injuries or fatalities due to vehicle lane departures. Any
3 installation of safety measures that are not under the jurisdiction
4 of the department must be done with permission from the entity that
5 is responsible for operation and maintenance of the roadway.

6 (c) The department's program must create a form and application
7 process whereby towns, small cities, counties, and transportation
8 benefit districts may apply for program funding for high risk areas
9 in their jurisdictions in need of safety improvements.

10 (d) Subject to the availability of amounts appropriated for this
11 specific purpose, the department must issue program funding for
12 purposes defined in (a) and (b) of this subsection in a
13 geographically diverse manner throughout the state. Criteria used to
14 assess a location can include the communities inability or lack of
15 resources to make the corrections themselves and to make corrections
16 where there has been historic disparate impacts.

17 (e) By December 31st of each year when there is funding
18 distributed in accordance with this program, the department must
19 provide the transportation committees of the legislature and the
20 traffic safety commission with a list of locations that received
21 funding and a description of the safety improvements installed there.

22 (2) During the first five years of the program, the department
23 must track incidence of lane departures at the locations where the
24 new infrastructure is installed and evaluate the effectiveness of the
25 safety improvements.

26 **Sec. 434.** RCW 46.68.060 and 2021 c 333 s 706 are each amended to
27 read as follows:

28 There is hereby created in the state treasury a fund to be known
29 as the highway safety fund to the credit of which must be deposited
30 all moneys directed by law to be deposited therein. This fund must be
31 used for carrying out the provisions of law relating to driver
32 licensing, driver improvement, financial responsibility, cost of
33 furnishing abstracts of driving records and maintaining such case
34 records, and to carry out the purposes set forth in RCW 43.59.010,
35 ~~((and))~~ chapters 46.72 and 46.72A RCW, and section 433 of this act.
36 During the 2013-2015 and 2015-2017 fiscal biennia, the legislature
37 may transfer from the highway safety fund to the Puget Sound ferry
38 operations account, the motor vehicle fund, and the multimodal
39 transportation account such amounts as reflect the excess fund

1 balance of the highway safety fund. During the 2017-2019, 2019-2021,
2 and 2021-2023 fiscal biennia, the legislature may direct the state
3 treasurer to make transfers of moneys in the highway safety fund to
4 the multimodal transportation account and the state patrol highway
5 account.

6 **Part V**
7 **Miscellaneous**

8 NEW SECTION. **Sec. 501.** Sections 415 and 427 through 429 of this
9 act constitute a new chapter in Title 43 RCW.

10 NEW SECTION. **Sec. 502.** If any provision of this act or its
11 application to any person or circumstance is held invalid, the
12 remainder of the act or the application of the provision to other
13 persons or circumstances is not affected.

14 NEW SECTION. **Sec. 503.** Sections 310 and 403 of this act expire
15 July 1, 2024.

16 NEW SECTION. **Sec. 504.** Section 404 of this act takes effect
17 July 1, 2024.

18 **Sec. 505.** 2020 c 224 s 3 (uncodified) is amended to read as
19 follows:

20 Section 1 of this act expires June 30, (~~2023~~) 2025.

21 NEW SECTION. **Sec. 506.** Section 423 of this act expires June 30,
22 2025.

23 NEW SECTION. **Sec. 507.** Section 424 of this act takes effect
24 June 30, 2025.

25 NEW SECTION. **Sec. 508.** Sections 312, 408 through 414, and 421
26 of this act are necessary for the immediate preservation of the
27 public peace, health, or safety, or support of the state government
28 and its existing public institutions, and take effect immediately.

29 NEW SECTION. **Sec. 509.** Sections 212, 213, 216, and 217 of this
30 act take effect October 1, 2022.

1 NEW SECTION. **Sec. 510.** Sections 214 and 215 of this act take
2 effect January 1, 2023, and apply to registrations that become due on
3 or after that date.

4 NEW SECTION. **Sec. 511.** Sections 201 through 206 of this act
5 take effect July 1, 2023.

6 NEW SECTION. **Sec. 512.** Sections 101 through 106, 208 through
7 211, 218, 301 through 311, 401 through 403, 405 through 407, 415
8 through 420, 422, 423, 425 through 430, and 505 of this act take
9 effect July 1, 2022.

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