
SECOND SUBSTITUTE HOUSE BILL 2338

State of Washington

65th Legislature

2018 Regular Session

By House Transportation (originally sponsored by Representatives Fitzgibbon, Cody, Hudgins, Goodman, Tarleton, Santos, McBride, Stanford, Tharinger, Macri, Jinkins, Ormsby, and Doglio)

READ FIRST TIME 02/06/18.

1 AN ACT Relating to reducing the greenhouse gas emissions
2 associated with transportation fuels; amending RCW 46.17.365,
3 46.25.100, 46.20.202, 46.25.052, 46.25.060, and 70.94.015; adding new
4 sections to chapter 70.94 RCW; and creating a new section.

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

6 NEW SECTION. **Sec. 1.** (1) The legislature finds that rapidly
7 innovating technologies, including electric vehicles and clean
8 transportation fuels, are at the threshold of widespread commercial
9 deployment. In order to help prompt the use of clean fuels, other
10 states have successfully implemented programs that reduce the carbon
11 intensity of their transportation fuels. Without disruptions to fuel
12 markets or significant impacts to the costs of transportation fuels,
13 California and Oregon have both implemented low-carbon fuel standards
14 that are similar to the program created in this act. Washington state
15 has extensively studied the potential impact of a clean fuels
16 program, and most projections show that a low-carbon fuel standard
17 would decrease greenhouse gas and conventional air pollutant
18 emissions, while positively impacting the state's economy.

19 (2) Therefore, it is the intent of the legislature to support the
20 deployment of clean transportation fuel technologies through a

1 carefully designed program that reduces the carbon intensity of fuel
2 used in Washington, in order to:

3 (a) Reduce levels of conventional air pollutants from diesel and
4 gasoline that are harmful to public health;

5 (b) Reduce greenhouse gas emissions associated with
6 transportation fuels, which are the state's largest source of
7 greenhouse gas emissions; and

8 (c) Create jobs and spur economic development based on innovative
9 clean fuel technologies.

10 NEW SECTION. **Sec. 2.** The definitions in this section apply
11 throughout this section and sections 3 through 7 of this act unless
12 the context clearly indicates otherwise.

13 (1) "Carbon dioxide equivalents" has the same meaning as defined
14 in RCW 70.235.010.

15 (2) "Clean fuels program" means the requirements established by
16 this act.

17 (3) "Credit" means a unit of measure generated when a fuel with a
18 carbon intensity that is less than the applicable standard adopted by
19 the department under section 3 of this act is produced, imported, or
20 dispensed for use in Washington, such that one credit is equal to one
21 metric ton of carbon dioxide equivalents.

22 (4) "Deficit" means a unit of measure generated when a fuel with
23 a carbon intensity that is greater than the applicable standard
24 adopted by the department under section 3 of this act is produced,
25 imported, or dispensed for use in Washington, such that one deficit
26 is equal to one metric ton of carbon dioxide equivalents.

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

29 (6) "Greenhouse gas" has the same meaning as defined in RCW
30 70.235.010.

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

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

37 NEW SECTION. **Sec. 3.** (1) The department shall adopt rules that
38 establish standards that reduce the greenhouse gas emissions per unit

1 of fuel energy (carbon intensity) in transportation fuels used in
2 Washington. The rules adopted under this section must reduce the
3 greenhouse gas emissions attributable to each unit of the fuels to
4 ten percent below 2017 levels by 2028. Transportation fuels exported
5 from Washington are not subject to these greenhouse gas emissions
6 reduction requirements. The rules must establish a start date for the
7 clean fuels program of January 1, 2020. To the extent the
8 requirements of this act conflict with the requirements of chapter
9 19.112 RCW, the requirements of this act prevail.

10 (2) The direction to the department to adopt rules under this
11 section is not an acknowledgment, denial, or limitation of any
12 authority of the department that existed prior to the effective date
13 of this section to adopt rules related to the greenhouse gas
14 emissions intensity of fuel under other provisions of this chapter
15 including, but not limited to, RCW 70.94.151 and 70.94.331.

16 NEW SECTION. **Sec. 4.** (1) The rules adopted by the department to
17 achieve the greenhouse gas emissions reductions per unit of fuel
18 energy specified in section 3 of this act must include, but are not
19 limited to, the following:

20 (a)(i) Standards for greenhouse gas emissions attributable to the
21 transportation fuels throughout their life cycles, including but not
22 limited to emissions from the production, storage, transportation,
23 and combustion of transportation fuels and from changes in land use
24 associated with transportation fuels. The standards adopted under
25 this section may also address the efficiency of a fuel as used in a
26 powertrain as compared to a reference fuel. In establishing the
27 standards under this subsection, the department may consider and rely
28 on carbon intensity calculations for transportation fuels used by
29 similar programs in other states. The rules adopted by the department
30 must neutrally consider the life-cycle emissions associated with
31 transportation fuels with respect to the political jurisdiction in
32 which the fuels originated, and may not discriminate against fuels on
33 the basis of having originated in another state or jurisdiction.
34 Nothing in this subsection shall be construed to prohibit inclusion
35 or assessment of emissions related to fuel transportation in
36 determining the carbon intensity of a fuel. If the department
37 determines that it is necessary for purposes of accurately measuring
38 greenhouse gas emissions associated with transportation fuels, the
39 department may require transportation fuel suppliers to submit

1 greenhouse gas emissions data that is different from or additional to
2 the greenhouse gas emissions data reported under RCW
3 70.94.151(5)(a)(iii);

4 (ii) The standards in (a)(i) of this subsection must measure
5 greenhouse gas emissions associated with electricity based on a mix
6 of generation resources specific to each electric utility
7 participating in the clean fuels program. If the department
8 determines that it is necessary for purposes of accurately measuring
9 greenhouse gas emissions associated with electricity supplied by an
10 electric utility, the department may require electric utilities
11 participating in the clean fuels program to submit greenhouse gas
12 emissions data that is different from or additional to the fuel mix
13 disclosure information submitted under chapter 19.29A RCW;

14 (iii) The rules adopted under this section must also include
15 procedures for setting and adjusting the amounts of greenhouse gas
16 emissions per unit of fuel energy that is assigned to transportation
17 fuels under (a)(i) of this subsection;

18 (b) Provisions allowing for the achievement of limits on the
19 greenhouse gas emissions intensity of transportation fuels in section
20 3 of this act to be achieved by any combination of transportation
21 fuels capable of meeting such standards;

22 (c) Criteria and processes for the establishment of delayed
23 implementation deadlines, if the department deems the delays to be
24 necessary to ensure adequate fuel supplies;

25 (d) Exemptions for transportation fuels that are used in volumes
26 below thresholds adopted by the department;

27 (e) Exemptions for transportation fuels used for the propulsion
28 of aircraft, vessels, or railroad locomotives;

29 (f) Cost containment mechanisms, including but not limited to
30 procedures that provide a means of compliance with the clean fuels
31 program requirements in the event that a regulated person has not
32 been able to acquire sufficient volumes of credits at the end of a
33 compliance period;

34 (g)(i) Methods for assigning compliance obligations and tracking
35 tradable credits that denote the generation, import, distribution, or
36 acquisition of units of transportation fuel with associated life-
37 cycle greenhouse gas emissions lower than the per-unit standard
38 established in section 3 of this act. Transportation fuels with
39 associated greenhouse gas emissions exceeding eighty percent of the

1 standard established in section 3 of this act are not eligible to
2 generate credits under the clean fuels program;

3 (ii) Mechanisms that allow credits to be traded and to be banked
4 for future compliance periods;

5 (iii) Procedures for verifying the validity of credits and
6 deficits generated under the clean fuels program;

7 (h) Requirements that producers or importers of transportation
8 fuels that equal or exceed the per-unit standard established in
9 section 3 of this act participate in the clean fuels program;

10 (i) Mechanisms to elect to participate in the clean fuels program
11 for persons associated with the supply chains of transportation fuels
12 that do not equal or exceed the per-unit standard established in
13 section 3 of this act, including producers, importers, distributors,
14 or retailers of such fuels;

15 (j) Mechanisms for persons associated with the supply chains of
16 transportation fuels that are used for purposes that are exempt from
17 the clean fuels program compliance obligations, including but not
18 limited to fuels used by aircraft, vessels, and railroad locomotives,
19 to elect to participate in the clean fuels program;

20 (k) Authority for the department to designate an entity to
21 aggregate and use unclaimed credits associated with persons that
22 elect not to participate in the clean fuels program under (i) of this
23 subsection.

24 (2) Except where otherwise provided in sections 2 through 7 of
25 this act, the department should seek to adopt rules that are
26 consistent with the regulatory standards, exemptions, reporting
27 obligations, and other clean fuels program compliance requirements of
28 other states that have adopted low carbon fuel standards or similar
29 greenhouse gas emissions requirements applicable specifically to
30 transportation fuels.

31 (3) In adopting rules under this section, the department must
32 consider whether actions taken or credits generated under the clean
33 fuels program are eligible for purposes of compliance with the clean
34 air rule, chapter 173-442 WAC as of the effective date of this
35 section, and whether actions taken or emissions reduction units
36 generated under the clean air rule may be used for purposes of
37 compliance with this section.

38 NEW SECTION. **Sec. 5.** (1)(a) Each producer or importer of
39 transportation fuels whose associated greenhouse gas emissions are

1 greater than or equal to the per-unit standard established in section
2 3 of this act must register with the department.

3 (b) Producers and importers of other transportation fuels must
4 register with the department if they elect to participate in the
5 clean fuels program.

6 (2) Each transaction transferring ownership of transportation
7 fuels for which clean fuels program participation is mandated or has
8 been chosen must be accompanied by documentation assigning the clean
9 fuels program compliance responsibility associated with the fuels,
10 including the assignment of associated credits.

11 (3) The department may adopt rules requiring the periodic
12 reporting of information to the department by producers and importers
13 of transportation fuels participating in the clean fuels program.

14 NEW SECTION. **Sec. 6.** (1)(a) Twenty-five percent of the revenues
15 generated by an electric utility from credits earned under the clean
16 fuels program must be expended by the electric utility on
17 transportation electrification projects. These transportation
18 electrification projects must be located within a federally
19 designated nonattainment or maintenance area if such a nonattainment
20 or maintenance area is within the service area of the utility.

21 (b) The department may adopt requirements for the expenditure of
22 revenues from credits earned under the clean fuels program that are
23 applicable to the seventy-five percent of revenues not subject to the
24 requirements of (a) of this subsection. Any requirements for the
25 expenditure of revenues from credits earned under the clean fuels
26 program must be developed in consultation with electric utilities.

27 (c) Electric utilities that elect to participate in the clean
28 fuels program must annually provide information to the department
29 accounting for and briefly describing all expenditures of revenues
30 generated from credits earned under the clean fuels program.

31 (2) All penalties recovered under this chapter for violations of
32 the clean fuels program requirements must be paid into the state
33 treasury and credited to the air pollution control account
34 established in RCW 70.94.015. After deductions of amounts necessary
35 to cover the department's administrative and enforcement expenses,
36 the department must use penalty moneys to provide grants to local
37 governments in federally designated nonattainment and maintenance
38 areas for transportation electrification projects.

1 NEW SECTION. **Sec. 7.** (1) Beginning April 1, 2021, and each
2 April 1st thereafter, the department must submit a report to the
3 legislature, consistent with RCW 43.01.036, that includes the
4 following information regarding the previous calendar year of clean
5 fuels program activities:

6 (a) The number of credits and deficits generated by entities
7 participating in the clean fuels program;

8 (b) The volumes, and mean prices per unit of energy, of each
9 transportation fuel used to comply with the requirements of the clean
10 fuels program; and

11 (c) Recommendations, in the form of draft legislation, for any
12 changes to sections 2 through 6 of this act that are needed in order
13 to more efficiently achieve the greenhouse gas emissions reduction
14 goals of the clean fuels program.

15 (2) By December 1, 2026, the joint legislative audit and review
16 committee must analyze the impacts of the initial five years of clean
17 fuels program implementation, and must submit a report summarizing
18 the analysis to the legislature. The analysis must include, at
19 minimum, the following components:

20 (a) Quantitative and qualitative costs and benefits, including
21 environmental and public health costs and benefits, of complying with
22 the rules adopted under this act for regulated parties and persons
23 that voluntarily participate in the clean fuels program;

24 (b) Calculations of the total greenhouse gas emissions avoided as
25 a result of the requirements of the clean fuels program;

26 (c) An assessment of the impact of the clean fuels program on
27 volumetric prices of gasoline, diesel, and other transportation fuels
28 in Washington;

29 (d) A summary of the estimated total statewide costs and benefits
30 attributable to the clean fuels program, including state agency
31 administrative costs and regulated entity compliance costs, per ton
32 of greenhouse gas emissions reductions achieved by the clean fuels
33 program; and

34 (e) The current and projected future availability of fuels with
35 low associated greenhouse gas emissions.

36 **Sec. 8.** RCW 46.17.365 and 2015 3rd sp.s. c 44 s 202 are each
37 amended to read as follows:

38 (1) A person applying for a motor vehicle registration and paying
39 the vehicle license fee required in RCW 46.17.350(1) (a), (d), (e),

1 (h), (j), (n), and (o) shall pay a motor vehicle weight fee in
2 addition to all other fees and taxes required by law.

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

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

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

9 (iii) Must be distributed under RCW 46.68.415.

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

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

13	WEIGHT	FEE
14	4,000 pounds	\$ 25.00
15	6,000 pounds	\$ 45.00
16	8,000 pounds	\$ 65.00
17	16,000 pounds and over	\$ 72.00;

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

21 (iii) Must be distributed under RCW 46.68.415 unless prior to
22 July 1, 2023, the actions described in (b)(iii)(A) or (B) of this
23 subsection occur, in which case the portion of the revenue that is
24 the result of the fee increased in this subsection must be
25 distributed to the connecting Washington account created under RCW
26 46.68.395.

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

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

37 (C) Nothing in this subsection acknowledges, establishes, or
38 creates legal authority for the department of ecology or any other

1 state agency to enact, adopt, order, or in any way implement a fuel
2 standard based upon or defined by the carbon intensity of fuel,
3 including a low carbon fuel standard or clean fuel standard.

4 (2) A person applying for a motor home vehicle registration
5 shall, in lieu of the motor vehicle weight fee required in subsection
6 (1) of this section, pay a motor home vehicle weight fee of seventy-
7 five dollars in addition to all other fees and taxes required by law.
8 The motor home vehicle weight fee must be distributed under RCW
9 46.68.415.

10 (3) Beginning July 1, 2022, in addition to the motor vehicle
11 weight fee as provided in subsection (1) of this section, the
12 department, county auditor or other agent, or subagent appointed by
13 the director must require an applicant to pay an additional weight
14 fee of ten dollars, which must be distributed to the multimodal
15 transportation account under RCW 47.66.070 unless prior to July 1,
16 2023, the actions described in (a) or (b) of this subsection occur,
17 in which case the portion of the revenue that is the result of the
18 fee increased in this subsection must be distributed to the
19 connecting Washington account created under RCW 46.68.395.

20 (a) Any state agency files a notice of rule making under chapter
21 34.05 RCW, absent explicit legislative authorization enacted
22 subsequent to July 1, 2015, for a rule regarding a fuel standard
23 based upon or defined by the carbon intensity of fuel, including a
24 low carbon fuel standard or clean fuel standard.

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

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

35 (4) The department shall:

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

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

1 **Sec. 9.** RCW 46.25.100 and 2015 3rd sp.s. c 44 s 208 are each
2 amended to read as follows:

3 (1) When a person has been disqualified from operating a
4 commercial motor vehicle, the person is not entitled to have the
5 commercial driver's license or commercial learner's permit restored
6 until after the expiration of the appropriate disqualification period
7 required under RCW 46.25.090 or until the department has received a
8 drug and alcohol assessment and evidence is presented of satisfactory
9 participation in or completion of any required drug or alcohol
10 treatment program for ending the disqualification under RCW
11 46.25.090(7). After expiration of the appropriate period and upon
12 payment of a requalification fee of twenty dollars until June 30,
13 2016, and thirty-five dollars beginning July 1, 2016, or one hundred
14 fifty dollars if the person has been disqualified under RCW
15 46.25.090(7), the person may apply for a new, duplicate, or renewal
16 commercial driver's license or commercial learner's permit as
17 provided by law. If the person has been disqualified for a period of
18 one year or more, the person shall demonstrate that he or she meets
19 the commercial driver's license or commercial learner's permit
20 qualification standards specified in RCW 46.25.060.

21 (2) The fees under this section must be deposited into the
22 highway safety fund unless prior to July 1, 2023, the actions
23 described in (a) or (b) of this subsection occur, in which case the
24 portion of the revenue that is the result of the fee increased in
25 section 208, chapter 44, Laws of 2015 3rd sp. sess. must be
26 distributed to the connecting Washington account created under RCW
27 46.68.395.

28 (a) Any state agency files a notice of rule making under chapter
29 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) Any state agency otherwise enacts, adopts, orders, or in any
34 way implements a fuel standard based upon or defined by the carbon
35 intensity of fuel, including a low carbon fuel standard or clean fuel
36 standard, without explicit legislative authorization enacted
37 subsequent to July 1, 2015.

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

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

3 **Sec. 10.** RCW 46.20.202 and 2017 c 310 s 3 are each amended to
4 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, the fee for an enhanced driver's
13 license or enhanced identicard is twenty-four dollars, which is in
14 addition to the fees for any regular driver's license or identicard.
15 If the enhanced driver's license or enhanced identicard is issued,
16 renewed, or extended for a period other than six years, the fee for
17 each class is four dollars for each year that the enhanced driver's
18 license or enhanced identicard is issued, renewed, or extended.

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

26 (a) Any state agency files a notice of rule making under chapter
27 34.05 RCW, absent explicit legislative authorization enacted
28 subsequent to July 1, 2015, for a rule regarding a fuel standard
29 based upon or defined by the carbon intensity of fuel, including a
30 low carbon fuel standard or clean fuel standard.

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

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

1 **Sec. 11.** RCW 46.25.052 and 2015 3rd sp.s. c 44 s 206 are each
2 amended to read as follows:

3 (1) The department may issue a CLP to an applicant who is at
4 least eighteen years of age and holds a valid Washington state
5 driver's license and who has:

6 (a) Submitted an application on a form or in a format provided by
7 the department;

8 (b) Passed the general knowledge examination required for
9 issuance of a CDL under RCW 46.25.060 for the commercial motor
10 vehicle classification in which the applicant operates or expects to
11 operate; and

12 (c) Paid the appropriate examination fee or fees and an
13 application fee of ten dollars until June 30, 2016, and forty dollars
14 beginning July 1, 2016.

15 (2) A CLP must be marked "commercial learner's permit" or "CLP,"
16 and must be, to the maximum extent practicable, tamperproof. Other
17 than a photograph of the applicant, it must include, but not be
18 limited to, the information required on a CDL under RCW 46.25.080(1).

19 (3) The holder of a CLP may drive a commercial motor vehicle on a
20 highway only when in possession of a valid driver's license and
21 accompanied by the holder of a valid CDL who has the proper CDL
22 classification and endorsement or endorsements necessary to operate
23 the commercial motor vehicle. The CDL holder must at all times be
24 physically present in the front seat of the vehicle next to the CLP
25 holder or, in the case of a passenger vehicle, directly behind or in
26 the first row behind the driver and must have the CLP holder under
27 observation and direct supervision.

28 (4) A CLP may be classified in the same manner as a CDL under RCW
29 46.25.080(2)(a).

30 (5) CLPs may be issued with only P, S, or N endorsements as
31 described in RCW 46.25.080(2)(b).

32 (a) The holder of a CLP with a P endorsement must have taken and
33 passed the P endorsement knowledge examination. The holder of a CLP
34 with a P endorsement is prohibited from operating a commercial motor
35 vehicle carrying passengers other than authorized employees or
36 representatives of the department and the federal motor carrier
37 safety administration, examiners, other trainees, and the CDL holder
38 accompanying the CLP holder as required under subsection (2) of this
39 section. The P endorsement must be class specific.

1 (b) The holder of a CLP with an S endorsement must have taken and
2 passed the S endorsement knowledge examination. The holder of a CLP
3 with an S endorsement is prohibited from operating a school bus with
4 passengers other than authorized employees or representatives of the
5 department and the federal motor carrier safety administration,
6 examiners, other trainees, and the CDL holder accompanying the CLP
7 holder as required under subsection (2) of this section.

8 (c) The holder of a CLP with an N endorsement must have taken and
9 passed the N endorsement knowledge examination. The holder of a CLP
10 with an N endorsement may only operate an empty tank vehicle and is
11 prohibited from operating any tank vehicle that previously contained
12 hazardous materials and has not been purged of any residue.

13 (6) A CLP may be issued with appropriate restrictions as
14 described in RCW 46.25.080(2)(c). In addition, a CLP may be issued
15 with the following restrictions:

16 (a) "P" restricts the driver from operating a bus with
17 passengers;

18 (b) "X" restricts the driver from operating a tank vehicle that
19 contains cargo; and

20 (c) Any restriction as established by rule of the department.

21 (7) The holder of a CLP is not authorized to operate a commercial
22 motor vehicle transporting hazardous materials.

23 (8) A CLP may not be issued for a period to exceed one hundred
24 eighty days. The department may renew the CLP for one additional one
25 hundred eighty-day period without requiring the CLP holder to retake
26 the general and endorsement knowledge examinations.

27 (9) The department must transmit the fees collected for CLPs to
28 the state treasurer for deposit in the highway safety fund unless
29 prior to July 1, 2023, the actions described in (a) or (b) of this
30 subsection occur, in which case the portion of the revenue that is
31 the result of the fee increased in section 206, chapter 44, Laws of
32 2015 3rd sp. sess. must be distributed to the connecting Washington
33 account created under RCW 46.68.395.

34 (a) Any state agency files a notice of rule making under chapter
35 34.05 RCW, absent explicit legislative authorization enacted
36 subsequent to July 1, 2015, for a rule regarding a fuel standard
37 based upon or defined by the carbon intensity of fuel, including a
38 low carbon fuel standard or clean fuel standard.

39 (b) Any state agency otherwise enacts, adopts, orders, or in any
40 way implements a fuel standard based upon or defined by the carbon

1 intensity of fuel, including a low carbon fuel standard or clean fuel
2 standard, without explicit legislative authorization enacted
3 subsequent to July 1, 2015.

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

9 **Sec. 12.** RCW 46.25.060 and 2015 3rd sp.s. c 44 s 207 are each
10 amended to read as follows:

11 (1)(a) No person may be issued a commercial driver's license
12 unless that person:

13 (i) Is a resident of this state;

14 (ii) Has successfully completed a course of instruction in the
15 operation of a commercial motor vehicle that has been approved by the
16 director or has been certified by an employer as having the skills
17 and training necessary to operate a commercial motor vehicle safely;

18 (iii) If he or she does not hold a valid commercial driver's
19 license of the appropriate classification, has been issued a
20 commercial learner's permit under RCW 46.25.052; and

21 (iv) Has passed a knowledge and skills examination for driving a
22 commercial motor vehicle that complies with minimum federal standards
23 established by federal regulation enumerated in 49 C.F.R. Part 383,
24 subparts F, G, and H, in addition to other requirements imposed by
25 state law or federal regulation. The department may not allow the
26 person to take the skills examination during the first fourteen days
27 after initial issuance of the person's commercial learner's permit.
28 The examinations must be prescribed and conducted by the department.

29 (b) In addition to the fee charged for issuance or renewal of any
30 license, the applicant shall pay a fee of no more than ten dollars
31 until June 30, 2016, and thirty-five dollars beginning July 1, 2016,
32 for the classified knowledge examination, classified endorsement
33 knowledge examination, or any combination of classified license and
34 endorsement knowledge examinations. The applicant shall pay a fee of
35 no more than one hundred dollars until June 30, 2016, and two hundred
36 fifty dollars beginning July 1, 2016, for each classified skill
37 examination or combination of classified skill examinations conducted
38 by the department.

1 (c) The department may authorize a person, including an agency of
2 this or another state, an employer, a private driver training
3 facility, or other private institution, or a department, agency, or
4 instrumentality of local government, to administer the skills
5 examination specified by this section under the following conditions:

6 (i) The examination is the same which would otherwise be
7 administered by the state;

8 (ii) The third party has entered into an agreement with the state
9 that complies with the requirements of 49 C.F.R. Sec. 383.75; and

10 (iii) The director has adopted rules as to the third party
11 testing program and the development and justification for fees
12 charged by any third party.

13 (d) If the applicant's primary use of a commercial driver's
14 license is for any of the following, then the applicant shall pay a
15 fee of no more than seventy-five dollars until June 30, 2016, and two
16 hundred twenty-five dollars beginning July 1, 2016, for the
17 classified skill examination or combination of classified skill
18 examinations whether conducted by the department or a third-party
19 tester:

20 (i) Public benefit not-for-profit corporations that are federally
21 supported head start programs; or

22 (ii) Public benefit not-for-profit corporations that support
23 early childhood education and assistance programs as described in RCW
24 (~~(43.215.405(2))~~) 43.216.505(2).

25 (e) Beginning July 1, 2016, if the applicant's primary use of a
26 commercial driver's license is to drive a school bus, the applicant
27 shall pay a fee of no more than one hundred dollars for the
28 classified skill examination or combination of classified skill
29 examinations conducted by the department.

30 (f) Beginning July 1, 2016, payment of the examination fees under
31 this subsection entitles the applicant to take the examination up to
32 two times in order to pass.

33 (2)(a) The department may waive the skills examination and the
34 requirement for completion of a course of instruction in the
35 operation of a commercial motor vehicle specified in this section for
36 a commercial driver's license applicant who meets the requirements of
37 49 C.F.R. Sec. 383.77.

38 (b) An applicant who operates a commercial motor vehicle for
39 agribusiness purposes is exempt from the course of instruction
40 completion and employer skills and training certification

1 requirements under this section. By January 1, 2010, the department
2 shall submit recommendations regarding the continuance of this
3 exemption to the transportation committees of the legislature. For
4 purposes of this subsection (2)(b), "agribusiness" means a private
5 carrier who in the normal course of business primarily transports:

6 (i) Farm machinery, farm equipment, implements of husbandry, farm
7 supplies, and materials used in farming;

8 (ii) Agricultural inputs, such as seed, feed, fertilizer, and
9 crop protection products;

10 (iii) Unprocessed agricultural commodities, as defined in RCW
11 17.21.020, where such commodities are produced by farmers, ranchers,
12 vineyardists, or orchardists; or

13 (iv) Any combination of (b)(i) through (iii) of this subsection.

14 The department shall notify the transportation committees of the
15 legislature if the federal government takes action affecting the
16 exemption provided in this subsection (2)(b).

17 (3) A commercial driver's license or commercial learner's permit
18 may not be issued to a person while the person is subject to a
19 disqualification from driving a commercial motor vehicle, or while
20 the person's driver's license is suspended, revoked, or canceled in
21 any state, nor may a commercial driver's license be issued to a
22 person who has a commercial driver's license issued by any other
23 state unless the person first surrenders all such licenses, which
24 must be returned to the issuing state for cancellation.

25 (4) The fees under this section must be deposited into the
26 highway safety fund unless prior to July 1, 2023, the actions
27 described in (a) or (b) of this subsection occur, in which case the
28 portion of the revenue that is the result of the fee increased in
29 section 207, chapter 44, Laws of 2015 3rd sp. sess. must be
30 distributed to the connecting Washington account created under RCW
31 46.68.395.

32 (a) Any state agency files a notice of rule making under chapter
33 34.05 RCW, absent explicit legislative authorization enacted
34 subsequent to July 1, 2015, for a rule regarding a fuel standard
35 based upon or defined by the carbon intensity of fuel, including a
36 low carbon fuel standard or clean fuel standard.

37 (b) Any state agency otherwise enacts, adopts, orders, or in any
38 way implements a fuel standard based upon or defined by the carbon
39 intensity of fuel, including a low carbon fuel standard or clean fuel

1 standard, without explicit legislative authorization enacted
2 subsequent to July 1, 2015.

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

8 **Sec. 13.** RCW 70.94.015 and 1998 c 321 s 33 are each amended to
9 read as follows:

10 (1) The air pollution control account is established in the state
11 treasury. All receipts collected by or on behalf of the department
12 from RCW 70.94.151(2), and receipts from nonpermit program sources
13 under RCW 70.94.152(1) and 70.94.154(7), and all receipts from RCW
14 70.94.650, 70.94.660, 82.44.020(2), and 82.50.405 shall be deposited
15 into the account. Moneys in the account may be spent only after
16 appropriation. Expenditures from the account may be used only to
17 develop and implement the provisions of chapters 70.94 and 70.120
18 RCW, including for expenditures consistent with section 6(2) of this
19 act.

20 (2) The amounts collected and allocated in accordance with this
21 section shall be expended upon appropriation except as otherwise
22 provided in this section and in accordance with the following
23 limitations:

24 Portions of moneys received by the department of ecology from the
25 air pollution control account shall be distributed by the department
26 to local authorities based on:

27 (a) The level and extent of air quality problems within such
28 authority's jurisdiction;

29 (b) The costs associated with implementing air pollution
30 regulatory programs by such authority; and

31 (c) The amount of funding available to such authority from other
32 sources, whether state, federal, or local, that could be used to
33 implement such programs.

34 (3) The air operating permit account is created in the custody of
35 the state treasurer. All receipts collected by or on behalf of the
36 department from permit program sources under RCW 70.94.152(1),
37 70.94.161, 70.94.162, and 70.94.154(7) shall be deposited into the
38 account. Expenditures from the account may be used only for the
39 activities described in RCW 70.94.152(1), 70.94.161, 70.94.162, and

1 70.94.154(7). Moneys in the account may be spent only after
2 appropriation.

3 NEW SECTION. **Sec. 14.** Sections 2 through 7 of this act are each
4 added to chapter 70.94 RCW and codified with the subchapter heading
5 of "clean fuels."

--- END ---