$\sim$	$\sim$		$\sim$	$\sim$		-1
S-	( )	n	ч	~		- 1
$\sim$	$\circ$	$\circ$	_	$\sim$	•	_

7

8

9

11

12

1314

15

16

17

18

19

20

## SENATE BILL 5431

State of Washington

68th Legislature

2023 Regular Session

By Senator Shewmake

AN ACT Relating to requiring and funding the purchase of zero emission school buses; amending RCW 28A.160.130, 28A.160.195, and 28A.160.205; adding new sections to chapter 28A.160 RCW; adding a new section to chapter 28A.710 RCW; adding a new section to chapter 28A.715 RCW; and creating a new section.

## 6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. Sec. 1. (1) The legislature finds that zero emission vehicle technology is crucial to protecting Washington's children from the health impacts of fossil fuel emissions and to limiting the long-term impacts of climate change on our planet. Spurred by a supportive regulatory environment, the state has made great advances in recent years that have improved the performance and reduced the costs of such vehicles. With the recent deployment of financial incentives for clean transportation technology under the federal inflation reduction act of 2022, the costs and performance of zero emission vehicles, including zero emission school buses, are forecast to continue to improve in coming years. Zero emission school buses on the market today feature reduced fuel, operations, and maintenance costs compared to their fossil-fueled counterparts. Zero emission school buses also have significant public health benefits

p. 1 SB 5431

- for children and are part of a broad-based policy approach to slowing the environmental consequences of climate change.
  - (2) Therefore, it is the intent of the legislature to transition school districts, charter schools, and state-tribal education compact schools to using only zero emission school buses and to facilitate this transition through the requirements and zero emission school bus grant program.
- 8 <u>NEW SECTION.</u> **Sec. 2.** A new section is added to chapter 28A.160 9 RCW to read as follows:
- 10 (1) Beginning September 1, 2035, any school buses purchased by school districts, charter schools, or state-tribal education compact schools, or used for pupil transportation services contracts under RCW 28A.160.140, must be zero emission school buses.
- 14 (2) For the purposes of this section, "zero emission" means the 15 emission of no exhaust gas from a vehicle's onboard source of power, 16 other than water vapor.
- NEW SECTION. Sec. 3. A new section is added to chapter 28A.160 RCW to read as follows:
  - (1) The zero emission school bus grant program is hereby established. Grants to school districts, charter schools, and statetribal education compact schools for the replacement of school buses powered by fossil fuels with zero emission school buses must be funded in accordance with this section.
    - (2) Eligibility.

3

4

5

7

19

20

21

22

24

3233

34

35

- 25 (a) Only school districts, charter schools, and state-tribal 26 education compact schools are eligible for a grant under this 27 section.
- 28 (b) Zero emission school buses, purchase and installation of 29 school bus charging stations, and associated electric vehicle 30 charging infrastructure and equipment are eligible grant uses under 31 this section.
  - (c) Except as provided for under (d) of this subsection, school buses powered by fossil fuels must be at the end of their depreciation schedule and deemed eligible for replacement pursuant to RCW 28A.160.200 to be eligible for replacement under this program.
- (d) For the purpose of determining eligibility for charter school bus and state-tribal education compact school bus replacement under this section, the office of the superintendent of public instruction

p. 2 SB 5431

must establish a standard that is sufficiently equivalent to the standard used to determine eligibility for school district bus replacement under (c) of this subsection.

(3) Application process.

- (a) The office of the superintendent of public instruction shall develop a competitive grant application process and assist eligible applicants in matters related to applying for grants under this section.
- (b) The competitive application process established under this section must reflect a ranking system based on the following factors:

  (i) Providing the greatest reduction in greenhouse gas emissions, as measured by the number of vehicle miles traveled, for the amount of state grant support; (ii) providing improvements in health equity for communities of color and low-income communities; and (iii) the age of applicants' fleets. The office of the superintendent of public instruction may take into consideration other factors, such as providing air quality improvements in areas with high traffic congestion. However, the office of the superintendent of public instruction must first prioritize grants that provide the greatest reduction in greenhouse gas emissions for the amount of state grant support. The office of the superintendent of public instruction may consult with the department of ecology in the development and evaluation of granting criteria.
  - (4) Administration.
- (a) The office of the superintendent of public instruction may use up to three percent of amounts appropriated for the grant program under this section for costs that result from administration of the program.
- (b) Subject to the availability of amounts appropriated for this specific purpose, the office of the superintendent of public instruction shall award grants under this section on a competitive basis and shall promulgate administrative rules for this purpose, subject to other requirements of this section.
- (c) The office of the superintendent of public instruction must require that school districts, charter schools, and state-tribal education compact schools receiving a grant for a zero emission school bus grant under this section attest to meeting at least one of the following conditions: (i) At the time of the grant award, the grantee has sufficient charging infrastructure in place to operate the replacement bus; or (ii) the grantee has secured enough funding,

p. 3 SB 5431

inclusive of any prospective grant awarded under this section, to purchase and install sufficient charging infrastructure to operate the replacement bus.

4

5

7

8

9

10 11

12

1314

15

20

21

22

2324

25

26

27

28

29

- (d) Grant awards to school districts must be deposited in the transportation vehicle fund of the receiving school district established under RCW 28A.160.130.
- (5) Grant amount limitations. Grant amounts to school districts, charter schools, and state-tribal education compact schools for the replacement of school buses under this section must not exceed, on a per-bus basis, the purchase price of the replacement school buses, less total state depreciation payments received pursuant to RCW 28A.160.200 or any similar state payments to the extent applicable, for the specific school buses being replaced and their salvage value. Grant funding awarded for the purchase and installation of school bus charging stations must not be included in this calculation.
- 16 (6) For the purposes of this section, "zero emission" has the same meaning as in section 2 of this act.
- 18 **Sec. 4.** RCW 28A.160.130 and 2022 c 200 s 1 are each amended to 19 read as follows:
  - (1) There is created a fund on deposit with each county treasurer for each school district of the county, which shall be known as the transportation vehicle fund. Money to be deposited into the transportation vehicle fund shall include, but is not limited to, the following:
  - (a) The balance of accounts held in the general fund of each school district for the purchase of approved transportation equipment and for major transportation equipment repairs under RCW 28A.150.280. The amount transferred shall be the balance of the account as of September 1, 1982;
- 30 (b) Reimbursement payments provided for in RCW 28A.160.200 except 31 those provided under RCW 28A.160.200(3) that are necessary for 32 contracted payments to private carriers;
- 33 (c) Earnings from transportation vehicle fund investments as 34 authorized in RCW 28A.320.300; and
- 35 (d) The district's share of the proceeds from the sale of 36 transportation vehicles, as determined by the superintendent of 37 public instruction.
- 38 (2) Funds in the transportation vehicle fund may be used for the following purposes:

p. 4 SB 5431

- 1 (a) Purchase of pupil transportation vehicles pursuant to RCW 28A.160.200 and 28A.150.280;
  - (b) Payment of conditional sales contracts as authorized in RCW 28A.335.200 or payment of obligations authorized in RCW 28A.530.080, entered into or issued for the purpose of pupil transportation vehicles;
    - (c) Major repairs to pupil transportation vehicles;

- 8 (d) To complete a feasibility plan to transition from gas or 9 diesel pupil transportation vehicles to electric or zero emission 10 pupil transportation vehicles;
  - (e) Purchase, installation, and repair of electric pupil transportation vehicle charging stations and other zero emission pupil transportation vehicle fueling stations and for other costs necessary for station installation; and
- 15 (f) Converting or repowering existing gas or diesel pupil 16 transportation vehicles to electric or zero emission pupil 17 transportation vehicles.
  - (3) <u>Beginning September 1, 2035, any school buses purchased by school districts from the transportation vehicle fund must meet the definition of zero emission in section 2 of this act.</u>
  - (4) The superintendent of public instruction shall adopt rules which shall establish the standards, conditions, and procedures governing the establishment and use of the transportation vehicle fund. The rules shall not permit the transfer of funds from the transportation vehicle fund to any other fund of the district.
- **Sec. 5.** RCW 28A.160.195 and 2005 c 492 s 1 are each amended to read as follows:
  - (1) The superintendent of public instruction, in consultation with the regional transportation coordinators of the educational service districts, shall establish a minimum number of school bus categories considering the capacity and type of vehicles required by school districts in Washington. Once nonzero emission school bus pricing is deemed no longer necessary by the office of the superintendent of public instruction for calculating depreciation payments, these school bus categories must solely include school buses that meet the definition of zero emission in section 2 of this act. The superintendent, in consultation with the regional transportation coordinators of the educational service districts, shall establish competitive specifications for each category of

p. 5 SB 5431

school bus. The categories shall be developed to produce minimum long-range operating costs, including costs of equipment and all costs in operating the vehicles. The competitive specifications shall meet federal motor vehicle safety standards, minimum specifications as established by rule by the superintendent, and supported options as determined by the superintendent in consultation with the regional transportation coordinators of the educational service districts. The superintendent may solicit and accept price quotes for a rear-engine category school bus that shall be reimbursed at the price of the corresponding front engine category.

- (2) After establishing school bus categories and competitive specifications, the superintendent of public instruction shall solicit competitive price quotes for base buses from school bus dealers to be in effect for one year and shall establish a list of all accepted price quotes in each category obtained under this subsection. The superintendent shall also solicit price quotes for optional features and equipment and, beginning September 1, 2035, require vendors to ensure that emission-related features meet the definition of zero emission in section 2 of this act.
- (3) The superintendent shall base the level of reimbursement to school districts and educational service districts for school buses on the lowest quote for the base bus in each category. School districts and educational service districts shall be reimbursed for buses purchased only through a lowest-price competitive bid process conducted under RCW 28A.335.190 or through the state bid process established by this section.
- (4) Notwithstanding RCW 28A.335.190, school districts and educational service districts may purchase at the quoted price directly from any dealer who is on the list established under subsection (2) of this section. School districts and educational service districts may make their own selections for school buses, but shall be reimbursed at the rates determined under subsection (3) of this section and RCW 28A.160.200. District-selected options shall not be reimbursed by the state.
- (5) This section does not prohibit school districts or educational service districts from conducting their own competitive bid process. However, beginning September 1, 2035, any school buses purchased by school districts, or used for pupil transportation services contracts under RCW 28A.160.140, must be school buses that meet the definition of zero emission in section 2 of this act.

p. 6 SB 5431

1 (6) The office of the superintendent of public instruction shall annually publish and update information regarding federal grant opportunities pertinent to nonzero emission school bus replacement, 3 such as the clean school bus program under Title 42 U.S.C Sec. 16091. 4

2

9

10 11

12

13

14 15

16

17

18

19 20

21 22

23 24

25

26 27

28 29

30

31 32

33

- (7) The superintendent of public instruction may adopt rules 5 6 under chapter 34.05 RCW to implement this section.
- 7 Sec. 6. RCW 28A.160.205 and 2007 c 348 s 101 are each amended to read as follows: 8
  - (1) ((The)) Subject to subsection (2) of this section, the office of the superintendent of public instruction shall implement a school bus replacement incentive program. ((As part of the program, the office shall fund up to ten percent of the cost of a new 2007 or later model year school bus that meets the 2007 federal motor vehicle emission control standards and is purchased by a school district by no later than June 30, 2009, provided that the new bus is replacing a 1994 or older school bus in the school district's fleet. Replacement of the oldest buses must be given highest priority.))
    - (2) Beginning September 1, 2035, the office of the superintendent of public instruction must provide funding under subsection (1) of this section only for school buses that also meet the definition of zero emission in section 2 of this act, except for any remaining depreciation payments for school buses powered by fossil fuels that were purchased prior to this date.
  - (3) The office of the superintendent of public instruction shall ensure that buses being replaced through this program are surplused under RCW 28A.335.180. As part of the surplus process, school districts must provide written documentation to the office of the superintendent of public instruction demonstrating that buses being replaced are scrapped and not purchased for road use. documentation must include bus make, model, year, identification number, engine make, engine serial number, and salvage yard receipts; and must demonstrate that the engine and body of the bus being replaced has been rendered unusable.
- The office of the superintendent of 34 ((+3)) (4) 35 instruction may adopt any rules necessary for the implementation of 36 chapter 348, Laws of 2007.
- 37 Sec. 7. A new section is added to chapter 28A.160 NEW SECTION. 38 RCW to read as follows:

p. 7 SB 5431

- The requirements of this act are in addition to any rules adopted by the department of ecology under chapter 70A.30 RCW, and nothing in this act modifies or limits the provisions of chapter 70A.30 RCW as they apply to zero emission school buses.
- 5 <u>NEW SECTION.</u> **Sec. 8.** A new section is added to chapter 28A.710 6 RCW to read as follows:
- Section 2 of this act, related to zero emission school buses, governs school operation and management under RCW 28A.710.040 and applies to charter schools established under this chapter.
- NEW SECTION. Sec. 9. A new section is added to chapter 28A.715
  RCW to read as follows:
- Section 2 of this act, related to zero emission school buses, governs school operation and management under RCW 28A.715.020 and applies to state-tribal education compact schools established under this chapter.

--- END ---

p. 8 SB 5431