

ENGROSSED SUBSTITUTE SENATE BILL 5974

AS RECOMMENDED BY THE CONFERENCE COMMITTEE

Passed Legislature - 2022 Regular Session

State of Washington

67th Legislature

2022 Regular Session

By Senate Transportation (originally sponsored by Senators Lias, Saldaña, Carlyle, Cleveland, Das, Dhingra, Hunt, Kuderer, Lovelett, Lovick, Mullet, Nguyen, Nobles, Salomon, Trudeau, Wellman, and C. Wilson)

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SECRETARY OF STATE
STATE OF WASHINGTON

Referring ESSB 5974 in whole except sections 313, 408-414 and 421 (pursuant to Section 508)

AN ACT Relating to transportation resources; amending RCW 70A.65.240, 70A.65.030, 70A.65.040, 82.42.020, 46.17.200, 46.17.120, 46.17.400, 46.52.130, 46.17.015, 46.17.025, 46.20.200, 46.68.041, 46.70.180, 82.32.385, 82.08.993, 82.12.817, 82.08.9999, 82.12.9999, 82.04.4496, 82.16.0496, 82.08.816, 82.12.816, 82.70.040, 82.70.050, 82.21.030, 43.84.092, 43.84.092, 82.47.020, 36.73.065, 82.14.0455, 70A.535.010, 70A.535.030, 70A.535.040, 70A.535.050, 70A.535.120, 46.63.170, 46.63.170, 70A.65.230, 46.68.480, 46.68.060, 46.68.396, 47.01.480, 81.104.160, and 47.66.120; amending 2020 c 224 s 3 (uncodified); reenacting and amending RCW 46.20.202 and 43.155.050; adding new sections to chapter 46.68 RCW; adding a new section to chapter 70A.535 RCW; adding new sections to chapter 47.66 RCW; adding new sections to chapter 47.04 RCW; adding a new section to chapter 47.24 RCW; adding new sections to chapter 47.60 RCW; adding a new section to chapter 47.56 RCW; adding a new section to chapter 47.06A RCW; adding a new chapter to Title 43 RCW; creating new sections; repealing RCW 70A.535.020; prescribing penalties; providing effective dates; providing expiration dates; and declaring an emergency.

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

NEW SECTION. **Sec. 1.** The legislature intends that \$500,000,000 of the amounts in the 16-year move ahead WA investment program must

1 enhance stormwater runoff treatment from existing roads and
2 infrastructure with an emphasis on green infrastructure retrofits.
3 Projects must be prioritized based on benefits to salmon recovery and
4 ecosystem health, reducing toxic pollution, addressing health
5 disparities, and cost effectiveness. The department of transportation
6 must submit progress reports on its efforts to reduce the toxicity of
7 stormwater runoff from existing infrastructure, recommendations for
8 addressing barriers to innovative solutions, and anticipated demand
9 for funding each biennium.

10 **Part I**

11 **Climate Commitment Act Allocations**

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

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

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

38 (a) Active transportation;

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

5 **NEW SECTION.** **Sec. 102.** A new section is added to chapter 46.68
6 RCW to read as follows:

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

16 (2) Beginning July 1, 2023, the state treasurer shall annually
17 transfer 24 percent of the revenues accruing annually to the carbon
18 emissions reduction account created in RCW 70A.65.240 to the climate
19 active transportation account.

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

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

31 (2) Beginning July 1, 2023, the state treasurer shall annually
32 transfer 56 percent of the revenues accruing annually to the carbon
33 emissions reduction account created in RCW 70A.65.240 to the climate
34 transit programs account.

35 **Sec. 104.** RCW 70A.65.030 and 2021 c 316 s 4 are each amended to
36 read as follows:

1 (1) Each year or biennium, as appropriate, when allocating funds
2 from the carbon emissions reduction account created in RCW
3 70A.65.240, the climate investment account created in RCW 70A.65.250,
4 ~~((or))~~ the air quality and health disparities improvement account
5 created in RCW 70A.65.280, the climate transit programs account
6 created in section 103 of this act, or the climate active
7 transportation account created in section 102 of this act, or
8 administering grants or programs funded by the accounts, agencies
9 shall conduct an environmental justice assessment consistent with the
10 requirements of RCW 70A.02.060 and establish a minimum of not less
11 than 35 percent and a goal of 40 percent of total investments that
12 provide direct and meaningful benefits to vulnerable populations
13 within the boundaries of overburdened communities through: (a) The
14 direct reduction of environmental burdens in overburdened
15 communities; (b) the reduction of disproportionate, cumulative risk
16 from environmental burdens, including those associated with climate
17 change; (c) the support of community led project development,
18 planning, and participation costs; or (d) meeting a community need
19 identified by the community that is consistent with the intent of
20 this chapter or RCW 70A.02.010.

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

37 (3) State agencies allocating funds or administering grants or
38 programs from the carbon emissions reduction account created in RCW
39 70A.65.240, the climate investment account created in RCW 70A.65.250,
40 ~~((or))~~ the air quality and health disparities improvement account

1 created in RCW 70A.65.280, the climate transit programs account
2 created in section 103 of this act, or the climate active
3 transportation account created in section 102 of this act, must:

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

7 (b) Consider recommendations by the environmental justice
8 council; and

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

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

18 **Sec. 105.** RCW 70A.65.040 and 2021 c 316 s 5 are each amended to
19 read as follows:

20 (1) The environmental justice council created in RCW 70A.02.110
21 must provide recommendations to the legislature, agencies, and the
22 governor in the development and implementation of the program
23 established in RCW 70A.65.060 through 70A.65.210, and the programs
24 funded from the carbon emissions reduction account created in RCW
25 70A.65.240 (~~and from~~), the climate investment account created in
26 RCW 70A.65.250, the climate transit programs account created in
27 section 103 of this act, and the climate active transportation
28 account created in section 102 of this act.

29 (2) In addition to the duties and authorities granted in chapter
30 70A.02 RCW to the environmental justice council, the environmental
31 justice council must:

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

34 (i) The program established in RCW 70A.65.060 through 70A.65.210
35 including, but not limited to, linkage with other jurisdictions,
36 protocols for establishing offset projects and securing offset
37 credits, designation of emissions-intensive and trade-exposed
38 industries under RCW 70A.65.110, and administration of allowances
39 under the program; and

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

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

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

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

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

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

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

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

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

Part II

Aircraft Fuel Tax, Stolen Vehicle Check, Dealer Temporary Permit, Enhanced Driver's License and Identocard, Driver's Abstract, License Plate, Documentary Service, and Other Driver and Vehicle Fees

Sec. 201. RCW 82.42.020 and 2013 c 225 s 302 are each amended to read as follows:

There is levied upon every distributor of aircraft fuel, an excise tax at the rate of (~~eleven~~) 18 cents on each gallon of aircraft fuel sold, delivered, or used in this state. There must be 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. 202.** 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:

11	FEE TYPE	FEE	DISTRIBUTION
12	Original issue	((\$ 40.00))	RCW 46.68.070
13		<u>\$50.00</u>	
14	Reflectivity	\$ 2.00	RCW 46.68.070
15	Replacement	((\$ 40.00))	RCW 46.68.070
16		<u>\$30.00</u>	
17	Original issue,	((\$ 4.00))	RCW 46.68.070
18	motorcycle	<u>\$20.00</u>	
19	Replacement,	((\$ 4.00))	RCW 46.68.070
20	motorcycle	<u>\$12.00</u>	
21	Original issue,	\$ 1.50	RCW 46.68.070
22	moped		

23 (b) A license plate retention fee, as required under RCW
24 46.16A.200(9)(a), of ((~~twenty dollars~~)) \$20 if the owner wishes to
25 retain the current license plate number upon license plate
26 replacement, unless the owner or type of vehicle is exempt from
27 payment. The ((~~twenty dollar~~)) \$20 fee must be deposited in the
28 multimodal transportation account created in RCW 47.66.070.

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

35 (d) Former prisoner of war license plates, as described in RCW
36 46.18.235, may be transferred to a replacement vehicle upon payment

1 of a (~~five dollar~~) \$5 license plate fee, in addition to any other
2 fee required by law.

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

12 (3) \$40 of the original issue license plate fee imposed under
13 subsection (1)(a) of this section and \$16 of the original issue
14 motorcycle license plate fee imposed under subsection (1)(a) of this
15 section must be deposited in the move ahead WA account created in
16 section 401 of this act.

17 (4) \$20 of the replacement license plate fee imposed under
18 subsection (1)(a) of this section and \$8 of the replacement
19 motorcycle license plate fee imposed under subsection (1)(a) of this
20 section must be deposited in the move ahead WA account created in
21 section 401 of this act.

22 **Sec. 203.** RCW 46.17.120 and 2020 c 239 s 1 are each amended to
23 read as follows:

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

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

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

33 (2) Beginning July 1, 2026, before accepting an application for a
34 certificate of title for a vehicle previously registered in any other
35 state or country, the department, county auditor or other agent, or
36 subagent appointed by the director shall require the applicant to
37 pay, in addition to the fee specified in subsection (1) of this
38 section, a fee of \$25 which must be deposited in the move ahead WA
39 account created in section 401 of this act.

(3) An applicant is exempt from the ((fifteen dollar fee)) fees specified in this section if the applicant previously registered the vehicle in Washington state and maintained ownership of the vehicle while registered in another state or country.

Sec. 204. RCW 46.17.400 and 2011 c 171 s 62 are each amended to read as follows:

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

PERMIT TYPE	FEE	AUTHORITY	DISTRIBUTION
(a) Dealer temporary	((\$ 15.00)) \$40.00	RCW 46.16A.300	RCW 46.68.030
(b) Department temporary	\$.50	RCW 46.16A.305	RCW 46.68.450
(c) Farm vehicle trip	\$ 6.25	RCW 46.16A.330	RCW 46.68.035
(d) Nonresident military	\$ 10.00	RCW 46.16A.340	RCW 46.68.070
(e) Nonresident temporary snowmobile	\$ 5.00	RCW 46.10.450	RCW 46.68.350
(f) Special fuel trip	\$ 30.00	RCW 82.38.100	RCW 46.68.460
(g) Temporary ORV use	\$ 7.00	RCW 46.09.430	RCW 46.68.045
(h) Vehicle trip	\$ 25.00	RCW 46.16A.320	RCW 46.68.455

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

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

(3) ((Five dollars)) \$5 of the ((fifteen dollar)) \$40 dealer temporary permit fee provided in subsection (1)(a) of this section must be credited to the payment of vehicle license fees at the time application for registration is made. \$25 of the \$40 dealer temporary

1 permit fee provided in subsection (1)(a) of this section must be
2 deposited in the move ahead WA account created in section 401 of this
3 act. The remainder must be deposited to the state patrol highway
4 account created in RCW 46.68.030.

5 **Sec. 205.** RCW 46.20.202 and 2021 c 317 s 21 and 2021 c 158 s 9
6 are each reenacted and amended to read as follows:

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

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

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

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

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

1 (d) The requirements of this subsection are in addition to the
2 requirements otherwise imposed on applicants for a driver's license
3 or identicard. The department shall adopt such rules as necessary to
4 meet the requirements of this subsection. From time to time the
5 department shall review technological innovations related to the
6 security of identity cards and amend the rules related to enhanced
7 driver's licenses and identicards as the director deems consistent
8 with this section and appropriate to protect the privacy of
9 Washington state residents.

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

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

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

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

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

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

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

15 **Sec. 206.** RCW 46.52.130 and 2021 c 93 s 8 are each amended to
16 read as follows:

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

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

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

24 (i) The total number of vehicles involved;

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

26 (iii) Whether the vehicles were occupied at the time of the
27 accident; and

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

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

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

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

37 (2) **Release of abstract of driving record.** Unless otherwise
38 required in this section, the release of an abstract does not require
39 a signed statement by the subject of the abstract. An abstract of a

1 person's driving record may be furnished to the following persons or
2 entities:

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

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

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

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

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

34 (iv) Release of an abstract of the driving record of an employee
35 or prospective employee requires a statement signed by: (A) The
36 employee or prospective employee that authorizes the release of the
37 record; and (B) the employer attesting that the information is
38 necessary for employment purposes related to driving by the
39 individual as a condition of employment or otherwise at the direction
40 of the employer. If the employer or prospective employer authorizes

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

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

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

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

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

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

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

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

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

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

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

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

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

28 (C) Exclude any deferred prosecution under RCW 10.05.060, except
29 that if a person is removed from a deferred prosecution under RCW
30 10.05.090, the abstract must show the deferred prosecution as well as
31 the removal.

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

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

1 purposes relating to the operation of noncommercial motor vehicles,
2 may not use any information contained in the abstract relative to any
3 person's operation of commercial motor vehicles. For the purposes of
4 this subsection, "commercial motor vehicle" has the same meaning as
5 in RCW 46.25.010(6).

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

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

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

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

31 (h) **State colleges, universities, or agencies, or units of local**
32 **government.** An abstract of the full driving record maintained by the
33 department may be furnished to (i) state colleges, universities, or
34 agencies for employment and risk management purposes or (ii) units of
35 local government authorized to self-insure under RCW 48.62.031, or
36 their agents, for employment and risk management purposes. "Unit of
37 local government" includes an insurance pool established under RCW
38 48.62.031.

39 (i) **Superintendent of public instruction.** (i) An abstract of the
40 full driving record maintained by the department may be furnished to

1 the superintendent of public instruction for review of public school
2 bus driver records. The superintendent or superintendent's designee
3 may discuss information on the driving record with an authorized
4 representative of the employing school district for employment and
5 risk management purposes.

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

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

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

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

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

36 (3) **Reviewing of driving records.** (a) In addition to the methods
37 described herein, the director may enter into a contractual agreement
38 for the purpose of reviewing the driving records of existing
39 employees for changes to the record during specified periods of time.
40 The department shall establish a fee for this service, which must be

1 deposited in the highway safety fund. The fee for this service must
2 be set at a level that does not result in a net revenue loss to the
3 state. Any information provided under this subsection must be treated
4 in the same manner and is subject to the same restrictions as driving
5 record abstracts.

6 (b) The department may provide reviewing services to the
7 following entities:

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

9 (ii) Transit authorities for current vanpool drivers, or their
10 agents;

11 (iii) Insurance carriers for current policyholders, or their
12 agents;

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

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

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

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

24 (b) The following release of records to third parties are hereby
25 authorized:

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

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

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

35 (5) (~~((Fee-))~~) **Fees.** (a) The director shall collect a (~~((thirteen~~
36 ~~dollar))~~) \$15 fee for each abstract of a person's driving record
37 furnished by the department. After depositing \$2 of the driver's
38 abstract fee in the move ahead WA flexible account created in section
39 402 of this act, the remainder shall be distributed as follows:

1 (i) Fifty percent ((of the fee)) must be deposited in the highway
2 safety fund((7)); and ((fifty))

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

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

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

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

16 (b) Any intentional violation of this section is a class C
17 felony.

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

22 **Sec. 207.** RCW 46.17.015 and 2010 c 161 s 502 are each amended to
23 read as follows:

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

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

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

35 **Sec. 208.** RCW 46.17.025 and 2010 c 161 s 503 are each amended to
36 read as follows:

37 (1) A person who applies for a vehicle registration or for any
38 other right to operate a vehicle on the highways of this state shall

1 pay a (~~fifty~~) 50 cent license service fee in addition to any other
2 fees and taxes required by law. The license service fee must be
3 distributed under RCW 46.68.220.

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

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

10 **Sec. 209.** RCW 46.20.200 and 2012 c 80 s 10 are each amended to
11 read as follows:

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

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

21 **Sec. 210.** RCW 46.68.041 and 2020 c 330 s 18 are each amended to
22 read as follows:

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

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

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

35 **Sec. 211.** RCW 46.70.180 and 2017 c 41 s 1 are each amended to
36 read as follows:

37 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 fifty 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 (9) For fiscal year 2024 through fiscal year 2038, the state
2 treasurer must transfer from the general fund to the move ahead WA
3 flexible account created in section 402 of this act \$57,000,000 each
4 fiscal year in four equal quarterly transfers.

5 **Sec. 302.** RCW 43.155.050 and 2021 c 334 s 979 and 2021 c 332 s
6 7031 are each reenacted and amended to read as follows:

7 (1) The public works assistance account is hereby established in
8 the state treasury. Money may be placed in the public works
9 assistance account from the proceeds of bonds when authorized by the
10 legislature or from any other lawful source. Money in the public
11 works assistance account shall be used to make loans and grants and
12 to give financial guarantees to local governments for public works
13 projects. Moneys in the account may also be appropriated or
14 transferred to the water pollution control revolving fund and the
15 drinking water assistance account to provide for state match
16 requirements under federal law. Moneys in the account may be
17 transferred to the move ahead WA account to provide support of public
18 works projects funded in the move ahead WA program. Not more than
19 ~~((twenty))~~ 20 percent of the biennial capital budget appropriation to
20 the public works board from this account may be expended or obligated
21 for preconstruction loans and grants, emergency loans and grants, or
22 loans and grants for capital facility planning under this chapter.
23 Not more than ~~((ten))~~ 10 percent of the biennial capital budget
24 appropriation to the public works board from this account may be
25 expended or obligated as grants for preconstruction, emergency,
26 capital facility planning, and construction projects. During the
27 2017-2019 and 2019-2021 fiscal biennia, the legislature may
28 appropriate moneys from the account for activities related to rural
29 economic development, the growth management act, the aviation
30 revitalization loan program, the community economic revitalization
31 board broadband program, and the voluntary stewardship program.
32 During the 2021-2023 biennium, the legislature may appropriate moneys
33 from the account for activities related to the aviation
34 revitalization board. During the 2019-2021 fiscal biennia, the
35 legislature may direct the state treasurer to make transfers of
36 moneys in the public works assistance account to the education legacy
37 trust account. During the 2019-2021 and 2021-2023 fiscal biennia, the
38 legislature may direct the state treasurer to make transfers of
39 moneys in the public works assistance account to the statewide

1 broadband account. During the 2021-2023 fiscal biennium, the
2 legislature may appropriate moneys from the public works assistance
3 account for activities related to the voluntary stewardship program,
4 rural economic development, and the growth management act.

5 (2) For fiscal year 2024 through fiscal year 2038, the state
6 treasurer must transfer from the public works assistance account to
7 the move ahead WA account created in section 401 of this act
8 \$57,000,000 each fiscal year in four equal quarterly transfers.

9 **Sec. 303.** RCW 82.08.993 and 2021 c 171 s 2 are each amended to
10 read as follows:

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

17 (b)(i) By the end of the fifth working day of each month, until
18 the expiration of the exemption as described in (c) of this
19 subsection, the department must determine the cumulative number of
20 vehicles that have claimed the exemption as described in (a) of this
21 subsection.

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

26 (c) The exemption under this section expires after the last day
27 of the calendar month immediately following the month the department
28 determines that the total number of vehicles exempt under (a) of this
29 subsection reaches 650. All leased vehicles that qualified for the
30 exemption before the expiration of the exemption must continue to
31 receive the exemption as described under (a) of this subsection on
32 lease payments due through the remainder of the lease.

33 (d) The department must provide notification on its website
34 monthly on the amount of exemptions that have been applied for, the
35 amount issued, and the amount remaining before the limit described in
36 (c) of this subsection has been reached, and, once that limit has
37 been reached, the date the exemption expires pursuant to (c) of this
38 subsection.

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

3 (f) 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.

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

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

18 (c) A person may not claim the exemption under this subsection
19 (2) if the person claims the exemption under RCW 82.08.9999 or
20 82.12.9999.

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

34 (b) For vehicles purchased from (i) a seller that is not licensed
35 to do business in the state of Washington, or (ii) a private party,
36 the buyer must keep records necessary for the department to verify
37 eligibility under this section. The buyer claiming the exemption must
38 also submit itemized information to the department for all vehicles
39 for which an exemption is claimed that must include the following:
40 Vehicle make; vehicle model; model year; date of sale; sales price;

1 and the total amount qualifying for the incentive claimed for each
2 vehicle. This information must be provided in a form and manner
3 prescribed by the department.

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

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

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

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

34 ~~((7))~~ (6)(a) Sales of vehicles delivered to the buyer after the
35 expiration of this section, or leased vehicles for which the lease
36 agreement was signed after the expiration of this section, do not
37 qualify for the exemptions under this section.

38 (b) All leased vehicles that qualified for the exemption under
39 this section before the expiration of this section must continue to

1 receive the exemption on any lease payments due through the remainder
2 of the lease.

3 ~~((48))~~ (7) For the purposes of this section:

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

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

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

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

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

14 ~~((49))~~ (8) This section expires June 30, 2029.

15 **Sec. 304.** RCW 82.12.817 and 2021 c 171 s 3 are each amended to
16 read as follows:

17 (1) Subject to the limitations in this subsection and RCW
18 82.08.993(1)(c), beginning July 1, 2022, with sales made or lease
19 agreements signed on or after this date until the expiration of this
20 section, ~~((fifty))~~ 50 percent of the tax levied by RCW 82.12.020 does
21 not apply to sales or leases of new electric passenger cars, light
22 duty trucks, and medium duty passenger vehicles, that are powered by
23 a fuel cell.

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

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

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

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

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

21 ~~(5))~~ (a) Sales of vehicles delivered to the buyer after the
22 expiration of this section, or leased vehicles for which the lease
23 agreement was signed after the expiration of this section, do not
24 qualify for the exemptions under this section.

25 (b) All leased vehicles that qualified for the exemption under
26 this section before the expiration of this section must continue to
27 receive the exemption on any lease payments due through the remainder
28 of the lease.

29 ~~((6))~~ (5) The definitions in RCW 82.08.993 apply to this
30 section.

31 ~~((7))~~ (6) This section expires June 30, 2029.

32 **Sec. 305.** RCW 82.08.9999 and 2021 c 145 s 13 are each amended to
33 read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 (3)(a) The department of licensing must maintain and publish a
18 list of all vehicle models qualifying for the tax exemptions under
19 this section or RCW 82.12.9999 until the expiration date of this
20 section, and is authorized to issue final rulings on vehicle model
21 qualification for these criteria. A seller is not responsible for
22 repayment of the tax exemption under this section and RCW 82.12.9999
23 for a vehicle if the department of licensing's published list of
24 qualifying vehicle models on the purchase date or the date the lease
25 agreement was signed includes the vehicle model and the department of
26 licensing subsequently removes the vehicle model from the published
27 list, and, if applicable, the vehicle meets the qualifying criterion
28 under subsection (1)(a)(iii)(B) of this section and RCW
29 82.12.9999(1)(a)(iii)(B).

30 (b) The department of revenue retains responsibility for
31 determining whether a vehicle meets the applicable qualifying
32 criterion under subsection (1)(a)(iii)(B) of this section and RCW
33 82.12.9999(1)(a)(iii)(B).

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

1 ~~based on the best available data, except that the department may~~
2 ~~provide estimates of taxes exempted under this section until such~~
3 ~~time as retailers are able to report such exempted amounts on their~~
4 ~~tax returns.~~

5 ~~(5))~~ By the last day of October 2019, and every six months
6 thereafter until this section expires, based on the best available
7 data, the department must report the following information to the
8 transportation committees of the legislature: The cumulative number
9 of vehicles that qualified for the exemption under this section and
10 RCW 82.12.9999 by month of purchase or lease start and vehicle make
11 and model; the dollar amount of all state retail sales and use taxes
12 exempted on or after the qualification period start date, under this
13 section and RCW 82.12.9999; and estimates of the future costs of
14 leased vehicles that qualified for the exemption under this section
15 and RCW 82.12.9999.

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

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

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

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

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

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

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

30 ~~((+7))~~ (6) (a) Sales of vehicles delivered to the buyer or leased
31 vehicles for which the lease agreement was signed after the
32 qualification period end date do not qualify for the exemption under
33 this section.

34 (b) All leased vehicles that qualified for the exemption under
35 this section before the qualification period end date must continue
36 to receive the exemption as described under subsection (1)(b) of this
37 section on any lease payments due through the remainder of the lease
38 before August 1, 2028.

39 ~~((+8))~~ (7) This section expires August 1, 2028.

1 (~~((9))~~) (8) This section is supported by the revenues generated
2 in RCW 46.17.324, and therefore takes effect only if RCW 46.17.324 is
3 enacted by June 30, 2019.

4 **Sec. 306.** RCW 82.12.9999 and 2019 c 287 s 10 are each amended to
5 read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

36 (B) The total lease payments made plus any additional purchase
37 price of the leased vehicle if the original lessee purchases the
38 leased vehicle before the qualification period end date, for lease
39 agreements signed.

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

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

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

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

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

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

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

(3) ~~((On the last day of January, April, July, and October of each year, the state treasurer, based upon information provided by~~

1 the department, must transfer from the electric vehicle account to
2 the general fund a sum equal to the dollar amount that would
3 otherwise have been deposited into the general fund during the prior
4 calendar quarter but for the exemption provided in this section.
5 Information provided by the department to the state treasurer must be
6 based on the best available data.

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

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

15 ~~((5))~~ (4) The definitions in RCW 82.08.9999 apply to this
16 section.

17 ~~((6))~~ (5) This section is supported by the revenues generated
18 in RCW 46.17.324, and therefore takes effect only if RCW 46.17.324 is
19 enacted by June 30, 2019.

20 ~~((7))~~ (6) This section expires August 1, 2028.

21 **Sec. 307.** RCW 82.04.4496 and 2019 c 287 s 8 are each amended to
22 read as follows:

23 (1)(a)(i) A person who is taxable under this chapter is allowed a
24 credit against the tax imposed in this chapter according to the gross
25 vehicle weight rating of the vehicle and the incremental cost of the
26 vehicle purchased above the purchase price of a comparable
27 conventionally fueled vehicle. The credit is limited, as set forth in
28 the table below, to the lesser of the incremental cost amount or the
29 maximum credit amount per vehicle purchased, and subject to a maximum
30 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

36 (ii) A person who is taxable under this chapter is allowed a
37 credit against the tax imposed in this chapter for up to ~~((fifty))~~ 50

1 percent of the cost to purchase alternative fuel vehicle
2 infrastructure, tangible personal property that will become a
3 component of alternative fuel vehicle infrastructure, and
4 installation and construction of alternative fuel vehicle
5 infrastructure, but excluding the cost of property acquisition and
6 site improvement related to the installation of alternative fuel
7 vehicle infrastructure. The credit is subject to a maximum annual
8 credit amount of (~~two million dollars~~) \$2,000,000.

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

19 (c) The credit provided in (a)(i) of this subsection is available
20 for the lease of a vehicle. The credit amount for a leased vehicle is
21 equal to the credit in (a)(i) of this subsection multiplied by the
22 lease reduction factor. The person claiming the credit for a leased
23 vehicle must be the lessee as identified in the lease contract.

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

31 (3) The total credits under subsection (1)(a)(i) of this section
32 may not exceed the lesser of (~~two hundred fifty thousand dollars~~)
33 \$250,000 or (~~twenty-five~~) 25 vehicles per person per calendar year.

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

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

37 (a) The department must disallow any credits, or portion thereof,
38 that would cause the total amount of credits claimed under this
39 section, and RCW 82.16.0496, during any calendar year to exceed (~~six~~
40 ~~million dollars~~) \$6,000,000. The department must provide

1 notification on its website monthly on the amount of credits that
2 have been applied for, the amount issued, and the amount remaining
3 before the statewide annual limit is reached. In addition, the
4 department must provide written notice to any person who has applied
5 to claim tax credits in excess of the limitation in this subsection.

6 (b) The department must disallow any credits, or portion thereof,
7 that would cause the total amount of credits claimed beginning July
8 15, 2015, under this section and RCW 82.16.0496 to exceed ((~~thirty-~~
9 ~~two and one-half million dollars~~)) \$32,500,000. The department must
10 provide notification on its website monthly on the total amount of
11 credits that have been applied for, the amount issued, and the amount
12 remaining before the statewide limit is reached. In addition, the
13 department must provide written notice to any person who has applied
14 to claim tax credits in excess of the limitation in this subsection.

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

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

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

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

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

28 (ii) A quote or unexecuted copy of the purchase requisition or
29 order for the vehicle, infrastructure, infrastructure components,
30 infrastructure construction, or infrastructure installation;

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

33 (iv) The incremental cost of the alternative fuel system for
34 vehicle credits;

35 (v) The anticipated delivery date of the vehicle, the anticipated
36 delivery date of the infrastructure or infrastructure components, the
37 anticipated construction completion date of the infrastructure, or
38 the anticipated installation completion date of the infrastructure;

1 (vi) The estimated annual fuel use of the vehicle in the
2 anticipated duties or the estimated annual fuel to be supplied by the
3 infrastructure;

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

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

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

10 (b) Within (~~fifteen~~) 15 days of notice of credit availability
11 from the department, provide notice of intent to claim the credit
12 including:

13 (i) A copy of the order for the vehicle or infrastructure-related
14 item, including the total cost for the vehicle or infrastructure-
15 related item;

16 (ii) The anticipated delivery date of the vehicle or
17 infrastructure or infrastructure component, which must be within one
18 year of acceptance of the credit;

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

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

24 (c) Provide final documentation within (~~thirty~~) 30 days of
25 receipt of the vehicle or infrastructure or infrastructure components
26 or of completion of construction or installation of the
27 infrastructure, including:

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

30 (ii) A copy of the factory build sheet or equivalent
31 documentation;

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

33 (iv) The incremental cost of the alternative fuel system for
34 vehicle credits;

35 (v) Attestations signed by both the seller and purchaser of each
36 vehicle attesting that the incremental cost of the alternative fuel
37 system includes only the costs necessary for the vehicle to run on
38 alternative fuel and no other vehicle options, equipment, or costs;
39 and

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

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

11 (10) To administer the credits, the department must, at a
12 minimum:

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

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

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

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

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

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

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

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

38 (iii) Sales of alternative fuel vehicle infrastructure or
39 infrastructure components, or the cost of construction or
40 installation of alternative fuel vehicle infrastructure.

1 (b) A credit is earned when the purchaser or the lessee takes
2 receipt of the qualifying commercial vehicle or infrastructure-
3 related item, the vehicle conversion is complete, or the construction
4 or installation of the infrastructure is complete.

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

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

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

19 ~~(15))~~ The department must conduct outreach to interested parties
20 to obtain input on how best to streamline the application process
21 required for the credit made available in this section and RCW
22 82.16.0496 to further adoption of alternative fuel technologies in
23 commercial vehicle fleets, and must incorporate the findings
24 resulting from this outreach effort into the rules and practices it
25 adopts to implement and administer this section and RCW 82.16.0496 to
26 the extent permitted under law.

27 ~~((16))~~ (15) The definitions in this subsection apply throughout
28 this section unless the context clearly requires otherwise.

29 (a) "Alternative fuel vehicle infrastructure" means structures,
30 machinery, and equipment necessary and integral to support a clean
31 alternative fuel vehicle.

32 (b) "Auto transportation company" means any corporation or person
33 owning, controlling, operating, or managing any motor propelled
34 vehicle, used in the business of transporting persons for
35 compensation over public highways within the state of Washington,
36 between fixed points or over a regular route. For the purposes of
37 this section, "auto transportation company" also includes the
38 following categories of providers irrespective of whether they
39 provide service between fixed points or over a regular route:
40 "Private, nonprofit transportation provider" as defined in RCW

1 81.66.010, "charter party carrier" as defined in RCW 81.70.020, and
2 paratransit service providers who primarily provide special needs
3 transportation to individuals with disabilities and the elderly.

4 (c) "Clean alternative fuel" means electricity, dimethyl ether,
5 hydrogen, methane, natural gas, liquefied natural gas, compressed
6 natural gas, or propane.

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

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

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

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

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

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

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

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

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

32 (~~(+17-)~~) (16) Credits may be earned under this section from
33 January 1, 2016, until the maximum total credit amount in subsection
34 (1)(b) of this section is reached, except for credits for leased
35 vehicles, which may be earned from July 1, 2016, until the maximum
36 total credit amount in subsection (1)(b) of this section is reached.

37 **Sec. 308.** RCW 82.16.0496 and 2019 c 287 s 13 are each amended to
38 read as follows:

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

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

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

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

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

8 (3) The total credits under subsection (1)(a)(i) of this section
9 may not exceed the lesser of (~~((two hundred fifty thousand dollars))~~)
10 \$250,000 or (~~((twenty-five))~~) 25 vehicles per person per calendar year.

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

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

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

23 (b) The department must disallow any credits, or portion thereof,
24 that would cause the total amount of credits claimed beginning July
25 15, 2015, under this section and RCW 82.04.4496 to exceed (~~((thirty-~~
26 ~~two and one-half million dollars))~~) \$32,500,000. The department must
27 provide notification on its website monthly on the total amount of
28 credits that have been applied for, the amount issued, and the amount
29 remaining before the statewide limit is reached. In addition, the
30 department must provide written notice to any person who has applied
31 to claim tax credits in excess of the limitation in this subsection.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 (ii) A copy of the factory build sheet or equivalent
8 documentation;

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

10 (iv) The incremental cost of the alternative fuel system for
11 vehicle credits;

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

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

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

27 (10) To administer the credits, the department must, at a
28 minimum:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

38 ~~(16))~~ Credits may be earned under this section from January 1,
39 2016, until the maximum total credit amount in subsection (1)(b) of
40 this section is reached, except for credits for leased vehicles,

1 which may be earned from July 1, 2016, until the maximum total credit
2 amount in subsection (1)(b) of this section is reached.

3 **Sec. 309.** RCW 82.08.816 and 2019 c 287 s 11 are each amended to
4 read as follows:

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

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

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

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

16 (d) The sale of tangible personal property that will become a
17 component of battery or fuel cell electric vehicle infrastructure
18 during the course of installing, constructing, repairing, or
19 improving battery or fuel cell electric vehicle infrastructure; and

20 (e) The sale of zero emissions buses.

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

25 (3) ~~((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 multimodal transportation~~
28 ~~account to the general fund a sum equal to the dollar amount that~~
29 ~~would otherwise have been deposited into the general fund during the~~
30 ~~prior calendar quarter but for the exemption provided in this~~
31 ~~section. Information provided by the department to the state~~
32 ~~treasurer must be based on the best available data, except that the~~
33 ~~department may provide estimates of taxes exempted under this section~~
34 ~~until such time as retailers are able to report such exempted amounts~~
35 ~~on their tax returns.~~

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

38 (a) "Battery charging station" means an electrical component
39 assembly or cluster of component assemblies designed specifically to

1 charge batteries within electric vehicles, which meet or exceed any
2 standards, codes, and regulations set forth by chapter 19.28 RCW and
3 consistent with rules adopted under RCW 19.27.540.

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

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

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

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

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

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

31 ((4)) (4) This section expires July 1, 2025.

32 **Sec. 310.** RCW 82.12.816 and 2019 c 287 s 12 are each amended to
33 read as follows:

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

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

1 (b) Labor and services rendered in respect to installing,
2 repairing, altering, or improving electric vehicle batteries or fuel
3 cells;

4 (c) Tangible personal property that will become a component of
5 battery or fuel cell electric vehicle infrastructure during the
6 course of installing, constructing, repairing, or improving battery
7 or fuel cell electric vehicle infrastructure; and

8 (d) Zero emissions buses.

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

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

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

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

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

33 (e) "Renewable hydrogen" means hydrogen produced using renewable
34 resources both as the source for hydrogen and the source for the
35 energy input into the production process.

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

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

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

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

Sec. 311. RCW 82.70.040 and 2016 c 32 s 3 are each amended to read as follows:

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

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

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

(b) Through June 30, 2005, a person with taxes equal to or in excess of the credit under RCW 82.70.020, and therefore not subject to the limitation in (a) of this subsection, may elect to defer tax credits for a period of not more than three years after the year in which the credits accrue. For credits approved by the department through June 30, 2015, the approved credit may be carried forward and used for tax reporting periods through December 31, 2016. Credits approved after June 30, 2015, must be used for tax reporting periods within the calendar year for which they are approved by the

department and may not be carried forward to subsequent tax reporting periods. Credits carried forward as authorized by this subsection are subject to the limitation in subsection (1)(a) of this section for the fiscal year for which the credits were originally approved.

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

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

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

Sec. 312. RCW 82.70.050 and 2015 3rd sp.s. c 44 s 415 are each amended to read as follows:

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

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

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

Sec. 313. RCW 82.21.030 and 2021 c 333 s 705 are each amended to read as follows:

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

(b) Beginning July 1, 2019, the rate of the tax on petroleum products is one dollar and nine cents per barrel. The tax collected under this subsection (1)(b) on petroleum products must be deposited as follows, after first depositing the tax as provided in (c) of this subsection, except that during the 2021-2023 biennium the deposit as

provided in (c) of this subsection may be prorated equally across each month of the biennium:

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

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

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

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

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

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

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

Part IV
Account Creation, Local Options, and
Other Provisions

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

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

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

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

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

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

(2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and

1 this subsection. Refunds or allocations shall occur prior to the
2 distributions of earnings set forth in subsection (4) of this
3 section.

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

13 (4) Monthly, the state treasurer shall distribute the earnings
14 credited to the treasury income account. The state treasurer shall
15 credit the general fund with all the earnings credited to the
16 treasury income account except:

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

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

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

1 investing balances of the agricultural permanent fund, the normal
2 school permanent fund, the permanent common school fund, the
3 scientific permanent fund, and the state university permanent fund
4 shall be allocated to their respective beneficiary accounts.

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

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

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

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

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

35 (3) Except for the provisions of RCW 43.84.160, the treasury
36 income account may be utilized for the payment of purchased banking
37 services on behalf of treasury funds including, but not limited to,
38 depository, safekeeping, and disbursement functions for the state
39 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 brownfield redevelopment
14 trust fund account, the budget stabilization account, the capital
15 vessel replacement account, the capitol building construction
16 account, the Central Washington University capital projects account,
17 the charitable, educational, penal and reformatory institutions
18 account, the Chehalis basin account, the Chehalis basin taxable
19 account, the cleanup settlement account, the climate active
20 transportation account, the climate transit programs account, the
21 Columbia river basin water supply development account, the Columbia
22 river basin taxable bond water supply development account, the
23 Columbia river basin water supply revenue recovery account, the
24 common school construction fund, the community forest trust account,
25 the connecting Washington account, the county arterial preservation
26 account, the county criminal justice assistance account, the deferred
27 compensation administrative account, the deferred compensation
28 principal account, the department of licensing services account, the
29 department of retirement systems expense account, the developmental
30 disabilities community services account, the diesel idle reduction
31 account, the drinking water assistance account, the administrative
32 subaccount of the drinking water assistance account, the early
33 learning facilities development account, the early learning
34 facilities revolving account, the Eastern Washington University
35 capital projects account, the education construction fund, the
36 education legacy trust account, the election account, the electric
37 vehicle account, the energy freedom account, the energy recovery act
38 account, the essential rail assistance account, The Evergreen State
39 College capital projects account, the fair start for kids account,
40 the ferry bond retirement fund, the fish, wildlife, and conservation

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

1 state route number 520 civil penalties account, the state route
2 number 520 corridor account, the statewide broadband account, the
3 statewide tourism marketing account, the supplemental pension
4 account, the Tacoma Narrows toll bridge account, the teachers'
5 retirement system plan 1 account, the teachers' retirement system
6 combined plan 2 and plan 3 account, the tobacco prevention and
7 control account, the tobacco settlement account, the toll facility
8 bond retirement account, the transportation 2003 account (nickel
9 account), the transportation equipment fund, the transportation
10 future funding program account, the transportation improvement
11 account, the transportation improvement board bond retirement
12 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. 405.** RCW 82.47.020 and 1991 c 173 s 1 are each amended to
7 read as follows:

8 (1) The legislative authority of a border area jurisdiction may,
9 by resolution for the purposes authorized in this chapter and by
10 approval of a majority of the registered voters of the jurisdiction
11 voting on the proposition at a general or special election, fix and
12 impose an excise tax on the retail sale of motor vehicle fuel and
13 special fuel within the jurisdiction. An election held under this
14 section must be held not more than ((twelve)) 12 months before the
15 date on which the proposed tax is to be levied. The ballot setting
16 forth the proposition ((shall)) must state the tax rate that is
17 proposed. The rate of such tax ((shall be in increments of one-tenth
18 of a cent per gallon and shall)) may not exceed ((one-cent)) two
19 cents per gallon for ballot propositions submitted in calendar year
20 2022. For ballot propositions submitted after calendar year 2022,
21 this two cents per gallon maximum tax rate may be adjusted to reflect
22 the percentage change in the implicit price deflator for personal
23 consumption expenditures for the United States as published by the
24 bureau of economic analysis of the federal department of commerce,
25 for the period of time between calendar year 2022 and when the tax is
26 placed on the ballot for voter approval.

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

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

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

1 (1) Except as provided in subsection (4) of this section, taxes,
2 fees, charges, and tolls may not be imposed by a district without
3 approval of a majority of the voters in the district voting on a
4 proposition at a general or special election. The proposition must
5 include a specific description of: (a) The transportation improvement
6 or improvements proposed by the district; (b) any rebate program
7 proposed to be established under RCW 36.73.067; and (c) the proposed
8 taxes, fees, charges, and the range of tolls imposed by the district
9 to raise revenue to fund the improvement or improvements or rebate
10 program, as applicable.

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

14 (3) A district may not increase any taxes, fees, charges, or
15 range of tolls imposed or change a rebate program under this chapter
16 once the taxes, fees, charges, tolls, or rebate program takes effect,
17 except:

18 (a) If authorized by the district voters pursuant to RCW
19 36.73.160;

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

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

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

32 (e) For up to three-tenths of one percent of the selling price,
33 in the case of a sales tax, or value of the article used, in the case
34 of a use tax, pursuant to the sales and use tax authorized in RCW
35 82.14.0455.

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

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

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

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

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

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

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

17 (c) (i) A district solely comprised of a city or cities may not
18 impose the fees or charges identified in (a) of this subsection
19 within ~~((one hundred eighty))~~ 180 days after July 22, 2007, unless
20 the county in which the city or cities reside, by resolution,
21 declares that it will not impose the fees or charges identified in
22 (a) of this subsection within the ~~((one hundred eighty-day))~~ 180-day
23 period; or

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

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

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

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

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

1 percent of the selling price in the case of a sales tax, or value of
2 the article used, in the case of a use tax.

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

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

10 NEW SECTION. Sec. 408. A new section is added to chapter
11 70A.535 RCW to read as follows:

12 (1) The department shall adopt rules that establish standards
13 that reduce carbon intensity in transportation fuels used in
14 Washington. The standards established by the rules must be based on
15 the carbon intensity of gasoline and gasoline substitutes and the
16 carbon intensity of diesel and diesel substitutes. The standards:

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

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

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

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

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

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

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

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

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

3 (3) : The department shall, throughout a compliance period,
4 regularly monitor the availability of fuels needed for compliance
5 with the clean fuels program.

6 (4)(a) Under the clean fuels program, the department shall
7 monthly calculate the volume-weighted average price of credits and,
8 no later than the last day of the month immediately following the
9 month for which the calculation is completed, post the formula and
10 the nonaggregated data the department used for the calculation and
11 the results of the calculation on the department's website.

12 (b) In completing the calculation required by this subsection,
13 the department may exclude from the data set credit transfers without
14 a price or other credit transfers made for a price that falls two
15 standard deviations outside of the mean credit price for the month.
16 Data posted on the department's website under this section may not
17 include any individually identifiable information or information that
18 would constitute a trade secret.

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

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

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

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

28 (iv) No change in 2032 and 2033.

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

31 (6) Beginning with the program year beginning in calendar year
32 2028, the department may not increase the carbon intensity reductions
33 required by the applicable clean fuels program standard adopted by
34 the department under subsection (5) of this section beyond a 10
35 percent reduction in carbon intensity until the department
36 demonstrates that the following have occurred:

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

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

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

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

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

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

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

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

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

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

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

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

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

4 (5) "Credit" means a unit of measure generated when a
5 transportation fuel with a carbon intensity that is less than the
6 applicable standard adopted by the department under ((RCW
7 ~~70A.535.020~~)) section 408 of this act is produced, imported, or
8 dispensed for use in Washington, such that one credit is equal to one
9 metric ton of carbon dioxide equivalents. A credit may also be
10 generated through other activities consistent with this chapter.

11 (6) "Deficit" means a unit of measure generated when a
12 transportation fuel with a carbon intensity that is greater than the
13 applicable standard adopted by the department under ((RCW
14 ~~70A.535.020~~)) section 408 of this act is produced, imported, or
15 dispensed for use in Washington, such that one deficit is equal to
16 one metric ton of carbon dioxide equivalents.

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

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

20 (9) "Greenhouse gas" has the same meaning as defined in RCW
21 70A.45.010.

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

27 (11) "Motor vehicle" has the same meaning as defined in RCW
28 46.04.320.

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

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

35 (14)(a) "Tactical support equipment" means equipment using a
36 portable engine, including turbines, that meets military
37 specifications, owned by the United States military services or its
38 allies, and that is used in combat, combat support, combat service
39 support, tactical or relief operations, or training for such
40 operations.

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

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

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

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

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

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

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

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

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

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

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

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

7 (iii) Include mechanisms for certifying electricity that has a
8 carbon intensity of zero. This electricity must include, at minimum,
9 electricity:

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

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

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

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

25 (c) If the department determines that it is necessary for
26 purposes of accurately measuring greenhouse gas emissions associated
27 with transportation fuels, the department may require transportation
28 fuel suppliers to submit data or information to be used for purposes
29 of calculating greenhouse gas emissions that is different from or
30 additional to the greenhouse gas emissions data reported under RCW
31 70A.15.2200(5)(a)(iii).

32 (d) If the department determines that it is necessary for
33 purposes of accurately measuring greenhouse gas emissions associated
34 with electricity supplied to retail customers or hydrogen production
35 facilities by an electric utility, the department may require
36 electric utilities participating in the clean fuels program to submit
37 data or information to be used for purposes of calculating greenhouse
38 gas emissions that is different from or additional to the fuel mix
39 disclosure information submitted under chapter 19.29A RCW. To the
40 extent practicable, rules adopted by the department may allow data

1 requested of utilities to be submitted in a form and manner
2 consistent with other required state or federal data submissions;

3 (2) Provisions allowing for the achievement of limits on the
4 greenhouse gas emissions intensity of transportation fuels in ((RCW
5 70A.535.020)) section 408 of this act to be achieved by any
6 combination of credit generating activities capable of meeting such
7 standards. Where such provisions would not produce results counter to
8 the emission reduction goals of the program or prove administratively
9 burdensome for the department, the rules should provide each
10 participant in the clean fuels program with the opportunity to
11 demonstrate appropriate carbon intensity values taking into account
12 both emissions from production facilities and elsewhere in the
13 production cycle, including changes in land use and permanent
14 greenhouse gas sequestration activities;

15 (3)(a) Methods for assigning compliance obligations and methods
16 for tracking tradable credits. The department may assign the
17 generation of a credit when a fuel with associated life-cycle
18 greenhouse gas emissions that are lower than the applicable per-unit
19 standard adopted by the department under ((RCW 70A.535.020)) section
20 408 of this act is produced, imported, or dispensed for use in
21 Washington, or when specified activities are undertaken that support
22 the reduction of greenhouse gas emissions associated with
23 transportation in Washington;

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

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

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

33 (5) Mechanisms for persons associated with the supply chains of
34 transportation fuels that are used for purposes that are exempt from
35 the clean fuels program compliance obligations including, but not
36 limited to, fuels used by aircraft, vessels, railroad locomotives,
37 and other exempt fuels specified in RCW 70A.535.040, to elect to
38 participate in the clean fuels program by earning credits for the
39 production, import, distribution, use, or retail of exempt fuels with
40 associated life-cycle greenhouse gas emissions lower than the per-

unit standard established in ((~~RCW 70A.535.020~~)) section 408 of this act;

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

(7) Cost containment mechanisms.

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

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

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

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

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

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

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

(ii) If a regulated party has a small deficit at the end of a compliance period, the regulated party shall notify the department that it will achieve compliance with the clean fuels program during

1 the compliance period by either: (A) Participating in a credit
2 clearance market; or (B) carrying forward the small deficit.

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

5 (i) Allow any regulated party, credit generator, or credit
6 aggregator that holds excess credits at the end of the compliance
7 period to voluntarily participate in the credit clearance market as a
8 seller by pledging a specified number of credits for sale in the
9 market;

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

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

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

17 (iii) Require all sellers to:

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

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

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

27 (c)(i) The department shall set a maximum price for credits in a
28 credit clearance market, consistent with states that have adopted
29 similar clean fuels programs, not to exceed \$200 in 2018 dollars for
30 2023.

31 (ii) For 2024 and subsequent years, the maximum price may exceed
32 \$200 in 2018 dollars, but only to the extent that a greater maximum
33 price for credits is necessary to annually adjust for inflation,
34 beginning on January 1, 2024, pursuant to the increase, if any, from
35 the preceding calendar year in the consumer price index for all urban
36 consumers, west region (all items), as published by the bureau of
37 labor statistics of the United States department of labor.

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

1 (i) Must carry over the remaining deficits into the next
2 compliance period; and

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

6 (e) If a regulated party has been required under (a) of this
7 subsection to participate as a purchaser in two consecutive credit
8 clearance markets and continues to have a net deficit balance after
9 the close of the second consecutive credit clearance market, the
10 department shall complete, no later than two months after the close
11 of the second credit clearance market, an analysis of the root cause
12 of an inability of the regulated party to retire the remaining
13 deficits. The department may recommend and implement any remedy that
14 the department determines is necessary to address the root cause
15 identified in the analysis including, but not limited to, issuing a
16 deferral, provided that the remedy implemented does not:

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

20 (ii) Compel a person to sell credits.

21 (f) If credits sold in a credit clearance market are subsequently
22 invalidated as a result of fraud or any other form of noncompliance
23 on the part of the generator of the credit, the department may not
24 pursue civil penalties against, or require credit replacement by, the
25 regulated party that purchased the credits unless the regulated party
26 was a party to the fraud or other form of noncompliance.

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

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

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

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

1 (a) Fuels used in volumes below thresholds adopted by the
2 department;

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

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

7 (2)(a) The rules adopted under RCW (~~(70A.535.020 and)~~)
8 70A.535.030 and section 408 of this act must exempt the following
9 transportation fuels from greenhouse gas emissions intensity
10 reduction requirements until January 1, 2028:

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

13 (ii) Dyed special fuel used in vehicles that are not designed
14 primarily to transport persons or property, that are not designed to
15 be primarily operated on highways, and that are used primarily for
16 construction work including, but not limited to, mining and timber
17 harvest operations; and

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

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

26 (3) The department may adopt rules to specify the standards for
27 persons to qualify for the exemptions provided in this section. The
28 department may implement the exemptions under subsection (2) of this
29 section to align with the implementation of exemptions for similar
30 fuels exempt from chapter 82.38 RCW.

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

37 (a) Mismatched incentives across programs;

38 (b) Fuel shifting between markets; or

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

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

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

(1) The rules adopted under RCW (~~(70A.535.020 and)~~) 70A.535.030 and section 408 of this act may allow the generation of credits from activities that support the reduction of greenhouse gas emissions associated with transportation in Washington, including but not limited to:

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

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

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

(iii) Direct air capture projects;

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

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

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

(2)(a) The rules adopted under RCW (~~(70A.535.020 and)~~) 70A.535.030 and section 408 of this act must allow the generation of credits based on capacity for zero emission vehicle refueling

1 infrastructure, including DC fast charging infrastructure and
2 hydrogen refueling infrastructure.

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

7 (3) The rules adopted under RCW (~~((70A.535.020 and))~~) 70A.535.030
8 and section 408 of this act must allow the generation of credits from
9 state transportation investments funded in an omnibus transportation
10 appropriations act for activities and projects that reduce greenhouse
11 gas emissions and decarbonize the transportation sector. These
12 include, but are not limited to: (a) Electrical grid and hydrogen
13 fueling infrastructure investments; (b) ferry operating and capital
14 investments; (c) electrification of the state ferry fleet; (d)
15 alternative fuel vehicle rebate programs; (e) transit grants; (f)
16 infrastructure and other costs associated with the adoption of
17 alternative fuel use by transit agencies; (g) bike and pedestrian
18 grant programs and other activities; (h) complete streets and safe
19 walking grants and allocations; (i) rail funding; and (j) multimodal
20 investments.

21 (4) The rules adopted by the department may establish limits for
22 the number of credits that may be earned each year by persons
23 participating in the program for some or all of the activities
24 specified in subsections (1) and (2) of this section. The department
25 must limit the number of credits that may be earned each year under
26 subsection (3) of this section to 10 percent of the total program
27 credits. Any limits established under this subsection must take into
28 consideration the return on investment required in order for an
29 activity specified in subsection (2) of this section to be
30 financially viable.

31 (5)(a) In coordination with the department, the Washington state
32 department of transportation must immediately begin work on
33 identifying the amount of credit revenues likely to be generated
34 under subsection (3) of this section from the state transportation
35 investments funded in an omnibus transportation appropriations act,
36 including the move ahead WA transportation package. It is the intent
37 of the legislature that these credits will be maximized to allow
38 further investment in efforts to reduce greenhouse gas emissions and
39 decarbonize the transportation sector including, but not limited to,
40 additional funding in future years, for ferry electrification beyond

1 four new hybrid electric vessels, active transportation, and transit
2 programs and projects.

3 (b) Beginning November 1, 2022, and annually thereafter, the
4 Washington state department of transportation must present a detailed
5 projection of the credit revenues generated under subsection (3) of
6 this section and a preferred reinvestment strategy for the revenues
7 for the following 10-year time period to the joint transportation
8 committee.

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

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

17 (a) Extreme and unusual circumstances exist that prevent the
18 distribution of an adequate supply of renewable fuels needed for
19 regulated parties to comply with the clean fuels program taking into
20 consideration all available methods of obtaining sufficient credits
21 to comply with the standard;

22 (b) The extreme and unusual circumstances are the result of a
23 natural disaster, an act of God, a significant supply chain
24 disruption or production facility equipment failure, or another event
25 that could not reasonably have been foreseen or prevented and not the
26 lack of prudent planning on the part of the suppliers of the fuels to
27 the state; and

28 (c) It is in the public interest to grant the deferral such as
29 when a deferral is necessary to meet projected temporary shortfalls
30 in the supply of the renewable fuel in the state and that other
31 methods of obtaining compliance credits are unavailable to compensate
32 for the shortage of renewable fuel supply.

33 (2) If the director of the department makes the determination
34 required under subsection (1) of this section, such a temporary
35 extreme and unusual deferral is permitted only if:

36 (a) The deferral applies only for the shortest time necessary to
37 address the extreme and unusual circumstances;

1 (b) The deferral is effective for the shortest practicable time
2 period the director of the department determines necessary to permit
3 the correction of the extreme and unusual circumstances; and

4 (c) The director has given public notice of a proposed deferral.

5 (3) An order declaring an emergency deferral under this section
6 must set forth:

7 (a) The duration of the emergency deferral;

8 (b) The types of fuel to which the emergency deferral applies;

9 (c) Which of the following methods the department has selected
10 for deferring compliance with the clean fuels program during the
11 emergency deferral:

12 (i) Temporarily adjusting the scheduled applicable carbon
13 intensity standard to a standard identified in the order that better
14 reflects the availability of credits during the emergency deferral
15 and requiring regulated parties to comply with the temporary
16 standard;

17 (ii) Allowing for the carryover of deficits accrued during the
18 emergency deferral into the next compliance period without penalty;
19 or

20 (iii) Suspending deficit accrual during the emergency deferral
21 period.

22 (4) An emergency deferral may be terminated prior to the
23 expiration date of the emergency deferral if new information becomes
24 available indicating that the shortage that provided the basis for
25 the emergency deferral has ended. The director of the department
26 shall consult with the department of commerce and the governor's
27 office in making an early termination decision. Termination of an
28 emergency deferral is effective 15 calendar days after the date that
29 the order declaring the termination is adopted.

30 (5)(a) In addition to the emergency deferral specified in
31 subsection (1) of this section, the department may issue a full or
32 partial deferral for one calendar quarter of a person's obligation to
33 furnish credits for compliance under RCW 70A.535.030 if it finds that
34 the person is unable to comply with the requirements of this chapter
35 due to reasons beyond the person's reasonable control. The department
36 may initiate a deferral under this subsection at its own discretion
37 or at the request of a person regulated under this chapter. The
38 department may renew issued deferrals. In evaluating whether to issue
39 a deferral under this subsection, the department may consider the
40 results of the fuel supply forecast in RCW 70A.535.100, but is not

bound in its decision-making discretion by the results of the forecast.

(b) If the department issues a deferral pursuant to this subsection, the department may:

(i) Direct the person subject to the deferral to file a progress report on achieving full compliance with the requirements of this chapter within an amount of time determined to be reasonable by the department; and

(ii) Direct the person to take specific actions to achieve full compliance with the requirements of this chapter.

(c) The issuance of a deferral under this subsection does not permanently relieve the deferral recipient of the obligation to comply with the requirements of this chapter.

NEW SECTION. **Sec. 414.** RCW 70A.535.020 (Carbon intensity of transportation fuels—Standards to reduce carbon intensity—Adoption of rules) and 2021 c 317 s 3 are each repealed.

NEW SECTION. **Sec. 415.** (1) A target is established for the state that all publicly owned and privately owned passenger and light duty vehicles of model year 2030 or later that are sold, purchased, or registered in Washington state be electric vehicles.

(2) On or before December 31, 2023, the interagency electric vehicle coordinating council created in section 428 of this act shall complete a scoping plan for achieving the 2030 target.

NEW SECTION. **Sec. 416.** A new section is added to chapter 47.66 RCW to read as follows:

(1) The department shall establish a bus and bus facilities grant program. The purpose of this competitive grant program is to provide grants to any transit authority for the replacement, expansion, rehabilitation, and purchase of transit rolling stock; construction, modification, or rehabilitation of transit facilities; and funding to adapt to technological change or innovation through the retrofitting of transit rolling stock and facilities.

(2)(a) The department must incorporate environmental justice principles into the grant selection process, with the goal of increasing the distribution of funding to communities based on addressing environmental harms and provide environmental benefits for

1 overburdened communities, as defined in RCW 70A.02.010, and
2 vulnerable populations.

3 (b) The department must incorporate geographic diversity into the
4 grant selection process.

5 (c) No grantee may receive more than 35 percent of the amount
6 appropriated for the grant program in a particular biennium.

7 (d) Fuel type may not be a factor in the grant selection process.

8 (3) The department must establish an advisory committee to carry
9 out the mandates of this section, including assisting with the
10 establishment of grant criteria.

11 (4) The department must report annually to the transportation
12 committees of the legislature on the status of any grant projects
13 funded by the program created under this section.

14 (5) For the purposes of this section:

15 (a) "Transit authority" means a city transit system under RCW
16 35.58.2721 or chapter 35.95A RCW, a county public transportation
17 authority under chapter 36.57 RCW, a metropolitan municipal
18 corporation transit system under chapter 36.56 RCW, a public
19 transportation benefit area under chapter 36.57A RCW, an
20 unincorporated transportation benefit area under RCW 36.57.100, or
21 any special purpose district formed to operate a public
22 transportation system.

23 (b) "Transit rolling stock" means transit vehicles including, but
24 not limited to, buses, ferries, and vans.

25 NEW SECTION. **Sec. 417.** A new section is added to chapter 47.04
26 RCW to read as follows:

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

33 (2) To address these investment gaps, the connecting communities
34 program is established within the department. The purpose of the
35 program is to improve active transportation connectivity in
36 communities by:

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

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

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

6 (d) Facilitating the planning, development, and implementation of
7 projects and activities that will improve the connectivity and safety
8 of the active transportation network.

9 (3) The department must select projects to propose to the
10 legislature for funding. In selecting projects, the department must
11 consider, at a minimum, the following criteria:

12 (a) Access to a transit facility, community facility, commercial
13 center, or community-identified assets;

14 (b) The use of minority and women-owned businesses and community-
15 based organizations in planning, community engagement, design, and
16 construction of the project;

17 (c) Whether the project will serve:

18 (i) Overburdened communities as defined in RCW 70A.02.010 to mean
19 a geographic area where vulnerable populations face combined,
20 multiple environmental harms and health impacts, and includes, but is
21 not limited to, highly impacted communities as defined in RCW
22 19.405.020;

23 (ii) Vulnerable populations as defined in RCW 70A.02.010 to mean
24 population groups that are more likely to be at higher risk for poor
25 health outcomes in response to environmental harms, due to adverse
26 socioeconomic factors, such as unemployment, high housing, and
27 transportation costs relative to income, limited access to nutritious
28 food and adequate health care, linguistic isolation, and other
29 factors that negatively affect health outcomes and increase
30 vulnerability to the effects of environmental harms; and sensitivity
31 factors, such as low birth weight and higher rates of
32 hospitalization. Vulnerable populations include, but are not limited
33 to: Racial or ethnic minorities, low-income populations, populations
34 disproportionately impacted by environmental harms, and populations
35 of workers experiencing environmental harms;

36 (iii) Household incomes at or below 200 percent of the federal
37 poverty level; and

38 (iv) People with disabilities;

39 (d) Environmental health disparities, such as those indicated by
40 the diesel pollution burden portion of the Washington environmental

1 health disparities map developed by the department of health, or
2 other similar indicators;

3 (e) Location on or adjacent to tribal lands or locations
4 providing essential services to tribal members;

5 (f) Crash experience involving pedestrians and bicyclists; and

6 (g) Identified need by the community, for example in the state
7 active transportation plan or a regional, county, or community plan.

8 (4) It is the intent of the legislature that the connecting
9 communities program comply with the requirements of chapter 314, Laws
10 of 2021.

11 (5) The department shall submit a report to the transportation
12 committees of the legislature by December 1, 2022, and each December
13 1st thereafter identifying the selected connecting communities
14 projects for funding by the legislature. The report must also include
15 the status of previously funded projects.

16 (6) This section expires July 1, 2027.

17 NEW SECTION. **Sec. 418.** A new section is added to chapter 47.24
18 RCW to read as follows:

19 (1) In order to improve the safety, mobility, and accessibility
20 of state highways, it is the intent of the legislature that the
21 department must incorporate the principles of complete streets with
22 facilities that provide street access with all users in mind,
23 including pedestrians, bicyclists, and public transportation users,
24 notwithstanding the provisions of RCW 47.24.020 concerning
25 responsibility beyond the curb of state rights-of-way. As such, state
26 transportation projects starting design on or after July 1, 2022, and
27 that are \$500,000 or more, must:

28 (a) Identify those locations on state rights-of-way that do not
29 have a complete and Americans with disabilities act accessible
30 sidewalk or shared-use path, that do not have bicycle facilities in
31 the form of a bike lane or adjacent parallel trail or shared-use
32 path, that have such facilities on a state route within a population
33 center that has a posted speed in excess of 30 miles per hour and no
34 buffer or physical separation from vehicular traffic for pedestrians
35 and bicyclists, and/or that have a design that hampers the ability of
36 motorists to see a crossing pedestrian with sufficient time to stop
37 given posted speed limits and roadway configuration;

38 (b) Consult with local jurisdictions to confirm existing and
39 planned active transportation connections along or across the

1 location; identification of connections to existing and planned
2 public transportation services, ferry landings, commuter and
3 passenger rail, and airports; the existing and planned facility
4 type(s) within the local jurisdiction that connect to the location;
5 and the potential use of speed management techniques to minimize
6 crash exposure and severity;

7 (c) Adjust the speed limit to a lower speed with appropriate
8 modifications to roadway design and operations to achieve the desired
9 operating speed in those locations where this speed management
10 approach aligns with local plans or ordinances, particularly in those
11 contexts that present a higher possibility of serious injury or fatal
12 crashes occurring based on land use context, observed crash data,
13 crash potential, roadway characteristics that are likely to increase
14 exposure, or a combination thereof, in keeping with a safe system
15 approach and with the intention of ultimately eliminating serious and
16 fatal crashes; and

17 (d) Plan, design, and construct facilities providing context-
18 sensitive solutions that contribute to network connectivity and
19 safety for pedestrians, bicyclists, and people accessing public
20 transportation and other modal connections, such facilities to
21 include Americans with disabilities act accessible sidewalks or
22 shared-use paths, bicyclist facilities, and crossings as needed to
23 integrate the state route into the local network.

24 (2) Projects undertaken for emergent work required to reopen a
25 state highway in the event of a natural disaster or other emergency
26 repair are not required to comply with the provisions of this
27 section.

28 (3) Maintenance of facilities constructed under this provision
29 shall be as provided under existing law.

30 (4) This section does not create a private right of action.

31 NEW SECTION. **Sec. 419.** A new section is added to chapter 47.04
32 RCW to read as follows:

33 (1) The department shall establish a statewide school-based
34 bicycle education grant program. The grant will support two programs:
35 One for elementary and middle school; and one for junior high and
36 high school aged youth to develop the skills and street safety
37 knowledge to be more confident bicyclists for transportation and/or
38 recreation. In development of the grant program, the department is

1 encouraged to consult with the environmental justice council and the
2 office of equity.

3 (2)(a) For the elementary and middle school program, the
4 department shall contract with a nonprofit organization with relevant
5 reach and experience, including a statewide footprint and
6 demonstrable experience deploying bicycling and road safety education
7 curriculum via a train the trainer model in schools. The selected
8 nonprofit shall identify partner schools that serve target
9 populations, based on the criteria in subsection (3) of this section.
10 Partner schools shall receive from the nonprofit: In-school bike and
11 pedestrian safety education curriculum, materials, equipment guidance
12 and consultation, and physical education teacher trainings. Youth
13 grades three through eight are eligible for the program.

14 (b) Selected school districts shall receive and maintain a fleet
15 of bicycles for the youth in the program. Youth and families
16 participating in the school-base bicycle education grant program
17 shall have an opportunity to receive a bike, lock, helmet, and lights
18 free of cost.

19 (3) For the junior high and high school program, the department
20 shall contract with a nonprofit organization with relevant reach and
21 experience, including a statewide footprint; demonstrable experience
22 developing and managing youth-based programming serving youth of
23 color in an after-school and/or community setting; and deploying
24 bicycling and road safety education curriculum via a train the
25 trainer model. The selected nonprofit shall use the equity-based
26 criteria in subsection (4) of this section to identify target
27 populations and partner organizations including, but not limited to,
28 schools, community-based organizations, housing authorities, and
29 parks and recreation departments, that work with the eligible
30 populations of youth ages 14 to 18. Partner organizations shall
31 receive from the nonprofit: Education curriculum, materials,
32 equipment guidance and consultation, and initial instructor/volunteer
33 training, as well as ongoing support.

34 (4) In selecting schools and partner organizations for the
35 school-based bicycle education grant program, the department and
36 nonprofit must consider, at a minimum, the following criteria:

37 (a) Population impacted by poverty, as measured by free and
38 reduced lunch population or 200 percent federal poverty level;

39 (b) People of color;

40 (c) People of Hispanic heritage;

(d) People with disabilities;

(e) Environmental health disparities, such as those indicated by the diesel pollution burden portion of the Washington environmental health disparities map developed by the department of health, or other similar indicators;

(f) Location on or adjacent to an Indian reservation;

(g) Geographic location throughout the state;

(h) Crash experience involving pedestrians and bicyclists;

(i) Access to a community facility or commercial center; and

(j) Identified need in the state active transportation plan or a regional, county, or community plan.

(5) The department shall submit a report for both programs to the transportation committees of the legislature by December 1, 2022, and each December 1st thereafter identifying the selected programs and school districts for funding by the legislature. The report must also include the status of previously funded programs.

NEW SECTION. **Sec. 420.** A new section is added to chapter 47.04 RCW to read as follows:

For the purposes of submitting a request by October 1, 2022, to Amtrak to adopt a fare policy change, the department shall negotiate with the Oregon department of transportation to determine ridership, revenue, and policy impacts relating to elimination of fares for Amtrak Cascades passengers 18 years of age and younger. It is the intent of the legislature that fares for passengers 18 years of age and younger for service on the Amtrak Cascades corridor be eliminated. The department shall report back to the transportation committees of the legislature with results of negotiations with the Oregon department of transportation and the status of fare policy requests submitted to Amtrak by December 1, 2022.

NEW SECTION. **Sec. 421.** A new section is added to chapter 47.60 RCW to read as follows:

Consistent with RCW 47.60.315(1)(b), the commission shall adopt an annual fare policy for Washington state ferries to allow all riders 18 years of age and younger to ride free of charge on all system routes. This fare change must apply to both walk-on passengers and passengers in vehicles. The commission is directed to make the initial fare policy change effective no later than October 1, 2022.

1 NEW SECTION. **Sec. 422.** A new section is added to chapter 47.66
2 RCW to read as follows:

3 (1) The department shall establish a transit support grant
4 program for the purpose of providing financial support to transit
5 agencies for operating and capital expenses only. Public transit
6 agencies must maintain or increase their local sales tax authority on
7 or after January 1, 2022, in order to qualify for the grants.

8 (a) Grants for transit agencies must be prorated based on the
9 amount expended for operations in the most recently published report
10 of "Summary of Public Transportation" published by the department.

11 (b) No transit agency may receive more than 35 percent of these
12 distributions.

13 (c) Fuel type may not be a factor in the grant selection process.

14 (2) To be eligible to receive a grant, the transit agency must
15 have adopted, at a minimum, a zero-fare policy that allows passengers
16 18 years of age and younger to ride free of charge on all modes
17 provided by the agency. Transit agencies must submit documentation of
18 a zero-fare policy for 18 years of age and under by October 1, 2022,
19 to be eligible for the 2023-2025 biennium. Transit agencies that
20 submit such fare policy documentation following the October 1, 2022,
21 deadline shall become eligible for the next biennial distribution.

22 (3) The department shall, for the purposes of the "Summary of
23 Public Transportation" report, require grantees to report the number
24 of trips that were taken under this program.

25 (4) For the purposes of this section, "transit agency" or
26 "agency" means a city transit system under RCW 35.58.2721 or chapter
27 35.95A RCW, a county public transportation authority under chapter
28 36.57 RCW, a metropolitan municipal corporation transit system under
29 chapter 36.56 RCW, a public transportation benefit area under chapter
30 36.57A RCW, an unincorporated transportation benefit area under RCW
31 36.57.100, or any special purpose district formed to operate a public
32 transportation system.

33 **Sec. 423.** RCW 46.63.170 and 2020 c 224 s 1 are each amended to
34 read as follows:

35 (1) The use of automated traffic safety cameras for issuance of
36 notices of infraction is subject to the following requirements:

37 (a) Except for proposed locations used solely for the pilot
38 program purposes permitted under subsection (6) of this section, the
39 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, ~~((or))~~ 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: ~~((+i))~~ (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; ~~((+ii))~~ (B) railroad crossings; ~~((and~~
33 +iii)) (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 (1) 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, ~~((or))~~
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: ~~((+i+))~~ (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; ~~((+i+))~~ (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 103 of this act, and the climate
12 active transportation account created in section 102 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:

- (a) The office of financial management;
 - (b) The department of ecology;
 - (c) The department of enterprise services;
 - (d) The state efficiency and environmental performance office;
 - (e) The department of agriculture;
 - (f) The department of health;
 - (g) The utilities and transportation commission;
 - (h) A representative from the office of the superintendent of public instruction knowledgeable on issues pertaining to student transportation; and
 - (i) Other agencies with key roles in electrifying the transportation sector.
- (2) The Washington state department of commerce and Washington state department of transportation shall assign staff in each agency to lead the council's coordination work and provide ongoing reports to the governor and legislature including, but not limited to, the transportation, energy, economic development, and other appropriate legislative committees.

NEW SECTION. **Sec. 429.** (1) Interagency electric vehicle coordinating council responsibilities include, but are not limited to:

(a) Development of a statewide transportation electrification strategy to ensure market and infrastructure readiness for all new vehicle sales;

(b) Identification of all electric vehicle infrastructure grant-related funding to include existing and future opportunities, including state, federal, and other funds;

(c) Coordination of grant funding criteria across agency grant programs to most efficiently distribute state and federal electric vehicle-related funding in a manner that is most beneficial to the state, advances best practices, and recommends additional criteria that could be useful in advancing transportation electrification;

(d) Development of a robust public and private outreach plan that includes engaging with:

(i) Community organizers and the environmental justice council to develop community-driven programs to address zero emissions transportation needs and priorities in overburdened communities; and

(ii) Local governments to explore procurement opportunities and work with local government and community programs to support electrification;

(e) Creation of an industry electric vehicle advisory committee; and

(f) Ensuring the statewide transportation electrification strategy, grant distribution, programs, and activities associated with advancing transportation electrification benefit vulnerable and overburdened communities.

(2) The council shall provide an annual report to the appropriate committees of the legislature summarizing electric vehicle implementation progress, gaps, and resource needs.

Sec. 430. RCW 46.68.480 and 2020 c 224 s 2 are each amended to read as follows:

The Cooper Jones active transportation safety account is created in the state treasury. All receipts from penalties collected under RCW 46.63.170(~~((6)(e))~~) shall be deposited into the account. Expenditures from the account may be used only to fund grant projects or programs for bicycle, pedestrian, and nonmotorist safety improvement administered by the Washington traffic safety commission. The account is subject to allotment procedures under chapter 43.88 RCW. Moneys in the account may be spent only after appropriation.

NEW SECTION. **Sec. 431.** A new section is added to chapter 47.60 RCW to read as follows:

It is the intent of the legislature to fully fund the vessel and terminal electrification program in accordance with the Washington state ferries 2040 long range plan. The legislature finds that to attain the 2040 target fleet size of 26 vessels, a biennial replacement schedule is necessary to ensure the level of ferry service and reliability expected by the public. Therefore, by June 30, 2025, the legislature will secure funding options, including but not limited to a vessel surcharge, to devote the resources necessary to fulfill the vessel and terminal needs outlined in the 2040 long range plan.

NEW SECTION. **Sec. 432.** Washington state's target zero program envisions Washington having policies that will lead to zero deaths of people using the transportation system. For almost two decades more

1 than 200 people have lost their lives annually in circumstances where
2 a vehicle unintentionally left its lane of travel. Such fatalities
3 made up 48 percent of all traffic-related fatalities in 2019. There
4 are multiple ways to make improvements on the highway system that
5 have been proven in other locations to help reduce lane departures
6 and fatalities. Sections 433 and 434 of this act are intended to
7 direct resources towards deploying such improvements by requiring the
8 Washington state department of transportation to create a program
9 that is focused on addressing this specific safety concern.

10 NEW SECTION. **Sec. 433.** A new section is added to chapter 47.04
11 RCW to read as follows:

12 (1)(a) When an appropriation is made for this purpose, the
13 department shall establish a reducing rural roadway departures
14 program to provide funding for safety improvements specific to
15 preventing lane departures in areas where the departure is likely to
16 cause serious injuries or death. The program must use data driven
17 methods to determine potential projects, and associated ranking
18 methods for prioritization of funding consistent with chapter 47.05
19 RCW. Funding under this program may be used to:

20 (i) Widen roadway shoulders or modify roadway design to improve
21 visibility or reduce lane departure risks;

22 (ii) Improve markings and paint on roadways, including making
23 markings on roads more visible for vehicles with lane departure
24 technology;

25 (iii) Apply high friction surface treatments;

26 (iv) Install rumble strips, signage, lighting, raised barriers,
27 medians, guardrails, cable barriers, or other safety equipment,
28 including deployment of innovative technology and connected
29 infrastructure devices;

30 (v) Remove or relocate fixed objects from rights-of-way that pose
31 a significant risk of serious injury or death if a vehicle were to
32 collide with the object due to a lane departure;

33 (vi) Repair or replace existing barriers that are damaged or
34 nonfunctional; or

35 (vii) Take other reasonable actions that are deemed likely to
36 address or prevent vehicle lane departures in specific areas of
37 concern.

38 (b) The department must create a program whereby it can
39 distribute funding or install safety improvements based on the

1 prioritization process established under (a) of this subsection. Any
2 installation of safety measures that are not under the jurisdiction
3 of the department must be done with permission from the entity that
4 is responsible for operation and maintenance of the roadway.

5 (c) The department's program must create a form and application
6 process whereby towns, small cities, counties, and transportation
7 benefit districts may apply for program funding for high risk areas
8 in their jurisdictions in need of safety improvements.

9 (d) Subject to the availability of amounts appropriated for this
10 specific purpose, the department must issue program funding for
11 purposes defined in (a) and (b) of this subsection in a
12 geographically diverse manner throughout the state. Criteria used to
13 assess a location can include the communities inability or lack of
14 resources to make the corrections themselves and to make corrections
15 where there has been historic disparate impacts.

16 (e) By December 31st of each year when there is funding
17 distributed in accordance with this program, the department must
18 provide the transportation committees of the legislature and the
19 traffic safety commission with a list of locations that received
20 funding and a description of the safety improvements installed there.

21 (2) During the first five years of the program, the department
22 must track incidence of lane departures at the locations where the
23 new infrastructure is installed and evaluate the effectiveness of the
24 safety improvements.

25 **Sec. 434.** RCW 46.68.060 and 2021 c 333 s 706 are each amended to
26 read as follows:

27 There is hereby created in the state treasury a fund to be known
28 as the highway safety fund to the credit of which must be deposited
29 all moneys directed by law to be deposited therein. This fund must be
30 used for carrying out the provisions of law relating to driver
31 licensing, driver improvement, financial responsibility, cost of
32 furnishing abstracts of driving records and maintaining such case
33 records, and to carry out the purposes set forth in RCW 43.59.010,
34 ~~((and))~~ chapters 46.72 and 46.72A RCW, and section 433 of this act.
35 During the 2013-2015 and 2015-2017 fiscal biennia, the legislature
36 may transfer from the highway safety fund to the Puget Sound ferry
37 operations account, the motor vehicle fund, and the multimodal
38 transportation account such amounts as reflect the excess fund
39 balance of the highway safety fund. During the 2017-2019, 2019-2021,

1 and 2021-2023 fiscal biennia, the legislature may direct the state
2 treasurer to make transfers of moneys in the highway safety fund to
3 the multimodal transportation account and the state patrol highway
4 account.

5 **Sec. 435.** RCW 46.68.396 and 2015 3rd sp.s. c 12 s 2 are each
6 amended to read as follows:

7 The JUDY transportation future funding program account is created
8 in the connecting Washington account established in chapter 44, Laws
9 of 2015 3rd sp. sess. Moneys in the account may be spent only after
10 appropriation. Expenditures from the account must be used only for
11 preservation projects, to accelerate the schedule of connecting
12 Washington projects identified in chapter 43, Laws of 2015 3rd sp.
13 sess., for new connecting Washington projects, and for principal and
14 interest on bonds authorized for the projects. It is the
15 legislature's intent that moneys not be appropriated from the account
16 until 2024 and that moneys in the account be expended in equal
17 amounts between preservation and improvement projects. Moneys in the
18 account may not be expended on the state route number 99 Alaskan Way
19 viaduct replacement project.

20 **Sec. 436.** RCW 47.01.480 and 2015 3rd sp.s. c 12 s 1 are each
21 amended to read as follows:

22 (1)(a) For projects identified as connecting Washington projects
23 and supported by revenues under chapter 44, Laws of 2015 3rd sp.
24 sess., it is the priority of the legislature that the department
25 deliver the named projects. The legislature encourages the department
26 to continue to institutionalize innovation and collaboration in
27 design and project delivery with an eye toward the most efficient use
28 of resources. In doing so, the legislature expects that, for some
29 projects, costs will be reduced during the project design phase due
30 to the application of practical design. However, significant changes
31 to a project title or scope arising from the application of practical
32 design requires legislative approval. The legislature will utilize
33 existing mechanisms and processes to ensure timely and efficient
34 approval. Practical design-related changes to the scope may be
35 proposed by the department, for the legislature's approval, only if
36 the project's intended performance is substantially unchanged and the
37 local governments and interested stakeholders impacted by the project
38 have been consulted and have reviewed the proposed changes.

1 (b) To the greatest extent practicable, a contract for the
2 construction of a project with any change to the title or scope,
3 whether significant or not, arising from the application of practical
4 design must not be let until the department has provided a detailed
5 notice describing the change to the chairs and ranking members of the
6 house of representatives and senate transportation committees or, if
7 during the interim, to the joint transportation committee.

8 (c) To determine the savings attributable to practical design,
9 each connecting Washington project must be evaluated. For design-bid-
10 build projects, the evaluation must occur at the end of the project
11 design phase. For design-build projects, the evaluation must occur at
12 the completion of ~~((thirty))~~ 30 percent design. Each year as a part
13 of its annual budget submittal, the department must include a
14 detailed summary of how practical design has been applied and the
15 associated savings gained. The annual summary must also include for
16 each project: Details regarding any savings gained specifically
17 through changes in the cost of materials, changes in the scope of a
18 project and associated impacts on risk, the retirement of any risk
19 reserves, and unused contingency funds.

20 (2)(a) The transportation future funding program is intended to
21 provide for future emergent transportation projects, accelerating the
22 schedule for existing connecting Washington projects, and highway
23 preservation investments, beginning in fiscal year 2024, based on
24 savings accrued from the application of practical design and any
25 retired risk or unused contingency funding on connecting Washington
26 projects.

27 (b) Beginning July 1, 2016, the department must submit a report
28 to the state treasurer and the transportation committees of the
29 legislature once every six months identifying the amount of savings
30 attributable to the application of practical design, retired risk,
31 and unused contingency funding, and report when the savings become
32 available. The state treasurer must transfer the available amounts
33 identified in the report to the JUDY transportation future funding
34 program account created in RCW 46.68.396.

35 (c) Beginning in fiscal year 2024, as a part of its budget
36 submittal, the department may provide a list of highway improvement
37 projects or preservation investments for potential legislative
38 approval as part of the transportation future funding program.
39 Highway improvement projects considered for inclusion under the
40 transportation future funding program may include new connecting

1 Washington projects, or accelerate the schedule for existing
2 connecting Washington projects, and must: Address significant safety
3 concerns; alleviate congestion and advance mobility; provide
4 compelling economic development gains; leverage partnership funds
5 from local, federal, or other sources; or require a next phase of
6 funding to build upon initial investments provided by the
7 legislature.

8 (d) It is the intent of the legislature that if savings
9 attributable to the application of practical design are used to
10 accelerate existing connecting Washington projects, savings must also
11 be used for new connecting Washington projects of equal cost.

12 NEW SECTION. **Sec. 437.** A new section is added to chapter 47.06A
13 RCW to read as follows:

14 A railroad crossing grant program is hereby created in the
15 department, local programs division. The department shall develop a
16 prioritization process to make awards for cities and counties with
17 projects that eliminate at grade highway-rail crossings, improving
18 safety and expediting the movement of vehicles. Awards must be made
19 for matching funds to federal grants.

20 **Sec. 438.** RCW 81.104.160 and 2015 3rd sp.s. c 44 s 319 are each
21 amended to read as follows:

22 (1) Regional transit authorities that include a county with a
23 population of more than (~~one million five hundred thousand~~)
24 1,500,000 may submit an authorizing proposition to the voters, and if
25 approved, may levy and collect an excise tax, at a rate approved by
26 the voters, but not exceeding eight-tenths of one percent on the
27 value, under chapter 82.44 RCW, of every motor vehicle owned by a
28 resident of the taxing district, solely for the purpose of providing
29 high capacity transportation service. The maximum tax rate under this
30 subsection does not include a motor vehicle excise tax approved
31 before July 15, 2015, if the tax will terminate on the date bond debt
32 to which the tax is pledged is repaid. This tax does not apply to
33 vehicles licensed under RCW 46.16A.455 except vehicles with an
34 unladen weight of (~~six thousand~~) 6,000 pounds or less, RCW
35 46.16A.425 or 46.17.335(2). Notwithstanding any other provision of
36 this subsection or chapter 82.44 RCW, a motor vehicle excise tax
37 imposed by a regional transit authority before or after July 15,
38 2015, must comply with chapter 82.44 RCW as it existed on January 1,

1 1996, until December 31st of the year in which the regional transit
2 authority repays bond debt to which a motor vehicle excise tax was
3 pledged before July 15, 2015. Motor vehicle taxes collected by
4 regional transit authorities after December 31st of the year in which
5 a regional transit authority repays bond debt to which a motor
6 vehicle excise tax was pledged before July 15, 2015, must comply with
7 chapter 82.44 RCW as it existed on the date the tax was approved by
8 voters.

9 (2) An agency and high capacity transportation corridor area may
10 impose a sales and use tax solely for the purpose of providing high
11 capacity transportation service, in addition to the tax authorized by
12 RCW 82.14.030, upon retail car rentals within the applicable
13 jurisdiction that are taxable by the state under chapters 82.08 and
14 82.12 RCW. The rate of tax may not exceed 2.172 percent. The rate of
15 tax imposed under this subsection must bear the same ratio of the
16 2.172 percent authorized that the rate imposed under subsection (1)
17 of this section bears to the rate authorized under subsection (1) of
18 this section. The base of the tax is the selling price in the case of
19 a sales tax or the rental value of the vehicle used in the case of a
20 use tax.

21 (3) Any motor vehicle excise tax previously imposed under the
22 provisions of ~~((RCW 81.104.160(1)))~~ subsection (1) of this section
23 shall be repealed, terminated, and expire on December 5, 2002, except
24 for a motor vehicle excise tax for which revenues have been
25 contractually pledged to repay a bonded debt issued before December
26 5, 2002, as determined by *Pierce County et al. v. State*, 159 Wn.2d
27 16, 148 P.3d 1002 (2006). In the case of bonds that were previously
28 issued, the motor vehicle excise tax must comply with chapter 82.44
29 RCW as it existed on January 1, 1996.

30 (4) If a regional transit authority imposes the tax authorized
31 under subsection (1) of this section, the authority may not receive
32 any state grant funds provided in an omnibus transportation
33 appropriations act except transit coordination grants created in
34 chapter 11, Laws of 2015 3rd sp. sess. and regional mobility grant
35 program funds. To be eligible to receive regional mobility grant
36 program funds, a regional transit authority must have adopted, at a
37 minimum, a zero-fare policy that allows passengers 18 years of age
38 and younger to ride free of charge on all modes provided by the
39 authority by October 1, 2022.

1 **Sec. 439.** RCW 47.66.120 and 2021 c 333 s 721 are each amended to
2 read as follows:

3 (1)(a) (~~Subject to the availability of amounts appropriated for~~
4 ~~this specific purpose through the 2023-2025 biennium, the~~) The
5 department's public transportation division shall establish a green
6 transportation capital grant program. The purpose of the grant
7 program is to aid any transit authority in funding cost-effective
8 capital projects to reduce the carbon intensity of the Washington
9 transportation system, examples of which include: Electrification of
10 vehicle fleets, including battery and fuel cell electric vehicles;
11 modification or replacement of capital facilities in order to
12 facilitate fleet electrification and/or hydrogen refueling; necessary
13 upgrades to electrical transmission and distribution systems; and
14 construction of charging and fueling stations. The department's
15 public transportation division shall identify projects and shall
16 submit a prioritized list of all projects requesting funding to the
17 legislature by December 1st of each even-numbered year.

18 (b) The department's public transportation division shall select
19 projects based on a competitive process that considers the following
20 criteria:

21 (i) The cost-effectiveness of the reductions in carbon emissions
22 provided by the project; and

23 (ii) The benefit provided to transitioning the entire state to a
24 transportation system with lower carbon intensity.

25 (2) The department's public transportation division must
26 establish an advisory committee to assist in identifying projects
27 under subsection (1) of this section. The advisory committee must
28 include representatives from the department of ecology, the
29 department of commerce, the utilities and transportation commission,
30 and at least one transit authority.

31 (3) In order to receive green transportation capital grant
32 program funding for a project, a transit authority must provide
33 matching funding for that project that is at least equal to twenty
34 percent of the total cost of the project.

35 (4) The department's public transportation division must report
36 annually to the transportation committees of the legislature on the
37 status of any grant projects funded by the program created under this
38 section.

39 (5) For purposes of this section, "transit authority" means a
40 city transit system under RCW 35.58.2721 or chapter 35.95A RCW, a

1 county public transportation authority under chapter 36.57 RCW, a
2 metropolitan municipal corporation transit system under chapter 36.56
3 RCW, a public transportation benefit area under chapter 36.57A RCW,
4 an unincorporated transportation benefit area under RCW 36.57.100, a
5 regional transit authority under chapter 81.112 RCW, or any special
6 purpose district formed to operate a public transportation system.

7 (6) During the 2021-2023 fiscal biennium, the department may
8 provide up to 20 percent of the total green transportation capital
9 grant program funding for zero emissions capital transition planning
10 projects.

11 **Part V**
12 **Miscellaneous**

13 NEW SECTION. **Sec. 501.** Sections 415 and 427 through 429 of this
14 act constitute a new chapter in Title 43 RCW.

15 NEW SECTION. **Sec. 502.** If any provision of this act or its
16 application to any person or circumstance is held invalid, the
17 remainder of the act or the application of the provision to other
18 persons or circumstances is not affected.

19 NEW SECTION. **Sec. 503.** Sections 311 and 403 of this act expire
20 July 1, 2024.

21 NEW SECTION. **Sec. 504.** Section 404 of this act takes effect
22 July 1, 2024.

23 **Sec. 505.** 2020 c 224 s 3 (uncodified) is amended to read as
24 follows:

25 Section 1 of this act expires June 30, ((2023)) 2025.

26 NEW SECTION. **Sec. 506.** Section 423 of this act expires June 30,
27 2025.

28 NEW SECTION. **Sec. 507.** Section 424 of this act takes effect
29 June 30, 2025.

30 NEW SECTION. **Sec. 508.** Sections 313, 408 through 414, and 421
31 of this act are necessary for the immediate preservation of the

1 public peace, health, or safety, or support of the state government
2 and its existing public institutions, and take effect immediately.

3 NEW SECTION. **Sec. 509.** Sections 205, 206, 209, and 210 of this
4 act take effect October 1, 2022.

5 NEW SECTION. **Sec. 510.** Sections 207 and 208 of this act take
6 effect January 1, 2023, and apply to registrations that become due on
7 or after that date.

8 NEW SECTION. **Sec. 511.** Sections 1, 101 through 105, 201 through
9 204, 211, 301 through 312, 401 through 407, 415 through 420, 422,
10 423, 425 through 439, and 505 of this act take effect July 1, 2022.

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