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**SUBSTITUTE HOUSE BILL 2338**

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**State of Washington                      65th Legislature                      2018 Regular Session**

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

READ FIRST TIME 01/26/18.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

37 NEW SECTION. **Sec. 3.** (1) The department shall adopt rules that  
38 limit the greenhouse gas emissions per unit of fuel energy (carbon

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

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

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

20 (a)(i) Standards for greenhouse gas emissions attributable to the  
21 transportation fuels throughout their life cycles, including but not  
22 limited to emissions from the production, storage, transportation,  
23 and combustion of transportation fuels and from changes in land use  
24 associated with transportation fuels. The standards adopted under  
25 this section may also address the efficiency of a fuel as used in a  
26 powertrain as compared to a reference fuel. In establishing the  
27 standards under this subsection, the department may consider and rely  
28 on carbon intensity calculations for transportation fuels used by  
29 similar programs in other states. If the department determines that  
30 it is necessary for purposes of accurately measuring greenhouse gas  
31 emissions associated with transportation fuels, the department may  
32 require transportation fuel suppliers to submit greenhouse gas  
33 emissions data that is different from or additional to the greenhouse  
34 gas emissions data reported under RCW 70.94.151(5)(a)(iii);

35 (ii) The standards in (a)(i) of this subsection must measure  
36 greenhouse gas emissions associated with electricity based on a mix  
37 of generation resources specific to each electric utility  
38 participating in the clean fuels program. If the department  
39 determines that it is necessary for purposes of accurately measuring

1 greenhouse gas emissions associated with electricity supplied by an  
2 electric utility, the department may require electric utilities  
3 participating in the clean fuels program to submit greenhouse gas  
4 emissions data that is different from or additional to the fuel mix  
5 disclosure information submitted under chapter 19.29A RCW;

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

10 (b) Provisions allowing for the achievement of limits on the  
11 greenhouse gas emissions intensity of transportation fuels in section  
12 3 of this act to be achieved by any combination of transportation  
13 fuels capable of meeting such standards;

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

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

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

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

26 (g)(i) Methods for assigning compliance obligations and tracking  
27 tradable credits that denote the generation, import, distribution, or  
28 acquisition of units of transportation fuel with associated life-  
29 cycle greenhouse gas emissions lower than the per-unit standard  
30 established in section 3 of this act. Transportation fuels with  
31 associated greenhouse gas emissions exceeding eighty percent of the  
32 standard established in section 3 of this act are not eligible to  
33 generate credits under the clean fuels program;

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

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

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

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

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

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

15 (2) Except where otherwise provided in sections 2 through 7 of  
16 this act, the department should seek to adopt rules that are  
17 consistent with the regulatory standards, exemptions, reporting  
18 obligations, and other clean fuels program compliance requirements of  
19 other states that have adopted low carbon fuel standards or similar  
20 greenhouse gas emissions requirements applicable specifically to  
21 transportation fuels.

22 (3) In adopting rules under this section, the department must  
23 consider whether actions taken or credits generated under the clean  
24 fuels program are eligible for purposes of compliance with the clean  
25 air rule, chapter 173-442 WAC as of the effective date of this  
26 section, and whether actions taken or emissions reduction units  
27 generated under the clean air rule may be used for purposes of  
28 compliance with this section.

29 NEW SECTION. **Sec. 5.** (1)(a) Each producer or importer of  
30 transportation fuels whose associated greenhouse gas emissions are  
31 greater than or equal to the per-unit standard established in section  
32 3 of this act must register with the department.

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

36 (2) Each transaction transferring ownership of transportation  
37 fuels for which clean fuels program participation is mandated or has  
38 been chosen must be accompanied by documentation assigning the clean

1 fuels program compliance responsibility associated with the fuels,  
2 including the assignment of associated credits.

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

6 NEW SECTION. **Sec. 6.** (1)(a) Twenty-five percent of the revenues  
7 generated by an electric utility from credits earned under the clean  
8 fuels program must be expended by the electric utility on  
9 transportation electrification projects. These transportation  
10 electrification projects must be located within a federally  
11 designated nonattainment or maintenance area if such a nonattainment  
12 or maintenance area is within the service area of the utility.

13 (b) The department may adopt requirements for the expenditure of  
14 revenues from credits earned under the clean fuels program that are  
15 applicable to the seventy-five percent of revenues not subject to the  
16 requirements of (a) of this subsection.

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

21 (2) All penalties recovered under this chapter for violations of  
22 the clean fuels program requirements must be paid into the state  
23 treasury and credited to the air pollution control account  
24 established in RCW 70.94.015. After deductions of amounts necessary  
25 to cover the department's administrative and enforcement expenses,  
26 the department must use penalty moneys to provide grants to local  
27 governments in federally designated nonattainment and maintenance  
28 areas for transportation electrification projects.

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

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

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

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

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

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

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

16 (c) An assessment of the impact of the clean fuels program on  
17 volumetric prices of gasoline, diesel, and other transportation fuels  
18 in Washington;

19 (d) A summary of the estimated total statewide costs and benefits  
20 attributable to the clean fuels program, including state agency  
21 administrative costs and regulated entity compliance costs, per ton  
22 of greenhouse gas emissions reductions achieved by the clean fuels  
23 program; and

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

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

28 (1) A person applying for a motor vehicle registration and paying  
29 the vehicle license fee required in RCW 46.17.350(1) (a), (d), (e),  
30 (h), (j), (n), and (o) shall pay a motor vehicle weight fee in  
31 addition to all other fees and taxes required by law.

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

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

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

38 (iii) Must be distributed under RCW 46.68.415.

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

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

4	WEIGHT	FEE
5	4,000 pounds	\$ 25.00
6	6,000 pounds	\$ 45.00
7	8,000 pounds	\$ 65.00
8	16,000 pounds and over	\$ 72.00;

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

12 (iii) Must be distributed under RCW 46.68.415 unless prior to  
13 July 1, 2023, the actions described in (b)(iii)(A) or (B) of this  
14 subsection occur, in which case the portion of the revenue that is  
15 the result of the fee increased in this subsection must be  
16 distributed to the connecting Washington account created under RCW  
17 46.68.395.

18 (A) Any state agency files a notice of rule making under chapter  
19 34.05 RCW, absent explicit legislative authorization enacted  
20 subsequent to July 1, 2015, for a rule regarding a fuel standard  
21 based upon or defined by the carbon intensity of fuel, including a  
22 low carbon fuel standard or clean fuel standard.

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

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

33 (2) A person applying for a motor home vehicle registration  
34 shall, in lieu of the motor vehicle weight fee required in subsection  
35 (1) of this section, pay a motor home vehicle weight fee of seventy-  
36 five dollars in addition to all other fees and taxes required by law.  
37 The motor home vehicle weight fee must be distributed under RCW  
38 46.68.415.

1 (3) Beginning July 1, 2022, in addition to the motor vehicle  
2 weight fee as provided in subsection (1) of this section, the  
3 department, county auditor or other agent, or subagent appointed by  
4 the director must require an applicant to pay an additional weight  
5 fee of ten dollars, which must be distributed to the multimodal  
6 transportation account under RCW 47.66.070 unless prior to July 1,  
7 2023, the actions described in (a) or (b) of this subsection occur,  
8 in which case the portion of the revenue that is the result of the  
9 fee increased in this subsection must be distributed to the  
10 connecting Washington account created under RCW 46.68.395.

11 (a) Any state agency files a notice of rule making under chapter  
12 34.05 RCW, absent explicit legislative authorization enacted  
13 subsequent to July 1, 2015, for a rule regarding a fuel standard  
14 based upon or defined by the carbon intensity of fuel, including a  
15 low carbon fuel standard or clean fuel standard.

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

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

26 (4) The department shall:

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

30 (b) Adopt rules for determining weight for vehicles without  
31 manufacturer empty scale weights.

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

34 (1) When a person has been disqualified from operating a  
35 commercial motor vehicle, the person is not entitled to have the  
36 commercial driver's license or commercial learner's permit restored  
37 until after the expiration of the appropriate disqualification period  
38 required under RCW 46.25.090 or until the department has received a  
39 drug and alcohol assessment and evidence is presented of satisfactory

1 participation in or completion of any required drug or alcohol  
2 treatment program for ending the disqualification under RCW  
3 46.25.090(7). After expiration of the appropriate period and upon  
4 payment of a requalification fee of twenty dollars until June 30,  
5 2016, and thirty-five dollars beginning July 1, 2016, or one hundred  
6 fifty dollars if the person has been disqualified under RCW  
7 46.25.090(7), the person may apply for a new, duplicate, or renewal  
8 commercial driver's license or commercial learner's permit as  
9 provided by law. If the person has been disqualified for a period of  
10 one year or more, the person shall demonstrate that he or she meets  
11 the commercial driver's license or commercial learner's permit  
12 qualification standards specified in RCW 46.25.060.

13 (2) The fees under this section must be deposited into the  
14 highway safety fund unless prior to July 1, 2023, the actions  
15 described in (a) or (b) of this subsection occur, in which case the  
16 portion of the revenue that is the result of the fee increased in  
17 section 208, chapter 44, Laws of 2015 3rd sp. sess. must be  
18 distributed to the connecting Washington account created under RCW  
19 46.68.395.

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

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

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

35 **Sec. 10.** RCW 46.20.202 and 2017 c 310 s 3 are each amended to  
36 read as follows:

37 (1) The department may enter into a memorandum of understanding  
38 with any federal agency for the purposes of facilitating the crossing

1 of the border between the state of Washington and the Canadian  
2 province of British Columbia.

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

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

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

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

32 (d) The requirements of this subsection are in addition to the  
33 requirements otherwise imposed on applicants for a driver's license  
34 or identicard. The department shall adopt such rules as necessary to  
35 meet the requirements of this subsection. From time to time the  
36 department shall review technological innovations related to the  
37 security of identity cards and amend the rules related to enhanced  
38 driver's licenses and identicards as the director deems consistent  
39 with this section and appropriate to protect the privacy of  
40 Washington state residents.

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

5 (4) Beginning on July 23, 2017, the fee for an enhanced driver's  
6 license or enhanced identicard is twenty-four dollars, which is in  
7 addition to the fees for any regular driver's license or identicard.  
8 If the enhanced driver's license or enhanced identicard is issued,  
9 renewed, or extended for a period other than six years, the fee for  
10 each class is four dollars for each year that the enhanced driver's  
11 license or enhanced identicard is issued, renewed, or extended.

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

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

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

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

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

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

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

3 (b) Passed the general knowledge examination required for  
4 issuance of a CDL under RCW 46.25.060 for the commercial motor  
5 vehicle classification in which the applicant operates or expects to  
6 operate; and

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

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

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

23 (4) A CLP may be classified in the same manner as a CDL under RCW  
24 46.25.080(2)(a).

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

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

35 (b) The holder of a CLP with an S endorsement must have taken and  
36 passed the S endorsement knowledge examination. The holder of a CLP  
37 with an S endorsement is prohibited from operating a school bus with  
38 passengers other than authorized employees or representatives of the  
39 department and the federal motor carrier safety administration,

1 examiners, other trainees, and the CDL holder accompanying the CLP  
2 holder as required under subsection (2) of this section.

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

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

11 (a) "P" restricts the driver from operating a bus with  
12 passengers;

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

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

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

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

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

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

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

39 (c) Nothing in this subsection acknowledges, establishes, or  
40 creates legal authority for the department of ecology or any other

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

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

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

8 (i) Is a resident of this state;

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

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

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

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

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

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

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

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

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

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

17 (ii) Public benefit not-for-profit corporations that support  
18 early childhood education and assistance programs as described in RCW  
19 (~~(43.215.405(2))~~) 43.216.505(2).

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

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

28 (2)(a) The department may waive the skills examination and the  
29 requirement for completion of a course of instruction in the  
30 operation of a commercial motor vehicle specified in this section for  
31 a commercial driver's license applicant who meets the requirements of  
32 49 C.F.R. Sec. 383.77.

33 (b) An applicant who operates a commercial motor vehicle for  
34 agribusiness purposes is exempt from the course of instruction  
35 completion and employer skills and training certification  
36 requirements under this section. By January 1, 2010, the department  
37 shall submit recommendations regarding the continuance of this  
38 exemption to the transportation committees of the legislature. For  
39 purposes of this subsection (2)(b), "agribusiness" means a private  
40 carrier who in the normal course of business primarily transports:

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

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

5 (iii) Unprocessed agricultural commodities, as defined in RCW  
6 17.21.020, where such commodities are produced by farmers, ranchers,  
7 vineyardists, or orchardists; or

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

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

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

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

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

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

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

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

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

5 (1) The air pollution control account is established in the state  
6 treasury. All receipts collected by or on behalf of the department  
7 from RCW 70.94.151(2), and receipts from nonpermit program sources  
8 under RCW 70.94.152(1) and 70.94.154(7), and all receipts from RCW  
9 70.94.650, 70.94.660, 82.44.020(2), and 82.50.405 shall be deposited  
10 into the account. Moneys in the account may be spent only after  
11 appropriation. Expenditures from the account may be used only to  
12 develop and implement the provisions of chapters 70.94 and 70.120  
13 RCW, including for expenditures consistent with section 6(2) of this  
14 act.

15 (2) The amounts collected and allocated in accordance with this  
16 section shall be expended upon appropriation except as otherwise  
17 provided in this section and in accordance with the following  
18 limitations:

19 Portions of moneys received by the department of ecology from the  
20 air pollution control account shall be distributed by the department  
21 to local authorities based on:

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

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

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

29 (3) The air operating permit account is created in the custody of  
30 the state treasurer. All receipts collected by or on behalf of the  
31 department from permit program sources under RCW 70.94.152(1),  
32 70.94.161, 70.94.162, and 70.94.154(7) shall be deposited into the  
33 account. Expenditures from the account may be used only for the  
34 activities described in RCW 70.94.152(1), 70.94.161, 70.94.162, and  
35 70.94.154(7). Moneys in the account may be spent only after  
36 appropriation.

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

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