
HOUSE BILL 2338

State of Washington

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By Representatives Fitzgibbon, Cody, Hudgins, Goodman, Tarleton, Santos, McBride, Stanford, Tharinger, Macri, Jinkins, Ormsby, and Doglio

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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) Nothing in this section provides new legal authority or
11 limits existing legal authority for the department to adopt rules
12 under this chapter.

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

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

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

1 emissions data that is different from or additional to the fuel mix
2 disclosure information submitted under chapter 19.29A RCW;

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

7 (b) Provisions allowing for the achievement of limits on the
8 greenhouse gas emissions intensity of transportation fuels in section
9 3 of this act to be achieved by any combination of transportation
10 fuels capable of meeting such standards;

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

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

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

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

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

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

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

35 (h) Requirements that producers or importers of transportation
36 fuels that equal or exceed the per-unit baseline established in
37 section 3 of this act participate in the clean fuels program;

38 (i) Mechanisms to elect to participate in the clean fuels program
39 for persons associated with the supply chains of transportation fuels
40 that do not equal or exceed the per-unit baseline established in

1 section 3 of this act, including producers, importers, distributors,
2 or retailers of such fuels;

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

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

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

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

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

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

33 (2) Each transaction transferring ownership of transportation
34 fuels for which clean fuels program participation is mandated or has
35 been chosen must be accompanied by documentation assigning the clean
36 fuels program compliance responsibility associated with the fuels,
37 including the assignment of associated credits.

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

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

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

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

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

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

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

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

37 (c) Recommendations, in the form of draft legislation, for any
38 changes to sections 2 through 6 of this act that are needed in order

1 to more efficiently achieve the greenhouse gas emissions reduction
2 goals of the clean fuels program.

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

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

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

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

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

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

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

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

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

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

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

36 (iii) Must be distributed under RCW 46.68.415.

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

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

	WEIGHT	FEE
1		
2	4,000 pounds	\$ 25.00
3	6,000 pounds	\$ 45.00
4	8,000 pounds	\$ 65.00
5	16,000 pounds and over	\$ 72.00;

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

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

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

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

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

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

(3) Beginning July 1, 2022, in addition to the motor vehicle weight fee as provided in subsection (1) of this section, the department, county auditor or other agent, or subagent appointed by

1 the director must require an applicant to pay an additional weight
2 fee of ten dollars, which must be distributed to the multimodal
3 transportation account under RCW 47.66.070 unless prior to July 1,
4 2023, the actions described in (a) or (b) of this subsection occur,
5 in which case the portion of the revenue that is the result of the
6 fee increased in this subsection must be distributed to the
7 connecting Washington account created under RCW 46.68.395.

8 (a) Any state agency files a notice of rule making under chapter
9 34.05 RCW, absent explicit legislative authorization enacted
10 subsequent to July 1, 2015, for a rule regarding a fuel standard
11 based upon or defined by the carbon intensity of fuel, including a
12 low carbon fuel standard or clean fuel standard.

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

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

23 (4) The department shall:

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

27 (b) Adopt rules for determining weight for vehicles without
28 manufacturer empty scale weights.

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

31 (1) When a person has been disqualified from operating a
32 commercial motor vehicle, the person is not entitled to have the
33 commercial driver's license or commercial learner's permit restored
34 until after the expiration of the appropriate disqualification period
35 required under RCW 46.25.090 or until the department has received a
36 drug and alcohol assessment and evidence is presented of satisfactory
37 participation in or completion of any required drug or alcohol
38 treatment program for ending the disqualification under RCW
39 46.25.090(7). After expiration of the appropriate period and upon

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

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

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

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

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

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

34 (1) The department may enter into a memorandum of understanding
35 with any federal agency for the purposes of facilitating the crossing
36 of the border between the state of Washington and the Canadian
37 province of British Columbia.

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

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

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

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

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

39 (e) Notwithstanding RCW 46.20.118, the department may make images
40 associated with enhanced drivers' licenses or identicards from the

1 negative file available to United States customs and border agents
2 for the purposes of verifying identity.

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

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

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

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

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

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

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

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

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

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

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

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

21 (4) A CLP may be classified in the same manner as a CDL under RCW
22 46.25.080(2)(a).

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

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

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

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

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

9 (a) "P" restricts the driver from operating a bus with
10 passengers;

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

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

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

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

20 (9) The department must transmit the fees collected for CLPs to
21 the state treasurer for deposit in the highway safety fund unless
22 prior to July 1, 2023, the actions described in (a) or (b) of this
23 subsection occur, in which case the portion of the revenue that is
24 the result of the fee increased in section 206, chapter 44, Laws of
25 2015 3rd sp. sess. must be distributed to the connecting Washington
26 account created under RCW 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. 12.** RCW 46.25.060 and 2015 3rd sp.s. c 44 s 207 are each
4 amended to read as follows:

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

7 (i) Is a resident of this state;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 (iii) Unprocessed agricultural commodities, as defined in RCW
4 17.21.020, where such commodities are produced by farmers, ranchers,
5 vineyardists, or orchardists; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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