
ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1110

State of Washington

66th Legislature

2019 Regular Session

By House Appropriations (originally sponsored by Representatives Fitzgibbon, Slatter, Kloba, Peterson, Tharinger, Jenkins, Macri, Cody, Bergquist, Doglio, Robinson, Pollet, Stanford, and Frame)

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 70.94.431; adding new
4 sections to chapter 70.94 RCW; creating new sections; prescribing
5 penalties; and providing an expiration date.

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

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

1 (2) The legislature further finds that the health and welfare of
2 the people of the state of Washington is threatened by the prospect
3 of crumbling or swamped coastlines, rising water, and more intense
4 forest fires caused by higher temperatures and related droughts, all
5 of which are intensified and made more frequent by the volume of
6 greenhouse gas emissions. As of 2015, the transportation sector
7 contributes forty-three percent of Washington's greenhouse gas
8 emissions, and the legislature's interest in the life cycle of the
9 fuels used in the state arises from a concern for the effects of the
10 production and use of these fuels on Washington's environment and
11 public health, including its air quality, snowpack, and coastline.

12 (3) The legislature finds that the people already pay the costs
13 of multiple taxes and regulatory mandates on each molecule of fossil
14 fuels used for transportation, including:

15 (a) The state oil spill response tax;

16 (b) The state oil spill administration tax;

17 (c) The state hazardous substance tax used to fund the state
18 toxics control account, the local toxics control account, and the
19 environmental legacy and stewardship account;

20 (d) The combined state and federal motor vehicle 67.8 cent taxes
21 to fund transportation projects;

22 (e) The federal leaking underground storage tank tax and the
23 state petroleum products tax for underground storage tanks;

24 (f) Applicable state and local sales taxes; and

25 (g) The federal renewable fuel standard.

26 (4) Therefore, it is the intent of the legislature to support the
27 deployment of clean transportation fuel technologies through a
28 carefully designed program that reduces the carbon intensity of fuel
29 used in Washington, in order to:

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

32 (b) Reduce greenhouse gas emissions associated with
33 transportation fuels, which are the state's largest source of
34 greenhouse gas emissions; and

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

37 NEW SECTION. **Sec. 2.** The definitions in this section apply
38 throughout this section and sections 3 through 13 of this act unless
39 the context clearly indicates otherwise.

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

3 (2) "Clean fuels program" means the requirements established by
4 this act.

5 (3) "Credit" means a unit of measure equal to one metric ton of
6 carbon dioxide equivalents.

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

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

15 (6) "Greenhouse gas" has the same meaning as defined in RCW
16 70.235.010.

17 (7) "Military tactical vehicle" means a motor vehicle owned by
18 the United States department of defense or the United States military
19 services and that is used in combat, combat support, combat service
20 support, tactical or relief operations, or training for such
21 operations.

22 (8) "Motor vehicle" has the same meaning as defined in RCW
23 46.04.320.

24 (9) (a) "Tactical support equipment" means equipment using a
25 portable engine, including turbines, that meets military
26 specifications, owned by the United States military services or its
27 allies, and that is used in combat, combat support, combat service
28 support, tactical or relief operations, or training for such
29 operations.

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

33 (10) "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 (11) "Cost" means an expense connected to the manufacture,
38 distribution, or other aspects of the provision of a transportation
39 fuel product.

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

4 NEW SECTION. **Sec. 3.** (1) The department shall adopt rules that
5 establish standards that reduce the greenhouse gas emissions per unit
6 of fuel energy (carbon intensity) in transportation fuels used in
7 Washington. The standards established by the rules must be based on
8 the carbon intensity of gasoline and gasoline substitutes and the
9 carbon intensity of diesel and diesel substitutes. The rules adopted
10 under this section must reduce the greenhouse gas emissions
11 attributable to each unit of the fuels to ten percent below 2017
12 levels by 2028 and twenty percent below 2017 levels by 2035. The
13 rules must establish a start date for the clean fuels program of no
14 later than January 1, 2021. To the extent the requirements of this
15 act conflict with the requirements of chapter 19.112 RCW, the
16 requirements of this act prevail.

17 (2) The direction to the department to adopt rules under this
18 section is not an acknowledgment, denial, or limitation of any
19 authority of the department that existed prior to the effective date
20 of this section to adopt rules related to the greenhouse gas
21 emissions intensity of fuel under other provisions of this chapter
22 including, but not limited to, RCW 70.94.151 and 70.94.331.

23 (3) (a) Transportation fuels exported from Washington are not
24 subject to the greenhouse gas emissions reduction requirements in
25 this section.

26 (b) Electricity is not subject to the greenhouse gas emissions
27 reduction requirements in this section.

28 NEW SECTION. **Sec. 4.** The rules adopted by the department to
29 achieve the greenhouse gas emissions reductions per unit of fuel
30 energy specified in section 3 of this act must include, but are not
31 limited to, the following:

32 (1) Standards for greenhouse gas emissions attributable to the
33 transportation fuels throughout their life cycles, including but not
34 limited to emissions from the production, storage, transportation,
35 and combustion of transportation fuels and from changes in land use
36 associated with transportation fuels.

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

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

3 (ii) Consider carbon intensity calculations for transportation
4 fuels developed by national laboratories or used by similar programs
5 in other states.

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

8 (i) Neutrally consider the life-cycle emissions associated with
9 transportation fuels with respect to the political jurisdiction in
10 which the fuels originated and may not discriminate against fuels on
11 the basis of having originated in another state or jurisdiction.
12 Nothing in this subsection may be construed to prohibit inclusion or
13 assessment of emissions related to fuel production, storage,
14 transportation, or combustion or associated changes in land use in
15 determining the carbon intensity of a fuel. At minimum, the
16 department must consider associated changes in land use in
17 determining the carbon intensity of transportation fuel produced in
18 whole or in part from sugar cane;

19 (ii) Measure greenhouse gas emissions associated with electricity
20 based on a mix of generation resources specific to each electric
21 utility participating in the clean fuels program. The department may
22 apply an asset-controlling supplier emission factor certified or
23 approved by a similar program to reduce the greenhouse gas emissions
24 associated with transportation fuels in another state; and

25 (iii) Include procedures for setting and adjusting the amounts of
26 greenhouse gas emissions per unit of fuel energy that is assigned to
27 transportation fuels under this subsection.

28 (c) If the department determines that it is necessary for
29 purposes of accurately measuring greenhouse gas emissions associated
30 with transportation fuels, the department may require transportation
31 fuel suppliers to submit data or information to be used for purposes
32 of calculating greenhouse gas emissions that is different from or
33 additional to the greenhouse gas emissions data reported under RCW
34 70.94.151(5) (a) (iii).

35 (d) If the department determines that it is necessary for
36 purposes of accurately measuring greenhouse gas emissions associated
37 with electricity supplied to retail customers by an electric utility,
38 the department may require electric utilities participating in the
39 clean fuels program to submit data or information to be used for
40 purposes of calculating greenhouse gas emissions that is different

1 from or additional to the fuel mix disclosure information submitted
2 under chapter 19.29A RCW. To the extent practicable, rules adopted by
3 the department may allow data requested of utilities to be submitted
4 in a form and manner consistent with other required state or federal
5 data submissions. Under the program, zero associated lifecycle
6 greenhouse gas emissions must be attributed to electricity produced
7 from hydroelectric generation, including incremental hydroelectric
8 generation. Electricity from hydroelectric generation, including
9 incremental hydroelectric generation, that is used as transportation
10 fuel must be provided credit under the program. For the purposes of
11 this section, "incremental hydroelectric generation" means
12 electricity produced as a result of efficiency improvements from
13 hydroelectric generation projects where the additional generation
14 does not result in new water diversions or impoundments;

15 (2) Provisions allowing for the achievement of limits on the
16 greenhouse gas emissions intensity of transportation fuels in section
17 3 of this act to be achieved by any combination of credit generating
18 activities capable of meeting such standards, consistent with the
19 limitations of subsection (3)(a) of this section. Where such
20 provisions would not produce results counter to the emission
21 reduction goals of the program or prove administratively burdensome
22 for the department, the rules should provide each participant in the
23 clean fuels program with the opportunity to demonstrate appropriate
24 carbon intensity values taking into account both emissions from
25 production facilities and elsewhere in the production cycle;

26 (3)(a) Methods for assigning compliance obligations and methods
27 for tracking tradable credits. The department may assign the
28 generation of a credit when a fuel with associated life-cycle
29 greenhouse gas emissions that are lower than the applicable per-unit
30 standard adopted by the department under section 3 of this act is
31 produced, imported, or dispensed for use in Washington, or when
32 specified activities are undertaken that support the reduction of
33 greenhouse gas emissions associated with transportation in
34 Washington. Transportation fuels with associated greenhouse gas
35 emissions exceeding eighty percent of the 2017 levels established in
36 section 3 of this act are not eligible to generate credits under the
37 clean fuels program. Transportation fuels that are refined or
38 otherwise wholly or partly derived from palm oil are not eligible to
39 generate credits under the clean fuels program;

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

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

5 (4) Mechanisms to elect to participate in the clean fuels program
6 for persons associated with the supply chains of transportation fuels
7 that are eligible to generate credits consistent with subsection (3)
8 of this section, including producers, importers, distributors, users,
9 or retailers of such fuels;

10 (5) Mechanisms for persons associated with the supply chains of
11 transportation fuels that are used for purposes that are exempt from
12 the clean fuels program compliance obligations, including but not
13 limited to electricity and fuels used by aircraft, vessels, railroad
14 locomotives, and other exempt fuels specified in section 5 of this
15 act, to elect to participate in the clean fuels program by earning
16 credits for the production, import, distribution, use, or retail of
17 exempt fuels with associated life-cycle greenhouse gas emissions
18 lower than the per-unit standard established in section 3 of this
19 act;

20 (6) Cost containment mechanisms.

21 (a) Cost containment mechanisms may include, but are not limited
22 to:

23 (i) A credit clearance market designed to make credits available
24 for sale to regulated persons after the conclusion of a compliance
25 period at a department-determined price; or

26 (ii) Similar procedures that provide a means of compliance with
27 the clean fuels program requirements in the event that a regulated
28 person has not been able to acquire sufficient volumes of credits at
29 the end of a compliance period.

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

34 (7) Authority for the department to designate an entity to
35 aggregate and use unclaimed credits associated with persons that
36 elect not to participate in the clean fuels program under subsection
37 (4) of this section.

1 NEW SECTION. **Sec. 5.** (1) The rules adopted under sections 3 and
2 4 of this act must include exemptions for, at minimum, the following
3 transportation fuels:

4 (a) Fuels used in volumes below thresholds adopted by the
5 department;

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

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

10 (2) (a) The rules adopted under sections 3 and 4 of this act must
11 exempt the following transportation fuels from greenhouse gas
12 emission intensity reduction requirements until January 1, 2028:

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

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

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

22 (b) Prior to January 1, 2028, fuels identified in this subsection
23 (2) are eligible to generate credits, consistent with section 4(5) of
24 this act. Beginning January 1, 2028, the fuels identified in this
25 subsection (2) are subject to the greenhouse gas emission intensity
26 reduction requirements applicable to transportation fuels specified
27 in section 3 of this act.

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

33 (4) The rules adopted under sections 3 and 4 of this act may
34 include exemptions in addition to those described in subsections (1)
35 and (2) of this section, but only if such exemptions are necessary,
36 with respect to the relationship between the program and similar
37 greenhouse gas emissions requirements or low carbon fuel standards,
38 in order to avoid:

39 (a) Mismatched incentives across programs;

40 (b) Fuel shifting between markets; or

1 (c) Other results that are counter to the intent of this act.

2 (5) Nothing in this chapter precludes the department from
3 adopting rules under sections 3 and 4 of this act that allow the
4 generation of credits associated with electric or alternative
5 transportation infrastructure that existed prior to the effective
6 date of this section or to the start date of program requirements.

7 NEW SECTION. **Sec. 6.** (1) The rules adopted under sections 3 and
8 4 of this act may allow the generation of credits from activities
9 that support the reduction of greenhouse gas emissions associated
10 with transportation in Washington, including but not limited to:

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

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

15 (ii) Refinery investments in carbon capture and sequestration; or

16 (iii) Direct air capture projects;

17 (b) The fueling of electric vehicles using electricity certified
18 by the department to have a carbon intensity of zero. Such
19 electricity must include, at minimum:

20 (i) Electricity for which a renewable energy credit or other
21 environmental attribute has been retired or used only for purposes of
22 the clean fuels program; and

23 (ii) Electricity produced using a zero emission resource,
24 including but not limited to solar, wind, geothermal, or the
25 industrial combustion of biomass consistent with RCW 70.235.020(3),
26 that is directly supplied as a transportation fuel by the generator
27 of the electricity;

28 (c) The provision of zero emission vehicle refueling
29 infrastructure, including but not limited to fast charging battery
30 electric vehicle infrastructure and hydrogen electric vehicle
31 refueling infrastructure; and

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

35 (2) The rules adopted by the department may establish limits for
36 the number of credits that may be earned each year by persons
37 participating in the program for some or all of the activities
38 specified in subsection (1) of this section.

1 NEW SECTION. **Sec. 7.** (1) Except where otherwise provided in
2 sections 2 through 11 of this act, the department should seek to
3 adopt rules that are harmonized with the regulatory standards,
4 exemptions, reporting obligations, and other clean fuels program
5 compliance requirements of other states that:

6 (a) Have adopted low carbon fuel standards or similar greenhouse
7 gas emissions requirements applicable specifically to transportation
8 fuels; and

9 (b)(i) Supply, or have the potential to supply, significant
10 quantities of transportation fuel to Washington markets; or

11 (ii) To which Washington supplies, or has the potential to
12 supply, significant quantities of transportation fuel.

13 (2) In adopting rules under sections 3 and 4 of this act, the
14 department must consider whether actions taken or credits generated
15 under the clean fuels program are eligible for purposes of compliance
16 with the clean air rule, chapter 173-442 WAC as it existed as of
17 October 16, 2016, and whether actions taken or emissions reduction
18 units generated under the clean air rule may be used for purposes of
19 compliance with this section.

20 NEW SECTION. **Sec. 8.** (1)(a) Each producer or importer of any
21 amount of a transportation fuel that is ineligible to generate
22 credits consistent with the requirements of section 4(3) of this act
23 must register with the department.

24 (b) Producers, importers, distributors, users, and retailers of
25 transportation fuels that are eligible to generate credits consistent
26 with section 4(3) of this act must register with the department if
27 they elect to participate in the clean fuels program.

28 (c) Other persons must register with the department to generate
29 credits from other activities that support the reduction of
30 greenhouse gas emissions associated with transportation in
31 Washington.

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

38 (3) The department may adopt rules requiring the periodic
39 reporting of information to the department by persons associated with

1 the supply chains of transportation fuels participating in the clean
2 fuels program. To the extent practicable, the rules must establish
3 reporting procedures and timelines that are consistent with similar
4 programs in other states that reduce the greenhouse gas emission
5 intensity of transportation fuel and with procedures and timelines of
6 state programs requiring similar information to be reported by
7 regulated parties, including electric utilities.

8 (4) RCW 70.94.205 applies to records or information submitted to
9 the department under sections 2 through 13 of this act.

10 NEW SECTION. **Sec. 9.** (1)(a) Fifty percent of the revenues
11 generated by an electric utility from credits earned from the
12 electricity supplied to retail customers by an electric utility under
13 the clean fuels program must be expended by the electric utility on
14 transportation electrification projects, which may include projects
15 to support the production and provision of renewable hydrogen as a
16 transportation fuel.

17 (b) Sixty percent of the revenues described in (a) of this
18 subsection, or thirty percent of the revenues generated by an
19 electric utility from credits earned from the electricity supplied to
20 retail customers by an electric utility under the clean fuels
21 program, must be expended by the electric utility on transportation
22 electrification projects, which may include projects to support the
23 production and provision of renewable hydrogen as a transportation
24 fuel, located within or directly benefiting a federally designated
25 nonattainment or maintenance area, a federally designated
26 nonattainment or maintenance area that existed as of the effective
27 date of this section, or an area designated by the department as
28 being at risk of nonattainment, if such a nonattainment or
29 maintenance area is within the service area of the utility.

30 (2) The department may adopt requirements for the expenditure of
31 revenues from credits earned from the electricity supplied to retail
32 customers by an electric utility under the clean fuels program that
33 are applicable to the fifty percent of revenues not subject to the
34 requirements of subsection (1) of this section. Any requirements for
35 the expenditure of revenues from credits earned from the electricity
36 supplied to retail customers by an electric utility under the clean
37 fuels program must be developed in consultation with electric
38 utilities.

1 (3) Electric utilities that elect to participate in the clean
2 fuels program must annually provide information to the department
3 accounting for and briefly describing all expenditures of revenues
4 generated from credits earned under the clean fuels program.

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

7 (a) "Renewable hydrogen" means hydrogen produced using renewable
8 resources both as the source for the hydrogen and the source for the
9 energy input into the production process.

10 (b) "Renewable resource" means: (i) Water; (ii) wind; (iii) solar
11 energy; (iv) geothermal energy; (v) renewable natural gas as defined
12 in RCW 54.04.190; (vi) renewable hydrogen; (vii) wave, ocean, or
13 tidal power; (viii) biodiesel fuel that is not derived from crops
14 raised on land cleared from old growth or first growth forests; or
15 (ix) biomass energy.

16 NEW SECTION. **Sec. 10.** (1) Beginning May 1, 2023, and each May
17 1st thereafter, the department must post a report on the department's
18 web site that includes the following information regarding the
19 previous calendar year of clean fuels program activities:

20 (a) The program-wide number of credits and deficits generated by
21 entities participating in the clean fuels program;

22 (b) The volumes of each transportation fuel and average price per
23 credit used to comply with the requirements of the clean fuels
24 program;

25 (c) The best estimate or range in probable costs or cost savings
26 attributable to the clean fuels program per gallon of gasoline and
27 per gallon of diesel, as determined by an independent consultant
28 whose services the department has contracted. The estimate or range
29 in probable costs or cost savings from the independent consultant
30 must be announced in a press release to the news media at the time
31 that the report under subsection (1) of this section is posted to the
32 department's web site, and must be simultaneously reported to the
33 transportation committees of the house of representatives and the
34 senate;

35 (d) The total greenhouse gas emissions reductions attributable to
36 the clean fuels program; and

37 (e) The range in the probable cost per ton of greenhouse gas
38 emissions reductions attributable to fuels supported by the clean

1 fuels program, taking into account the information in (c) and (d) of
2 this subsection.

3 (2) By December 1, 2022, and each December 1st thereafter, the
4 department must submit recommendations to the appropriate committees
5 of the house of representatives and senate, in the form of draft
6 legislation, for any changes to sections 2 through 13 of this act
7 that are needed in order to more efficiently achieve the greenhouse
8 gas emissions reduction goals of the clean fuels program.

9 (3) The department must identify the sources of information it
10 relied upon in each report submitted under this section, including
11 peer-reviewed science.

12 NEW SECTION. **Sec. 11.** (1) In consultation with the department
13 and the department of agriculture, the department of commerce must
14 develop a periodic fuel supply forecast to project the availability
15 of fuels necessary for compliance with clean fuels program
16 requirements.

17 (2) Based upon the estimates in subsection (3) of this section,
18 the fuel supply forecast must include a prediction by the department
19 of commerce regarding whether sufficient credits will be available to
20 comply with clean fuels program requirements.

21 (3) The fuel supply forecast for each upcoming compliance period
22 must include, but is not limited to, the following:

23 (a) An estimate of the volume of each transportation fuel
24 available in Washington;

25 (b) An estimate of the total banked credits and deficits from
26 previous compliance periods; and

27 (c) An estimate of the number of credits needed to meet the
28 applicable clean fuels program requirements during the forecasted
29 compliance period.

30 (4) The department of commerce must finalize a fuel supply
31 forecast for an upcoming compliance period by no later than ninety
32 days prior to the start of the compliance period.

33 (5) The department of commerce must identify the sources of
34 information it relied upon in each fuel supply forecast submitted
35 under this section, including peer-reviewed science.

36 NEW SECTION. **Sec. 12.** (1) The department may require that
37 persons that are required or elect to register or report under
38 sections 2 through 13 of this act pay a fee. If the department elects

1 to require program participants to pay a fee, the department must,
2 after an opportunity for public review and comment, adopt rules to
3 establish a process to determine the payment schedule and the amount
4 of the fee charged. The amount of the fee must be set so as to equal
5 but not exceed the projected direct and indirect costs to the
6 department for developing and implementing the program and the
7 projected direct and indirect costs to the department of commerce to
8 carry out its responsibilities under section 11 of this act. The
9 department and the department of commerce must prepare a biennial
10 workload analysis and provide an opportunity for public review of and
11 comment on the workload analysis. The department shall enter into an
12 interagency agreement with the department of commerce to implement
13 this section.

14 (2) The clean fuels program account is created in the state
15 treasury. All receipts from fees and penalties received under the
16 program created in this section and sections 2 through 11 of this act
17 must be deposited into the account. Moneys in the account may be
18 spent only after appropriation. The department may only use
19 expenditures from the account for carrying out the program created in
20 this section and sections 2 through 11 of this act.

21 NEW SECTION. **Sec. 13.** (1) By December 1, 2027, the joint
22 legislative audit and review committee must analyze the impacts of
23 the initial five years of clean fuels program implementation and must
24 submit a report summarizing the analysis to the legislature. The
25 analysis must include, at minimum, the following components:

26 (a) Costs and benefits, including environmental and public health
27 costs and benefits, associated with this act for categories of
28 persons participating in the clean fuels program or that are most
29 impacted by air pollution, as defined in consultation with the
30 departments of ecology and health and as measured on a census tract
31 scale. This component of the analysis must, at minimum, assess the
32 costs and benefits of changes in the following metrics since the
33 start of the program:

34 (i) Levels of greenhouse gas emissions and criteria air
35 pollutants for which the United States environmental protection
36 agency has established national ambient air quality standards;

37 (ii) Fuel prices; and

38 (iii) Total employment in categories of industries generating
39 credits or deficits. The categories of industries assessed must

1 include but are not limited to electric utilities, oil refineries,
2 and other industries involved in the production of high carbon fuels,
3 industries involved in the delivery and sale of high carbon fuels,
4 biofuel refineries, and industries involved in the delivery and sale
5 of low carbon fuels;

6 (b) An evaluation of the information calculated and provided by
7 the department under section 10(1) of this act; and

8 (c) A summary of the estimated total statewide costs and benefits
9 attributable to the clean fuels program, including state agency
10 administrative costs and regulated entity compliance costs. For
11 purposes of calculating the benefits of the program, the summary may
12 rely, in part, on a constant value of the social costs attributable
13 to greenhouse gas emissions, as identified in contemporary
14 internationally accepted estimates of such global social cost. This
15 summary must include an estimate of the total statewide costs of the
16 program per ton of greenhouse gas emissions reductions achieved by
17 the clean fuels program.

18 (2) This section expires June 30, 2028.

19 **Sec. 14.** RCW 46.17.365 and 2015 3rd sp.s. c 44 s 202 are each
20 amended to read as follows:

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

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

- 27 (i) Must be based on the motor vehicle scale weight;
- 28 (ii) Is the difference determined by subtracting the vehicle
29 license fee required in RCW 46.17.350 from the license fee in
30 Schedule B of RCW 46.17.355, plus two dollars; and
- 31 (iii) Must be distributed under RCW 46.68.415.

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

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

35	WEIGHT	FEE
36	4,000 pounds	\$ 25.00
37	6,000 pounds	\$ 45.00

1	8,000 pounds	\$ 65.00
2	16,000 pounds and over	\$ 72.00;

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

6 (iii) Must be distributed under RCW 46.68.415 unless prior to
7 July 1, 2023, the actions described in (b)(iii)(A) or (B) of this
8 subsection occur, in which case the portion of the revenue that is
9 the result of the fee increased in this subsection must be
10 distributed to the connecting Washington account created under RCW
11 46.68.395.

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

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

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

27 (2) A person applying for a motor home vehicle registration
28 shall, in lieu of the motor vehicle weight fee required in subsection
29 (1) of this section, pay a motor home vehicle weight fee of seventy-
30 five dollars in addition to all other fees and taxes required by law.
31 The motor home vehicle weight fee must be distributed under RCW
32 46.68.415.

33 (3) Beginning July 1, 2022, in addition to the motor vehicle
34 weight fee as provided in subsection (1) of this section, the
35 department, county auditor or other agent, or subagent appointed by
36 the director must require an applicant to pay an additional weight
37 fee of ten dollars, which must be distributed to the multimodal
38 transportation account under RCW 47.66.070 unless prior to July 1,
39 2023, the actions described in (a) or (b) of this subsection occur,

1 in which case the portion of the revenue that is the result of the
2 fee increased in this subsection must be distributed to the
3 connecting Washington account created under RCW 46.68.395.

4 (a) Any state agency files a notice of rule making under chapter
5 34.05 RCW, absent explicit legislative authorization enacted
6 subsequent to July 1, 2015, for a rule regarding a fuel standard
7 based upon or defined by the carbon intensity of fuel, including a
8 low carbon fuel standard or clean fuel standard.

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

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

19 (4) The department shall:

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

23 (b) Adopt rules for determining weight for vehicles without
24 manufacturer empty scale weights.

25 **Sec. 15.** RCW 46.25.100 and 2015 3rd sp.s. c 44 s 208 are each
26 amended to read as follows:

27 (1) When a person has been disqualified from operating a
28 commercial motor vehicle, the person is not entitled to have the
29 commercial driver's license or commercial learner's permit restored
30 until after the expiration of the appropriate disqualification period
31 required under RCW 46.25.090 or until the department has received a
32 drug and alcohol assessment and evidence is presented of satisfactory
33 participation in or completion of any required drug or alcohol
34 treatment program for ending the disqualification under RCW
35 46.25.090(7). After expiration of the appropriate period and upon
36 payment of a requalification fee of twenty dollars until June 30,
37 2016, and thirty-five dollars beginning July 1, 2016, or one hundred
38 fifty dollars if the person has been disqualified under RCW
39 46.25.090(7), the person may apply for a new, duplicate, or renewal

1 commercial driver's license or commercial learner's permit as
2 provided by law. If the person has been disqualified for a period of
3 one year or more, the person shall demonstrate that he or she meets
4 the commercial driver's license or commercial learner's permit
5 qualification standards specified in RCW 46.25.060.

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

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

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

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

28 **Sec. 16.** RCW 46.20.202 and 2017 c 310 s 3 are each amended to
29 read as follows:

30 (1) The department may enter into a memorandum of understanding
31 with any federal agency for the purposes of facilitating the crossing
32 of the border between the state of Washington and the Canadian
33 province of British Columbia.

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

37 (3) (a) The department may issue an enhanced driver's license or
38 identicard for the purposes of crossing the border between the state
39 of Washington and the Canadian province of British Columbia to an

1 applicant who provides the department with proof of: United States
2 citizenship, identity, and state residency. The department shall
3 continue to offer a standard driver's license and identicard. If the
4 department chooses to issue an enhanced driver's license, the
5 department must allow each applicant to choose between a standard
6 driver's license or identicard, or an enhanced driver's license or
7 identicard.

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

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

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

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

37 (4) Beginning on July 23, 2017, the fee for an enhanced driver's
38 license or enhanced identicard is twenty-four dollars, which is in
39 addition to the fees for any regular driver's license or identicard.
40 If the enhanced driver's license or enhanced identicard is issued,

1 renewed, or extended for a period other than six years, the fee for
2 each class is four dollars for each year that the enhanced driver's
3 license or enhanced identicard is issued, renewed, or extended.

4 (5) The enhanced driver's license and enhanced identicard fee
5 under this section must be deposited into the highway safety fund
6 unless prior to July 1, 2023, the actions described in (a) or (b) of
7 this subsection occur, in which case the portion of the revenue that
8 is the result of the fee increased in section 209, chapter 44, Laws
9 of 2015 3rd sp. sess. must be distributed to the connecting
10 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 **Sec. 17.** RCW 46.25.052 and 2015 3rd sp.s. c 44 s 206 are each
27 amended to read as follows:

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

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

33 (b) Passed the general knowledge examination required for
34 issuance of a CDL under RCW 46.25.060 for the commercial motor
35 vehicle classification in which the applicant operates or expects to
36 operate; and

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

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

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

14 (4) A CLP may be classified in the same manner as a CDL under RCW
15 46.25.080(2)(a).

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

18 (a) The holder of a CLP with a P endorsement must have taken and
19 passed the P endorsement knowledge examination. The holder of a CLP
20 with a P endorsement is prohibited from operating a commercial motor
21 vehicle carrying passengers other than authorized employees or
22 representatives of the department and the federal motor carrier
23 safety administration, examiners, other trainees, and the CDL holder
24 accompanying the CLP holder as required under subsection (2) of this
25 section. The P endorsement must be class specific.

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

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

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

1 (a) "P" restricts the driver from operating a bus with
2 passengers;

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

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

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

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

12 (9) The department must transmit the fees collected for CLPs to
13 the state treasurer for deposit in the highway safety fund unless
14 prior to July 1, 2023, the actions described in (a) or (b) of this
15 subsection occur, in which case the portion of the revenue that is
16 the result of the fee increased in section 206, chapter 44, Laws of
17 2015 3rd sp. sess. must be distributed to the connecting Washington
18 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. 18.** RCW 46.25.060 and 2015 3rd sp.s. c 44 s 207 are each
35 amended to read as follows:

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

38 (i) Is a resident of this state;

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

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

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

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

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

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

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

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

38 (d) If the applicant's primary use of a commercial driver's
39 license is for any of the following, then the applicant shall pay a
40 fee of no more than seventy-five dollars until June 30, 2016, and two

1 hundred twenty-five dollars beginning July 1, 2016, for the
2 classified skill examination or combination of classified skill
3 examinations whether conducted by the department or a third-party
4 tester:

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

7 (ii) Public benefit not-for-profit corporations that support
8 early childhood education and assistance programs as described in RCW
9 (~~43.215.405(2)~~) 43.216.505(2).

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

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

18 (2)(a) The department may waive the skills examination and the
19 requirement for completion of a course of instruction in the
20 operation of a commercial motor vehicle specified in this section for
21 a commercial driver's license applicant who meets the requirements of
22 49 C.F.R. Sec. 383.77.

23 (b) An applicant who operates a commercial motor vehicle for
24 agribusiness purposes is exempt from the course of instruction
25 completion and employer skills and training certification
26 requirements under this section. By January 1, 2010, the department
27 shall submit recommendations regarding the continuance of this
28 exemption to the transportation committees of the legislature. For
29 purposes of this subsection (2)(b), "agribusiness" means a private
30 carrier who in the normal course of business primarily transports:

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

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

35 (iii) Unprocessed agricultural commodities, as defined in RCW
36 17.21.020, where such commodities are produced by farmers, ranchers,
37 vineyardists, or orchardists; or

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

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

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

12 (4) The fees under this section must be deposited into the
13 highway safety fund unless prior to July 1, 2023, the actions
14 described in (a) or (b) of this subsection occur, in which case the
15 portion of the revenue that is the result of the fee increased in
16 section 207, chapter 44, Laws of 2015 3rd sp. sess. must be
17 distributed to the connecting Washington account created under RCW
18 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. 19.** RCW 70.94.431 and 2013 c 51 s 6 are each amended to
35 read as follows:

36 (1) (a) Except as provided in RCW 43.05.060 through 43.05.080 and
37 43.05.150, and in addition to or as an alternate to any other penalty
38 provided by law, any person who violates any of the provisions of
39 this chapter, chapter 70.120 RCW, chapter 70.310 RCW, or any of the

1 rules in force under such chapters may incur a civil penalty in an
2 amount not to exceed ten thousand dollars per day for each violation.
3 Each such violation shall be a separate and distinct offense, and in
4 case of a continuing violation, each day's continuance shall be a
5 separate and distinct violation.

6 (b) Any person who fails to take action as specified by an order
7 issued pursuant to this chapter shall be liable for a civil penalty
8 of not more than ten thousand dollars for each day of continued
9 noncompliance.

10 (2) (a) Penalties incurred but not paid shall accrue interest,
11 beginning on the ninety-first day following the date that the penalty
12 becomes due and payable, at the highest rate allowed by RCW 19.52.020
13 on the date that the penalty becomes due and payable. If violations
14 or penalties are appealed, interest shall not begin to accrue until
15 the thirty-first day following final resolution of the appeal.

16 (b) The maximum penalty amounts established in this section may
17 be increased annually to account for inflation as determined by the
18 state office of the economic and revenue forecast council.

19 (3) Each act of commission or omission which procures, aids or
20 abets in the violation shall be considered a violation under the
21 provisions of this section and subject to the same penalty. The
22 penalties provided in this section shall be imposed pursuant to RCW
23 43.21B.300.

24 (4) Except as provided in section 12 of this act, all penalties
25 recovered under this section by the department shall be paid into the
26 state treasury and credited to the air pollution control account
27 established in RCW 70.94.015 or, if recovered by the authority, shall
28 be paid into the treasury of the authority and credited to its funds.
29 If a prior penalty for the same violation has been paid to a local
30 authority, the penalty imposed by the department under subsection (1)
31 of this section shall be reduced by the amount of the payment.

32 (5) To secure the penalty incurred under this section, the state
33 or the authority shall have a lien on any vessel used or operated in
34 violation of this chapter which shall be enforced as provided in RCW
35 60.36.050.

36 (6) Public or private entities that are recipients or potential
37 recipients of department grants, whether for air quality related
38 activities or not, may have such grants rescinded or withheld by the
39 department for failure to comply with provisions of this chapter.

1 (7) In addition to other penalties provided by this chapter,
2 persons knowingly under-reporting emissions or other information used
3 to set fees, or persons required to pay emission or permit fees who
4 are more than ninety days late with such payments may be subject to a
5 penalty equal to three times the amount of the original fee owed.

6 (8) By January 1, 1992, the department shall develop rules for
7 excusing excess emissions from enforcement action if such excess
8 emissions are unavoidable. The rules shall specify the criteria and
9 procedures for the department and local air authorities to determine
10 whether a period of excess emissions is excusable in accordance with
11 the state implementation plan.

12 NEW SECTION. **Sec. 20.** Sections 2 through 13 of this act are
13 each added to chapter 70.94 RCW and codified with the subchapter
14 heading of "clean fuels."

15 NEW SECTION. **Sec. 21.** 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. 22.** If specific funding for the purposes of
20 this act, referencing this act by bill or chapter number, is not
21 provided by June 30, 2019, in the omnibus appropriations act, this
22 act is null and void.

--- END ---