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**SENATE BILL 5373**

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**State of Washington**

**67th Legislature**

**2021 Regular Session**

**By** Senators Lovelett, Saldaña, Das, Dhingra, Frockt, Hunt, Kuderer, Nguyen, Pedersen, Salomon, Stanford, Wellman, and Wilson, C.

Read first time 01/28/21. Referred to Committee on Environment, Energy & Technology.

1 AN ACT Relating to carbon pollution; adding a new chapter to  
2 Title 82 RCW; and declaring an emergency.

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

4 NEW SECTION. **Sec. 1.** (1) The emissions of greenhouse gases,  
5 such as carbon dioxide, is a significant contributor to anthropogenic  
6 climate change, and has devastating adverse impacts on Washington's  
7 economy, environment, natural resources, and communities. Our state  
8 is already experiencing rising sea levels, depleting snowpack,  
9 increased flooding, acidifying oceans, and more frequent and severe  
10 wildfires. These impacts impair our prosperity and impose burdensome  
11 costs on our businesses and communities.

12 (2) Climate risk is economic risk and it is imperative that  
13 Washington act now to safeguard the state's communities and  
14 industries against future shocks and disasters by putting a price on  
15 practices that increase the state's exposure to risk and investing in  
16 those that increase resilience. From farmers whose business is  
17 directly threatened by the climate crisis, to coastal communities at  
18 risk of outright displacement, the state must act now by investing  
19 locally at the scale needed to move all Washingtonians toward a  
20 future of shared prosperity as we build the clean economy here in  
21 Washington state.

1 (3) Washington state is home to some of the world's most  
2 innovative companies, a highly skilled workforce, and important  
3 industries. As our state transitions away from a fossil fuel-based  
4 economy, we must do so in a way that protects these assets and allows  
5 our businesses to thrive. By launching a comprehensive fiscal program  
6 that incentivizes and invests in resilient infrastructure and  
7 climate-smart investments across all areas of development, we can  
8 reduce our state's carbon dioxide emissions while preparing our  
9 economy for the future.

10 (4) The legislature recognizes that rural areas are home to the  
11 state's working and natural lands, including forests and farms, and  
12 have both climate-related challenges and opportunities that differ  
13 from urban areas. Rural workers have further distances to travel to  
14 their jobs and the state must provide assistance in the transition to  
15 lower-carbon transportation options. Rural areas may also have  
16 greater vulnerability to flooding, wildfires, and other events whose  
17 harm and frequency is increased by climate change, and state  
18 assistance should be directed toward increasing community resilience  
19 to these harms. Programs to reduce carbon pollution and to sequester  
20 carbon in the state's forests and farming soils also provide an  
21 opportunity to benefit the state's farmers and forestland owners.

22 (5) More than half of Washington is forested with 22,000,000  
23 acres of forests covering the state, including natural lands, private  
24 lands, and state trust lands. The private and state lands represent  
25 the foundation of a forest products industry that sequesters massive  
26 amounts of carbon dioxide from the atmosphere simply through its  
27 standard, baseline operations. These working forests are one of the  
28 state's greatest natural assets in combating global greenhouse gas  
29 emissions. A statewide carbon policy must support and maintain the  
30 ecosystem values provided by the forest products industry. Healthy,  
31 sustainable, working forests maximize the forests' ability to absorb  
32 carbon dioxide with lumber and other forest products continuing to  
33 sequester that carbon dioxide in their useful life. For these  
34 reasons, this chapter exempts certain timber-related uses of fuels  
35 subject to the carbon pollution tax imposed under this chapter.

36 (6) Washington is also home to one of the most productive and  
37 innovative agricultural sectors in the world. Agriculture is not only  
38 critical to our economy, but it is integral to our culture. With  
39 farmers and farmworkers on the front lines of climate-related  
40 disruption such as wildfire, flooding, drought, pests, and other

1 threats to the land, labor, and the business of farming, investing in  
2 practices that increase the natural and economic resilience of and  
3 decrease the greenhouse gas emissions from Washington agriculture is  
4 critical. Farmers have been leading the way on land stewardship and  
5 soil health for decades, while operating in a highly trade-exposed  
6 and price-constrained industry that imposes singular economic  
7 challenges. For these reasons, this chapter exempts certain  
8 agricultural uses of fuels subject to the carbon pollution tax  
9 imposed under this chapter.

10 (7) Washington is leading the transition to a clean energy  
11 economy and in 2019 adopted chapter 19.405 RCW, the clean energy  
12 transformation act, to eliminate coal-fired electricity, transition  
13 the state's electricity supply to 100 percent greenhouse gas neutral  
14 by 2030, 100 percent carbon free by 2045, and established strong  
15 compliance mechanisms and significant penalties within chapter 19.405  
16 RCW if a utility fails to meet the mandates. Because of the laws  
17 created in 2019 to transition the electricity sector to 100 percent  
18 carbon free, emissions from fossil fuels consumed in the electricity  
19 sector is not included in the requirements of this chapter.

20 (8) The legislature recognizes the concern from imposing the  
21 requirements of this chapter on energy intensive trade exposed  
22 industries in our state and the possibility that it might provide a  
23 comparative advantage to producers in unregulated states or  
24 countries, leading to a migration of manufacturing to unregulated  
25 states or countries and generating a corresponding increase in  
26 greenhouse gas emissions that would undermine the efforts of this  
27 chapter. Because of the concern of leakage, the department of ecology  
28 must provide a report to the legislature by July 30, 2026, with  
29 recommendations on imposing the requirements of this chapter on  
30 energy intensive trade exposed entities identified by North American  
31 industrial classification system code. The recommendations must  
32 include input from individual energy intensive trade exposed  
33 industries stakeholders, allow for growth, recognize and provide  
34 credit for early actions, recognize the limits of best available  
35 control technology, allow for either internal or external  
36 benchmarking, and include an analysis of alternative fuels available  
37 that could be feasibly used in lieu of fossil fuels.

38 (9) Fossil-fuel combustion is also responsible for other  
39 pollutants, such as nitrous oxide, carbon monoxide, benzene,  
40 particulate matter, and others that contribute to respiratory

1 diseases like asthma and lung cancer, which compromise public health,  
2 shorten life expectancy, and strain our public health system. This  
3 pollution affects all Washingtonians, but falls disproportionately on  
4 low-income communities, communities of color, and the most vulnerable  
5 of our population. Reducing our reliance on fossil fuels will  
6 therefore contribute to improved air quality and improved public  
7 health outcomes.

8 (10) The legislature recognizes and finds that the public  
9 interest includes, but is not limited to: The equitable distribution  
10 of energy benefits and reduction of burdens to vulnerable populations  
11 and highly impacted communities; long-term and short-term public  
12 health, economic, and environmental benefits and the reduction of  
13 costs and risks; and energy security and resiliency. It is the intent  
14 of the legislature that in achieving this policy for Washington,  
15 there should not be an increase in environmental health impacts to  
16 highly impacted communities.

17 (11) This chapter establishes a carbon pollution tax to account  
18 for a significant share of the economic and environmental impacts of  
19 greenhouse gas emissions. The revenue from the tax will facilitate  
20 the transition from fossil fuels to clean energy and fund investments  
21 that will benefit our businesses, our families, and our communities.

22 (12) Furthermore, this chapter establishes a 10-year climate  
23 finance program that provides much needed additional capacity to  
24 invest in a just transition that protects our communities and our  
25 economy from future disasters and builds the low-carbon future here  
26 in Washington state. This finance program mandates that investment  
27 decisions are made in a manner that provides accountability in  
28 government spending through a fiscally responsible bond program that  
29 invests at scale in climate priorities and delivers maximum returns  
30 in the form of both economic activity and carbon pollution reduction.  
31 These investments will not only save Washington taxpayers billions of  
32 dollars in avoidable future costs, but also foster growth and  
33 stability for rural and urban communities alike, across diverse  
34 economic sectors.

35 NEW SECTION. **Sec. 2.** The definitions in this section apply  
36 throughout this chapter unless the context clearly requires  
37 otherwise.

38 (1) "Aircraft fuel" has the same meaning as provided in RCW  
39 82.42.010.

1 (2) "Carbon calculation" means a calculation made by the  
2 department of ecology, in consultation with the department of  
3 commerce, for purposes of determining the carbon dioxide emissions  
4 from the complete combustion or oxidation of fossil fuels for use in  
5 calculating the carbon pollution tax pursuant to section 3 of this  
6 act. The carbon calculation also includes the life-cycle analysis of  
7 emissions associated with these fuels determined under section 3 of  
8 this act.

9 (3) "Carbon dioxide equivalent" means a metric measure used to  
10 compare the emissions from various greenhouse gases based on their  
11 global warming potential.

12 (4) "Carbon pollution tax" means the tax created in section 3 of  
13 this act.

14 (5) "Coal" means a readily combustible rock of carbonaceous  
15 material, including anthracite coal, bituminous coal, subbituminous  
16 coal, lignite, waste coal, syncopal, and coke of any kind.

17 (6) "Department" means the department of revenue.

18 (7) "Direct access gas customer" means a person who purchases  
19 natural gas for consumption from any seller other than a seller  
20 registered with the department for purposes of paying taxes due under  
21 chapter 82.04 or 82.16 RCW.

22 (8) "Facility" means any physical property, plant, building,  
23 structure, source, or stationary equipment located on one or more  
24 contiguous or adjacent properties in actual physical contact or  
25 separated solely by a public roadway or other public right-of-way and  
26 under common ownership or common control, that emits or may emit any  
27 greenhouse gas.

28 (9) "Fossil fuel" means motor vehicle fuel, special fuel, dyed  
29 special fuel, aircraft fuel, natural gas, coal, and any form of  
30 solid, liquid, or gaseous fuel derived from natural gas, coal,  
31 petroleum, or crude oil, including without limitation still gas,  
32 propane, and petroleum residuals including bunker fuel.

33 (10) "Gas distribution business" has the same meaning as provided  
34 in RCW 82.16.010.

35 (11) "Greenhouse gas" means carbon dioxide, methane, nitrogen  
36 trifluoride, nitrous oxide, sulfur hexafluoride, hydrofluorocarbons,  
37 perfluorocarbons, and other fluorinated greenhouse gases.

38 (12) "Highly impacted community" has the same meaning as defined  
39 in RCW 19.405.020.

1 (13) "Motor vehicle fuel" has the same meaning as provided in RCW  
2 82.38.020.

3 (14) "Natural gas" means naturally occurring mixtures of  
4 hydrocarbon gases and vapors consisting principally of methane,  
5 whether in gaseous or liquid form, including methane clathrate.

6 (15) "Person" has the same meaning as provided in RCW 82.04.030.

7 (16) "Sale" has the same meaning as provided in RCW 82.04.040.

8 (17) "Special fuel" has the same meaning as provided in RCW  
9 82.38.020.

10 (18) "Taxpayer" means a person subject to the carbon pollution  
11 tax created in section 3 of this act.

12 (19) "Tribal lands" has the same meaning as "Indian country" as  
13 provided in 18 U.S.C. Sec. 1151, and also includes sacred sites,  
14 traditional cultural properties, burial grounds, and other tribal  
15 sites protected by federal or state law.

16 (20)(a) "Use," "used," "using," or "put to use" means, with  
17 respect to any fossil fuel other than natural gas, the consumption in  
18 this state of the fossil fuel by the taxpayer or the possession or  
19 storage in this state of the fossil fuel by the taxpayer preparatory  
20 to subsequent consumption of the fossil fuel within this state by the  
21 taxpayer.

22 (b) "Use," "used," "using," or "put to use" means, with respect  
23 to natural gas, the consumption in this state of the fossil fuel by  
24 the taxpayer.

25 (c) For the purposes of this subsection, "possession" means the  
26 control of fossil fuel located within this state and includes either  
27 actual or constructive possession, or both. "Actual possession"  
28 occurs when the person with control has physical possession.  
29 "Constructive possession" occurs when the person with control does  
30 not have physical possession. "Control" means the power to sell or  
31 use a fossil fuel or to authorize the sale or use by another.

32 (21) "Vulnerable populations" has the same meaning as defined in  
33 RCW 19.405.020.

34 (22) "Year" means the 12-month period commencing January 1st and  
35 ending December 31st unless otherwise specified.

36 NEW SECTION. **Sec. 3.** (1)(a) Beginning January 1, 2022, a carbon  
37 pollution tax is imposed on the sale or use within this state of all  
38 fossil fuels, except fossil fuels used to generate electricity in the  
39 state.

1 (b) The measure of the carbon pollution tax is the carbon dioxide  
2 equivalent emissions:

3 (i) Resulting from the complete combustion or oxidation of fossil  
4 fuels sold or used by the taxpayer within this state; and

5 (ii) For the purposes of measuring the tax rate under subsection  
6 (2) of this section only, from the entire life cycle of the fossil  
7 fuel.

8 (2) The tax rate as of July 1, 2022, is equal to \$25.00 per  
9 metric ton of greenhouse gas emissions. The tax rate automatically  
10 increases annually each July 1st thereafter by five percent each year  
11 and is adjusted for inflation using the consumer price index.

12 (3) By January 1, 2031, the department of ecology shall make a  
13 determination of whether the sources of emissions covered by this tax  
14 are predicted to achieve their combined share of the emissions  
15 reductions necessary for the state to achieve the emissions limits  
16 established in RCW 70A.45.020. By January 1, 2031, the department of  
17 ecology must provide the legislature with a report detailing its  
18 determination with recommendations, pursuant to the tax and covered  
19 sources, for achieving the emissions limits established in RCW  
20 70A.45.020.

21 (4) For the purposes of this chapter, the carbon pollution tax is  
22 imposed:

23 (a) Only once with respect to the same unit of fossil fuel;

24 (b) At the time and place of the first event within this state in  
25 which the tax is applicable, except as otherwise provided in this  
26 section, occurring on or after the effective date of this section,  
27 regardless of whether the fossil fuel was previously sold, used, or  
28 consumed within this state before the effective date of this section;  
29 and

30 (c) Upon the first person within this state upon which the tax  
31 would be applicable, except as otherwise provided in this section.  
32 Such a person includes:

33 (i) A person required to be registered with the department under  
34 RCW 82.32.030(1);

35 (ii) The state, its political subdivisions, and municipal  
36 corporations; and

37 (iii) A person who maintains a place of business in this state  
38 but who is not required to be registered with the department under  
39 RCW 82.32.030(1).

1 (5) As provided in this section, the carbon pollution tax on the  
2 sale or use of fossil fuels is imposed on the seller or user of the  
3 fossil fuel.

4 (6) The carbon pollution tax on the sale or use of natural gas is  
5 imposed as follows:

6 (a) Natural gas transported through the state that is not  
7 produced or delivered in the state is exempt from the carbon  
8 pollution tax imposed by this section. Natural gas possessed or  
9 stored in this state is exempt from the carbon pollution tax imposed  
10 by this section unless the tax is otherwise applicable under (b) or  
11 (c) of this subsection;

12 (b) For natural gas sold by a gas distribution business to a  
13 retail customer in the state, the carbon pollution tax is imposed on  
14 the gas distribution business upon the sale of such natural gas to  
15 the retail customer; and

16 (c) For natural gas sold to a direct access gas customer in the  
17 state, the carbon pollution tax is imposed on the direct access gas  
18 customer upon the consumption of such natural gas by the direct  
19 access gas customer.

20 (7) For motor vehicle fuel and special fuel, the carbon pollution  
21 tax is imposed on the seller or user of the fuel at the points of  
22 taxation specified in RCW 82.38.030(9).

23 (8)(a) The carbon pollution tax may not be applied to the sale or  
24 use of any fossil fuels or consumption of electricity upon which the  
25 tax under this chapter has been previously imposed.

26 (b) A sale of fossil fuel takes place in this state when the  
27 fossil fuel is delivered in this state to the purchaser or a person  
28 designated by the purchaser, notwithstanding any contract terms  
29 designating a location outside of this state as the place of sale.

30 (c) All sales subject to the tax within this state of a fossil  
31 fuel must document the amount of carbon pollution tax paid in  
32 accordance with rules adopted by the department.

33 (9) For purposes of determining the carbon pollution tax due  
34 under this chapter:

35 (a) The department must use the carbon calculation for all fossil  
36 fuels sold or used within the state, a calculation of the life-cycle  
37 emissions associated with the consumption in the state of  
38 transportation fuels;



1 (b) For fossil fuels, the department of ecology, in consultation  
2 with the department of commerce, must adopt by rule criteria for  
3 making the carbon calculation;

4 (c) The department of ecology may require additional information  
5 from sources as necessary, in consultation with the department of  
6 commerce, for determining the carbon calculation under this chapter.

7 (10) For taxpayers who are also subject to any of the taxes  
8 imposed under chapter 82.04, 82.08, 82.12, or 82.16 RCW, the  
9 frequency of reporting and payment of the carbon pollution tax must,  
10 to the extent practicable, coincide with a taxpayer's reporting  
11 periods for the taxes imposed under chapter 82.04, 82.08, 82.12, or  
12 82.16 RCW.

13 (11) The department must develop and make available worksheets,  
14 tax tables, and guidance documents it deems necessary to calculate  
15 the carbon dioxide emissions of fossil fuels.

16 (12) The carbon pollution tax created under this section is  
17 levied solely for the purposes of funding projects and activities  
18 that reduce greenhouse gas emissions and mitigate the environmental  
19 impacts of greenhouse gas emissions and climate change. Therefore,  
20 100 percent of receipts from the carbon pollution tax created under  
21 this section must be deposited in the climate finance account created  
22 in section 8 of this act.

23 NEW SECTION. **Sec. 4.** (1) The carbon pollution tax in section 3  
24 of this act does not apply to:

25 (a) Fossil fuels brought into this state by means of the primary  
26 fuel supply tank of a motor vehicle, vessel, locomotive, or aircraft,  
27 actively supplying fuel for combustion upon entry into the state;

28 (b) Fossil fuels that the state is prohibited from imposing a tax  
29 under the state Constitution or the Constitution or laws of the  
30 United States;

31 (c)(i) Fossil fuels exported from this state. Export to Indian  
32 country located within the boundaries of this state is not considered  
33 export from this state. For purposes of this subsection, "Indian  
34 country" has the same meaning as provided in RCW 37.12.160.

35 (ii) An exporter of fossil fuels upon which another person  
36 previously paid the carbon pollution tax is entitled to a credit or  
37 refund of the tax paid, if the exporter can establish to the  
38 department's satisfaction that the tax under this chapter was  
39 previously paid on the exported fossil fuels. The person who paid the

1 carbon pollution tax is not entitled to an exemption under this  
2 subsection (1)(c) when any other person is entitled to a refund or  
3 credit under this subsection (1)(c)(ii). For purposes of this  
4 subsection, "exporter" means a person who exports fossil fuels or  
5 electricity from this state;

6 (d) The sale or use of coal transition power as defined in RCW  
7 80.80.010;

8 (e) Diesel fuel, biodiesel fuel, or aircraft fuel when these  
9 fuels are used solely for agricultural purposes by a farm fuel user,  
10 as defined in RCW 82.08.865;

11 (f) Biogas, which includes renewable liquid natural gas or liquid  
12 compressed natural gas made from biogas, landfill gas, biodiesel,  
13 renewable diesel, and cellulosic ethanol;

14 (g) Aircraft fuel as defined in RCW 82.42.010;

15 (h) The portion of fossil fuels purchased in the state and  
16 combusted outside the state by interstate motor carriers and vessels  
17 used primarily in interstate or foreign commerce. The department must  
18 provide a methodology by rule to apportion fossil fuels consumed  
19 inside the state of Washington by interstate motor carriers and  
20 vessels used primarily in interstate or foreign commerce;

21 (i) Activities or property of Indian tribes and individual  
22 Indians that are exempt from state imposition of a tax as a matter of  
23 federal law or state law, whether by statute, rule, or compact;

24 (j) Motor vehicle fuel or special fuel that is used exclusively  
25 for agricultural purposes by a farm fuel user. This exemption is  
26 available only if a buyer of motor vehicle fuel or special fuel  
27 provides the seller with an exemption certificate in a form and  
28 manner prescribed by the department. For the purposes of this  
29 subsection (1)(j), "agricultural purposes" and "farm fuel user" have  
30 the same meanings as provided in RCW 82.08.865; the department shall  
31 determine a method for expanding this exemption to include fuels used  
32 for the purpose of transporting agricultural goods on public  
33 highways; the department shall maintain this expanded exemption for a  
34 period of five years, in order to provide the agricultural sector  
35 with a feasible transition period;

36 (k)(i) Motor vehicle fuel or special fuel that is used by the  
37 following: (A) Log transportation businesses; and (B) persons in the  
38 business of extracting timber. This exemption is available only if a  
39 buyer of motor vehicle fuel or special fuel provides the seller with  
40 an exemption certificate in a form and manner prescribed by the

1 department; the department shall determine a method for expanding  
2 this exemption to include fuels used for the purpose of transporting  
3 timber on public highways; the department shall maintain this  
4 expanded exemption for a period of five years, in order to provide  
5 the timber sector with a feasible transition period.

6 (ii) For the purposes of this subsection (1)(k), the following  
7 definitions apply: (A) "Log transportation business" has the same  
8 meaning as provided in RCW 82.16.010; and (B) "timber" means forest  
9 trees, standing or down, on privately owned or publicly owned land,  
10 and does not include Christmas trees that are cultivated by  
11 agricultural methods or short-rotation hardwoods as defined in RCW  
12 84.33.035; and

13 (1) Any fossil fuels consumed by an energy-intensive, trade-  
14 exposed business in a sector designated by department rules. By June  
15 30, 2022, the department in consultation with the departments of  
16 commerce and ecology shall adopt rules to designate energy-intensive,  
17 trade-exposed industry sectors. By July 30, 2026, the department of  
18 ecology must provide a report to the appropriate committees of the  
19 senate and house of representatives on whether to restrict or  
20 eliminate this exemption identified in this subsection (1)(l). In  
21 developing the report, the department of ecology must solicit input  
22 and data from industry sectors and other interested persons. The  
23 report must include recommendations for alternatives that will  
24 minimize leakage, allow for growth of Washington industries,  
25 recognize and provide credit for early actions to reduce emissions,  
26 availability of alternative fuels, and incorporate performance  
27 benchmarking of emissions intensity in production processes.

28 (2)(a) For any fossil fuels subject to the carbon pollution tax  
29 imposed by section 3 of this act that are also subject to a  
30 comparable carbon pollution tax or charge on carbon content imposed  
31 by another jurisdiction, including the federal government or  
32 allowances required to be purchased by another jurisdiction, the  
33 entity may take a credit against the tax imposed under this chapter  
34 by the amount of the comparable pollution tax or charge paid to the  
35 other jurisdiction up to the amount of tax owed under this chapter,  
36 provided that the person claiming the credit provides evidence  
37 acceptable to the department that the equivalent tax has been paid.

38 (b) For the purposes of this section, a comparable carbon  
39 pollution tax or charge means a tax or charge that is not generally  
40 imposed on other activities or privileges that is:

1 (i) Imposed on the sale, use, possession, transfer, or  
2 consumption of fossil fuels; and

3 (ii) Measured in terms of greenhouse gas emissions by the  
4 greenhouse gas emissions resulting from the complete combustion or  
5 oxidation of such fossil fuels.

6 NEW SECTION. **Sec. 5.** (1) The provisions of chapter 82.32 RCW  
7 apply to this chapter.

8 (2) The department, the department of ecology, the department of  
9 licensing, the department of transportation, and the department of  
10 commerce may adopt rules as they deem necessary to administer this  
11 chapter.

12 NEW SECTION. **Sec. 6.** (1) On or before December 31, 2024, and on  
13 or before December 31st of each even-numbered year thereafter, and in  
14 compliance with RCW 43.01.036, the department of commerce, with  
15 support from the department, must submit a report as required by this  
16 subsection. The initial report must include recommendations for  
17 establishing a process to audit uses of the accounts created in  
18 sections 16 and 17 of this act. The report must contain  
19 recommendations for modifications or improvements to this chapter to  
20 ensure the goals of this act are being met in addition to (a) through  
21 (d) of this subsection with respect to the implementation of this  
22 chapter for the period since the last report:

23 (a) The total carbon pollution taxes collected during the  
24 reporting period and a list of the taxpayers and the amount of carbon  
25 pollution tax paid by those taxpayers. The department must provide  
26 the information required under this subsection (1)(a), which is not  
27 confidential information under RCW 82.32.330;

28 (b) Estimated costs incurred by the department, the department of  
29 commerce, and the department of ecology, directly associated with  
30 administration of the carbon pollution tax, shown both in dollar  
31 amounts and as a percentage of the total amount of carbon pollution  
32 tax revenues collected;

33 (c) The impact on the economic health of Washington state,  
34 including verifiable data on emissions leakage and any job losses  
35 since the implementation of the carbon pollution tax implemented in  
36 section 3 of this act; and

37 (d) A summary of the investments made through the department of  
38 commerce's administration of the greenhouse gas emissions reduction

1 account created in section 16 of this act, the natural climate  
2 solutions account created in section 17 of this act, and the climate  
3 bond proceeds account created in section 12 of this act. The summary  
4 must include amounts invested in each program area, project  
5 descriptions, names of grant recipients, an estimate of the  
6 greenhouse gas emissions reductions achieved or anticipated via the  
7 investments, and other pertinent information or information as  
8 periodically requested by the legislature.

9 (2) The department of commerce must provide information on its  
10 website regarding the impacts of the carbon pollution tax under this  
11 chapter on the price of natural gas and vehicle fuels by sector.

12 (3) The department of commerce, supported by the department and  
13 the department of health, must provide an environmental justice  
14 analysis that reports on environmental, health, and economic impacts  
15 on highly impacted communities and vulnerable populations from  
16 climate impacts and state measures taken to meet Washington's  
17 greenhouse gas emissions limits, including the tax and investments  
18 authorized by this chapter.

19 NEW SECTION. **Sec. 7.** Upon request of the department, the  
20 department of commerce, the department of ecology, and the Washington  
21 State University extension energy program must provide technical  
22 assistance to the department as may be necessary for the department  
23 to effectively administer this chapter.

24 NEW SECTION. **Sec. 8.** The climate finance account is created in  
25 the state treasury. One hundred percent of all receipts from the  
26 carbon pollution tax created in section 3 of this act must be  
27 deposited into the account. Moneys in the account may be spent only  
28 after appropriation.

29 (1) Moneys in the account must be used first and foremost for the  
30 payment of principal and interest on bonds authorized in section 9 of  
31 this act. The state finance committee shall, on or before June 30th  
32 of each year, certify to the state treasurer the amount needed in the  
33 ensuing 12 months to meet the bond retirement and interest  
34 requirements on the bonds authorized under section 9 of this act. The  
35 state finance committee may provide that special subaccounts be  
36 created in the account to facilitate payment of the principal and  
37 interest on the bonds.

1 (2) On July 1st of each year, the state treasurer shall transfer  
2 from the climate finance account to the climate bond retirement  
3 account an amount equal to the amount certified by the state finance  
4 committee in this section.

5 (3)(a) Moneys remaining in the climate finance account after the  
6 transfer made pursuant to subsection (2) of this section may be used  
7 only for projects and programs that achieve the purposes of the  
8 carbon pollution tax as expressed in section 3 of this act. Moneys in  
9 the account as described in this subsection (3) must first be  
10 appropriated for the administration of the requirements of this  
11 chapter, in an amount not to exceed five percent of the total receipt  
12 of funds from the carbon pollution tax imposed under section 3 of  
13 this act. Beginning July 1, 2023, and annually thereafter, the state  
14 treasurer shall distribute funds remaining in the account after the  
15 transfer required in subsection (1) of this section as follows:

16 (i) Seventy-five percent of the moneys to the greenhouse gas  
17 emissions reduction account created in section 16 of this act; and

18 (ii) Twenty-five percent of the moneys to the natural climate  
19 solutions account created in section 17 of this act.

20 (b) The allocations specified in (a)(i) and (ii) of this  
21 subsection must be reviewed by the legislature on a biennial basis  
22 based on the changing needs of the state in meeting its clean economy  
23 and greenhouse gas reduction goals in a timely, economically  
24 advantageous, and equitable manner.

25 NEW SECTION. **Sec. 9.** (1) The state finance committee is  
26 authorized to issue special tax obligation bonds of the state of  
27 Washington in amounts not to exceed the sum of \$4,943,000,000, or as  
28 much thereof as may be required, payable from receipts from the  
29 carbon pollution tax created in section 3 of this act deposited in  
30 the climate finance account created in section 8 of this act, to  
31 finance project categories as described under sections 16 and 17 of  
32 this act, and all costs incidental thereto.

33 (2) Bonds authorized in this section may be sold at such price as  
34 the state finance committee shall determine. No bonds authorized in  
35 this section may be offered for sale without prior legislative  
36 appropriation of the net proceeds of the sale of the bonds.

37 (3) The state finance committee may determine and include in any  
38 resolution authorizing the issuance of any bonds authorized by this  
39 chapter such terms, provisions, covenants, and conditions as it may

1 deem appropriate in order to assist with the marketing and sale of  
2 the bonds, confer rights upon the owners of bonds, and safeguard  
3 rights of the owners of bonds, including, among other things:

4 (a) Provisions that the bonds shall be payable solely from and  
5 secured solely by the carbon pollution tax revenues received in the  
6 climate finance account created in section 8 of this act;

7 (b) The conditions that must be satisfied prior to the issuance  
8 of any additional bonds that are to be payable from and secured by  
9 the carbon pollution tax revenues received in the climate finance  
10 account created in section 8 of this act on equal basis with  
11 previously issued and outstanding bonds payable from carbon pollution  
12 tax revenues received in the climate finance account created in  
13 section 8 of this act;

14 (c) Provisions regarding reserves and credit enhancements;

15 (d) Whether bonds may be issued as tax-exempt bonds or must be  
16 issued as taxable bonds under the applicable provisions of the  
17 federal internal revenue code; and

18 (e) Whether the state will pursue third-party certification of  
19 bonds authorized by this chapter as green bonds, climate bonds, or  
20 any other appropriate certification that the state finance committee  
21 determines will increase marketability or minimize the cost of the  
22 bonds. Regardless of whether the state pursues third-party  
23 certification, bond proceeds must be used for projects that produce  
24 measurable climate mitigation or adaptation benefits.

25 NEW SECTION. **Sec. 10.** (1) The special tax obligation bonds  
26 authorized by this chapter may be issued for a period not to exceed  
27 10 years. The authorization to issue bonds provided under section 9  
28 of this act does not expire until the full authorization has been  
29 issued and dispersed, or until the end of the 10-year period,  
30 whichever occurs first. The state finance committee may choose to  
31 decrease the period of issuance based on updated forecasts and fiscal  
32 needs, but any increase in the period of issuance beyond the 10-year  
33 period authorized under this section requires the approval of the  
34 legislature.

35 (2) On a quarterly basis, and in compliance with RCW 43.01.036,  
36 the state treasurer may submit a report to the legislature that  
37 provides recommendations on the level of issuances over the 10-year  
38 period based on updated revenue forecasts, market factors, and fiscal

1 needs. No bond issuance may be structured such that debt service  
2 obligations remain past December 31, 2050.

3 NEW SECTION. **Sec. 11.** Bonds authorized under this chapter are  
4 not a general obligation of the state and the full faith, credit, and  
5 taxing powers of the state are not pledged for their payment. Each  
6 bond issued under the authority of this chapter shall distinctly  
7 state that payment or redemption of the bond and payment of the  
8 interest and any premium thereon is payable solely from and secured  
9 solely by a pledge of the carbon pollution tax revenues received in  
10 the climate finance account created in section 8 of this act, and is  
11 not a general obligation of the state. The legislature pledges to  
12 appropriate the carbon pollution tax revenues pledged to the payment  
13 of the bonds issued under this chapter. The state finance committee  
14 shall include this pledge and agreement of the state to owners of any  
15 bonds issued under this chapter. The owner of any bond or the trustee  
16 of the owner of any of the bonds may by mandamus or other appropriate  
17 proceeding require the transfer and payment of pledged funds as  
18 directed in this section.

19 NEW SECTION. **Sec. 12.** The climate bond proceeds account is  
20 created in the state treasury. Proceeds from the sale of bonds  
21 authorized in section 9 of this act must be deposited in the account.  
22 Moneys in the account may be spent only after appropriations and only  
23 for project categories as described under sections 16 and 17 of this  
24 act and for the payment of expenses incurred in the issuance and sale  
25 of the bonds. If the state finance committee deems it necessary to  
26 issue the bonds authorized in section 9 of this act as taxable bonds  
27 in order to comply with federal internal revenue service rules and  
28 regulations pertaining to the use of nontaxable bond proceeds, the  
29 proceeds of such taxable bonds must be deposited into the climate  
30 bond proceeds account. The state treasurer shall submit written  
31 notice to the director of financial management if it is determined  
32 that any such transfer to the climate bond proceeds account is  
33 necessary.

34 NEW SECTION. **Sec. 13.** The climate bond retirement account is  
35 created in the state treasury. Moneys in the account must be used  
36 only for the payment of principal and interest on bonds authorized in  
37 section 9 of this act. The state finance committee may provide that



1 special subaccounts be created in the account to facilitate payment  
2 of the principal and interest on the bonds. The state finance  
3 committee shall, on or before June 30th of each year, certify to the  
4 state treasurer the amount needed in the ensuing 12 months to meet  
5 the bond retirement and interest requirements on the bonds authorized  
6 in section 9 of this act.

7 NEW SECTION. **Sec. 14.** The state finance committee may issue  
8 bonds to refund outstanding bonds issued under this chapter,  
9 including the payment of any redemption premiums on the bonds and any  
10 interest accrued to or to accrue to the first redemption date after  
11 delivery of the refunding bonds. The proceeds of the refunding bonds  
12 may, at the discretion of the committee, be applied to the purchases  
13 or payment at maturity of the bonds to be refunded, or the redemption  
14 of the outstanding bonds on the first redemption date after delivery  
15 of the refunding bonds and may, until so used, be placed in escrow to  
16 be applied to the purchase, retirement, or redemption. Refunding  
17 bonds issued under this section must be issued and secured in the  
18 manner provided by the state finance committee.

19 NEW SECTION. **Sec. 15.** (1) It is the intent of the legislature  
20 that each year the total investments made through the climate bond  
21 proceeds account created in section 12 of this act, the greenhouse  
22 gas emissions reduction account created in section 16 of this act,  
23 and the natural climate solutions account created in section 17 of  
24 this act achieve the following, measured on a biennial basis:

25 (a) At least 35 percent of total investments authorized under  
26 this chapter must provide direct and meaningful benefits to  
27 vulnerable populations within the boundaries of highly impacted  
28 communities, as designated by the department of health under RCW  
29 19.405.140;

30 (b) A minimum of 25 percent of total investments authorized under  
31 this chapter must be for the benefit of projects located in rural  
32 areas of the state. For the purposes of this subsection (1)(b),  
33 "rural counties" has the same meaning as in RCW 82.14.370. If the  
34 department determines that an adequate number of suitable  
35 applications for rural projects during any given funding cycle were  
36 not received, the department may allocate unused moneys for projects  
37 in other areas of the state; and

1 (c) At least 10 percent of the total investments authorized under  
2 this chapter must be used for programs, activities, or projects  
3 formally supported by a resolution of an Indian tribe, with priority  
4 given to otherwise qualifying projects directly administered or  
5 proposed by an Indian tribe. An investment that meets the  
6 requirements of this subsection (1)(c) and (b) may count toward the  
7 requisite minimum percentage for this subsection.

8 (2) The expenditure of moneys under this chapter must be  
9 consistent with applicable federal, state, and local laws, and treaty  
10 rights including, but not limited to, prohibitions on uses of funds  
11 imposed by the state Constitution.

12 (3) For the purposes of this section, "benefits" means  
13 investments or activities that:

14 (a) Reduce vulnerable population characteristics, environmental  
15 burdens, or associated risks that contribute significantly to the  
16 cumulative impact designation of highly impacted communities;

17 (b) Meaningfully protect a highly impacted community from, or  
18 support community response to, the impacts of air pollution or  
19 climate change; or

20 (c) Meet a community need identified by vulnerable members of the  
21 community that is consistent with the intent of this chapter.

22 NEW SECTION. **Sec. 16.** (1) The greenhouse gas emissions  
23 reduction account is created in the state treasury. The account must  
24 receive moneys distributed to the account from the climate finance  
25 account created in section 8 of this act. Moneys in the account may  
26 be spent only after appropriation. Moneys in the account must be used  
27 by the department of commerce for projects and incentive programs  
28 that yield verifiable reductions in greenhouse gas emissions in  
29 excess of baseline practices, with high priority placed upon funding  
30 projects that directly benefit economically distressed areas as  
31 defined in RCW 43.168.020.

32 (2) Twenty-five percent of the funds may be invested in projects  
33 and programs that are physically located in Washington state and  
34 include, but are not limited to, the following:

35 (a) Supplementing the growth management planning and  
36 environmental review fund established in RCW 36.70A.490 for the  
37 purpose of making grants or loans to local governments for the  
38 purposes set forth in RCW 43.21C.240, 43.21C.031, 36.70A.500,  
39 36.70A.600, for costs associated with RCW 36.70A.610, and to cover

1 costs associated with the adoption of optional elements of  
2 comprehensive plans consistent with RCW 43.21C.420;

3 (b) Programs, activities, or projects that deploy renewable  
4 energy resources, such as solar and wind power, and projects to  
5 deploy distributed generation, energy storage, demand side  
6 technologies and strategies, and other grid modernization projects;

7 (c) Programs, activities, or projects that increase the energy  
8 efficiency or reduce greenhouse gas emissions of industrial  
9 facilities including, but not limited to, proposals to implement  
10 combined heat and power, district energy, or on-site renewables, such  
11 as solar and wind power, to upgrade the energy efficiency of existing  
12 equipment, to reduce process emissions, and to switch to less  
13 emissions intensive fuel sources;

14 (d) Programs, activities, or projects that achieve energy  
15 efficiency or emissions reductions in the agricultural sector  
16 including fertilizer management, soil management, bioenergy, and  
17 biofuels;

18 (e) Programs, activities, or projects that increase energy  
19 efficiency in new and existing buildings, or that promote low-carbon  
20 architecture, including use of newly emerging alternative building  
21 materials that result in a lower carbon footprint in the built  
22 environment over the life cycle of the building and component  
23 building materials;

24 (f) Programs, activities, or projects that promote the  
25 electrification and decarbonization of new and existing buildings,  
26 including residential, commercial, and industrial buildings; and

27 (g) Programs, activities, or projects that improve energy  
28 efficiency, including district energy, and investments in market  
29 transformation of energy efficiency products.

30 (3) Seventy-five percent of the funds must be invested in  
31 programs, activities, or projects that are located in the state and  
32 reduce greenhouse gas emissions or mitigate the impact of greenhouse  
33 gas emissions from the transportation sector including, but not  
34 limited to, the following:

35 (a) The deployment of clean alternative fuel vehicle charging and  
36 refueling infrastructure;

37 (b) The support of clean alternative fuel car sharing programs to  
38 provide clean alternative fuel vehicle use opportunities to  
39 underserved communities and low to moderate-income members of the  
40 workforce not readily served by transit, or located in transportation

1 corridors with emissions that exceed federal or state emissions  
2 standards;

3 (c) The provision of financing assistance to facilitate the  
4 purchase of battery and fuel cell electric vehicles by lower-income  
5 residents of the state;

6 (d) The provision of grants to transit authorities in the state  
7 to fund cost-effective capital projects that reduce the carbon  
8 intensity of the Washington transportation system including, but not  
9 limited to, electrification vehicle fleets, modification or  
10 replacement of capital facilities in order to facilitate fleet  
11 electrification or hydrogen refueling, upgrades to electrical  
12 transmission and distribution systems, and construction of charging  
13 and fueling stations;

14 (e) The provision of support to small trucking firms in  
15 conversion of vehicles to cleaner alternative fuels and acquisition  
16 and access to necessary fueling infrastructure, and assistance in  
17 mitigating the costs of the transition to cleaner fuel vehicles;

18 (f) The electrification and decarbonization of the state's  
19 passenger ferry fleet; and

20 (g) The conversion to battery or fuel cell electric fleets for  
21 the state, counties, cities, and public transit agencies.

22 (4) Public entities including, but not limited to, state  
23 agencies, municipal corporations, and federally recognized Indian  
24 tribes, as well as private entities, both not for profit and for  
25 profit, subject to constitutional limitations, are eligible to  
26 receive greenhouse gas emissions reduction account funds authorized  
27 by this section.

28 (5) Projects, activities, and programs must meet criteria to be  
29 established by the department of commerce. In developing criteria,  
30 the department of commerce may contract with the Washington academy  
31 of sciences established under chapter 70A.40 RCW for independent  
32 expertise.

33 (6) Projects or activities funded under this section should meet  
34 high labor standards, including family level wages, providing  
35 benefits including health care and pensions, and maximize access to  
36 economic benefits from such projects for local workers and diverse  
37 businesses.

38 (7) Funding may be provided for incremental greenhouse gas  
39 emissions reductions from projects that have already secured funding,

1 but which can achieve more emissions reductions with additional  
2 resources.

3 (8) Recipients of funding for projects must submit to the  
4 department of commerce a progress report at a date or dates to be  
5 determined by the department of commerce. The progress report must  
6 provide information as may be required by the department of commerce  
7 by rule.

8 (9) The department of commerce must design project funding  
9 contracts, monitor project implementation, and track contract  
10 performance, to actively assist the project proponent in securing the  
11 expected project outcomes. The department of commerce may suspend or  
12 terminate funding when projects do not achieve projected reductions  
13 as provided in the funding agreement and, in cases of gross misuse of  
14 funds, may require a return of grant funding.

15 (10) The department of commerce must develop an electronic  
16 database available to the public to track projects and incentive  
17 programs receiving funding under this section. Projects must be  
18 ranked and sortable based on quantitative performance metrics,  
19 including the avoided cost of a ton of carbon dioxide equivalents.

20 (11) The department of commerce must seek recommendations from  
21 the environmental and economic justice panel in the development of  
22 policies and procedures for the allocation of funding under this  
23 section, as well as the implementation plan required by subsection  
24 (12) of this section.

25 (12) The department of commerce must develop an implementation  
26 plan for providing funding under this section. The implementation  
27 plan must be provided to the governor and the appropriate committees  
28 of the legislature by December 31, 2022.

29 NEW SECTION. **Sec. 17.** (1) The natural climate solutions account  
30 is created in the state treasury. All moneys directed to the account  
31 from the climate finance account created in section 8 of this act  
32 must be deposited in the account. Moneys in the account may be spent  
33 only after appropriation. Moneys in the account are intended to  
34 increase the resilience of the state's waters, forests, and other  
35 vital ecosystems to the impacts of climate change, as well as  
36 increase their carbon pollution reduction capacity through  
37 sequestration, storage, and overall ecosystem integrity. Moneys in  
38 the account must be spent in a manner that is consistent with  
39 existing and future assessments of climate risks and resilience from

1 the scientific community and expressed concerns of and impacts to  
2 highly impacted communities, as designated by the department of  
3 health under RCW 19.405.140.

4 (2) Moneys in the account may be allocated for the following  
5 purposes:

6 (a) Clean water investments that improve resilience from climate  
7 impacts. Funding under this subsection (2)(a) must be used to:

8 (i) Restore and protect estuaries, fisheries, and marine  
9 shoreline habitats, and prepare for sea level rise including, but not  
10 limited to, making fish passage correction investments such as those  
11 identified in the cost-share barrier removal program for small forest  
12 landowners created in RCW 76.13.150 and those that are considered by  
13 the fish passage barrier removal board created in RCW 77.95.160;

14 (ii) Increase the ability to remediate and adapt to the impacts  
15 of ocean acidification;

16 (iii) Reduce flood risk and restore natural floodplain ecological  
17 function;

18 (iv) Increase the sustainable supply of water and improve aquatic  
19 habitat, including groundwater mapping and modeling;

20 (v) Improve infrastructure treating stormwater from previously  
21 developed areas within an urban growth boundary designated under  
22 chapter 36.70A RCW, with a preference given to projects that use  
23 green stormwater infrastructure; or

24 (vi) Preserve or increase carbon sequestration and storage  
25 benefits in agricultural soils and timber stock consistent with RCW  
26 70A.45.090, including funding the sustainable farms and fields grant  
27 program established under RCW 89.08.615 to assist participants with  
28 increasing the quantity of organic carbon in soils and reducing or  
29 avoiding carbon dioxide equivalent emissions in or from soils; and

30 (b) Healthy forest investments to improve resilience from climate  
31 impacts. Funding under this subsection (2)(b) must be used for  
32 projects and activities that will:

33 (i) Increase resilience to wildfire in the face of increased  
34 seasonal temperatures and drought;

35 (ii) Improve forest health and reduce vulnerability to changes in  
36 hydrology, insect infestation, and other impacts of climate change;  
37 or

38 (iii) Assist forestland owners in the protection of riparian and  
39 other sensitive aquatic areas by providing compensation for easements  
40 under the program created in chapter 76.13 RCW.

1 (3) Moneys in the account may not be used for projects that would  
2 violate tribal treaty rights or result in significant long-term  
3 damage to critical habitat or ecological functions. Investments from  
4 this account must result in long-term environmental benefit and  
5 increased resilience to the impacts of climate change.

6 NEW SECTION. **Sec. 18.** (1) An environmental and economic justice  
7 panel is established to provide recommendations in the development  
8 and implementation of the programs, projects, and activities on  
9 greenhouse gas reduction and natural climate solutions authorized  
10 under this chapter. The departments of commerce, ecology, health, and  
11 transportation, the office of equity, and other state agencies as the  
12 governor may determine must coordinate and assist the panel.

13 (2) The governor must appoint the members of the environmental  
14 and economic justice panel, which must be cochaired by one tribal  
15 leader and one person that is a representative of the interests of  
16 highly impacted communities identified by the department of health in  
17 its health disparities map. The membership of the panel must consist  
18 of at least 10 persons, based on the nomination of statewide  
19 organizations that represent the following interests:

20 (a) Five members, including at least one tribal leader,  
21 representing the interests of vulnerable populations residing in  
22 highly impacted communities in different geographic areas of the  
23 state and from rural as well as urban areas;

24 (b) Two members representing union labor with expertise in  
25 economic dislocation, clean energy economy, or energy-intensive,  
26 trade-exposed facilities;

27 (c) A member in addition to the tribal leader in (a) of this  
28 subsection to represent tribal governments; and

29 (d) Two members representing low-income and community advocacy  
30 organizations.

31 (3) The governor may fill any position designated under  
32 subsection (2) of this section with a person who also serves upon the  
33 environmental justice council created in chapter . . . , (Senate Bill  
34 No. 5141), Laws of 2021 provided that such a person also meets the  
35 representative requirements of subsection (2) of this section.

36 (4) The purpose of the panel is to:

37 (a) Provide recommendations in the development of investment  
38 plans and funding proposals for greenhouse gas reduction and natural  
39 climate solutions authorized under this chapter;

1 (b) Provide a forum to analyze policies adopted under this  
2 chapter to determine if the policies lead to improvements within  
3 highly impacted communities;

4 (c) Recommend procedures and criteria for evaluating programs,  
5 activities, or projects for funding consideration under this act;

6 (d) Evaluate the level of funding provided to assist vulnerable  
7 populations, low-income individuals, and displaced workers, and the  
8 funding of projects and activities located within or benefiting  
9 highly impacted communities;

10 (e) Provide recommendations to implementation agencies for  
11 meaningful consultation with vulnerable populations; and

12 (f) Periodically conduct an evaluation of the economic impacts on  
13 and outcomes for low and middle-income households and vulnerable  
14 populations, including communities of color and Indian tribal  
15 communities, of the emissions reduction policies required in this  
16 chapter and the financial assistance provided under this chapter.

17 NEW SECTION. **Sec. 19.** (1) In order to achieve the goals set  
18 forth in this chapter, any state agency receiving funding from the  
19 accounts created in this chapter must consult with Indian tribes on  
20 all decisions that may affect Indian tribes' rights and interests in  
21 their tribal lands. The consultation must occur pursuant to chapter  
22 43.376 RCW and must be independent of any public participation  
23 process required by state law, or by a state agency, and regardless  
24 of whether the agency receives a request for consultation from an  
25 Indian tribe. A consultation framework must be developed in  
26 coordination with tribal governments that includes best practices,  
27 protocols for communication, and collaboration with Indian tribes.

28 (2) No project that impacts tribal lands may be funded prior to  
29 meaningful consultation with affected Indian tribes. For projects  
30 that directly impact tribal lands, the goal of the consultation  
31 process is to obtain free, prior, and informed consent for the  
32 project, and at the end of such consultation, the project may not be  
33 funded unless the state agency first receives a written resolution  
34 providing consent or withholding consent. If any project that impacts  
35 tribal lands is funded under this chapter without consultation with  
36 Indian tribes, an affected Indian tribe may request that all further  
37 action on the project cease until consultation with any directly  
38 impacted Indian tribe is completed.



1        NEW SECTION.    **Sec. 20.**    This chapter may be known and cited as  
2 the Washington sustainable transformative recovery opportunities for  
3 the next generation act.

4        NEW SECTION.    **Sec. 21.**    Sections 1 through 20 and 23 of this act  
5 constitute a new chapter in Title 82 RCW.

6        NEW SECTION.    **Sec. 22.**    If any provision of this act or its  
7 application to any person or circumstance is held invalid, the  
8 remainder of the act or the application of the provision to other  
9 persons or circumstances is not affected.

10       NEW SECTION.    **Sec. 23.**    This act is necessary for the immediate  
11 preservation of the public peace, health, or safety, or support of  
12 the state government and its existing public institutions, and takes  
13 effect immediately.

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