H-1243.2

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**SUBSTITUTE HOUSE BILL 1368**

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**State of Washington 68th Legislature 2023 Regular Session**

**By** House Environment & Energy (originally sponsored by Representatives Senn, Fey, Berry, Doglio, Peterson, Chapman, Fosse, Slatter, Gregerson, Callan, Lekanoff, Ramel, Stonier, Street, Santos, Fitzgibbon, Berg, Reed, Simmons, Bergquist, Goodman, Pollet, Cortes, Macri, and Leavitt)

AN ACT Relating to requiring and funding the purchase of zero emission school buses; amending RCW 28A.160.130 and 28A.160.195; adding new sections to chapter 28A.160 RCW; adding a new section to chapter 70A.15 RCW; adding a new section to chapter 28A.710 RCW; adding a new section to chapter 28A.715 RCW; and creating a new section.

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

NEW SECTION. **Sec.**  (1) The legislature finds that zero emission vehicle technology is crucial to protecting Washington's children from the health impacts of fossil fuel emissions and to limiting the long-term impacts of climate change on our planet. Spurred by a supportive regulatory environment, the state has made great advances in recent years that have improved the performance and reduced the costs of such vehicles. With the recent deployment of financial incentives for clean transportation technology under the federal inflation reduction act of 2022, the costs and performance of zero emission vehicles, including zero emission school buses, are forecast to continue to improve in coming years. Zero emission school buses on the market today feature reduced fuel, operations, and maintenance costs compared to their fossil-fueled counterparts. Zero emission school buses also have significant public health benefits for children and are part of a broad-based policy approach to slowing the environmental consequences of climate change.

(2) Therefore, it is the intent of the legislature to transition school districts, charter schools, and state-tribal education compact schools to using only zero emission school buses and to facilitate this transition through the requirements and zero emission school bus grant program.

NEW SECTION. **Sec.**  A new section is added to chapter 28A.160 RCW to read as follows:

(1)(a) Beginning September 1, 2030, 70 percent of school buses purchased annually by each school district, charter school, or state-tribal education compact school, or used for pupil transportation services contracts under RCW 28A.160.140, must be zero emission school buses.

(b) Beginning September 1, 2033, all school buses purchased by school districts, charter schools, or state-tribal education compact schools, or used for pupil transportation services contracts under RCW 28A.160.140, must be zero emission school buses.

(2) If a school district, charter school, state-tribal education compact school, or contractor that provides pupil transportation services determines that the purchase or contracting of a zero emission school bus is not feasible due to route constraints, it may request a one-time extension for a term not to exceed five years provided that both of the following conditions are met:

(a) The extension requester can reasonably demonstrate that a planned bus route for transporting pupils to and from school cannot be serviced through available zero emission technology in 2030 for purposes of compliance with subsection (1)(a) of this section, or through available zero emission technology in 2033 for purposes of compliance with subsection (1)(b) of this section.

(b) The office of the superintendent of public instruction must receive and, jointly with the department of ecology, evaluate a pupil transportation services provider's request, and grant a one-time extension based on reasonably demonstrating the condition set forth in (a) of this subsection.

(3) For the purposes of this section, "zero emission" means a school bus that produces zero exhaust emission of any air pollutant and any greenhouse gas.

NEW SECTION. **Sec.**  A new section is added to chapter 70A.15 RCW to read as follows:

(1) The zero emission school bus grant program is hereby established. Grants to school districts, charter schools, state-tribal education compact schools, and contractors that provide pupil transportation services under RCW 28A.160.140 for the replacement of school buses powered by fossil fuels with zero emission school buses must be funded in accordance with this section.

(2) Eligibility.

(a) School districts, charter schools, state-tribal education compact schools, and contractors that provide pupil transportation services under RCW 28A.160.140 are eligible for grants under this section.

(b) Zero emission school buses, purchase and installation of zero emission school bus refueling infrastructure, and associated training and equipment are eligible grant uses under this section.

(c) School buses powered by fossil fuels must be at the end of their reimbursement or depreciation schedule and deemed eligible for replacement pursuant to RCW 28A.160.200 to be eligible for replacement under this program.

(d) A grant recipient must scrap or render permanently disabled the replaced fossil fueled school bus and engine within 90 days of placing the new bus into operation.

(3) Application process. The department shall administer the zero emission school bus grant program established in this section with the goal and objective to prioritize grants that: (a) Reduce diesel pollution and greenhouse gases from Washington's oldest school buses; (b) reduce diesel pollution and greenhouse gases in disproportionately impacted communities; (c) reduce diesel pollution and greenhouse gases for economically disadvantaged children; and (d) accelerate the transition of Washington's diesel school bus fleet to zero emissions.

(4) Administration.

(a) The department may use up to 10 percent of amounts appropriated for the grant program under this section for costs that result from administration of the program.

(b) Subject to the availability of amounts appropriated for this specific purpose, the department shall award grants under this section on a competitive basis subject to other requirements of this section.

(c) The department must require that grant recipients attest to their ability to refuel the zero emission bus prior to bus delivery.

(d) School districts must deposit grant awards in the transportation vehicle fund established under RCW 28A.160.130.

(5) Grant amount limitations. The department shall establish a framework for calculating grant amounts to school districts, charter schools, state-tribal education compact schools, and contractors that provide pupil transportation services under RCW 28A.160.140 for the replacement of school buses and associated refueling infrastructure consistent with the goals in this section.

(6) Any assets for which grant funding under this section is provided must be used solely in Washington or for the direct benefit of Washington students.

(7) For the purposes of this section, "zero emission" has the same meaning as in section 2 of this act.

**Sec.**  RCW 28A.160.130 and 2022 c 200 s 1 are each amended to read as follows:

(1) There is created a fund on deposit with each county treasurer for each school district of the county, which shall be known as the transportation vehicle fund. Money to be deposited into the transportation vehicle fund shall include, but is not limited to, the following:

(a) The balance of accounts held in the general fund of each school district for the purchase of approved transportation equipment and for major transportation equipment repairs under RCW 28A.150.280. The amount transferred shall be the balance of the account as of September 1, 1982;

(b) Reimbursement payments provided for in RCW 28A.160.200 except those provided under RCW 28A.160.200(3) that are necessary for contracted payments to private carriers;

(c) Earnings from transportation vehicle fund investments as authorized in RCW 28A.320.300; and

(d) The district's share of the proceeds from the sale of transportation vehicles, as determined by the superintendent of public instruction.

(2) Funds in the transportation vehicle fund may be used for the following purposes:

(a) Purchase of pupil transportation vehicles pursuant to RCW 28A.160.200 and 28A.150.280;

(b) Payment of conditional sales contracts as authorized in RCW 28A.335.200 or payment of obligations authorized in RCW 28A.530.080, entered into or issued for the purpose of pupil transportation vehicles;

(c) Major repairs to pupil transportation vehicles;

(d) To complete a feasibility plan to transition from gas or diesel pupil transportation vehicles to electric or zero emission pupil transportation vehicles;

(e) Purchase, installation, and repair of electric pupil transportation vehicle charging stations and other zero emission pupil transportation vehicle fueling stations and for other costs necessary for station installation; and

(f) Converting or repowering existing gas or diesel pupil transportation vehicles to electric or zero emission pupil transportation vehicles.

(3)(a) Beginning September 1, 2030, 70 percent of school buses purchased annually by a school district from the transportation vehicle fund must meet the definition of zero emission in section 2 of this act.

(b) Beginning September 1, 2033, any school buses purchased by school districts from the transportation vehicle fund must meet the definition of zero emission in section 2 of this act.

(4) The superintendent of public instruction shall adopt rules which shall establish the standards, conditions, and procedures governing the establishment and use of the transportation vehicle fund. The rules shall not permit the transfer of funds from the transportation vehicle fund to any other fund of the district.

**Sec.**  RCW 28A.160.195 and 2005 c 492 s 1 are each amended to read as follows:

(1) The superintendent of public instruction, in consultation with the regional transportation coordinators of the educational service districts, shall establish a minimum number of school bus categories considering the capacity and type of vehicles required by school districts in Washington. Once nonzero emission school bus pricing is deemed no longer necessary by the office of the superintendent of public instruction for calculating reimbursement or depreciation payments, these school bus categories must solely include school buses that meet the definition of zero emission in section 2 of this act. The superintendent, in consultation with the regional transportation coordinators of the educational service districts, shall establish competitive specifications for each category of school bus. The categories shall be developed to produce minimum long-range operating costs, including costs of equipment and all costs in operating the vehicles. The competitive specifications shall meet federal motor vehicle safety standards, minimum state specifications as established by rule by the superintendent, and supported options as determined by the superintendent in consultation with the regional transportation coordinators of the educational service districts. The superintendent may solicit and accept price quotes for a rear-engine category school bus that shall be reimbursed at the price of the corresponding front engine category.

(2) After establishing school bus categories and competitive specifications, the superintendent of public instruction shall solicit competitive price quotes for base buses from school bus dealers to be in effect for one year and shall establish a list of all accepted price quotes in each category obtained under this subsection. The superintendent shall also solicit price quotes for optional features and equipment and, beginning September 1, 2033, require vendors to ensure that emission-related features meet the definition of zero emission in section 2 of this act.

(3) The superintendent shall base the level of reimbursement to school districts and educational service districts for school buses on the lowest quote for the base bus in each category. School districts and educational service districts shall be reimbursed for buses purchased only through a lowest-price competitive bid process conducted under RCW 28A.335.190 or through the state bid process established by this section.

(4) Notwithstanding RCW 28A.335.190, school districts and educational service districts may purchase at the quoted price directly from any dealer who is on the list established under subsection (2) of this section. School districts and educational service districts may make their own selections for school buses, but shall be reimbursed at the rates determined under subsection (3) of this section and RCW 28A.160.200. District-selected options shall not be reimbursed by the state.

(5) This section does not prohibit school districts or educational service districts from conducting their own competitive bid process. However, beginning September 1, 2033, any school buses purchased by school districts, or used for pupil transportation services contracts under RCW 28A.160.140, must be school buses that meet the definition of zero emission in section 2 of this act.

(6) The superintendent of public instruction may adopt rules under chapter 34.05 RCW to implement this section.

NEW SECTION. **Sec.**  A new section is added to chapter 28A.160 RCW to read as follows:

The requirements of this act are in addition to any rules adopted by the department of ecology under chapter 70A.30 RCW, and nothing in this act modifies or limits the provisions of chapter 70A.30 RCW as they apply to zero emission school buses.

NEW SECTION. **Sec.**  A new section is added to chapter 28A.710 RCW to read as follows:

Section 2 of this act, related to zero emission school buses, governs school operation and management under RCW 28A.710.040 and applies to charter schools established under this chapter.

NEW SECTION. **Sec.**  A new section is added to chapter 28A.715 RCW to read as follows:

Section 2 of this act, related to zero emission school buses, governs school operation and management under RCW 28A.715.020 and applies to state-tribal education compact schools established under this chapter.

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