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**SUBSTITUTE SENATE BILL 5444**

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**State of Washington**

**67th Legislature**

**2021 Regular Session**

**By** Senate Transportation (originally sponsored by Senators Saldaña, Hobbs, Nguyen, and Nobles)

READ FIRST TIME 03/17/21.

1 AN ACT Relating to implementing a per mile charge on electric and  
2 hybrid vehicles; amending RCW 46.17.323, 46.17.324, and 42.56.330;  
3 adding a new section to chapter 46.17 RCW; adding a new section to  
4 chapter 46.08 RCW; creating a new section; repealing RCW 46.17.323;  
5 and providing an effective date.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that increasing the  
8 rate of adoption of electric and hybrid vehicles is helping to reduce  
9 harmful air pollution from exhaust emissions, including greenhouse  
10 gas emissions, in the state. At the same time, the legislature also  
11 finds that there is a need to ensure that the greater adoption of  
12 electric and hybrid vehicles does not reduce funds to maintain and  
13 improve transportation infrastructure and that there is a need for  
14 fairness in how these funds are generated. The legislature also finds  
15 that a road usage charge or per mile fee system appears to be a  
16 viable method to ensure these goals are achieved. It is therefore the  
17 legislature's intent to impose a per mile fee to mitigate the impact  
18 of increased electric and hybrid vehicles on state roads and highways  
19 and to allow further evaluation of the feasibility of transitioning  
20 from a revenue collection system based on fuel taxes to a per mile  
21 funding system.

1 The legislature further finds and declares that the per mile  
2 funding system must at all times recognize and respect an  
3 individual's interests in privacy, information use, and civil  
4 liberties. Experience in states that collect road usage charges, as  
5 well as the research and year-long test of road usage charging in  
6 Washington, demonstrates that mileage-based charges can be  
7 implemented in a way that ensures data security and protects the  
8 privacy of vehicle owners. The legislature intends that the per mile  
9 funding system authorized in this act be designed and implemented in  
10 a manner that places privacy of the vehicle owner as a first  
11 principle, especially with regard to location data. Detailed travel  
12 locations or patterns must not be disclosed, and legal and technical  
13 safeguards must protect personal information.

14 NEW SECTION. **Sec. 2.** A new section is added to chapter 46.17  
15 RCW to read as follows:

16 (1) By December 1, 2023, the department and the transportation  
17 commission must collaborate to develop an implementation plan for the  
18 voluntary early adoption program pursuant to subsection (3) of this  
19 section and imposing a per mile fee on electric and hybrid vehicles  
20 pursuant to subsection (2) of this section with the goal of creating  
21 a more dynamic and equitable funding system that could potentially  
22 incorporate additional policy priorities than the current  
23 transportation funding system. This plan must incorporate the ongoing  
24 work of the transportation commission in evaluating a road usage  
25 charge, including coordinating with federal grant-funded research and  
26 development to continue in parallel with these activities. The plan  
27 must include, but is not limited to:

28 (a) Different mileage reporting methods;

29 (b) Recommended payment collection means and rates for achieving  
30 cost efficiency, fairness, minimal administrative cost, payment  
31 compliance, consumer choice, and preserving individual privacy;

32 (c) Adjustments or modifications to ensure that the existing  
33 funding for local government support and transportation  
34 infrastructure investments are maintained and not reduced as a result  
35 of the fee reductions in this act;

36 (d) Options for differential or additional rates based on the  
37 particular classifications of vehicles, to ensure vehicles are paying  
38 for their proportional impact on road preservation and maintenance

1 costs, legislative environmental policies, or other policy levers  
2 that the legislature may want to consider;

3 (e) Options for collaborating with other states or countries in  
4 the development and administration of the per mile funding system;

5 (f) Evaluation and comparison of the benefits and costs of  
6 allowing for payment plan options and annual payment;

7 (g) Any recommended statutory changes, including suggested  
8 offsets or rebates to the per mile fees. These offsets or rebates  
9 will not be utilized in the per mile funding system until approved by  
10 the legislature;

11 (h) Specific recommendations to better align the system with  
12 other vehicle-related charges and potentially establish the framework  
13 for broader implementation of a per mile funding system, including  
14 analysis of the preferred method for addressing eighteenth amendment  
15 restriction considerations;

16 (i) A recommended implementation and governance structure, and  
17 transition plan with the department as the designated lead agency to  
18 operate and administer the per mile funding system;

19 (j) A recommendation on the best agency to be lead for public  
20 outreach and education;

21 (k) Recommendations for augmenting vehicle owner privacy in light  
22 of new and emerging mileage reporting methods or technologies, and  
23 proposed rules to be adopted by the commission related to extend  
24 privacy protections in a per mile funding system; and

25 (l) Detailed information on the recommended periodic review and  
26 evaluation process to best ensure the per mile funding system is  
27 achieving the policy and revenue goals established by the  
28 legislature.

29 (2)(a) Beginning July 1, 2026, before accepting an application  
30 for an initial annual vehicle registration or renewal for a vehicle  
31 that both (i) uses at least one method of propulsion that is capable  
32 of being reenergized by an external source of electricity and (ii) is  
33 capable of traveling at least 30 miles using only battery power, the  
34 department, county auditor or other agent, or subagent appointed by  
35 the director must require the applicant to pay a per mile fee as  
36 specified in this section. This fee is in addition to all other fees  
37 and taxes required by law.

38 (b) The rate of the per mile fee is as follows:

39 (i) From July 1, 2026, through June 30, 2029, two cents per mile  
40 driven;

1 (ii) On July 1, 2029, and thereafter, two and one-half cents per  
2 mile driven; and

3 (iii) The rates specified in (b)(i) and (ii) of this subsection  
4 may be adjusted based on new information and changes in legislative  
5 policy.

6 (3)(a) By July 1, 2025, the department, in consultation with the  
7 transportation commission, must establish a voluntary early adoption  
8 program that allows the registered owner of an electric or hybrid  
9 vehicle that uses at least one method of propulsion that is capable  
10 of being reenergized by an external source of electricity and is  
11 capable of traveling at least 30 miles using only battery power to  
12 start paying a per mile fee earlier than the mandatory participation  
13 date of July 1, 2026.

14 (b) Except as otherwise specified in this subsection (3),  
15 participants in the voluntary early adoption program must pay two  
16 cents per mile driven in addition to all other fees and taxes  
17 required by law.

18 (c) For active participants in the voluntary early adoption  
19 program, the department must waive payment of the electric vehicle  
20 registration renewal fees as specified in RCW 46.17.323 and the  
21 transportation electrification fee as specified in RCW 46.17.324(1).

22 (d) Besides the vehicles specified in (a) of this subsection, the  
23 voluntary early adoption program must include participation of at  
24 least five hundred electric, hybrid, and internal combustion state-  
25 owned passenger or light duty truck fleet vehicles. These vehicles  
26 are not subject to the per mile fee specified in (b) of this  
27 subsection. The department, in consultation with the transportation  
28 commission, shall establish the types of state fleet vehicles for  
29 participation to further test the viability of a per mile fee on the  
30 full range of vehicles that may be subject to a per mile fee in  
31 future years. The voluntary early adoption program as it specifically  
32 relates to state-owned fleet vehicles may be initiated as early as  
33 December 1, 2024, based on the technical capability of the department  
34 to implement the program for these vehicles.

35 (e) By July 1, 2024, after consultation with the transportation  
36 commission on lessons learned from Washington's road usage charge  
37 pilot and research, the department must adopt rules to implement the  
38 voluntary early adoption program specified in this subsection (3),  
39 which must include procedures for recoupment of any waived fees if

1 the participant is not actively participating in the voluntary early  
2 adoption program.

3 (4) This section only applies to a vehicle that is designed to  
4 have the capability to drive at a speed of more than 35 miles per  
5 hour and has a gross vehicle weight rating of 10,000 pounds or less.

6 (5) Proceeds from the per mile fee imposed under this section  
7 must be used for preservation and maintenance and must be deposited  
8 in the motor vehicle fund created in RCW 46.68.070.

9 **Sec. 3.** RCW 46.17.323 and 2015 3rd sp.s. c 44 s 203 are each  
10 amended to read as follows:

11 (1) Before accepting an application for an annual vehicle  
12 registration renewal for a vehicle that both (a) uses at least one  
13 method of propulsion that is capable of being reenergized by an  
14 external source of electricity and (b) is capable of traveling at  
15 least thirty miles using only battery power, the department, county  
16 auditor or other agent, or subagent appointed by the director must  
17 require the applicant to pay a one hundred dollar fee in addition to  
18 any other fees and taxes required by law. The one hundred dollar fee  
19 is due only at the time of annual registration renewal.

20 (2) This section only applies to a vehicle that is designed to  
21 have the capability to drive at a speed of more than thirty-five  
22 miles per hour.

23 (3) (a) The fee under this section is imposed to provide funds to  
24 mitigate the impact of vehicles on state roads and highways and for  
25 the purpose of evaluating the feasibility of transitioning from a  
26 revenue collection system based on fuel taxes to a road user  
27 assessment system, and is separate and distinct from other vehicle  
28 license fees. Proceeds from the fee must be used for highway  
29 purposes, and must be deposited in the motor vehicle fund created in  
30 RCW 46.68.070, subject to (b) of this subsection.

31 (b) If in any year the amount of proceeds from the fee collected  
32 under this section exceeds one million dollars, the excess amount  
33 over one million dollars must be deposited as follows:

34 (i) Seventy percent to the motor vehicle fund created in RCW  
35 46.68.070;

36 (ii) Fifteen percent to the transportation improvement account  
37 created in RCW 47.26.084; and

38 (iii) Fifteen percent to the rural arterial trust account created  
39 in RCW 36.79.020.

1 (4) (a) In addition to the fee established in subsection (1) of  
2 this section, before accepting an application for an annual vehicle  
3 registration renewal for a vehicle that both (i) uses at least one  
4 method of propulsion that is capable of being reenergized by an  
5 external source of electricity and (ii) is capable of traveling at  
6 least thirty miles using only battery power, the department, county  
7 auditor or other agent, or subagent appointed by the director must  
8 require the applicant to pay a fifty dollar fee.

9 (b) The fee required under (a) of this subsection must be  
10 distributed as follows:

11 (i) The first one million dollars raised by the fee must be  
12 deposited into the multimodal transportation account created in RCW  
13 47.66.070; and

14 (ii) Any remaining amounts must be deposited into the motor  
15 vehicle fund created in RCW 46.68.070.

16 (5) This section applies to annual vehicle registration renewals  
17 until the effective date of enacted legislation that imposes a  
18 vehicle miles traveled fee or tax. However, for purposes of this  
19 subsection, the establishment of the voluntary early adoption program  
20 described in section 2(3) of this act does not constitute legislation  
21 that imposes a vehicle miles traveled fee or tax.

22 (6) Beginning July 1, 2025, participants in the voluntary early  
23 adoption program described in section 2(3) of this act are exempt  
24 from the fees specified in this section.

25 **Sec. 4.** RCW 46.17.324 and 2019 c 287 s 23 are each amended to  
26 read as follows:

27 To realize the environmental benefits of electrification of the  
28 transportation system it is necessary to support the adoption of  
29 electric vehicles and other electric technology in the state by  
30 incentivizing the purchase of these vehicles, building out the  
31 charging infrastructure, developing greener transit options, and  
32 supporting clean alternative fuel infrastructure. Therefore, it is  
33 the intent of the legislature to support these activities through the  
34 imposition of new transportation electrification fees in this  
35 section.

36 (1) ((A)) Until July 1, 2026, a vehicle that both (a) uses at  
37 least one method of propulsion that is capable of being reenergized  
38 by an external source of electricity and (b) is capable of traveling  
39 at least thirty miles using only battery power, is subject to an

1 annual seventy-five dollar transportation electrification fee to be  
2 collected by the department, county auditor, or other agent or  
3 subagent appointed by the director, in addition to any other fees and  
4 taxes required by law. For administrative efficiencies, the  
5 transportation electrification fee must be collected at the same time  
6 as vehicle registration renewals and may only be collected for  
7 vehicles that are renewing an annual vehicle registration.

8 (2) Beginning October 1, 2019, and until July 1, 2026, in lieu of  
9 the fee in subsection (1) of this section for a hybrid or alternative  
10 fuel vehicle that is not required to pay the fees established in RCW  
11 46.17.323 (1) and (4), the department, county auditor, or other agent  
12 or subagent appointed by the director must require that the applicant  
13 for the annual vehicle registration renewal of such hybrid or  
14 alternative fuel vehicle pay a seventy-five dollar hybrid vehicle  
15 transportation electrification fee, in addition to any other fees and  
16 taxes required by law. However, the fee imposed under this subsection  
17 does not apply to applicants participating in the voluntary early  
18 adoption program described in section 2(3) of this act.

19 (3) Beginning July 1, 2026, the department, county auditor, or  
20 other agent or subagent appointed by the director must require that  
21 an applicant for the annual vehicle registration renewal for vehicles  
22 specified in this subsection to pay a \$75 hybrid vehicle  
23 transportation electrification fee, in addition to any other fees and  
24 taxes required by law. This fee applies to:

25 (a) An electric or hybrid vehicle that uses at least one method  
26 of propulsion that is capable of being reenergized by an external  
27 source of electricity, but is not capable of traveling at least 30  
28 miles using only battery power; or

29 (b) A hybrid electric and gasoline vehicle that is not a plug-in  
30 hybrid.

31 (4) The fees required under this section must be deposited in the  
32 electric vehicle account created in RCW 82.44.200, until July 1,  
33 2025, when the fee must be deposited in the motor vehicle account.

34 ~~((4))~~ (5) This section only applies to a vehicle that is  
35 designed to have the capability to drive at a speed of more than  
36 thirty-five miles per hour.

37 (6) Beginning July 1, 2025, participants in the voluntary early  
38 adoption program described in section 2(3) of this act are exempt  
39 from the fees specified in subsection (1) of this section.

1        NEW SECTION.    **Sec. 5.**    A new section is added to chapter 46.08

2    RCW to read as follows:

3        (1) The per mile system established to collect the per mile fee  
4    under section 2 of this act may not involve the collection of any  
5    personally identifying information beyond what is necessary to  
6    properly calculate, report, and collect the per mile fee, unless the  
7    vehicle owner provides his or her express written consent for the  
8    collection of additional information.

9        (2) Per mile reporting methods may record or report general  
10   location data under the following circumstances: (a) the vehicle  
11   owner chooses that specific reporting method; (b) proper disclosure  
12   of the reporting method was made pursuant to rules adopted by the  
13   transportation commission; and (c) the vehicle owner specifically  
14   consents to the reporting of general location data.

15        (3) Per mile reporting methods shall not report specific location  
16   data to the department or any subdivision of the state, including  
17   travel patterns, origins, destinations, waypoint locations, or times  
18   of travel unless a vehicle owner specifically consents to the  
19   recording or reporting of such location data.

20        (4) The department and any per mile account manager has an  
21   affirmative public duty regarding the collection of the per mile fee  
22   under section 2 of this act to:

23        (a) Ensure that per mile information is protected with reasonable  
24   operational, administrative, technical, and physical safeguards to  
25   ensure its confidentiality and integrity;

26        (b) Implement and maintain reasonable security procedures and  
27   practices in order to protect per mile information from unauthorized  
28   access, destruction, use, modification, or disclosure; and

29        (c) Implement and maintain a usage and privacy policy to ensure  
30   that the collection of per mile information is consistent with  
31   respect for individuals' privacy and civil liberties.

32        (5) Per mile system data retained beyond the period of time  
33   necessary to ensure proper mileage account payment must have all  
34   personally identifying information removed and may only be used for  
35   public purposes.

36        (6) For the purposes of this section:

37        (a) "General location data" means information about whether a  
38   vehicle has traveled on taxable roadways within the state of  
39   Washington.



1 (b) "Personally identifying information" means any information  
2 that identifies or describes a person including, but not limited to,  
3 travel pattern data, address, telephone number, email address,  
4 photograph, bank account information, or credit card number.  
5 "Personally identifying information" does not include publicly  
6 available information that is lawfully made available to the general  
7 public from federal, state, or local government records.

8 (c) "Public purposes" means research, testing, and information  
9 gathering that advances the safety of the motoring public and the  
10 adequate preservation, maintenance, and upkeep of public roadways.

11 (d) "Specific location data" means information about the origin,  
12 destination, waypoint, or travel patterns of vehicles.

13 (e) "Vehicle owner" has the same meaning as in RCW 46.04.380.

14 **Sec. 6.** RCW 42.56.330 and 2017 c 333 s 6 are each amended to  
15 read as follows:

16 The following information relating to public utilities and  
17 transportation is exempt from disclosure under this chapter:

18 (1) Records filed with the utilities and transportation  
19 commission or attorney general under RCW 80.04.095 or 81.77.210 that  
20 a court has determined are confidential under RCW 80.04.095 or  
21 81.77.210;

22 (2) The addresses, telephone numbers, electronic contact  
23 information, and customer-specific utility usage and billing  
24 information in increments less than a billing cycle of the customers  
25 of a public utility contained in the records or lists held by the  
26 public utility of which they are customers, except that this  
27 information may be released to the division of child support or the  
28 agency or firm providing child support enforcement for another state  
29 under Title IV-D of the federal social security act, for the  
30 establishment, enforcement, or modification of a support order;

31 (3) The names, residential addresses, residential telephone  
32 numbers, and other individually identifiable records held by an  
33 agency in relation to a vanpool, carpool, or other ride-sharing  
34 program or service. Participants' names, general locations, and point  
35 of contact may be disclosed to other persons who apply for ride-  
36 matching services and who need that information in order to identify  
37 potential riders or drivers with whom to share rides;

38 (4) The personally identifying information of current or former  
39 participants or applicants in a paratransit or other transit service

1 operated for the benefit of persons with disabilities or elderly  
2 persons;

3 (5) The personally identifying information of persons who acquire  
4 and use transit passes or other fare payment media including, but not  
5 limited to, stored value smart cards and magnetic strip cards, except  
6 that an agency may disclose personally identifying information to a  
7 person, employer, educational institution, or other entity that is  
8 responsible, in whole or in part, for payment of the cost of  
9 acquiring or using a transit pass or other fare payment media for the  
10 purpose of preventing fraud. As used in this subsection, "personally  
11 identifying information" includes acquisition or use information  
12 pertaining to a specific, individual transit pass or fare payment  
13 media.

14 (a) Information regarding the acquisition or use of transit  
15 passes or fare payment media may be disclosed in aggregate form if  
16 the data does not contain any personally identifying information.

17 (b) Personally identifying information may be released to law  
18 enforcement agencies if the request is accompanied by a court order;

19 (6) Any information obtained by governmental agencies that is  
20 collected by the use of a motor carrier intelligent transportation  
21 system or any comparable information equipment attached to a truck,  
22 tractor, or trailer; however, the information may be given to other  
23 governmental agencies or the owners of the truck, tractor, or trailer  
24 from which the information is obtained. As used in this subsection,  
25 "motor carrier" has the same definition as provided in RCW 81.80.010;

26 (7) The personally identifying information of persons who acquire  
27 and use transponders or other technology to facilitate payment of  
28 tolls. This information may be disclosed in aggregate form as long as  
29 the data does not contain any personally identifying information. For  
30 these purposes aggregate data may include the census tract of the  
31 account holder as long as any individual personally identifying  
32 information is not released. Personally identifying information may  
33 be released to law enforcement agencies only for toll enforcement  
34 purposes. Personally identifying information may be released to law  
35 enforcement agencies for other purposes only if the request is  
36 accompanied by a court order;

37 (8) The personally identifying information of persons who acquire  
38 and use a driver's license or identicard that includes a radio  
39 frequency identification chip or similar technology to facilitate  
40 border crossing. This information may be disclosed in aggregate form

1 as long as the data does not contain any personally identifying  
2 information. Personally identifying information may be released to  
3 law enforcement agencies only for United States customs and border  
4 protection enforcement purposes. Personally identifying information  
5 may be released to law enforcement agencies for other purposes only  
6 if the request is accompanied by a court order; (~~and~~)

7 (9) Personally identifying information included in safety  
8 complaints submitted under chapter 81.61 RCW; and

9 (10) The personally identifying information of persons, as  
10 defined in section 5 of this act, who report their vehicle odometer  
11 mileage, including any vehicle location information, in relation to a  
12 per mile fee imposed under section 2 of this act, or similar mileage  
13 tax, collected by or on behalf of the state of Washington. This  
14 information may be disclosed in aggregate form as long as the data  
15 does not contain any personally identifying information. Personally  
16 identifying information may be released to law enforcement agencies  
17 only if the request is accompanied by a court order.

18 NEW SECTION. Sec. 7. The following acts or parts of acts, as  
19 now existing or hereafter amended, are each repealed, effective July  
20 1, 2026: RCW 46.17.323 (Electric vehicle registration renewal fees)  
21 and 2021 c ... s 3 (section 3 of this act), 2015 3rd sp.s. c 44 s  
22 203, (2020 c 1 s 5 (Initiative Measure No. 976)), & 2012 c 74 s 10.

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