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**SENATE BILL 5974**

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**State of Washington**

**67th Legislature**

**2022 Regular Session**

**By** Senators Lias, Saldaña, Carlyle, Cleveland, Das, Dhingra, Hunt, Kuderer, Lovelett, Lovick, Mullet, Nguyen, Nobles, Salomon, Trudeau, Wellman, and C. Wilson

Read first time 02/09/22. Referred to Committee on Transportation.

1 AN ACT Relating to transportation resources; amending RCW  
2 70A.65.240, 70A.65.030, 70A.65.040, 82.38.020, 82.38.030, 82.38.035,  
3 82.38.180, 82.42.020, 46.17.200, 46.17.120, 46.17.400, 46.52.130,  
4 46.17.015, 46.17.025, 46.20.200, 46.68.041, 46.70.180, 82.32.385,  
5 82.08.993, 82.12.817, 82.08.9999, 82.12.9999, 82.04.4496, 82.16.0496,  
6 82.08.816, 82.12.816, 82.70.040, 82.70.050, 82.21.030, 43.84.092,  
7 43.84.092, 82.47.020, 35.21.870, 36.73.065, 82.14.0455, 70A.535.010,  
8 70A.535.030, 70A.535.040, 70A.535.050, 70A.535.120, 46.63.170,  
9 46.63.170, and 70A.65.230; amending 2020 c 224 s 3 (uncodified);  
10 reenacting and amending RCW 46.20.202; adding new sections to chapter  
11 46.68 RCW; adding a new section to chapter 82.38 RCW; adding a new  
12 section to chapter 70A.535 RCW; adding a new section to chapter  
13 43.330 RCW; adding new sections to chapter 47.66 RCW; adding new  
14 sections to chapter 47.04 RCW; adding a new section to chapter 47.24  
15 RCW; adding a new section to chapter 47.60 RCW; adding a new section  
16 to chapter 47.56 RCW; adding a new chapter to Title 43 RCW; creating  
17 new sections; repealing RCW 70A.535.020; prescribing penalties;  
18 providing effective dates; providing expiration dates; and declaring  
19 an emergency.

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

21

**Part I**

1 **Climate Commitment Act Allocations**

2 **Sec. 101.** RCW 70A.65.240 and 2021 c 316 s 27 are each amended to  
3 read as follows:

4 (1) The carbon emissions reduction account is created in the  
5 state treasury. Moneys in the account may be spent only after  
6 appropriation. Expenditures from the account are intended to affect  
7 reductions in transportation sector carbon emissions through a  
8 variety of carbon reducing investments. These can include, but are  
9 not limited to: Transportation alternatives to single occupancy  
10 passenger vehicles; reductions in single occupancy passenger vehicle  
11 miles traveled; reductions in per mile emissions in vehicles,  
12 including through the funding of alternative fuel infrastructure and  
13 incentive programs; and emission reduction programs for freight  
14 transportation, including motor vehicles and rail, as well as for  
15 ferries and other maritime and port activities. Expenditures from the  
16 account may only be made for transportation carbon emission reducing  
17 purposes and may not be made for highway purposes authorized under  
18 the 18th Amendment of the Washington state Constitution, other than  
19 specified in this section, and shall be made in accordance with  
20 subsection (2) of this section. It is the legislature's intent that  
21 expenditures from the account used to reduce carbon emissions be made  
22 with the goal of achieving equity for communities that historically  
23 have been omitted or adversely impacted by past transportation  
24 policies and practices.

25 (2) Appropriations in an omnibus transportation appropriations  
26 act from the carbon emissions reduction account shall be made  
27 exclusively to fund the following activities:

- 28 (a) Active transportation;
- 29 (b) Transit programs and projects;
- 30 (c) Alternative fuel and electrification;
- 31 (d) Ferries; and
- 32 (e) Rail.

33 NEW SECTION. **Sec. 102.** The legislature intends to program  
34 funding from the carbon emissions reduction account, the climate  
35 active transportation account, and the climate transit programs  
36 account for the activities identified in LEAP Transportation Document  
37 2022-A as developed February 8, 2022.

1        NEW SECTION.    **Sec. 103.**    A new section is added to chapter 46.68  
2    RCW to read as follows:

3        (1) The climate active transportation account is hereby created  
4    in the state treasury. Moneys in the account may be spent only after  
5    appropriation. Expenditures from the account may be used only for the  
6    following active transportation grant programs: Safe routes to  
7    schools, school-based bike program, bicycle and pedestrian grant  
8    program, complete streets grants program, and connecting communities  
9    grant program, as well as pedestrian and bicycle or other active  
10   transportation projects identified in an omnibus transportation  
11   appropriations act as move ahead WA projects.

12        (2) Beginning July 1, 2022, the state treasurer shall annually  
13   transfer 24 percent of the revenues accruing annually to the carbon  
14   emissions reduction account created in RCW 70A.65.240 to the climate  
15   active transportation account.

16        NEW SECTION.    **Sec. 104.**    A new section is added to chapter 46.68  
17   RCW to read as follows:

18        (1) The climate transit programs account is hereby created in the  
19   state treasury. Moneys in the account may be spent only after  
20   appropriation. Expenditures from the account may be used only for the  
21   following transit grant programs: Transit support grant program,  
22   tribal transit mobility grants, transit coordination grants, special  
23   needs transit grants, bus and bus facility grant program, green  
24   transit grants, and transportation demand management grants, as well  
25   as transit projects identified in an omnibus transportation  
26   appropriations act as move ahead WA projects.

27        (2) Beginning July 1, 2022, the state treasurer shall annually  
28   transfer 56 percent of the revenues accruing annually to the carbon  
29   emissions reduction account created in RCW 70A.65.240 to the climate  
30   transit programs account.

31        **Sec. 105.**    RCW 70A.65.030 and 2021 c 316 s 4 are each amended to  
32   read as follows:

33        (1) Each year or biennium, as appropriate, when allocating funds  
34   from the carbon emissions reduction account created in RCW  
35   70A.65.240, the climate investment account created in RCW 70A.65.250,  
36   (~~the~~) the air quality and health disparities improvement account  
37   created in RCW 70A.65.280, the climate transit programs account  
38   created in section 104 of this act, or the climate active

1 transportation account created in section 103 of this act, or  
2 administering grants or programs funded by the accounts, agencies  
3 shall conduct an environmental justice assessment consistent with the  
4 requirements of RCW 70A.02.060 and establish a minimum of not less  
5 than 35 percent and a goal of 40 percent of total investments that  
6 provide direct and meaningful benefits to vulnerable populations  
7 within the boundaries of overburdened communities through: (a) The  
8 direct reduction of environmental burdens in overburdened  
9 communities; (b) the reduction of disproportionate, cumulative risk  
10 from environmental burdens, including those associated with climate  
11 change; (c) the support of community led project development,  
12 planning, and participation costs; or (d) meeting a community need  
13 identified by the community that is consistent with the intent of  
14 this chapter or RCW 70A.02.010.

15 (2) The allocation of funding under subsection (1) of this  
16 section must adhere to the following principles, additional to the  
17 requirements of RCW 70A.02.080: (a) Benefits and programs should be  
18 directed to areas and targeted to vulnerable populations and  
19 overburdened communities to reduce statewide disparities; (b)  
20 investments and benefits should be made roughly proportional to the  
21 health disparities that a specific community experiences, with a goal  
22 of eliminating the disparities; (c) investments and programs should  
23 focus on creating environmental benefits, including eliminating  
24 health burdens, creating community and population resilience, and  
25 raising the quality of life of those in the community; and (d)  
26 efforts should be made to balance investments and benefits across the  
27 state and within counties, local jurisdictions, and unincorporated  
28 areas as appropriate to reduce disparities by location and to ensure  
29 efforts contribute to a reduction in disparities that exist based on  
30 race or ethnicity, socioeconomic status, or other factors.

31 (3) State agencies allocating funds or administering grants or  
32 programs from the carbon emissions reduction account created in RCW  
33 70A.65.240, the climate investment account created in RCW 70A.65.250,  
34 ~~((or))~~ the air quality and health disparities improvement account  
35 created in RCW 70A.65.280, the climate transit programs account  
36 created in section 104 of this act, or the climate active  
37 transportation account created in section 103 of this act, must:

38 (a) Report annually to the environmental justice council created  
39 in RCW 70A.02.110 regarding progress toward meeting environmental  
40 justice and environmental health goals;

1 (b) Consider recommendations by the environmental justice  
2 council; and

3 (c)(i) If the agency is not a covered agency subject to the  
4 requirements of chapter 314, Laws of 2021, create and adopt a  
5 community engagement plan to describe how it will engage with  
6 overburdened communities and vulnerable populations in allocating  
7 funds or administering grants or programs from the climate investment  
8 account.

9 (ii) The plan must include methods for outreach and communication  
10 with those who face barriers, language or otherwise, to  
11 participation.

12 **Sec. 106.** RCW 70A.65.040 and 2021 c 316 s 5 are each amended to  
13 read as follows:

14 (1) The environmental justice council created in RCW 70A.02.110  
15 must provide recommendations to the legislature, agencies, and the  
16 governor in the development and implementation of the program  
17 established in RCW 70A.65.060 through 70A.65.210, and the programs  
18 funded from the carbon emissions reduction account created in RCW  
19 70A.65.240 (~~and from~~), the climate investment account created in  
20 RCW 70A.65.250, the climate transit programs account created in  
21 section 104 of this act, and the climate active transportation  
22 account created in section 103 of this act.

23 (2) In addition to the duties and authorities granted in chapter  
24 70A.02 RCW to the environmental justice council, the environmental  
25 justice council must:

26 (a) Provide recommendations to the legislature, agencies, and the  
27 governor in the development of:

28 (i) The program established in RCW 70A.65.060 through 70A.65.210  
29 including, but not limited to, linkage with other jurisdictions,  
30 protocols for establishing offset projects and securing offset  
31 credits, designation of emissions-intensive and trade-exposed  
32 industries under RCW 70A.65.110, and administration of allowances  
33 under the program; and

34 (ii) Investment plans and funding proposals for the programs  
35 funded from the climate investment account created in RCW 70A.65.250  
36 for the purpose of providing environmental benefits and reducing  
37 environmental health disparities within overburdened communities;

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

4 (c) Recommend procedures and criteria for evaluating programs,  
5 activities, or projects;

6 (d) Recommend copollutant emissions reduction goals in  
7 overburdened communities;

8 (e) Evaluate the level of funding provided to assist vulnerable  
9 populations, low-income individuals, and impacted workers and the  
10 funding of projects and activities located within or benefiting  
11 overburdened communities;

12 (f) Recommend environmental justice and environmental health  
13 goals for programs, activities, and projects funded from the climate  
14 investment account, and review agency annual reports on outcomes and  
15 progress toward meeting these goals;

16 (g) Provide recommendations to implementing agencies for  
17 meaningful consultation with vulnerable populations, including  
18 community engagement plans under RCW 70A.65.020 and 70A.65.030; and

19 (h) Recommend how to support public participation through  
20 capacity grants for participation.

21 (3) For the purpose of performing the duties under subsection (2)  
22 of this section, two additional tribal members are added to the  
23 council.

24 **Part II**

25 **Exported Fuel Tax, Aircraft Fuel Tax, Stolen Vehicle Check, Dealer**  
26 **Temporary Permit, Enhanced Driver's License and Identocard, Driver's**  
27 **Abstract, License Plate, Documentary Service, and Other**  
28 **Driver and Vehicle Fees**

29 NEW SECTION. **Sec. 201.** FINDINGS AND INTENT. (1) The legislature  
30 finds that a portion of the state's greenhouse gas emissions are  
31 directly related to petroleum fuel products produced by the state's  
32 five refineries that are exported to other states and jurisdictions.  
33 These carbon emissions have a real impact on the citizens of the  
34 state of Washington and these impacts are not adequately compensated  
35 for under the existing taxing structures.

36 (2) The legislature further finds that carbon emissions directly  
37 attributable to just the refining process associated with petroleum

1 fuel products that are subsequently exported has been estimated at  
2 3,300,000 metric tons per year.

3 (3) The legislature further finds that the costs associated with  
4 carbon emissions are global in nature and the impacts associated with  
5 carbon emissions are not simply felt by those within a state's  
6 geographic boundary. However, applying a standard societal costs of  
7 carbon method results in estimated annual impacts over \$250,000,000  
8 associated with the current amount of exported petroleum fuel  
9 products.

10 (4) Therefore, the legislature intends to modify state fuel tax  
11 law in a manner that compensates the state for a portion of the  
12 societal costs of carbon attributable to the refining process  
13 associated with petroleum fuel products that are subsequently  
14 exported, but also ensures that the current favorable tax treatment  
15 for petroleum fuel products that are exported continues.

16 **Sec. 202.** RCW 82.38.020 and 2013 c 225 s 102 are each amended to  
17 read as follows:

18 The definitions in this section apply throughout this chapter  
19 unless the context clearly requires otherwise.

20 (1) "Blended fuel" means a mixture of fuel and another liquid,  
21 other than a de minimis amount of the liquid.

22 (2) "Blender" means a person who produces blended fuel outside  
23 the bulk transfer-terminal system.

24 (3) "Bond" means a bond duly executed with a corporate surety  
25 qualified under chapter 48.28 RCW payable to the state of Washington  
26 conditioned upon faithful performance of all requirements of this  
27 chapter.

28 (4) "Bulk transfer-terminal system" means the fuel distribution  
29 system consisting of refineries, pipelines, vessels, and terminals.  
30 Fuel in a refinery, pipeline, vessel, or terminal is in the bulk  
31 transfer-terminal system.

32 (5) "Bulk transfer" means a transfer of fuel by pipeline or  
33 vessel.

34 (6) "Bulk storage" means the placing of fuel into a receptacle  
35 other than the fuel supply tank of a motor vehicle.

36 (7) "Department" means the department of licensing.

37 (8) "Distributor" means a person who acquires fuel outside the  
38 bulk transfer-terminal system for importation into Washington, from a  
39 terminal or refinery rack located within Washington for distribution

1 within Washington, or for immediate export outside the state of  
2 Washington.

3 (9) "Dyed special fuel user" means a person authorized by the  
4 internal revenue code to operate a motor vehicle on the highway using  
5 dyed special fuel, in which the use is not exempt from the fuel tax.

6 (10) "Evasion" or "evade" means to diminish or avoid the  
7 computation, assessment, or payment of authorized taxes or fees  
8 through:

9 (a) A knowing: False statement; omission; misrepresentation of  
10 fact; or other act of deception;

11 (b) An intentional: Failure to file a return or report; or other  
12 act of deception; or

13 (c) The unlawful use of dyed special fuel.

14 (11) "Exempt sale" means the sale of fuel to a person whose use  
15 of fuel is exempt from the fuel tax.

16 (12) "Export" means to obtain fuel in this state for sales or  
17 distribution outside the state. Fuel distributed to a federally  
18 recognized Indian tribal reservation located within the state of  
19 Washington is not considered exported outside this state.

20 (13) "Exporter" means a person who purchases fuel physically  
21 located in this state at the time of purchase and directly exports  
22 the fuel by a means other than the bulk transfer-terminal system to a  
23 destination outside of the state. If the exporter of record is acting  
24 as an agent, the person for whom the agent is acting is the exporter.  
25 If there is no exporter of record, the owner of the fuel at the time  
26 of exportation is the exporter.

27 (14) "Fuel" means motor vehicle fuel or special fuel.

28 (15) "Fuel user" means a person engaged in uses of fuel that are  
29 not specifically exempted from the fuel tax imposed under this  
30 chapter.

31 (16) "Highway" means every way or place open to the use of the  
32 public, as a matter of right, for the purpose of vehicular travel.

33 (17) "Import" means to bring fuel into this state by a means of  
34 conveyance other than the fuel supply tank of a motor vehicle.

35 (18) "Importer" means a person who imports fuel into the state by  
36 a means other than the bulk transfer-terminal system. If the importer  
37 of record is acting as an agent, the person for whom the agent is  
38 acting is the importer. If there is no importer of record, the owner  
39 of the fuel at the time of importation is the importer.



1 (19) "International fuel tax agreement licensee" means a fuel  
2 user operating qualified motor vehicles in interstate commerce and  
3 licensed by the department under the international fuel tax  
4 agreement.

5 (20) "Licensee" means a person holding a license issued under  
6 this chapter.

7 (21) "Motor vehicle" means a self-propelled vehicle utilizing  
8 fuel as a means of propulsion.

9 (22) "Motor vehicle fuel" means gasoline and any other  
10 inflammable gas or liquid, by whatsoever name the gasoline, gas, or  
11 liquid may be known or sold the chief use of which is as a fuel for  
12 the propulsion of motor vehicles or vessels.

13 (23) "Natural gas" means naturally occurring mixtures of  
14 hydrocarbon gases and vapors consisting principally of methane,  
15 whether in gaseous or liquid form.

16 (24) "Person" means any individual, partnership, association,  
17 public or private corporation, limited liability company, or any  
18 other type of legal or commercial entity, including their members,  
19 managers, partners, directors, or officers.

20 (25) "Position holder" means a person who holds the inventory  
21 position in fuel, as reflected by the records of the terminal  
22 operator. A person holds the inventory position if the person has a  
23 contractual agreement with the terminal for the use of storage  
24 facilities and terminating services. "Position holder" includes a  
25 terminal operator that owns fuel in their terminal.

26 (26) "Rack" means a mechanism for delivering fuel from a refinery  
27 or terminal into a truck, trailer, railcar, or other means of nonbulk  
28 transfer.

29 (27) "Refiner" means a person who owns, operates, or otherwise  
30 controls a refinery.

31 (28) "Removal" means a physical transfer of fuel other than by  
32 evaporation, loss, or destruction.

33 (29) "Special fuel" means diesel fuel, propane, natural gas,  
34 kerosene, biodiesel, and any other combustible liquid or gas by  
35 whatever name the liquid or gas may be known or sold for the  
36 generation of power to propel a motor vehicle on the highways, except  
37 it does not include motor vehicle fuel.

38 (30) "Supplier" means a person who holds a federal certificate of  
39 registry issued under the internal revenue code and authorizes the

1 person to engage in tax-free transactions of fuel in the bulk  
2 transfer-terminal system.

3 (31) "Terminal" means a fuel storage and distribution facility  
4 that has been assigned a terminal control number by the internal  
5 revenue service.

6 (32) "Terminal operator" means a person who owns, operates, or  
7 otherwise controls a terminal.

8 (33) "Two-party exchange" or "buy-sell agreement" means a  
9 transaction in which taxable fuel is transferred from one licensed  
10 supplier to another licensed supplier whereby the supplier that is  
11 the position holder agrees to deliver taxable fuel to the other  
12 supplier or the other supplier's customer at the terminal at which  
13 the delivering supplier is the position holder.

14 (34) "United States" means a state of the United States, the  
15 District of Columbia, the Commonwealth of Puerto Rico, or a territory  
16 or insular possession subject to the jurisdiction of the United  
17 States. "United States" also includes all federally recognized tribal  
18 reservations and federal trust lands within the geographic boundaries  
19 of the United States as they exist now or in the future.

20 **Sec. 203.** RCW 82.38.030 and 2015 3rd sp.s. c 44 s 103 are each  
21 amended to read as follows:

22 (1) There is levied and imposed upon fuel licensees a tax at the  
23 rate of (~~twenty-three~~) 23 cents per gallon of fuel.

24 (2) Beginning July 1, 2003, an additional and cumulative tax rate  
25 of five cents per gallon of fuel is imposed on fuel licensees. This  
26 subsection (2) expires when the bonds issued for transportation 2003  
27 projects are retired.

28 (3) Beginning July 1, 2005, an additional and cumulative tax rate  
29 of three cents per gallon of fuel is imposed on fuel licensees.

30 (4) Beginning July 1, 2006, an additional and cumulative tax rate  
31 of three cents per gallon of fuel is imposed on fuel licensees.

32 (5) Beginning July 1, 2007, an additional and cumulative tax rate  
33 of two cents per gallon of fuel is imposed on fuel licensees.

34 (6) Beginning July 1, 2008, an additional and cumulative tax rate  
35 of one and one-half cents per gallon of fuel is imposed on fuel  
36 licensees.

37 (7) Beginning August 1, 2015, an additional and cumulative tax  
38 rate of seven cents per gallon of fuel is imposed on fuel licensees.

1 (8) Beginning July 1, 2016, an additional and cumulative tax rate  
2 of four and nine-tenths cents per gallon of fuel is imposed on fuel  
3 licensees.

4 (9) Taxes are imposed when:

5 (a) Fuel is removed in this state from a terminal (~~if the fuel~~  
6 ~~is removed at the rack~~) unless the removal is by a licensed supplier  
7 or distributor for direct delivery to a destination outside of the  
8 (~~state~~) United States, or the removal is by a fuel supplier for  
9 direct delivery to an international fuel tax agreement licensee under  
10 RCW 82.38.320;

11 (b) Fuel is removed in this state from a refinery if either of  
12 the following applies:

13 (i) The removal is by bulk transfer and the refiner or the owner  
14 of the fuel immediately before the removal is not a licensed  
15 supplier; or

16 (ii) The removal is at the refinery rack or by bulk transfer  
17 unless the removal is to a licensed supplier or distributor for  
18 direct delivery to a destination outside of the (~~state~~) United  
19 States, or the removal is to a licensed supplier for direct delivery  
20 to an international fuel tax agreement licensee under RCW 82.38.320;

21 (c) Fuel enters into this state for sale, consumption, use, or  
22 storage, unless the fuel enters this state for direct delivery to an  
23 international fuel tax agreement licensee under RCW 82.38.320, if  
24 either of the following applies:

25 (i) The entry is by bulk transfer and the importer is not a  
26 licensed supplier; or

27 (ii) The entry is not by bulk transfer;

28 (d) Fuel enters this state by means outside the bulk transfer-  
29 terminal system and is delivered directly to a licensed terminal  
30 unless the owner is a licensed distributor or supplier;

31 (e) Fuel is sold or removed in this state to an unlicensed entity  
32 unless there was a prior taxable removal, entry, or sale of the fuel;

33 (f) Blended fuel is removed or sold in this state by the blender  
34 of the fuel. The number of gallons of blended fuel subject to tax is  
35 the difference between the total number of gallons of blended fuel  
36 removed or sold and the number of gallons of previously taxed fuel  
37 used to produce the blended fuel;

38 (g) Dyed special fuel is used on a highway, as authorized by the  
39 internal revenue code, unless the use is exempt from the fuel tax;

1 (h) Dyed special fuel is held for sale, sold, used, or is  
2 intended to be used in violation of this chapter;

3 (i) Special fuel purchased by an international fuel tax agreement  
4 licensee under RCW 82.38.320 is used on a highway; and

5 (j) Fuel is sold by a licensed fuel supplier to a fuel  
6 distributor or fuel blender and the fuel is not removed from the bulk  
7 transfer-terminal system.

8 **Sec. 204.** RCW 82.38.035 and 2013 c 225 s 105 are each amended to  
9 read as follows:

10 (1) A licensed supplier is liable for and must pay tax on fuel as  
11 provided in RCW 82.38.030(~~((7))~~) (9) (a) and (i). On a two-party  
12 exchange, or buy-sell agreement between two licensed suppliers, the  
13 receiving exchange partner or buyer shall be liable for and pay the  
14 tax.

15 (2) A refiner is liable for and must pay tax on fuel removed from  
16 a refinery as provided in RCW 82.38.030(~~((7))~~) (9)(b).

17 (3) A licensed distributor is liable for and must pay tax on fuel  
18 as provided in RCW 82.38.030(~~((7))~~) (9)(c).

19 (4) A licensed blender is liable for and must pay tax on fuel as  
20 provided in RCW 82.38.030(~~((7))~~) (9)(f).

21 (5) A licensed dyed special fuel user is liable for and must pay  
22 tax on fuel as provided in RCW 82.38.030(~~((7))~~) (9)(g).

23 (6) A terminal operator is jointly and severally liable for and  
24 must pay tax on fuel if, at the time of removal:

25 (a) The position holder of the fuel is a person other than the  
26 terminal operator and is not a licensee;

27 (b) The terminal operator is not a licensee;

28 (c) The position holder has an expired internal revenue  
29 notification certificate;

30 (d) The terminal operator has reason to believe that information  
31 on the internal revenue notification certificate is false.

32 (7) A terminal operator is jointly and severally liable for and  
33 must pay tax on special fuel if the special fuel is removed and is  
34 not dyed or marked in accordance with internal revenue service  
35 requirements, and the terminal operator provides a person with a bill  
36 of lading, shipping paper, or similar document indicating the special  
37 fuel is dyed or marked in accordance with internal revenue service  
38 requirements.

1 (8) International fuel tax agreement licensees, or persons  
2 operating motor vehicles under other reciprocity agreements entered  
3 into with the state of Washington, are liable for and must pay tax on  
4 fuel used to operate motor vehicles on state highways.

5 (9) Dyed special fuel users are liable for and must pay tax on  
6 dyed special fuel used on state highways unless the use of the fuel  
7 is exempt from the tax.

8 (10) The department shall adopt rules under RCW 82.38.260 to  
9 ensure compliance with this chapter with respect to fuel exported  
10 from the state, including necessary audits and data reporting  
11 requirements.

12 NEW SECTION. Sec. 205. A new section is added to chapter 82.38  
13 RCW to read as follows:

14 (1) In computing the tax imposed under this chapter, a credit is  
15 allowed for fuel exported from the state. Except as provided in  
16 subsection (2) of this section, the credit is equal to the number of  
17 gallons of fuel exported multiplied by the total rate of tax imposed  
18 under this chapter, less six cents per gallon. Fuel distributed to a  
19 federally recognized Indian tribal reservation located within the  
20 state of Washington is not considered exported from this state.

21 (2) If the total rate of a comparable fuel tax imposed by the  
22 importing state exceeds the total rate of tax imposed under this  
23 chapter less six cents per gallon, the credit is equal to the number  
24 of gallons of fuel exported multiplied by the total rate of tax  
25 imposed by the importing state.

26 (3) The amount of credit earned under this section may not exceed  
27 the tax otherwise due under this chapter with respect to the fuel  
28 exported.

29 (4) The department may adopt rules under chapter 34.05 RCW  
30 regarding the administration of the credit under this section.

31 **Sec. 206.** RCW 82.38.180 and 2013 c 225 s 119 are each amended to  
32 read as follows:

33 (1) Any person who has purchased fuel on which tax has been paid  
34 may file a claim with the department for a refund of the tax for:

35 (a) Fuel used for purposes other than for the propulsion of motor  
36 vehicles upon the public highways in this state. However, a refund  
37 may not be made under this subsection (1)(a) for motor vehicle fuel  
38 consumed by a motor vehicle required to be registered under chapter

1 46.16A RCW or under a comparable motor vehicle registration  
2 requirement in an importing state.

3 (b) Fuel exported for use outside of (~~this state~~) the United  
4 States. Fuel carried from this state outside of the United States in  
5 the fuel tank of a motor vehicle is deemed to be exported from this  
6 state under this subsection (1)(b). Fuel distributed to a federally  
7 recognized Indian tribal reservation located within the state of  
8 Washington is not considered exported outside (~~this state~~) of the  
9 United States.

10 (c) Tax, penalty, or interest erroneously or illegally collected  
11 or paid.

12 (d) Fuel which is lost or destroyed, while the licensee is the  
13 owner thereof, through fire, lightning, flood, windstorm, or  
14 explosion.

15 (e) Fuel of (~~five hundred~~) 500 gallons or more which is lost or  
16 destroyed while the licensee is the owner thereof, through leakage or  
17 other casualty except evaporation, shrinkage, or unknown causes.

18 (f) Fuel used in power pumping units or other power take-off  
19 equipment of any motor vehicle which is accurately measured by  
20 metering devices that have been specifically approved by the  
21 department or by a formula determined by the department.

22 (2) Any person who has purchased special fuel on which tax has  
23 been paid may file a claim with the department for a refund of tax  
24 for:

25 (a) Special fuel used for the operation of a motor vehicle as a  
26 part of or incidental to logging operations upon a highway under  
27 federal jurisdiction within the boundaries of a federal area if the  
28 federal government requires a fee for the privilege of operating the  
29 motor vehicle upon the highway, the proceeds of which are reserved  
30 for constructing or maintaining roads in the federal area, or  
31 requires maintenance or construction work to be performed on the  
32 highway for the privilege of operating the motor vehicle on the  
33 highway;

34 (b) Special fuel used by special mobile equipment as defined in  
35 RCW 46.04.552;

36 (c) Special fuel used in a motor vehicle for movement between two  
37 pieces of private property wherein the movement is incidental to the  
38 primary use of the vehicle; and

39 (d) Special fuel inadvertently mixed with dyed special fuel.

1 (3) Any person who has purchased motor vehicle fuel on which tax  
2 has been paid may file a claim with the department for a refund of  
3 tax for:

4 (a) Motor vehicle fuel used by a private, nonprofit  
5 transportation provider regulated under chapter 81.66 RCW or under a  
6 comparable regulation in an importing state to provide transportation  
7 services for persons with special transportation needs; and

8 (b) Motor vehicle fuel used by an urban passenger transportation  
9 system. For purposes of this subsection "urban passenger  
10 transportation system" means every transportation system, publicly or  
11 privately owned, having as its principal source of revenue the income  
12 from transporting persons for compensation by means of motor vehicles  
13 or trackless trolleys, each having a seating capacity of over  
14 (~~fifteen~~) 15 persons, over prescribed routes in such a manner that  
15 the routes of such motor vehicles or trackless trolleys, either alone  
16 or in conjunction with routes of other such motor vehicles or  
17 trackless trolleys subject to the routing by the same transportation  
18 system, do not extend for a distance exceeding (~~fifteen~~) 15 road  
19 miles beyond the corporate limits of the city in which the original  
20 starting points of such motor vehicles or trackless trolleys are  
21 located. No refunds are authorized for fuel used on any trip where  
22 any portion of the trip is more than (~~fifteen~~) 15 road miles beyond  
23 the corporate limits of the city in which the trip originated.

24 (4) Recovery for such loss or destruction under subsections  
25 (1)(d) or (e) or (2)(d) of this section must be susceptible to  
26 positive proof thereby enabling the department to conduct such  
27 investigation and require such information as it may deem necessary.  
28 In the event that the department is not satisfied that the fuel was  
29 lost, destroyed, or contaminated as claimed because information or  
30 proof as required hereunder is not sufficient to substantiate the  
31 accuracy of the claim, it may deem such as sufficient cause to deny  
32 all right relating to the refund or credit for the excise tax paid on  
33 fuel alleged to be lost or destroyed.

34 (5) No refund or claim for credit may be approved by the  
35 department unless the gallons of fuel claimed as nontaxable satisfy  
36 the conditions specifically set forth in this section and the  
37 nontaxable event or use occurred during the period covered by the  
38 refund claim. Refunds or claims for credit are not (~~be [are not]~~)  
39 allowed for anticipated nontaxable use or events.

1 (6) The department shall establish, by rule, minimum acceptable  
2 requirements and conditions on refunds subject to the authority in  
3 this section.

4 **Sec. 207.** RCW 82.42.020 and 2013 c 225 s 302 are each amended to  
5 read as follows:

6 There is levied upon every distributor of aircraft fuel, an  
7 excise tax at the rate of (~~eleven~~) 18 cents on each gallon of  
8 aircraft fuel sold, delivered, or used in this state. There must be  
9 collected from every user of aircraft fuel either the use tax imposed  
10 by RCW 82.12.020 or the retail sales tax imposed by RCW 82.08.020.  
11 The taxes imposed by this chapter must be collected and paid to the  
12 state but once in respect to any aircraft fuel.

13 **Sec. 208.** RCW 46.17.200 and 2014 c 80 s 4 are each amended to  
14 read as follows:

15 (1) In addition to all other fees and taxes required by law, the  
16 department, county auditor or other agent, or subagent appointed by  
17 the director shall charge:

18 (a) The following license plate fees for each license plate,  
19 unless the owner or type of vehicle is exempt from payment:

FEE TYPE	FEE	DISTRIBUTION
Original issue	<del>(\$ 10.00)</del> <u>\$50.00</u>	RCW 46.68.070
Reflectivity	\$ 2.00	RCW 46.68.070
Replacement	<del>(\$ 10.00)</del> <u>\$30.00</u>	RCW 46.68.070
Original issue, motorcycle	<del>(\$ 4.00)</del> <u>\$20.00</u>	RCW 46.68.070
Replacement, motorcycle	<del>(\$ 4.00)</del> <u>\$12.00</u>	RCW 46.68.070
Original issue, moped	\$ 1.50	RCW 46.68.070

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32 (b) A license plate retention fee, as required under RCW  
33 46.16A.200(9)(a), of (~~twenty dollars~~) \$20 if the owner wishes to  
34 retain the current license plate number upon license plate  
35 replacement, unless the owner or type of vehicle is exempt from



1 payment. The (~~twenty-dollar~~) \$20 fee must be deposited in the  
2 multimodal transportation account created in RCW 47.66.070.

3 (c) A (~~ten-dollar~~) \$10 license plate transfer fee, as required  
4 under RCW 46.16A.200(8)(a), when transferring standard issue license  
5 plates from one vehicle to another, unless the owner or type of  
6 vehicle is exempt from payment. The (~~ten-dollar~~) \$10 license plate  
7 transfer fee must be deposited in the motor vehicle fund created in  
8 RCW 46.68.070.

9 (d) Former prisoner of war license plates, as described in RCW  
10 46.18.235, may be transferred to a replacement vehicle upon payment  
11 of a (~~five-dollar~~) \$5 license plate fee, in addition to any other  
12 fee required by law.

13 (2) The department may, upon request, provide license plates that  
14 have been used and returned to the department to individuals for  
15 nonvehicular use. The department may charge a fee of up to (~~five~~  
16 ~~dollars~~) \$5 per license plate to cover costs or recovery for postage  
17 and handling. The department may waive the fee for license plates  
18 used in educational projects and may, by rule, provide standards for  
19 the fee waiver and restrictions on the number of license plates  
20 provided to any one person. The fee must be deposited in the motor  
21 vehicle fund created in RCW 46.68.070.

22 (3) \$40 of the original issue license plate fee imposed under  
23 subsection (1)(a) of this section and \$16 of the original issue  
24 motorcycle license plate fee imposed under subsection (1)(a) of this  
25 section must be deposited in the move ahead WA account created in  
26 section 401 of this act.

27 (4) \$20 of the replacement license plate fee imposed under  
28 subsection (1)(a) of this section and \$8 of the replacement  
29 motorcycle license plate fee imposed under subsection (1)(a) of this  
30 section must be deposited in the move ahead WA account created in  
31 section 401 of this act.

32 **Sec. 209.** RCW 46.17.120 and 2020 c 239 s 1 are each amended to  
33 read as follows:

34 (1) Before accepting an application for a certificate of title  
35 for a vehicle previously registered in any other state or country,  
36 the department, county auditor or other agent, or subagent appointed  
37 by the director shall require the applicant to pay a fee of (~~fifteen~~  
38 ~~dollars~~) \$50. (~~The fifteen-dollar fee~~)

1 (a) \$15 of the fee required by this section must be distributed  
2 under RCW 46.68.020.

3 (b) \$35 of the fee required by this section must be deposited in  
4 the move ahead WA account created in section 401 of this act.

5 (2) An applicant is exempt from the (~~fifteen-dollar~~) \$50 fee if  
6 the applicant previously registered the vehicle in Washington state  
7 and maintained ownership of the vehicle while registered in another  
8 state or country.

9 **Sec. 210.** RCW 46.17.400 and 2011 c 171 s 62 are each amended to  
10 read as follows:

11 (1) Before accepting an application for one of the following  
12 permits, the department, county auditor or other agent, or subagent  
13 appointed by the director shall require the applicant to pay the  
14 following permit fee by permit type in addition to any other fee or  
15 tax required by law:

PERMIT TYPE	FEE	AUTHORITY	DISTRIBUTION
(a) Dealer temporary	<del>(\$ 15.00)</del> \$40.00	RCW 46.16A.300	RCW 46.68.030
(b) Department temporary	\$ .50	RCW 46.16A.305	RCW 46.68.450
(c) Farm vehicle trip	\$ 6.25	RCW 46.16A.330	RCW 46.68.035
(d) Nonresident military	\$ 10.00	RCW 46.16A.340	RCW 46.68.070
(e) Nonresident temporary snowmobile	\$ 5.00	RCW 46.10.450	RCW 46.68.350
(f) Special fuel trip	\$ 30.00	RCW 82.38.100	RCW 46.68.460
(g) Temporary ORV use	\$ 7.00	RCW 46.09.430	RCW 46.68.045
(h) Vehicle trip	\$ 25.00	RCW 46.16A.320	RCW 46.68.455

31 (2) Permit fees as provided in subsection (1) of this section are  
32 in addition to the filing fee required under RCW 46.17.005, except an  
33 additional filing fee may not be charged for:

- 34 (a) Dealer temporary permits;  
35 (b) Special fuel trip permits; and  
36 (c) Vehicle trip permits.

1 (3) (~~Five dollars~~) \$5 of the (~~fifteen dollar~~) \$40 dealer  
2 temporary permit fee provided in subsection (1)(a) of this section  
3 must be credited to the payment of vehicle license fees at the time  
4 application for registration is made. \$25 of the \$40 dealer temporary  
5 permit fee provided in subsection (1)(a) of this section must be  
6 deposited in the move ahead WA account created in section 401 of this  
7 act. The remainder must be deposited to the state patrol highway  
8 account created in RCW 46.68.030.

9 **Sec. 211.** RCW 46.20.202 and 2021 c 317 s 21 and 2021 c 158 s 9  
10 are each reenacted and amended to read as follows:

11 (1) The department may enter into a memorandum of understanding  
12 with any federal agency for the purposes of facilitating the crossing  
13 of the border between the state of Washington and the Canadian  
14 province of British Columbia.

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

18 (3)(a) The department may issue an enhanced driver's license or  
19 identicard for the purposes of crossing the border between the state  
20 of Washington and the Canadian province of British Columbia to an  
21 applicant who provides the department with proof of: United States  
22 citizenship, identity, and state residency. The department shall  
23 continue to offer a standard driver's license and identicard. If the  
24 department chooses to issue an enhanced driver's license, the  
25 department must allow each applicant to choose between a standard  
26 driver's license or identicard, or an enhanced driver's license or  
27 identicard.

28 (b) The department shall implement a one-to-many biometric  
29 matching system for the enhanced driver's license or identicard. An  
30 applicant for an enhanced driver's license or identicard shall submit  
31 a biometric identifier as designated by the department. The biometric  
32 identifier must be used solely for the purpose of verifying the  
33 identity of the holders and for any purpose set out in RCW 46.20.037.  
34 Applicants are required to sign a declaration acknowledging their  
35 understanding of the one-to-many biometric match.

36 (c) The enhanced driver's license or identicard must include  
37 reasonable security measures to protect the privacy of Washington  
38 state residents, including reasonable safeguards to protect against  
39 unauthorized disclosure of data about Washington state residents. If

1 the enhanced driver's license or identicard includes a radio  
2 frequency identification chip, or similar technology, the department  
3 shall ensure that the technology is encrypted or otherwise secure  
4 from unauthorized data access.

5 (d) The requirements of this subsection are in addition to the  
6 requirements otherwise imposed on applicants for a driver's license  
7 or identicard. The department shall adopt such rules as necessary to  
8 meet the requirements of this subsection. From time to time the  
9 department shall review technological innovations related to the  
10 security of identity cards and amend the rules related to enhanced  
11 driver's licenses and identicards as the director deems consistent  
12 with this section and appropriate to protect the privacy of  
13 Washington state residents.

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

18 (4) Beginning (~~on July 23, 2017~~) October 1, 2022, the fee for  
19 an enhanced driver's license or enhanced identicard is (~~(thirty-two~~  
20 ~~dollars)~~) \$56, which is in addition to the fees for any regular  
21 driver's license or identicard. If the enhanced driver's license or  
22 enhanced identicard is issued, renewed, or extended for a period  
23 other than eight years, the fee for each class is (~~(four dollars)~~) \$7  
24 for each year that the enhanced driver's license or enhanced  
25 identicard is issued, renewed, or extended.

26 (5) (a) The first \$32 of the enhanced driver's license and  
27 enhanced identicard fee under this section must be deposited into the  
28 highway safety fund unless prior to July 1, 2023, the actions  
29 described in (a) (i) or (~~(b)~~) (ii) of this subsection occur, in  
30 which case the portion of the revenue that is the result of the fee  
31 increased in section 209, chapter 44, Laws of 2015 3rd sp. sess. must  
32 be distributed to the connecting Washington account created under RCW  
33 46.68.395.

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

39 (~~(b)~~) (ii) Any state agency otherwise enacts, adopts, orders,  
40 or in any way implements a fuel standard based upon or defined by the

1 carbon intensity of fuel, including a low carbon fuel standard or  
2 clean fuel standard, without explicit legislative authorization  
3 enacted subsequent to July 1, 2015.

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

10 (b) \$24 of the enhanced driver's license and enhanced identicard  
11 fee under this section must be deposited into the move ahead WA  
12 flexible account created in section 402 of this act. If the enhanced  
13 driver's license or enhanced identicard is issued, renewed, or  
14 extended for a period other than eight years, the amount deposited  
15 into the move ahead WA flexible account created in section 402 of  
16 this act is \$3 for each year that the enhanced driver's license or  
17 enhanced identicard is issued, renewed, or extended.

18 **Sec. 212.** RCW 46.52.130 and 2021 c 93 s 8 are each amended to  
19 read as follows:

20 Upon a proper request, the department may only furnish  
21 information contained in an abstract of a person's driving record as  
22 permitted under this section.

23 (1) **Contents of abstract of driving record.** An abstract of a  
24 person's driving record, whenever possible, must include:

25 (a) An enumeration of motor vehicle accidents in which the person  
26 was driving, including:

27 (i) The total number of vehicles involved;

28 (ii) Whether the vehicles were legally parked or moving;

29 (iii) Whether the vehicles were occupied at the time of the  
30 accident; and

31 (iv) Whether the accident resulted in a fatality;

32 (b) Any reported convictions, forfeitures of bail, or findings  
33 that an infraction was committed based upon a violation of any motor  
34 vehicle law;

35 (c) The status of the person's driving privilege in this state;  
36 and

37 (d) Any reports of failure to appear in response to a traffic  
38 citation or failure to respond to a notice of infraction served upon  
39 the named individual by an arresting officer.

1           (2) **Release of abstract of driving record.** Unless otherwise  
2 required in this section, the release of an abstract does not require  
3 a signed statement by the subject of the abstract. An abstract of a  
4 person's driving record may be furnished to the following persons or  
5 entities:

6           (a) **Named individuals.** (i) An abstract of the full driving record  
7 maintained by the department may be furnished to the individual named  
8 in the abstract.

9           (ii) Nothing in this section prevents a court from providing a  
10 copy of the driver's abstract to the individual named in the abstract  
11 or that named individual's attorney, provided that the named  
12 individual has a pending or open infraction or criminal case in that  
13 court. A pending case includes criminal cases that have not reached a  
14 disposition by plea, stipulation, trial, or amended charge. An open  
15 infraction or criminal case includes cases on probation, payment  
16 agreement or subject to, or in collections. Courts may charge a  
17 reasonable fee for the production and copying of the abstract for the  
18 individual.

19           (b) **Employers or prospective employers.** (i) An abstract of the  
20 full driving record maintained by the department may be furnished to  
21 an employer or prospective employer or agents acting on behalf of an  
22 employer or prospective employer of the named individual for purposes  
23 related to driving by the individual as a condition of employment or  
24 otherwise at the direction of the employer.

25           (ii) The department may provide employers or their agents a  
26 three-year insurance carrier driving record of existing employees  
27 only for the purposes of sharing the driving record with its  
28 insurance carrier for underwriting. Employers may not provide the  
29 employees' full driving records to its insurance carrier.

30           (iii) An abstract of the full driving record maintained by the  
31 department may be furnished to an employer or prospective employer or  
32 the agent(s) acting on behalf of an employer or prospective employer  
33 of the named individual for purposes unrelated to driving by the  
34 individual when a driving record is required by federal or state law,  
35 or the employee or prospective employee will be handling heavy  
36 equipment or machinery.

37           (iv) Release of an abstract of the driving record of an employee  
38 or prospective employee requires a statement signed by: (A) The  
39 employee or prospective employee that authorizes the release of the  
40 record; and (B) the employer attesting that the information is

1 necessary for employment purposes related to driving by the  
2 individual as a condition of employment or otherwise at the direction  
3 of the employer. If the employer or prospective employer authorizes  
4 agents to obtain this information on their behalf, this must be noted  
5 in the statement. The statement must also note that any information  
6 contained in the abstract related to an adjudication that is subject  
7 to a court order sealing the juvenile record of an employee or  
8 prospective employee may not be used by the employer or prospective  
9 employer, or an agent authorized to obtain this information on their  
10 behalf, unless required by federal regulation or law. The employer or  
11 prospective employer must afford the employee or prospective employee  
12 an opportunity to demonstrate that an adjudication contained in the  
13 abstract is subject to a court order sealing the juvenile record.

14 (v) Upon request of the person named in the abstract provided  
15 under this subsection, and upon that same person furnishing copies of  
16 court records ruling that the person was not at fault in a motor  
17 vehicle accident, the department must indicate on any abstract  
18 provided under this subsection that the person was not at fault in  
19 the motor vehicle accident.

20 (vi) No employer or prospective employer, nor any agents of an  
21 employer or prospective employer, may use information contained in  
22 the abstract related to an adjudication that is subject to a court  
23 order sealing the juvenile record of an employee or prospective  
24 employee for any purpose unless required by federal regulation or  
25 law. The employee or prospective employee must furnish a copy of the  
26 court order sealing the juvenile record to the employer or  
27 prospective employer, or the agents of the employer or prospective  
28 employer, as may be required to ensure the application of this  
29 subsection.

30 (c) **Volunteer organizations.** (i) An abstract of the full driving  
31 record maintained by the department may be furnished to a volunteer  
32 organization or an agent for a volunteer organization for which the  
33 named individual has submitted an application for a position that  
34 would require driving by the individual at the direction of the  
35 volunteer organization.

36 (ii) Release of an abstract of the driving record of a  
37 prospective volunteer requires a statement signed by: (A) The  
38 prospective volunteer that authorizes the release of the record; and  
39 (B) the volunteer organization attesting that the information is  
40 necessary for purposes related to driving by the individual at the

1 direction of the volunteer organization. If the volunteer  
2 organization authorizes an agent to obtain this information on their  
3 behalf, this must be noted in the statement.

4 (d) **Transit authorities.** An abstract of the full driving record  
5 maintained by the department may be furnished to an employee or  
6 agents of a transit authority checking prospective or existing  
7 volunteer vanpool drivers for insurance and risk management needs.

8 (e) **Insurance carriers.** (i) An abstract of the driving record  
9 maintained by the department covering the period of not more than the  
10 last three years may be furnished to an insurance company or its  
11 agents:

12 (A) That has motor vehicle or life insurance in effect covering  
13 the named individual;

14 (B) To which the named individual has applied; or

15 (C) That has insurance in effect covering the employer or a  
16 prospective employer of the named individual.

17 (ii) The abstract provided to the insurance company must:

18 (A) Not contain any information related to actions committed by  
19 law enforcement officers or firefighters, as both terms are defined  
20 in RCW 41.26.030, or by Washington state patrol officers, while  
21 driving official vehicles in the performance of their occupational  
22 duty, or by registered tow truck operators as defined in RCW  
23 46.55.010 in the performance of their occupational duties while at  
24 the scene of a roadside impound or recovery so long as they are not  
25 issued a citation. This does not apply to any situation where the  
26 vehicle was used in the commission of a misdemeanor or felony;

27 (B) Include convictions under RCW 46.61.5249 and 46.61.525,  
28 except that the abstract must report the convictions only as  
29 negligent driving without reference to whether they are for first or  
30 second degree negligent driving; and

31 (C) Exclude any deferred prosecution under RCW 10.05.060, except  
32 that if a person is removed from a deferred prosecution under RCW  
33 10.05.090, the abstract must show the deferred prosecution as well as  
34 the removal.

35 (iii) Any policy of insurance may not be canceled, nonrenewed,  
36 denied, or have the rate increased on the basis of information  
37 regarding an accident included in the abstract of a driving record,  
38 unless the policyholder was determined to be at fault.

39 (iv) Any insurance company or its agents, for underwriting  
40 purposes relating to the operation of commercial motor vehicles, may



1 not use any information contained in the abstract relative to any  
2 person's operation of motor vehicles while not engaged in such  
3 employment. Any insurance company or its agents, for underwriting  
4 purposes relating to the operation of noncommercial motor vehicles,  
5 may not use any information contained in the abstract relative to any  
6 person's operation of commercial motor vehicles. For the purposes of  
7 this subsection, "commercial motor vehicle" has the same meaning as  
8 in RCW 46.25.010(6).

9 (f) **Alcohol/drug assessment or treatment agencies.** An abstract of  
10 the driving record maintained by the department covering the period  
11 of not more than the last five years may be furnished to an alcohol/  
12 drug assessment or treatment agency approved by the department of  
13 health to which the named individual has applied or been assigned for  
14 evaluation or treatment, for purposes of assisting employees in  
15 making a determination as to what level of treatment, if any, is  
16 appropriate, except that the abstract must:

17 (i) Also include records of alcohol-related offenses, as defined  
18 in RCW 46.01.260(2), covering a period of not more than the last ten  
19 years; and

20 (ii) Indicate whether an alcohol-related offense was originally  
21 charged as a violation of either RCW 46.61.502 or 46.61.504.

22 (g) **Attorneys—City attorneys, county prosecuting attorneys, and**  
23 **named individual's attorney of record.** An abstract of the full  
24 driving record maintained by the department, including whether a  
25 recorded violation is an alcohol-related offense, as defined in RCW  
26 46.01.260(2), that was originally charged as a violation of either  
27 RCW 46.61.502 or 46.61.504, may be furnished to city attorneys,  
28 county prosecuting attorneys, or the named individual's attorney of  
29 record. City attorneys, county prosecuting attorneys, or the named  
30 individual's attorney of record may provide the driving record to  
31 alcohol/drug assessment or treatment agencies approved by the  
32 department of social and health services to which the named  
33 individual has applied or been assigned for evaluation or treatment.

34 (h) **State colleges, universities, or agencies, or units of local**  
35 **government.** An abstract of the full driving record maintained by the  
36 department may be furnished to (i) state colleges, universities, or  
37 agencies for employment and risk management purposes or (ii) units of  
38 local government authorized to self-insure under RCW 48.62.031, or  
39 their agents, for employment and risk management purposes. "Unit of

1 local government" includes an insurance pool established under RCW  
2 48.62.031.

3 (i) **Superintendent of public instruction.** (i) An abstract of the  
4 full driving record maintained by the department may be furnished to  
5 the superintendent of public instruction for review of public school  
6 bus driver records. The superintendent or superintendent's designee  
7 may discuss information on the driving record with an authorized  
8 representative of the employing school district for employment and  
9 risk management purposes.

10 (ii) The superintendent of public instruction is exempt from  
11 paying the fees related to the reviewing of records and the fee  
12 required in subsection (5) of this section.

13 (j) **State and federal agencies.** An abstract of the driving record  
14 maintained by the department may be furnished to state and federal  
15 agencies, or their agents, in carrying out its functions.

16 (k) **Transportation network companies.** An abstract of the full  
17 driving record maintained by the department may be furnished to a  
18 transportation network company or its agents acting on its behalf of  
19 the named individual for purposes related to driving by the  
20 individual as a condition of being a contracted driver.

21 (l) **Research.** (i) The department may furnish driving record data  
22 to state agencies and bona fide scientific research organizations.  
23 The department may require review and approval by an institutional  
24 review board. For the purposes of this subsection, "research" means a  
25 planned and systematic sociological, psychological, epidemiological,  
26 biomedical, or other scientific investigation carried out by a state  
27 agency, or by a scientific research professional associated with a  
28 bona fide scientific research organization with an objective to  
29 contribute to scientific knowledge, the solution of social and health  
30 problems, or the evaluation of public benefit and service programs.  
31 This definition excludes methods of record analysis and data  
32 collection that are subjective, do not permit replication, and are  
33 not designed to yield reliable and valid results.

34 (ii) The state agency, or a scientific research professional  
35 associated with a bona fide scientific research organization, are  
36 exempt from paying the fees related to the reviewing of records and  
37 the fee required in subsection (5) of this section. However, the  
38 department may charge a cost-recovery fee for the actual cost of  
39 providing the data.

1           (3) **Reviewing of driving records.** (a) In addition to the methods  
2 described herein, the director may enter into a contractual agreement  
3 for the purpose of reviewing the driving records of existing  
4 employees for changes to the record during specified periods of time.  
5 The department shall establish a fee for this service, which must be  
6 deposited in the highway safety fund. The fee for this service must  
7 be set at a level that does not result in a net revenue loss to the  
8 state. Any information provided under this subsection must be treated  
9 in the same manner and is subject to the same restrictions as driving  
10 record abstracts.

11           (b) The department may provide reviewing services to the  
12 following entities:

13           (i) Employers for existing employees, or their agents;

14           (ii) Transit authorities for current vanpool drivers, or their  
15 agents;

16           (iii) Insurance carriers for current policyholders, or their  
17 agents;

18           (iv) State colleges, universities, or agencies, or units of local  
19 government, or their agents;

20           (v) The office of the superintendent of public instruction for  
21 school bus drivers statewide; and

22           (vi) Transportation network companies, or their agents.

23           (4) **Release to third parties prohibited.** (a) Any person or entity  
24 receiving an abstract of a person's driving record under subsection  
25 (2)(b) through (1) of this section shall use the abstract exclusively  
26 for his, her, or its own purposes or as otherwise expressly permitted  
27 under this section, and shall not divulge any information contained  
28 in the abstract to a third party.

29           (b) The following release of records to third parties are hereby  
30 authorized:

31           (i) Employers may divulge driving records to regulatory bodies,  
32 as defined by the department by rule, such as the United States  
33 department of transportation and the federal motor carrier safety  
34 administration.

35           (ii) Employers may divulge a three-year driving record to their  
36 insurance carrier for underwriting purposes.

37           (iii) Employers may divulge driving records to contracted motor  
38 carrier consultants for the purposes of ensuring driver compliance  
39 and risk management.

1           (5) (~~(Fee-)~~) **Fees.** (a) The director shall collect a (~~(thirteen~~  
2 ~~dollar)~~) \$15 fee for each abstract of a person's driving record  
3 furnished by the department. After depositing \$2 of the driver's  
4 abstract fee in the move ahead WA flexible account created in section  
5 402 of this act, the remainder shall be distributed as follows:

6           (i) Fifty percent (~~(of the fee)~~) must be deposited in the highway  
7 safety fund(~~(7)~~); and (~~(fifty)~~)

8           (ii) Fifty percent (~~(of the fee)~~) must be deposited according to  
9 RCW 46.68.038.

10           (b) Beginning July 1, 2029, the director shall collect an  
11 additional \$2 fee for each abstract of a person's driving record  
12 furnished by the department. The \$2 additional driver's abstract fee  
13 must be deposited in the move ahead WA flexible account created in  
14 section 402 of this act.

15           (6) **Violation.** (a) Any negligent violation of this section is a  
16 gross misdemeanor.

17           (b) Any intentional violation of this section is a class C  
18 felony.

19           (7) Effective July 1, 2019, the contents of a driving abstract  
20 pursuant to this section shall not include any information related to  
21 sealed juvenile records unless that information is required by  
22 federal law or regulation.

23           **Sec. 213.** RCW 46.17.015 and 2010 c 161 s 502 are each amended to  
24 read as follows:

25           (1) A person who applies for a vehicle registration or for any  
26 other right to operate a vehicle on the highways of this state shall  
27 pay a (~~(twenty-five)~~) 25 cent license plate technology fee in  
28 addition to any other fees and taxes required by law. The license  
29 plate technology fee must be distributed under RCW 46.68.370.

30           (2) A vehicle registered under RCW 46.16A.455 or 46.17.330 is not  
31 subject to the license plate technology fee, except for a vehicle  
32 registered under RCW 46.16A.455(3).

33           (3) The revenue from the license plate technology fee imposed on  
34 vehicles registered under RCW 46.16A.455(3) must be deposited in the  
35 move ahead WA account created in section 401 of this act.

36           **Sec. 214.** RCW 46.17.025 and 2010 c 161 s 503 are each amended to  
37 read as follows:

1 (1) A person who applies for a vehicle registration or for any  
2 other right to operate a vehicle on the highways of this state shall  
3 pay a (~~fifty~~) 50 cent license service fee in addition to any other  
4 fees and taxes required by law. The license service fee must be  
5 distributed under RCW 46.68.220.

6 (2) A vehicle registered under RCW 46.16A.455 or 46.17.330 is not  
7 subject to the license service fee, except for a vehicle registered  
8 under RCW 46.16A.455(3).

9 (3) The revenue from the license service fee imposed on vehicles  
10 registered under RCW 46.16A.455(3) must be deposited in the move  
11 ahead WA account created in section 401 of this act.

12 **Sec. 215.** RCW 46.20.200 and 2012 c 80 s 10 are each amended to  
13 read as follows:

14 (1) If an instruction permit, identicard, or a driver's license  
15 is lost or destroyed, the person to whom it was issued may obtain a  
16 duplicate of it upon furnishing proof of such fact satisfactory to  
17 the department and payment of a fee of (~~twenty dollars~~) \$20 to the  
18 department.

19 (2) A replacement permit, identicard, or driver's license may be  
20 obtained to change or correct material information upon payment of a  
21 fee of (~~ten dollars~~) \$20 and surrender of the permit, identicard,  
22 or driver's license being replaced.

23 **Sec. 216.** RCW 46.68.041 and 2020 c 330 s 18 are each amended to  
24 read as follows:

25 (1) Except as provided in (~~subsection~~) subsections (2) and (3)  
26 of this section, the department (~~shall~~) must forward all funds  
27 accruing under the provisions of chapter 46.20 RCW together with a  
28 proper identifying, detailed report to the state treasurer who  
29 (~~shall~~) must deposit such moneys to the credit of the highway  
30 safety fund.

31 (2) Fifty-six percent of each fee collected by the department  
32 under RCW 46.20.311 (1)(e)(ii), (2)(b)(ii), and (3)(b) (~~shall~~) must  
33 be deposited in the impaired driving safety account.

34 (3) Fifty percent of the revenue from the fees imposed under RCW  
35 46.20.200(2) must be deposited in the move ahead WA flexible account  
36 created in section 402 of this act.

1       **Sec. 217.** RCW 46.70.180 and 2017 c 41 s 1 are each amended to  
2 read as follows:

3       Each of the following acts or practices is unlawful:

4       (1) To cause or permit to be advertised, printed, displayed,  
5 published, distributed, broadcasted, televised, or disseminated in  
6 any manner whatsoever, any statement or representation with regard to  
7 the sale, lease, or financing of a vehicle which is false, deceptive,  
8 or misleading, including but not limited to the following:

9       (a) That no down payment is required in connection with the sale  
10 of a vehicle when a down payment is in fact required, or that a  
11 vehicle may be purchased for a smaller down payment than is actually  
12 required;

13       (b) That a certain percentage of the sale price of a vehicle may  
14 be financed when such financing is not offered in a single document  
15 evidencing the entire security transaction;

16       (c) That a certain percentage is the amount of the service charge  
17 to be charged for financing, without stating whether this percentage  
18 charge is a monthly amount or an amount to be charged per year;

19       (d) That a new vehicle will be sold for a certain amount above or  
20 below cost without computing cost as the exact amount of the factory  
21 invoice on the specific vehicle to be sold;

22       (e) That a vehicle will be sold upon a monthly payment of a  
23 certain amount, without including in the statement the number of  
24 payments of that same amount which are required to liquidate the  
25 unpaid purchase price.

26       (2) (a) (i) To incorporate within the terms of any purchase and  
27 sale or lease agreement any statement or representation with regard  
28 to the sale, lease, or financing of a vehicle which is false,  
29 deceptive, or misleading, including but not limited to terms that  
30 include as an added cost to the selling price or capitalized cost of  
31 a vehicle an amount for licensing or transfer of title of that  
32 vehicle which is not actually due to the state, unless such amount  
33 has in fact been paid by the dealer prior to such sale.

34       (ii) However, an amount not to exceed (~~one hundred fifty~~  
35 ~~dollars~~) \$200 per vehicle sale or lease may be charged by a dealer  
36 to recover administrative costs for collecting motor vehicle excise  
37 taxes, licensing and registration fees and other agency fees,  
38 verifying and clearing titles, transferring titles, perfecting,  
39 releasing, or satisfying liens or other security interests, and other  
40 administrative and documentary services rendered by a dealer in

1 connection with the sale or lease of a vehicle and in carrying out  
2 the requirements of this chapter or any other provisions of state  
3 law.

4 (b) A dealer may charge the documentary service fee in (a) of  
5 this subsection under the following conditions:

6 (i) The documentary service fee is disclosed in writing to a  
7 prospective purchaser or lessee before the execution of a purchase  
8 and sale or lease agreement;

9 (ii) The dealer discloses to the purchaser or lessee in writing  
10 that the documentary service fee is a negotiable fee. The disclosure  
11 must be written in a typeface that is at least as large as the  
12 typeface used in the standard text of the document that contains the  
13 disclosure and that is bold faced, capitalized, underlined, or  
14 otherwise set out from the surrounding material so as to be  
15 conspicuous. The dealer shall not represent to the purchaser or  
16 lessee that the fee or charge is required by the state to be paid by  
17 either the dealer or prospective purchaser or lessee;

18 (iii) The documentary service fee is separately designated from  
19 the selling price or capitalized cost of the vehicle and from any  
20 other taxes, fees, or charges; and

21 (iv) Dealers disclose in any advertisement that a documentary  
22 service fee in an amount up to (~~one hundred fifty dollars~~) \$200 may  
23 be added to the sale price or the capitalized cost.

24 For the purposes of this subsection (2), the term "documentary  
25 service fee" means the optional amount charged by a dealer to provide  
26 the services specified in (a) of this subsection.

27 (3) To set up, promote, or aid in the promotion of a plan by  
28 which vehicles are to be sold or leased to a person for a  
29 consideration and upon further consideration that the purchaser or  
30 lessee agrees to secure one or more persons to participate in the  
31 plan by respectively making a similar purchase and in turn agreeing  
32 to secure one or more persons likewise to join in said plan, each  
33 purchaser or lessee being given the right to secure money, credits,  
34 goods, or something of value, depending upon the number of persons  
35 joining the plan.

36 (4) To commit, allow, or ratify any act of "bushing" which is  
37 defined as follows: Entering into a written contract, written  
38 purchase order or agreement, retail installment sales agreement, note  
39 and security agreement, or written lease agreement, hereinafter

1 collectively referred to as contract or lease, signed by the  
2 prospective buyer or lessee of a vehicle, which:

3 (a) Is subject to any conditions or the dealer's or his or her  
4 authorized representative's future acceptance, and the dealer fails  
5 or refuses within the "bushing" period, which is four calendar days,  
6 exclusive of Saturday, Sunday, or legal holiday, and prior to any  
7 further negotiations with said buyer or lessee to inform the buyer or  
8 lessee either: (i) That the dealer unconditionally accepts the  
9 contract or lease, having satisfied, removed, or waived all  
10 conditions to acceptance or performance, including, but not limited  
11 to, financing, assignment, or lease approval; or (ii) that the dealer  
12 rejects the contract or lease, thereby automatically voiding the  
13 contract or lease, as long as such voiding does not negate  
14 commercially reasonable contract or lease provisions pertaining to  
15 the return of the subject vehicle and any physical damage, excessive  
16 mileage after the demand for return of the vehicle, and attorneys'  
17 fees authorized by law, and tenders the refund of any initial payment  
18 or security made or given by the buyer or lessee, including, but not  
19 limited to, any down payment, and tenders return of the trade-in  
20 vehicle, key, other trade-in, or certificate of title to a trade-in.  
21 Tender may be conditioned on return of the subject vehicle if  
22 previously delivered to the buyer or lessee.

23 The provisions of this subsection (4)(a) do not impair,  
24 prejudice, or abrogate the rights of a dealer to assert a claim  
25 against the buyer or lessee for misrepresentation or breach of  
26 contract and to exercise all remedies available at law or in equity,  
27 including those under chapter 62A.9A RCW, if the dealer, bank, or  
28 other lender or leasing company discovers that approval of the  
29 contract or financing or approval of the lease was based upon  
30 material misrepresentations made by the buyer or lessee, including,  
31 but not limited to, misrepresentations regarding income, employment,  
32 or debt of the buyer or lessee, as long as the dealer, or his or her  
33 staff, has not, with knowledge of the material misrepresentation,  
34 aided, assisted, encouraged, or participated, directly or indirectly,  
35 in the misrepresentation. A dealer shall not be in violation of this  
36 subsection (4)(a) if the buyer or lessee made a material  
37 misrepresentation to the dealer, as long as the dealer, or his or her  
38 staff, has not, with knowledge of the material misrepresentation,  
39 aided, assisted, encouraged, or participated, directly or indirectly,  
40 in the misrepresentation.



1 A dealer may inform a buyer or lessee under this subsection  
2 (4)(a) regarding the unconditional acceptance or rejection of the  
3 contract, lease, or financing by sending an email message to the  
4 buyer's or lessee's supplied email address, by phone call, by leaving  
5 a voice message or sending a text message to a phone number provided  
6 by the buyer or lessee, by in-person oral communication, by mailing a  
7 letter by first-class mail if the buyer or lessee expresses a  
8 preference for a letter or declines to provide an email address and a  
9 phone number capable of receiving a free text message, or by another  
10 means agreed to by the buyer or lessee or approved by the department,  
11 effective upon the execution, mailing, or sending of the  
12 communication and before expiration of the "bushing" period;

13 (b) Permits the dealer to renegotiate a dollar amount specified  
14 as trade-in allowance on a vehicle delivered or to be delivered by  
15 the buyer or lessee as part of the purchase price or lease, for any  
16 reason except:

17 (i) Failure to disclose that the vehicle's certificate of title  
18 has been branded for any reason, including, but not limited to,  
19 status as a rebuilt vehicle as provided in RCW 46.12.540 and  
20 46.12.560; or

21 (ii) Substantial physical damage or latent mechanical defect  
22 occurring before the dealer took possession of the vehicle and which  
23 could not have been reasonably discoverable at the time of the taking  
24 of the order, offer, or contract; or

25 (iii) Excessive additional miles or a discrepancy in the mileage.  
26 "Excessive additional miles" means the addition of (~~five hundred~~)  
27 500 miles or more, as reflected on the vehicle's odometer, between  
28 the time the vehicle was first valued by the dealer for purposes of  
29 determining its trade-in value and the time of actual delivery of the  
30 vehicle to the dealer. "A discrepancy in the mileage" means (A) a  
31 discrepancy between the mileage reflected on the vehicle's odometer  
32 and the stated mileage on the signed odometer statement; or (B) a  
33 discrepancy between the mileage stated on the signed odometer  
34 statement and the actual mileage on the vehicle; or

35 (c) Fails to comply with the obligation of any written warranty  
36 or guarantee given by the dealer requiring the furnishing of services  
37 or repairs within a reasonable time.

38 (5) To commit any offense relating to odometers, as such offenses  
39 are defined in RCW 46.37.540, 46.37.550, 46.37.560, and 46.37.570. A

1 violation of this subsection is a class C felony punishable under  
2 chapter 9A.20 RCW.

3 (6) For any vehicle dealer or vehicle salesperson to refuse to  
4 furnish, upon request of a prospective purchaser or lessee, for  
5 vehicles previously registered to a business or governmental entity,  
6 the name and address of the business or governmental entity.

7 (7) To commit any other offense under RCW 46.37.423, 46.37.424,  
8 or 46.37.425.

9 (8) To commit any offense relating to a dealer's temporary  
10 license permit, including but not limited to failure to properly  
11 complete each such permit, or the issuance of more than one such  
12 permit on any one vehicle. However, a dealer may issue a second  
13 temporary permit on a vehicle if the following conditions are met:

14 (a) The lienholder fails to deliver the vehicle title to the  
15 dealer within the required time period;

16 (b) The dealer has satisfied the lien; and

17 (c) The dealer has proof that payment of the lien was made within  
18 two calendar days, exclusive of Saturday, Sunday, or a legal holiday,  
19 after the sales contract has been executed by all parties and all  
20 conditions and contingencies in the sales contract have been met or  
21 otherwise satisfied.

22 (9) For a dealer, salesperson, or mobile home manufacturer,  
23 having taken an instrument or cash "on deposit" from a purchaser or  
24 lessee prior to the delivery of the bargained-for vehicle, to  
25 commingle the "on deposit" funds with assets of the dealer,  
26 salesperson, or mobile home manufacturer instead of holding the "on  
27 deposit" funds as trustee in a separate trust account until the  
28 purchaser or lessee has taken delivery of the bargained-for vehicle.  
29 Delivery of a manufactured home shall be deemed to occur in  
30 accordance with RCW 46.70.135(5). Failure, immediately upon receipt,  
31 to endorse "on deposit" instruments to such a trust account, or to  
32 set aside "on deposit" cash for deposit in such trust account, and  
33 failure to deposit such instruments or cash in such trust account by  
34 the close of banking hours on the day following receipt thereof,  
35 shall be evidence of intent to commit this unlawful practice:  
36 PROVIDED, HOWEVER, That a motor vehicle dealer may keep a separate  
37 trust account which equals his or her customary total customer  
38 deposits for vehicles for future delivery. For purposes of this  
39 section, "on deposit" funds received from a purchaser of a  
40 manufactured home means those funds that a seller requires a

1 purchaser to advance before ordering the manufactured home, but does  
2 not include any loan proceeds or moneys that might have been paid on  
3 an installment contract.

4 (10) For a dealer or manufacturer to fail to comply with the  
5 obligations of any written warranty or guarantee given by the dealer  
6 or manufacturer requiring the furnishing of goods and services or  
7 repairs within a reasonable period of time, or to fail to furnish to  
8 a purchaser or lessee, all parts which attach to the manufactured  
9 unit including but not limited to the undercarriage, and all items  
10 specified in the terms of a sales or lease agreement signed by the  
11 seller and buyer or lessee.

12 (11) For a vehicle dealer to pay to or receive from any person,  
13 firm, partnership, association, or corporation acting, either  
14 directly or through a subsidiary, as a buyer's agent for consumers,  
15 any compensation, fee, purchase moneys or funds that have been  
16 deposited into or withdrawn out of any account controlled or used by  
17 any buyer's agent, gratuity, or reward in connection with the  
18 purchase, sale, or lease of a new motor vehicle.

19 (12) For a buyer's agent, acting directly or through a  
20 subsidiary, to pay to or to receive from any motor vehicle dealer any  
21 compensation, fee, gratuity, or reward in connection with the  
22 purchase, sale, or lease of a new motor vehicle. In addition, it is  
23 unlawful for any buyer's agent to engage in any of the following acts  
24 on behalf of or in the name of the consumer:

25 (a) Receiving or paying any purchase moneys or funds into or out  
26 of any account controlled or used by any buyer's agent;

27 (b) Signing any vehicle purchase orders, sales contracts, leases,  
28 odometer statements, or title documents, or having the name of the  
29 buyer's agent appear on the vehicle purchase order, sales contract,  
30 lease, or title; or

31 (c) Signing any other documentation relating to the purchase,  
32 sale, lease, or transfer of any new motor vehicle.

33 It is unlawful for a buyer's agent to use a power of attorney  
34 obtained from the consumer to accomplish or effect the purchase,  
35 sale, lease, or transfer of ownership documents of any new motor  
36 vehicle by any means which would otherwise be prohibited under (a)  
37 through (c) of this subsection. However, the buyer's agent may use a  
38 power of attorney for physical delivery of motor vehicle license  
39 plates to the consumer.

1 Further, it is unlawful for a buyer's agent to engage in any  
2 false, deceptive, or misleading advertising, disseminated in any  
3 manner whatsoever, including but not limited to making any claim or  
4 statement that the buyer's agent offers, obtains, or guarantees the  
5 lowest price on any motor vehicle or words to similar effect.

6 (13) For a buyer's agent to arrange for or to negotiate the  
7 purchase, or both, of a new motor vehicle through an out-of-state  
8 dealer without disclosing in writing to the customer that the new  
9 vehicle would not be subject to chapter 19.118 RCW. This subsection  
10 also applies to leased vehicles. In addition, it is unlawful for any  
11 buyer's agent to fail to have a written agreement with the customer  
12 that: (a) Sets forth the terms of the parties' agreement; (b)  
13 discloses to the customer the total amount of any fees or other  
14 compensation being paid by the customer to the buyer's agent for the  
15 agent's services; and (c) further discloses whether the fee or any  
16 portion of the fee is refundable.

17 (14) Being a manufacturer, other than a motorcycle manufacturer  
18 governed by chapter 46.93 RCW, to:

19 (a) Coerce or attempt to coerce any vehicle dealer to order or  
20 accept delivery of any vehicle or vehicles, parts or accessories, or  
21 any other commodities which have not been voluntarily ordered by the  
22 vehicle dealer: PROVIDED, That recommendation, endorsement,  
23 exposition, persuasion, urging, or argument are not deemed to  
24 constitute coercion;

25 (b) Cancel or fail to renew the franchise or selling agreement of  
26 any vehicle dealer doing business in this state without fairly  
27 compensating the dealer at a fair going business value for his or her  
28 capital investment which shall include but not be limited to tools,  
29 equipment, and parts inventory possessed by the dealer on the day he  
30 or she is notified of such cancellation or termination and which are  
31 still within the dealer's possession on the day the cancellation or  
32 termination is effective, if: (i) The capital investment has been  
33 entered into with reasonable and prudent business judgment for the  
34 purpose of fulfilling the franchise; and (ii) the cancellation or  
35 nonrenewal was not done in good faith. Good faith is defined as the  
36 duty of each party to any franchise to act in a fair and equitable  
37 manner towards each other, so as to guarantee one party freedom from  
38 coercion, intimidation, or threats of coercion or intimidation from  
39 the other party: PROVIDED, That recommendation, endorsement,

1 exposition, persuasion, urging, or argument are not deemed to  
2 constitute a lack of good faith;

3 (c) Encourage, aid, abet, or teach a vehicle dealer to sell or  
4 lease vehicles through any false, deceptive, or misleading sales or  
5 financing practices including but not limited to those practices  
6 declared unlawful in this section;

7 (d) Coerce or attempt to coerce a vehicle dealer to engage in any  
8 practice forbidden in this section by either threats of actual  
9 cancellation or failure to renew the dealer's franchise agreement;

10 (e) Refuse to deliver any vehicle publicly advertised for  
11 immediate delivery to any duly licensed vehicle dealer having a  
12 franchise or contractual agreement for the retail sale or lease of  
13 new and unused vehicles sold or distributed by such manufacturer  
14 within sixty days after such dealer's order has been received in  
15 writing unless caused by inability to deliver because of shortage or  
16 curtailment of material, labor, transportation, or utility services,  
17 or by any labor or production difficulty, or by any cause beyond the  
18 reasonable control of the manufacturer;

19 (f) To provide under the terms of any warranty that a purchaser  
20 or lessee of any new or unused vehicle that has been sold or leased,  
21 distributed for sale or lease, or transferred into this state for  
22 resale or lease by the vehicle manufacturer may only make any  
23 warranty claim on any item included as an integral part of the  
24 vehicle against the manufacturer of that item.

25 Nothing in this section may be construed to impair the  
26 obligations of a contract or to prevent a manufacturer, distributor,  
27 representative, or any other person, whether or not licensed under  
28 this chapter, from requiring performance of a written contract  
29 entered into with any licensee hereunder, nor does the requirement of  
30 such performance constitute a violation of any of the provisions of  
31 this section if any such contract or the terms thereof requiring  
32 performance, have been freely entered into and executed between the  
33 contracting parties. This paragraph and subsection (14)(b) of this  
34 section do not apply to new motor vehicle manufacturers governed by  
35 chapter 46.96 RCW.

36 (15) Unlawful transfer of an ownership interest in a motor  
37 vehicle as defined in RCW 19.116.050.

38 (16) To knowingly and intentionally engage in collusion with a  
39 registered owner of a vehicle to repossess and return or resell the  
40 vehicle to the registered owner in an attempt to avoid a suspended

1 license impound under chapter 46.55 RCW. However, compliance with  
2 chapter 62A.9A RCW in repossessing, selling, leasing, or otherwise  
3 disposing of the vehicle, including providing redemption rights to  
4 the debtor, is not a violation of this section.

5 (17)(a) For a dealer to enter into a new motor vehicle sales  
6 contract without disclosing in writing to a buyer of the new motor  
7 vehicle, or to a dealer in the case of an unregistered motor vehicle,  
8 any known damage and repair to the new motor vehicle if the damage  
9 exceeds five percent of the manufacturer's suggested retail price as  
10 calculated at the dealer's authorized warranty rate for labor and  
11 parts, or (~~one thousand dollars~~) \$1,000, whichever amount is  
12 greater. A manufacturer or new motor vehicle dealer is not required  
13 to disclose to a dealer or buyer that glass, tires, bumpers, or  
14 cosmetic parts of a new motor vehicle were damaged at any time if the  
15 damaged item has been replaced with original or comparable equipment.  
16 A replaced part is not part of the cumulative damage required to be  
17 disclosed under this subsection.

18 (b) A manufacturer is required to provide the same disclosure to  
19 a dealer of any known damage or repair as required in (a) of this  
20 subsection.

21 (c) If disclosure of any known damage or repair is not required  
22 under this section, a buyer may not revoke or rescind a sales  
23 contract due to the fact that the new motor vehicle was damaged and  
24 repaired before completion of the sale.

25 (d) As used in this section:

26 (i) "Cosmetic parts" means parts that are attached by and can be  
27 replaced in total through the use of screws, bolts, or other  
28 fasteners without the use of welding or thermal cutting, and includes  
29 windshields, bumpers, hoods, or trim panels.

30 (ii) "Manufacturer's suggested retail price" means the retail  
31 price of the new motor vehicle suggested by the manufacturer, and  
32 includes the retail delivered price suggested by the manufacturer for  
33 each accessory or item of optional equipment physically attached to  
34 the new motor vehicle at the time of delivery to the new motor  
35 vehicle dealer that is not included within the retail price suggested  
36 by the manufacturer for the new motor vehicle.

37 **Part III**

38 **General Fund and Other Related Support**

1       **Sec. 301.** RCW 82.32.385 and 2020 c 219 s 703 are each amended to  
2 read as follows:

3       (1) Beginning September 2019 and ending December 2019, by the  
4 last day of September and December, the state treasurer must transfer  
5 from the general fund to the connecting Washington account created in  
6 RCW 46.68.395 (~~(thirteen million six hundred eighty thousand~~  
7 ~~dollars)) \$13,680,000.~~

8       (2) Beginning March 2020 and ending June 2021, by the last day of  
9 September, December, March, and June of each year, the state  
10 treasurer must transfer from the general fund to the multimodal  
11 transportation account created in RCW 47.66.070 (~~(thirteen million~~  
12 ~~six hundred eighty thousand dollars)) \$13,680,000.~~

13       (3) Beginning September 2021 and ending June 2023, by the last  
14 day of September, December, March, and June of each year, the state  
15 treasurer must transfer from the general fund to the connecting  
16 Washington account created in RCW 46.68.395 (~~(thirteen million eight~~  
17 ~~hundred five thousand dollars)) \$13,805,000.~~

18       (4) Beginning September 2023 and ending June 2025, by the last  
19 day of September, December, March, and June of each year, the state  
20 treasurer must transfer from the general fund to the connecting  
21 Washington account created in RCW 46.68.395 (~~(thirteen million nine~~  
22 ~~hundred eighty seven thousand dollars)) \$13,987,000.~~

23       (5) Beginning September 2025 and ending June 2027, by the last  
24 day of September, December, March, and June of each year, the state  
25 treasurer must transfer from the general fund to the connecting  
26 Washington account created in RCW 46.68.395 (~~(eleven million six~~  
27 ~~hundred fifty eight thousand dollars)) \$11,658,000.~~

28       (6) Beginning September 2027 and ending June 2029, by the last  
29 day of September, December, March, and June of each year, the state  
30 treasurer must transfer from the general fund to the connecting  
31 Washington account created in RCW 46.68.395 (~~(seven million five~~  
32 ~~hundred sixty four thousand dollars)) \$7,564,000.~~

33       (7) Beginning September 2029 and ending June 2031, by the last  
34 day of September, December, March, and June of each year, the state  
35 treasurer must transfer from the general fund to the connecting  
36 Washington account created in RCW 46.68.395 (~~(four million fifty six~~  
37 ~~thousand dollars)) \$4,056,000.~~

38       (8) For fiscal year 2026 through fiscal year 2038, the state  
39 treasurer must transfer from the general fund to the move ahead WA  
40 flexible account created in section 402 of this act \$31,000,000 each

1 fiscal year in four equal quarterly transfers. This amount represents  
2 the estimated state sales and use tax generated from new  
3 transportation projects and activities funded as a result of this  
4 act.

5 **Sec. 302.** RCW 82.08.993 and 2021 c 171 s 2 are each amended to  
6 read as follows:

7 (1)(a) Subject to the limitations in this subsection, beginning  
8 July 1, 2022, with sales made or lease agreements signed on or after  
9 this date until the expiration of this section, (~~fifty~~) 50 percent  
10 of the tax levied by RCW 82.08.020 does not apply to sales or leases  
11 of new electric passenger cars, light duty trucks, and medium duty  
12 passenger vehicles, that are powered by a fuel cell.

13 (b)(i) By the end of the fifth working day of each month, until  
14 the expiration of the exemption as described in (c) of this  
15 subsection, the department must determine the cumulative number of  
16 vehicles that have claimed the exemption as described in (a) of this  
17 subsection.

18 (ii) The department of licensing must collect and provide, upon  
19 request, information in a form or manner as required by the  
20 department to determine the number of exemptions that have been  
21 claimed.

22 (c) The exemption under this section expires after the last day  
23 of the calendar month immediately following the month the department  
24 determines that the total number of vehicles exempt under (a) of this  
25 subsection reaches 650. All leased vehicles that qualified for the  
26 exemption before the expiration of the exemption must continue to  
27 receive the exemption as described under (a) of this subsection on  
28 lease payments due through the remainder of the lease.

29 (d) The department must provide notification on its website  
30 monthly on the amount of exemptions that have been applied for, the  
31 amount issued, and the amount remaining before the limit described in  
32 (c) of this subsection has been reached, and, once that limit has  
33 been reached, the date the exemption expires pursuant to (c) of this  
34 subsection.

35 (e) A person may not claim the exemption under this subsection if  
36 the person claims the exemption under RCW 82.08.9999 or 82.12.9999.

37 (f) The per vehicle exemption must be based on the sales price  
38 for purchased vehicles and fair market value at the inception of the  
39 lease for leased vehicles.



1 (2) (a) Subject to the limitations in this subsection (2),  
2 beginning July 1, 2022, with sales made or lease agreements signed on  
3 or after this date until the expiration of this section, the entire  
4 tax levied by RCW 82.08.020 does not apply to the sale or lease of  
5 used electric passenger cars, light duty trucks, and medium duty  
6 passenger vehicles, that are powered by a fuel cell.

7 (b) The per vehicle exemption must be based on the sales price  
8 for purchased vehicles and fair market value at the inception of the  
9 lease for leased vehicles. However, the maximum value amount eligible  
10 for the exemption under (a) of this subsection is the lesser of  
11 either (~~sixteen thousand dollars~~) \$16,000 or the fair market value  
12 of the vehicle.

13 (c) A person may not claim the exemption under this subsection  
14 (2) if the person claims the exemption under RCW 82.08.9999 or  
15 82.12.9999.

16 (3) (a) For qualifying vehicles sold by a person licensed to do  
17 business in the state of Washington, the seller must keep records  
18 necessary for the department to verify eligibility under this  
19 section. The seller reporting the exemption must also submit itemized  
20 information to the department for all vehicles for which an exemption  
21 is claimed that must include the following: Vehicle make; vehicle  
22 model; model year; whether the vehicle has been sold or leased; date  
23 of sale or start date of lease; length of lease; sales price for  
24 purchased vehicles and fair market value at the inception of the  
25 lease for leased vehicles; and the total amount qualifying for the  
26 incentive claimed for each vehicle, in addition to the future monthly  
27 amount to be claimed for each leased vehicle. This information must  
28 be provided in a form and manner prescribed by the department.

29 (b) For vehicles purchased from (i) a seller that is not licensed  
30 to do business in the state of Washington, or (ii) a private party,  
31 the buyer must keep records necessary for the department to verify  
32 eligibility under this section. The buyer claiming the exemption must  
33 also submit itemized information to the department for all vehicles  
34 for which an exemption is claimed that must include the following:  
35 Vehicle make; vehicle model; model year; date of sale; sales price;  
36 and the total amount qualifying for the incentive claimed for each  
37 vehicle. This information must be provided in a form and manner  
38 prescribed by the department.

39 (4) (a) The department of licensing must maintain and publish a  
40 list of all vehicle models qualifying for the tax exemptions under

1 this section and RCW 82.12.817 until the expiration of this section,  
2 and is authorized to issue final rulings on vehicle model  
3 qualification for these criteria.

4 (b) The department of revenue retains responsibility for  
5 determining whether a vehicle meets the applicable qualifying  
6 criterion under subsections (1) and (2) of this section.

7 ~~(5) ((On the last day of July, October, January, and April of  
8 each year, the state treasurer, based upon information provided by  
9 the department, must transfer from the electric vehicle account to  
10 the general fund a sum equal to the dollar amount that would  
11 otherwise have been deposited into the general fund during the prior  
12 fiscal quarter but for the exemptions provided in this section.  
13 Information provided by the department to the state treasurer must be  
14 based on the best available data, except that the department may  
15 provide estimates of taxes exempted under this section until such  
16 time as retailers are able to report such exempted amounts on their  
17 tax returns.~~

18 ~~(6))~~ By the last day of August 2023, and annually thereafter  
19 until this section expires, based on the best available data, the  
20 department must report the following information to the  
21 transportation committees of the legislature: The cumulative number  
22 of fuel cell electric vehicles that qualified for the exemptions  
23 under this section and RCW 82.12.817 by month of purchase or lease  
24 start and vehicle make and model; the dollar amount of all state  
25 retail sales and use taxes exempted on or after the qualification  
26 period start date, under this section and RCW 82.12.817; and  
27 estimates of the future costs of leased vehicles that qualified for  
28 the exemptions under this section and RCW 82.12.817.

29 ~~((7))~~ (6)(a) Sales of vehicles delivered to the buyer after the  
30 expiration of this section, or leased vehicles for which the lease  
31 agreement was signed after the expiration of this section, do not  
32 qualify for the exemptions under this section.

33 (b) All leased vehicles that qualified for the exemption under  
34 this section before the expiration of this section must continue to  
35 receive the exemption on any lease payments due through the remainder  
36 of the lease.

37 ~~((8))~~ (7) For the purposes of this section:

38 (a) "Fair market value" has the same meaning as "value of the  
39 article used" in RCW 82.12.010.

1 (b) "Fuel cell" means a technology that uses an electrochemical  
2 reaction to generate electric energy by combining atoms of hydrogen  
3 and oxygen in the presence of a catalyst.

4 (c) "New vehicle" has the same meaning as "new motor vehicle" in  
5 RCW 46.04.358.

6 (d) "Selling price" and "sales price" have the same meaning as in  
7 RCW 82.08.010.

8 (e) "Used vehicle" has the same meaning as in RCW 46.04.660.

9 (~~(9)~~) (8) This section expires June 30, 2029.

10 **Sec. 303.** RCW 82.12.817 and 2021 c 171 s 3 are each amended to  
11 read as follows:

12 (1) Subject to the limitations in this subsection and RCW  
13 82.08.993(1)(c), beginning July 1, 2022, with sales made or lease  
14 agreements signed on or after this date until the expiration of this  
15 section, (~~(fifty)~~) 50 percent of the tax levied by RCW 82.12.020 does  
16 not apply to sales or leases of new electric passenger cars, light  
17 duty trucks, and medium duty passenger vehicles, that are powered by  
18 a fuel cell.

19 (2)(a) Subject to the limitations in this subsection (2),  
20 beginning July 1, 2022, with sales made or lease agreements signed on  
21 or after this date until the expiration of this section, the entire  
22 tax levied by RCW 82.12.020 does not apply to the sale or lease of  
23 used electric passenger cars, light duty trucks, and medium duty  
24 passenger vehicles, that are powered by a fuel cell.

25 (b) The per vehicle exemption must be based on the sales price  
26 for purchased vehicles and fair market value at the inception of the  
27 lease for leased vehicles. However, the maximum value amount eligible  
28 for the exemption under (a) of this subsection is the lesser of  
29 either (~~(sixteen thousand dollars)~~) \$16,000 or the fair market value  
30 of the vehicle.

31 (c) A person may not claim the exemption under this subsection  
32 (2) if the person claims the exemption under RCW 82.08.9999 or  
33 82.12.9999.

34 (3) The buyer must keep records necessary for the department to  
35 verify eligibility under this section. The buyer claiming the  
36 exemption must also submit itemized information to the department for  
37 all vehicles for which an exemption is claimed that must include the  
38 following: Vehicle make; vehicle model; model year; whether the  
39 vehicle has been sold or leased; date of sale or start date of lease;

1 length of lease; sales price for purchased vehicles and fair market  
2 value at the inception of the lease for leased vehicles; and the  
3 total amount qualifying for the incentive claimed for each vehicle,  
4 in addition to the future monthly amount to be claimed for each  
5 leased vehicle. This information must be provided in a form and  
6 manner prescribed by the department.

7 ~~(4) ((On the last day of July, October, January, and April of~~  
8 ~~each year, the state treasurer, based upon information provided by~~  
9 ~~the department, must transfer from the electric vehicle account to~~  
10 ~~the general fund a sum equal to the dollar amount that would~~  
11 ~~otherwise have been deposited into the general fund during the prior~~  
12 ~~fiscal quarter but for the exemptions provided in this section.~~  
13 ~~Information provided by the department to the state treasurer must be~~  
14 ~~based on the best available data.~~

15 ~~(5))~~ (a) Sales of vehicles delivered to the buyer after the  
16 expiration of this section, or leased vehicles for which the lease  
17 agreement was signed after the expiration of this section, do not  
18 qualify for the exemptions under this section.

19 (b) All leased vehicles that qualified for the exemption under  
20 this section before the expiration of this section must continue to  
21 receive the exemption on any lease payments due through the remainder  
22 of the lease.

23 ~~((6))~~ (5) The definitions in RCW 82.08.993 apply to this  
24 section.

25 ~~((7))~~ (6) This section expires June 30, 2029.

26 **Sec. 304.** RCW 82.08.9999 and 2021 c 145 s 13 are each amended to  
27 read as follows:

28 (1) Beginning August 1, 2019, with sales made or lease agreements  
29 signed on or after the qualification period start date:

30 (a) The tax levied by RCW 82.08.020 does not apply as provided in  
31 (b) of this subsection to sales or leases of new or used passenger  
32 cars, light duty trucks, and medium duty passenger vehicles that:

33 (i) Are exclusively powered by a clean alternative fuel; or

34 (ii) Use at least one method of propulsion that is capable of  
35 being reenergized by an external source of electricity and are  
36 capable of traveling at least ~~((thirty))~~ 30 miles using only battery  
37 power; and

38 (iii) (A) Have a vehicle selling price plus trade-in property of  
39 like kind for purchased vehicles that:

1 (I) For a vehicle that is a new vehicle at the time of the  
2 purchase date or the date the lease agreement was signed, does not  
3 exceed (~~forty-five thousand dollars~~) \$45,000; or

4 (II) For a vehicle that is a used vehicle at the time of the  
5 purchase date or the date the lease agreement was signed, does not  
6 exceed (~~thirty thousand dollars~~) \$30,000; or

7 (B) Have a fair market value at the inception of the lease for  
8 leased vehicles that:

9 (I) For a vehicle that is a new vehicle at the time of the  
10 purchase date or the date the lease agreement was signed, does not  
11 exceed (~~forty-five thousand dollars~~) \$45,000; or

12 (II) For a vehicle that is a used vehicle at the time of the  
13 purchase date or the date the lease agreement was signed, does not  
14 exceed (~~thirty thousand dollars~~) \$30,000;

15 (b) (i) The exemption in this section is applicable for up to the  
16 amounts specified in (b) (ii) or (iii) of this subsection of:

17 (A) The total amount of the vehicle's selling price, for sales  
18 made; or

19 (B) The total lease payments made plus any additional selling  
20 price of the leased vehicle if the original lessee purchases the  
21 leased vehicle before the qualification period end date, for lease  
22 agreements signed.

23 (ii) Based on the purchase date or the date the lease agreement  
24 was signed of the vehicle if the vehicle is a new vehicle at the time  
25 of the purchase date or the date the lease agreement was signed:

26 (A) From the qualification period start date until July 31, 2021,  
27 the maximum amount eligible under (b) (i) of this subsection is  
28 (~~twenty-five thousand dollars~~) \$25,000;

29 (B) From August 1, 2021, until July 31, 2023, the maximum amount  
30 eligible under (b) (i) of this subsection is (~~twenty thousand~~  
31 ~~dollars~~) \$20,000;

32 (C) From August 1, 2023, until July 31, 2025, the maximum amount  
33 eligible under (b) (i) of this subsection is (~~fifteen thousand~~  
34 ~~dollars~~) \$15,000.

35 (iii) If the vehicle is a used vehicle at the time of the  
36 purchase date or the date the lease agreement was signed, the maximum  
37 amount eligible under (b) (i) of this subsection is (~~sixteen thousand~~  
38 ~~dollars~~) \$16,000.

39 (2) The seller must keep records necessary for the department to  
40 verify eligibility under this section. A person claiming the

1 exemption must also submit itemized information to the department for  
2 all vehicles for which an exemption is claimed that must include the  
3 following: Vehicle make; vehicle model; model year; whether the  
4 vehicle has been sold or leased; date of sale or start date of lease;  
5 length of lease; sales price for purchased vehicles and fair market  
6 value at the inception of the lease for leased vehicles; and the  
7 total amount qualifying for the incentive claimed for each vehicle,  
8 in addition to the future monthly amount to be claimed for each  
9 leased vehicle. This information must be provided in a form and  
10 manner prescribed by the department.

11 (3) (a) The department of licensing must maintain and publish a  
12 list of all vehicle models qualifying for the tax exemptions under  
13 this section or RCW 82.12.9999 until the expiration date of this  
14 section, and is authorized to issue final rulings on vehicle model  
15 qualification for these criteria. A seller is not responsible for  
16 repayment of the tax exemption under this section and RCW 82.12.9999  
17 for a vehicle if the department of licensing's published list of  
18 qualifying vehicle models on the purchase date or the date the lease  
19 agreement was signed includes the vehicle model and the department of  
20 licensing subsequently removes the vehicle model from the published  
21 list, and, if applicable, the vehicle meets the qualifying criterion  
22 under subsection (1) (a) (iii) (B) of this section and RCW  
23 82.12.9999(1) (a) (iii) (B).

24 (b) The department of revenue retains responsibility for  
25 determining whether a vehicle meets the applicable qualifying  
26 criterion under subsection (1) (a) (iii) (B) of this section and RCW  
27 82.12.9999(1) (a) (iii) (B).

28 ~~(4) ((On the last day of January, April, July, and October of~~  
29 ~~each year, the state treasurer, based upon information provided by~~  
30 ~~the department, must transfer from the electric vehicle account to~~  
31 ~~the general fund a sum equal to the dollar amount that would~~  
32 ~~otherwise have been deposited into the general fund during the prior~~  
33 ~~calendar quarter but for the exemption provided in this section.~~  
34 ~~Information provided by the department to the state treasurer must be~~  
35 ~~based on the best available data, except that the department may~~  
36 ~~provide estimates of taxes exempted under this section until such~~  
37 ~~time as retailers are able to report such exempted amounts on their~~  
38 ~~tax returns.~~

39 (5)) By the last day of October 2019, and every six months  
40 thereafter until this section expires, based on the best available

1 data, the department must report the following information to the  
2 transportation committees of the legislature: The cumulative number  
3 of vehicles that qualified for the exemption under this section and  
4 RCW 82.12.9999 by month of purchase or lease start and vehicle make  
5 and model; the dollar amount of all state retail sales and use taxes  
6 exempted on or after the qualification period start date, under this  
7 section and RCW 82.12.9999; and estimates of the future costs of  
8 leased vehicles that qualified for the exemption under this section  
9 and RCW 82.12.9999.

10 ~~((6))~~ (5) The definitions in this subsection apply throughout  
11 this section unless the context clearly requires otherwise.

12 (a) "Clean alternative fuel" means natural gas, propane,  
13 hydrogen, or electricity, when used as a fuel in a motor vehicle that  
14 meets the California motor vehicle emission standards in Title 13 of  
15 the California Code of Regulations, effective January 1, 2019, and  
16 the rules of the Washington state department of ecology.

17 (b) "Fair market value" has the same meaning as "value of the  
18 article used" in RCW 82.12.010.

19 (c) "New vehicle" has the same meaning as "new motor vehicle" in  
20 RCW 46.04.358.

21 (d) "Qualification period end date" means August 1, 2025.

22 (e) "Qualification period start date" means August 1, 2019.

23 (f) "Used vehicle" has the same meaning as in RCW 46.04.660.

24 ~~((7))~~ (6)(a) Sales of vehicles delivered to the buyer or leased  
25 vehicles for which the lease agreement was signed after the  
26 qualification period end date do not qualify for the exemption under  
27 this section.

28 (b) All leased vehicles that qualified for the exemption under  
29 this section before the qualification period end date must continue  
30 to receive the exemption as described under subsection (1)(b) of this  
31 section on any lease payments due through the remainder of the lease  
32 before August 1, 2028.

33 ~~((8))~~ (7) This section expires August 1, 2028.

34 ~~((9))~~ (8) This section is supported by the revenues generated  
35 in RCW 46.17.324, and therefore takes effect only if RCW 46.17.324 is  
36 enacted by June 30, 2019.

37 **Sec. 305.** RCW 82.12.9999 and 2019 c 287 s 10 are each amended to  
38 read as follows:

1 (1) Beginning August 1, 2019, beginning with sales made or lease  
2 agreements signed on or after the qualification period start date:

3 (a) The provisions of this chapter do not apply as provided in  
4 (b) of this subsection in respect to the use of new or used passenger  
5 cars, light duty trucks, and medium duty passenger vehicles that:

6 (i) Are exclusively powered by a clean alternative fuel; or

7 (ii) Use at least one method of propulsion that is capable of  
8 being reenergized by an external source of electricity and are  
9 capable of traveling at least (~~(thirty)~~) 30 miles using only battery  
10 power; and

11 (iii) (A) Have a fair market value at the time use tax is imposed  
12 for purchased vehicles that:

13 (I) For a vehicle that is a new vehicle at the time of the  
14 purchase date or the date the lease agreement was signed, does not  
15 exceed (~~(forty-five thousand dollars)~~) \$45,000; or

16 (II) For a vehicle that is a used vehicle at the time of the  
17 purchase date or the date the lease agreement was signed, does not  
18 exceed (~~(thirty thousand dollars)~~) \$30,000; or

19 (B) Have a fair market value at the inception of the lease for  
20 leased vehicles that:

21 (I) For a vehicle that is a new vehicle at the time of the  
22 purchase date or the date the lease agreement was signed, does not  
23 exceed (~~(forty-five thousand dollars)~~) \$45,000; or

24 (II) For a vehicle that is a used vehicle at the time of the  
25 purchase date or the date the lease agreement was signed, does not  
26 exceed (~~(thirty thousand dollars)~~) \$30,000;

27 (b) (i) The exemption in this section is only applicable for up to  
28 the amounts specified in (b) (ii) or (iii) of this subsection of:

29 (A) The total amount of the vehicle's purchase price, for sales  
30 made; or

31 (B) The total lease payments made plus any additional purchase  
32 price of the leased vehicle if the original lessee purchases the  
33 leased vehicle before the qualification period end date, for lease  
34 agreements signed.

35 (ii) Based on the purchase date or the date the lease agreement  
36 was signed of the vehicle if the vehicle is a new vehicle at the time  
37 of the purchase date or the date the lease agreement was signed:

38 (A) From the qualification period start date until July 31, 2021,  
39 the maximum amount eligible under (b) (i) of this subsection is  
40 (~~(twenty-five thousand dollars)~~) \$25,000;



1 (B) From August 1, 2021, until July 31, 2023, the maximum amount  
2 eligible under (b)(i) of this subsection is (~~twenty thousand~~  
3 ~~dollars~~) \$20,000;

4 (C) From August 1, 2023, until July 31, 2025, the maximum amount  
5 eligible under (b)(i) of this subsection is (~~fifteen thousand~~  
6 ~~dollars~~) \$15,000.

7 (iii) If the vehicle is a used vehicle at the time of the  
8 purchase date or the date the lease agreement was signed, the maximum  
9 amount eligible under (b)(i) of this subsection is (~~sixteen thousand~~  
10 ~~dollars~~) \$16,000.

11 (2)(a) The seller must keep records necessary for the department  
12 to verify eligibility under this section, except as provided in (b)  
13 of this subsection. A person claiming the exemption must also submit  
14 itemized information to the department for all vehicles for which an  
15 exemption is claimed that must include the following: Vehicle make;  
16 vehicle model; model year; whether the vehicle has been sold or  
17 leased; date of sale or start date of lease; length of lease; fair  
18 market value of the vehicle; and the total amount qualifying for the  
19 incentive claimed for each vehicle, in addition to the future monthly  
20 amount to be claimed for each leased vehicle. This information must  
21 be provided in a form and manner prescribed by the department.

22 (b) (a) of this subsection applies only if the seller or person  
23 claiming the exemption is a vehicle dealer, as defined under RCW  
24 46.70.011. When the seller is not a vehicle dealer, the department of  
25 licensing must establish a process for granting the tax exemption  
26 under this section for use tax otherwise collected at the time the  
27 ownership of a vehicle is transferred when the vehicle qualifies for  
28 the use tax exemption under subsection (1)(a) of this section, and  
29 must provide any information required under (a) of this subsection  
30 that it obtains as part of the vehicle titling and registration  
31 process for these vehicles to the department on at least a quarterly  
32 basis.

33 (3) (~~On the last day of January, April, July, and October of~~  
34 ~~each year, the state treasurer, based upon information provided by~~  
35 ~~the department, must transfer from the electric vehicle account to~~  
36 ~~the general fund a sum equal to the dollar amount that would~~  
37 ~~otherwise have been deposited into the general fund during the prior~~  
38 ~~calendar quarter but for the exemption provided in this section.~~  
39 ~~Information provided by the department to the state treasurer must be~~  
40 ~~based on the best available data.~~

1       ~~(4)~~) (a) Vehicles purchased or leased vehicles for which the  
2 lease agreement was signed after the qualification period end date do  
3 not qualify for the exemption under this section.

4       (b) All leased vehicles that qualified for the exemption under  
5 this section before the qualification period end date must continue  
6 to receive the exemption as described under subsection (1)(b) of this  
7 section on any lease payments due through the remainder of the lease  
8 before August 1, 2028.

9       ~~((5))~~ (4) The definitions in RCW 82.08.9999 apply to this  
10 section.

11       ~~((6))~~ (5) This section is supported by the revenues generated  
12 in RCW 46.17.324, and therefore takes effect only if RCW 46.17.324 is  
13 enacted by June 30, 2019.

14       ~~((7))~~ (6) This section expires August 1, 2028.

15       **Sec. 306.** RCW 82.04.4496 and 2019 c 287 s 8 are each amended to  
16 read as follows:

17       (1)(a)(i) A person who is taxable under this chapter is allowed a  
18 credit against the tax imposed in this chapter according to the gross  
19 vehicle weight rating of the vehicle and the incremental cost of the  
20 vehicle purchased above the purchase price of a comparable  
21 conventionally fueled vehicle. The credit is limited, as set forth in  
22 the table below, to the lesser of the incremental cost amount or the  
23 maximum credit amount per vehicle purchased, and subject to a maximum  
24 annual credit amount per vehicle class.

Gross Vehicle Weight	Incremental Cost Amount	Maximum Credit Amount Per Vehicle	Maximum Annual Credit Per Vehicle Class
Up to 14,000 pounds	75% of incremental cost	\$25,000	\$2,000,000
14,001 to 26,500 pounds	75% of incremental cost	\$50,000	\$2,000,000
Above 26,500 pounds	75% of incremental cost	\$100,000	\$2,000,000

30       (ii) A person who is taxable under this chapter is allowed a  
31 credit against the tax imposed in this chapter for up to ~~((fifty))~~ 50  
32 percent of the cost to purchase alternative fuel vehicle  
33 infrastructure, tangible personal property that will become a  
34 component of alternative fuel vehicle infrastructure, and  
35 installation and construction of alternative fuel vehicle  
36 infrastructure, but excluding the cost of property acquisition and  
37 site improvement related to the installation of alternative fuel

1 vehicle infrastructure. The credit is subject to a maximum annual  
2 credit amount of (~~two million dollars~~) \$2,000,000.

3 (b) On September 1st of each year, any unused credits from any  
4 category identified in (a) of this subsection must be made available  
5 to applicants applying for credits under any other category  
6 identified in (a) of this subsection, subject to the maximum annual  
7 and total credit amounts identified in this subsection. The credit  
8 established in this section and RCW 82.16.0496 is subject to a  
9 maximum annual credit amount of (~~six million dollars~~) \$6,000,000,  
10 and a maximum total credit amount of (~~thirty-two and one-half~~  
11 ~~million dollars~~) \$32,500,000 since the credit became available on  
12 July 15, 2015.

13 (c) The credit provided in (a)(i) of this subsection is available  
14 for the lease of a vehicle. The credit amount for a leased vehicle is  
15 equal to the credit in (a)(i) of this subsection multiplied by the  
16 lease reduction factor. The person claiming the credit for a leased  
17 vehicle must be the lessee as identified in the lease contract.

18 (2) A person who is taxable under this chapter is allowed,  
19 subject to the maximum annual credit per category in subsection  
20 (1)(a) of this section, a credit against the tax imposed in this  
21 chapter for the lesser of (~~twenty-five thousand dollars~~) \$25,000 or  
22 (~~fifty~~) 50 percent of the costs of converting a commercial vehicle  
23 to be principally powered by a clean alternative fuel with a United  
24 States environmental protection agency certified conversion.

25 (3) The total credits under subsection (1)(a)(i) of this section  
26 may not exceed the lesser of (~~two hundred fifty thousand dollars~~)  
27 \$250,000 or (~~twenty-five~~) 25 vehicles per person per calendar year.

28 (4) A person may not receive credit under this section for  
29 amounts claimed as credits under chapter 82.16 RCW.

30 (5) Credits are available on a first-in-time basis.

31 (a) The department must disallow any credits, or portion thereof,  
32 that would cause the total amount of credits claimed under this  
33 section, and RCW 82.16.0496, during any calendar year to exceed (~~six~~  
34 ~~million dollars~~) \$6,000,000. The department must provide  
35 notification on its website monthly on the amount of credits that  
36 have been applied for, the amount issued, and the amount remaining  
37 before the statewide annual limit is reached. In addition, the  
38 department must provide written notice to any person who has applied  
39 to claim tax credits in excess of the limitation in this subsection.

1 (b) The department must disallow any credits, or portion thereof,  
2 that would cause the total amount of credits claimed beginning July  
3 15, 2015, under this section and RCW 82.16.0496 to exceed (~~thirty-~~  
4 ~~two and one-half million dollars~~) \$32,500,000. The department must  
5 provide notification on its website monthly on the total amount of  
6 credits that have been applied for, the amount issued, and the amount  
7 remaining before the statewide limit is reached. In addition, the  
8 department must provide written notice to any person who has applied  
9 to claim tax credits in excess of the limitation in this subsection.

10 (6) For the purposes of the limits provided in this section, a  
11 credit must be counted against such limits for the calendar year in  
12 which the credit is earned.

13 (7) To claim a credit under this section a person must  
14 electronically file with the department all returns, forms, and any  
15 other information required by the department, in an electronic format  
16 as provided or approved by the department. No refunds may be granted  
17 for credits under this section.

18 (8) To claim a credit under this section, the person applying  
19 must:

20 (a) Complete an application for the credit which must include:

21 (i) The name, business address, and tax identification number of  
22 the applicant;

23 (ii) A quote or unexecuted copy of the purchase requisition or  
24 order for the vehicle, infrastructure, infrastructure components,  
25 infrastructure construction, or infrastructure installation;

26 (iii) The type of alternative fuel to be used by the vehicle or  
27 supported by the infrastructure;

28 (iv) The incremental cost of the alternative fuel system for  
29 vehicle credits;

30 (v) The anticipated delivery date of the vehicle, the anticipated  
31 delivery date of the infrastructure or infrastructure components, the  
32 anticipated construction completion date of the infrastructure, or  
33 the anticipated installation completion date of the infrastructure;

34 (vi) The estimated annual fuel use of the vehicle in the  
35 anticipated duties or the estimated annual fuel to be supplied by the  
36 infrastructure;

37 (vii) The gross weight of each vehicle for vehicle credits;

38 (viii) For leased vehicles, a copy of the lease contract that  
39 includes the gross capitalized cost, residual value, and name of the  
40 lessee; and

1 (ix) Any other information deemed necessary by the department to  
2 support administration or reporting of the program.

3 (b) Within (~~fifteen~~) 15 days of notice of credit availability  
4 from the department, provide notice of intent to claim the credit  
5 including:

6 (i) A copy of the order for the vehicle or infrastructure-related  
7 item, including the total cost for the vehicle or infrastructure-  
8 related item;

9 (ii) The anticipated delivery date of the vehicle or  
10 infrastructure or infrastructure component, which must be within one  
11 year of acceptance of the credit;

12 (iii) The anticipated construction or installation completion  
13 date of the infrastructure, which must be within two years of  
14 acceptance of the credit; and

15 (iv) Any other information deemed necessary by the department to  
16 support administration or reporting of the program.

17 (c) Provide final documentation within (~~thirty~~) 30 days of  
18 receipt of the vehicle or infrastructure or infrastructure components  
19 or of completion of construction or installation of the  
20 infrastructure, including:

21 (i) A copy of the final invoice for the vehicle or  
22 infrastructure-related items;

23 (ii) A copy of the factory build sheet or equivalent  
24 documentation;

25 (iii) The vehicle identification number of each vehicle;

26 (iv) The incremental cost of the alternative fuel system for  
27 vehicle credits;

28 (v) Attestations signed by both the seller and purchaser of each  
29 vehicle attesting that the incremental cost of the alternative fuel  
30 system includes only the costs necessary for the vehicle to run on  
31 alternative fuel and no other vehicle options, equipment, or costs;  
32 and

33 (vi) Any other information deemed necessary by the department to  
34 support administration or reporting of the program.

35 (9) A person applying for credit under subsection (8) of this  
36 section may apply for multiple vehicles on the same application, but  
37 the application must include the required information for each  
38 vehicle included in the application. A separate application is  
39 required for infrastructure-related items, but all infrastructure-  
40 related items at a single location may be included in a single

1 application provided the required information for each  
2 infrastructure-related item is included in the application.

3 (10) To administer the credits, the department must, at a  
4 minimum:

5 (a) Provide notification on its website monthly of the amount of  
6 credits that have been applied for, claimed, and the amount remaining  
7 before the statewide annual limit and total limit are reached;

8 (b) Within (~~fifteen~~) 15 days of receipt of the application,  
9 notify persons applying of the availability of tax credits in the  
10 year in which the vehicles or infrastructure applied for are  
11 anticipated to be delivered, constructed, or installed;

12 (c) Within (~~fifteen~~) 15 days of receipt of the notice of intent  
13 to claim the tax credit, notify the applicant of the approval,  
14 denial, or missing information in their notice; and

15 (d) Within (~~fifteen~~) 15 days of receipt of final documentation,  
16 review the documentation and notify the person applying of the  
17 acceptance of their final documentation.

18 (11) If a person fails to supply the information as required in  
19 subsection (8) of this section, the department must deny the  
20 application.

21 (12)(a) Taxpayers are only eligible for a credit under this  
22 section based on:

23 (i) Sales or leases of new commercial vehicles and qualifying  
24 used commercial vehicles with propulsion units that are principally  
25 powered by a clean alternative fuel;

26 (ii) Costs to modify a commercial vehicle, including sales of  
27 tangible personal property incorporated into the vehicle and labor or  
28 service expenses incurred in modifying the vehicle, to be principally  
29 powered by a clean alternative fuel; or

30 (iii) Sales of alternative fuel vehicle infrastructure or  
31 infrastructure components, or the cost of construction or  
32 installation of alternative fuel vehicle infrastructure.

33 (b) A credit is earned when the purchaser or the lessee takes  
34 receipt of the qualifying commercial vehicle or infrastructure-  
35 related item, the vehicle conversion is complete, or the construction  
36 or installation of the infrastructure is complete.

37 (13) A credit earned during one calendar year may be carried over  
38 to be credited against taxes incurred in the subsequent calendar  
39 year, but may not be carried over a second year.

1           ~~(14) ((a) Beginning November 25, 2015, and on the 25th of~~  
2 ~~February, May, August, and November of each year thereafter, the~~  
3 ~~department must notify the state treasurer of the amount of credits~~  
4 ~~taken under this section as reported on returns filed with the~~  
5 ~~department during the preceding calendar quarter ending on the last~~  
6 ~~day of December, March, June, and September, respectively.~~

7           ~~(b) On the last day of March, June, September, and December of~~  
8 ~~each year, the state treasurer, based upon information provided by~~  
9 ~~the department, must transfer a sum equal to the dollar amount of the~~  
10 ~~credit provided under this section from the multimodal transportation~~  
11 ~~account to the general fund.~~

12           ~~(15))~~ The department must conduct outreach to interested parties  
13 to obtain input on how best to streamline the application process  
14 required for the credit made available in this section and RCW  
15 82.16.0496 to further adoption of alternative fuel technologies in  
16 commercial vehicle fleets, and must incorporate the findings  
17 resulting from this outreach effort into the rules and practices it  
18 adopts to implement and administer this section and RCW 82.16.0496 to  
19 the extent permitted under law.

20           ~~((16))~~ (15) The definitions in this subsection apply throughout  
21 this section unless the context clearly requires otherwise.

22           (a) "Alternative fuel vehicle infrastructure" means structures,  
23 machinery, and equipment necessary and integral to support a clean  
24 alternative fuel vehicle.

25           (b) "Auto transportation company" means any corporation or person  
26 owning, controlling, operating, or managing any motor propelled  
27 vehicle, used in the business of transporting persons for  
28 compensation over public highways within the state of Washington,  
29 between fixed points or over a regular route. For the purposes of  
30 this section, "auto transportation company" also includes the  
31 following categories of providers irrespective of whether they  
32 provide service between fixed points or over a regular route:  
33 "Private, nonprofit transportation provider" as defined in RCW  
34 81.66.010, "charter party carrier" as defined in RCW 81.70.020, and  
35 paratransit service providers who primarily provide special needs  
36 transportation to individuals with disabilities and the elderly.

37           (c) "Clean alternative fuel" means electricity, dimethyl ether,  
38 hydrogen, methane, natural gas, liquefied natural gas, compressed  
39 natural gas, or propane.

1 (d) "Commercial vehicle" means any commercial vehicle that is  
2 purchased by a private business and that is used exclusively in the  
3 provision of commercial services or the transportation of  
4 commodities, merchandise, produce, refuse, freight, animals, or  
5 passengers, and that is displaying a Washington state license plate.  
6 All commercial vehicles that provide transportation to passengers  
7 must be operated by an auto transportation company.

8 (e) "Gross capitalized cost" means the agreed upon value of the  
9 commercial vehicle and including any other items a person pays over  
10 the lease term that are included in such cost.

11 (f) "Lease reduction factor" means the vehicle gross capitalized  
12 cost less the residual value, divided by the gross capitalized cost.

13 (g) "Qualifying used commercial vehicle" means vehicles that:

14 (i) Have an odometer reading of less than (~~four hundred fifty~~  
15 ~~thousand~~) 450,000 miles;

16 (ii) Are less than (~~ten~~) 10 years past their original date of  
17 manufacture;

18 (iii) Were modified after the initial purchase with a United  
19 States environmental protection agency certified conversion that  
20 would allow the propulsion units to be principally powered by a clean  
21 alternative fuel; and

22 (iv) Are being sold for the first time after modification.

23 (h) "Residual value" means the lease-end value of the vehicle as  
24 determined by the lessor, at the end of the lease term included in  
25 the lease contract.

26 (~~(17)~~) (16) Credits may be earned under this section from  
27 January 1, 2016, until the maximum total credit amount in subsection  
28 (1)(b) of this section is reached, except for credits for leased  
29 vehicles, which may be earned from July 1, 2016, until the maximum  
30 total credit amount in subsection (1)(b) of this section is reached.

31 **Sec. 307.** RCW 82.16.0496 and 2019 c 287 s 13 are each amended to  
32 read as follows:

33 (1)(a)(i) A person who is taxable under this chapter is allowed a  
34 credit against the tax imposed in this chapter according to the gross  
35 vehicle weight rating of the vehicle and the incremental cost of the  
36 vehicle purchased above the purchase price of a comparable  
37 conventionally fueled vehicle. The credit is limited, as set forth in  
38 the table below, to the lesser of the incremental cost amount or the



1 maximum credit amount per vehicle purchased, and subject to a maximum  
2 annual credit amount per vehicle class.

Gross Vehicle Weight	Incremental Cost Amount	Maximum Credit Amount Per Vehicle	Maximum Annual Credit Per Vehicle Class
Up to 14,000 pounds	75% of incremental cost	\$25,000	\$2,000,000
14,001 to 26,500 pounds	75% of incremental cost	\$50,000	\$2,000,000
Above 26,500 pounds	75% of incremental cost	\$100,000	\$2,000,000

8 (ii) A person who is taxable under this chapter is allowed a  
9 credit against the tax imposed in this chapter for up to (~~(fifty)~~) 50  
10 percent of the cost to purchase alternative fuel vehicle  
11 infrastructure, tangible personal property that will become a  
12 component of alternative fuel vehicle infrastructure, and  
13 installation and construction of alternative fuel vehicle  
14 infrastructure, but excluding the cost of property acquisition and  
15 site improvement related to the installation of alternative fuel  
16 vehicle infrastructure. The credit is subject to a maximum annual  
17 credit amount of (~~(two million dollars)~~) \$2,000,000.

18 (b) On September 1st of each year, any unused credits from any  
19 category identified in (a) of this subsection must be made available  
20 to applicants applying for credits under any other category  
21 identified in (a) of this subsection, subject to the maximum annual  
22 and total credit amounts identified in this subsection. The credit  
23 established in this section and RCW 82.04.4496 is subject to a  
24 maximum annual credit amount of (~~(six million dollars)~~) \$6,000,000,  
25 and a maximum total credit amount of (~~(thirty-two and one-half~~  
26 ~~million dollars)~~) \$32,500,000 beginning July 15, 2015.

27 (c) The credit provided in (a)(i) of this subsection is available  
28 for the lease of a vehicle. The credit amount for a leased vehicle is  
29 equal to the credit in (a)(i) of this subsection multiplied by the  
30 lease reduction factor. The person claiming the credit for a leased  
31 vehicle must be the lessee as identified in the lease contract.

32 (2) A person who is taxable under this chapter is allowed,  
33 subject to the maximum annual credit per category in subsection  
34 (1)(a) of this section, a credit against the tax imposed in this  
35 chapter for the lesser of (~~(twenty-five thousand dollars)~~) \$25,000 or  
36 (~~(fifty)~~) 50 percent of the costs of converting a commercial vehicle  
37 to be principally powered by a clean alternative fuel with a United  
38 States environmental protection agency certified conversion.

1 (3) The total credits under subsection (1)(a)(i) of this section  
2 may not exceed the lesser of (~~two hundred fifty thousand dollars~~)  
3 \$250,000 or (~~twenty-five~~) 25 vehicles per person per calendar year.

4 (4) A person may not receive credit under this section for  
5 amounts claimed as credits under chapter 82.04 RCW.

6 (5) Credits are available on a first-in-time basis.

7 (a) The department must disallow any credits, or portion thereof,  
8 that would cause the total amount of credits claimed under this  
9 section, and RCW 82.04.4496, during any calendar year to exceed (~~six~~  
10 ~~million—dollars~~) \$6,000,000. The department must provide  
11 notification on its website monthly on the amount of credits that  
12 have been applied for, the amount issued, and the amount remaining  
13 before the statewide annual limit is reached. In addition, the  
14 department must provide written notice to any person who has applied  
15 to claim tax credits in excess of the limitation in this subsection.

16 (b) The department must disallow any credits, or portion thereof,  
17 that would cause the total amount of credits claimed beginning July  
18 15, 2015, under this section and RCW 82.04.4496 to exceed (~~thirty-~~  
19 ~~two and one-half million dollars~~) \$32,500,000. The department must  
20 provide notification on its website monthly on the total amount of  
21 credits that have been applied for, the amount issued, and the amount  
22 remaining before the statewide limit is reached. In addition, the  
23 department must provide written notice to any person who has applied  
24 to claim tax credits in excess of the limitation in this subsection.

25 (6) For the purposes of the limits provided in this section, a  
26 credit must be counted against such limits for the calendar year in  
27 which the credit is earned.

28 (7) To claim a credit under this section a person must  
29 electronically file with the department all returns, forms, and any  
30 other information required by the department, in an electronic format  
31 as provided or approved by the department. No refunds may be granted  
32 for credits under this section.

33 (8) To claim a credit under this section, the person applying  
34 must:

35 (a) Complete an application for the credit which must include:

36 (i) The name, business address, and tax identification number of  
37 the applicant;

38 (ii) A quote or unexecuted copy of the purchase requisition or  
39 order for the vehicle, infrastructure, infrastructure components,  
40 infrastructure construction, or infrastructure installation;

1 (iii) The type of alternative fuel to be used by the vehicle or  
2 supported by the infrastructure;

3 (iv) The incremental cost of the alternative fuel system for  
4 vehicle credits;

5 (v) The anticipated delivery date of the vehicle, the anticipated  
6 delivery date of the infrastructure or infrastructure components, the  
7 anticipated construction completion date of the infrastructure, or  
8 the anticipated installation completion date of the infrastructure;

9 (vi) The estimated annual fuel use of the vehicle in the  
10 anticipated duties or the estimated annual fuel to be supplied by the  
11 infrastructure;

12 (vii) The gross weight of each vehicle for vehicle credits;

13 (viii) For leased vehicles, a copy of the lease contract that  
14 includes the gross capitalized cost, residual value, and name of the  
15 lessee; and

16 (ix) Any other information deemed necessary by the department to  
17 support administration or reporting of the program.

18 (b) Within (~~fifteen~~) 15 days of notice of credit availability  
19 from the department, provide notice of intent to claim the credit  
20 including:

21 (i) A copy of the order for the vehicle or infrastructure-related  
22 item, including the total cost for the vehicle or infrastructure-  
23 related item;

24 (ii) The anticipated delivery date of the vehicle or  
25 infrastructure or infrastructure component, which must be within one  
26 year of acceptance of the credit;

27 (iii) The anticipated construction or installation completion  
28 date of the infrastructure, which must be within two years of  
29 acceptance of the credit; and

30 (iv) Any other information deemed necessary by the department to  
31 support administration or reporting of the program.

32 (c) Provide final documentation within (~~thirty~~) 30 days of  
33 receipt of the vehicle or infrastructure or infrastructure components  
34 or of completion of construction or installation of the  
35 infrastructure, including:

36 (i) A copy of the final invoice for the vehicle or  
37 infrastructure-related items;

38 (ii) A copy of the factory build sheet or equivalent  
39 documentation;

40 (iii) The vehicle identification number of each vehicle;

1 (iv) The incremental cost of the alternative fuel system for  
2 vehicle credits;

3 (v) Attestations signed by both the seller and purchaser of the  
4 vehicle attesting that the incremental cost of the alternative fuel  
5 system includes only the costs necessary for the vehicle to run on  
6 alternative fuel and no other vehicle options, equipment, or costs;  
7 and

8 (vi) Any other information deemed necessary by the department to  
9 support administration or reporting of the program.

10 (9) A person applying for credit under subsection (8) of this  
11 section may apply for multiple vehicles on the same application, but  
12 the application must include the required information for each  
13 vehicle included in the application. A separate application is  
14 required for infrastructure-related items, but all infrastructure-  
15 related items at a single location may be included in a single  
16 application provided the required information for each  
17 infrastructure-related item is included in the application.

18 (10) To administer the credits, the department must, at a  
19 minimum:

20 (a) Provide notification on its website monthly of the amount of  
21 credits that have been applied for, claimed, and the amount remaining  
22 before the statewide annual limit and total limit are reached;

23 (b) Within (~~fifteen~~) 15 days of receipt of the application,  
24 notify persons applying of the availability of tax credits in the  
25 year in which the vehicles or infrastructure applied for are  
26 anticipated to be delivered, constructed, or installed;

27 (c) Within (~~fifteen~~) 15 days of receipt of the notice of intent  
28 to claim the tax credit, notify the applicant of the approval,  
29 denial, or missing information in their notice; and

30 (d) Within (~~fifteen~~) 15 days of receipt of final documentation,  
31 review the documentation and notify the person applying of the  
32 acceptance of their final documentation.

33 (11) If a person fails to supply the information as required in  
34 subsection (8) of this section, the department must deny the  
35 application.

36 (12)(a) Taxpayers are only eligible for a credit under this  
37 section based on:

38 (i) Sales or leases of new commercial vehicles and qualifying  
39 used commercial vehicles with propulsion units that are principally  
40 powered by a clean alternative fuel;

1 (ii) Costs to modify a commercial vehicle, including sales of  
2 tangible personal property incorporated into the vehicle and labor or  
3 service expenses incurred in modifying the vehicle, to be principally  
4 powered by a clean alternative fuel; or

5 (iii) Sales of alternative fuel vehicle infrastructure or  
6 infrastructure components, or the cost of construction or  
7 installation of alternative fuel vehicle infrastructure.

8 (b) A credit is earned when the purchaser or the lessee takes  
9 receipt of the qualifying commercial vehicle or infrastructure-  
10 related item, the vehicle conversion is complete, or the construction  
11 or installation of the infrastructure is complete.

12 (13) The definitions in RCW 82.04.4496 apply to this section.

13 (14) A credit earned during one calendar year may be carried over  
14 to be credited against taxes incurred in the subsequent calendar  
15 year, but may not be carried over a second year.

16 ~~(15) ((a) Beginning November 25, 2015, and on the 25th of~~  
17 ~~February, May, August, and November of each year thereafter, the~~  
18 ~~department must notify the state treasurer of the amount of credits~~  
19 ~~taken under this section as reported on returns filed with the~~  
20 ~~department during the preceding calendar quarter ending on the last~~  
21 ~~day of December, March, June, and September, respectively.~~

22 ~~(b) On the last day of March, June, September, and December of~~  
23 ~~each year, the state treasurer, based upon information provided by~~  
24 ~~the department, must transfer a sum equal to the dollar amount of the~~  
25 ~~credit provided under this section from the multimodal transportation~~  
26 ~~account to the general fund.~~

27 ~~(16))~~ Credits may be earned under this section from January 1,  
28 2016, until the maximum total credit amount in subsection (1)(b) of  
29 this section is reached, except for credits for leased vehicles,  
30 which may be earned from July 1, 2016, until the maximum total credit  
31 amount in subsection (1)(b) of this section is reached.

32 **Sec. 308.** RCW 82.08.816 and 2019 c 287 s 11 are each amended to  
33 read as follows:

34 (1) The tax imposed by RCW 82.08.020 does not apply to:

35 (a) The sale of batteries or fuel cells for electric vehicles,  
36 including batteries or fuel cells sold as a component of an electric  
37 bus at the time of the vehicle's sale;

1 (b) The sale of or charge made for labor and services rendered in  
2 respect to installing, repairing, altering, or improving electric  
3 vehicle batteries or fuel cells;

4 (c) The sale of or charge made for labor and services rendered in  
5 respect to installing, constructing, repairing, or improving battery  
6 or fuel cell electric vehicle infrastructure, including hydrogen  
7 fueling stations;

8 (d) The sale of tangible personal property that will become a  
9 component of battery or fuel cell electric vehicle infrastructure  
10 during the course of installing, constructing, repairing, or  
11 improving battery or fuel cell electric vehicle infrastructure; and

12 (e) The sale of zero emissions buses.

13 (2) Sellers may make tax exempt sales under this section only if  
14 the buyer provides the seller with an exemption certificate in a form  
15 and manner prescribed by the department. The seller must retain a  
16 copy of the certificate for the seller's files.

17 ~~(3) ((On the last day of January, April, July, and October of  
18 each year, the state treasurer, based upon information provided by  
19 the department, must transfer from the multimodal transportation  
20 account to the general fund a sum equal to the dollar amount that  
21 would otherwise have been deposited into the general fund during the  
22 prior calendar quarter but for the exemption provided in this  
23 section. Information provided by the department to the state  
24 treasurer must be based on the best available data, except that the  
25 department may provide estimates of taxes exempted under this section  
26 until such time as retailers are able to report such exempted amounts  
27 on their tax returns.~~

28 ~~(4))~~ The definitions in this subsection apply throughout this  
29 section unless the context clearly requires otherwise.

30 (a) "Battery charging station" means an electrical component  
31 assembly or cluster of component assemblies designed specifically to  
32 charge batteries within electric vehicles, which meet or exceed any  
33 standards, codes, and regulations set forth by chapter 19.28 RCW and  
34 consistent with rules adopted under RCW 19.27.540.

35 (b) "Battery exchange station" means a fully automated facility  
36 that will enable an electric vehicle with a swappable battery to  
37 enter a drive lane and exchange the depleted battery with a fully  
38 charged battery through a fully automated process, which meets or  
39 exceeds any standards, codes, and regulations set forth by chapter  
40 19.28 RCW and consistent with rules adopted under RCW 19.27.540.

1 (c) "Electric vehicle infrastructure" means structures,  
2 machinery, and equipment necessary and integral to support a battery  
3 or fuel cell electric vehicle, including battery charging stations,  
4 rapid charging stations, battery exchange stations, fueling stations  
5 that provide hydrogen for fuel cell electric vehicles, and renewable  
6 hydrogen production facilities.

7 (d) "Rapid charging station" means an industrial grade electrical  
8 outlet that allows for faster recharging of electric vehicle  
9 batteries through higher power levels, which meets or exceeds any  
10 standards, codes, and regulations set forth by chapter 19.28 RCW and  
11 consistent with rules adopted under RCW 19.27.540.

12 (e) "Renewable hydrogen" means hydrogen produced using renewable  
13 resources both as the source for hydrogen and the source for the  
14 energy input into the production process.

15 (f) "Renewable resource" means (i) water; (ii) wind; (iii) solar  
16 energy; (iv) geothermal energy; (v) renewable natural gas; (vi)  
17 renewable hydrogen; (vii) wave, ocean, or tidal power; (viii)  
18 biodiesel fuel that is not derived from crops raised on land cleared  
19 from old growth or first growth forests; or (ix) biomass energy.

20 (g) "Zero emissions bus" means a bus that emits no exhaust gas  
21 from the onboard source of power, other than water vapor.

22 ((+5)) (4) This section expires July 1, 2025.

23 **Sec. 309.** RCW 82.12.816 and 2019 c 287 s 12 are each amended to  
24 read as follows:

25 (1) The tax imposed by RCW 82.12.020 does not apply to the use  
26 of:

27 (a) Electric vehicle batteries or fuel cells, including batteries  
28 or fuel cells sold as a component of an electric bus at the time of  
29 the vehicle's sale;

30 (b) Labor and services rendered in respect to installing,  
31 repairing, altering, or improving electric vehicle batteries or fuel  
32 cells;

33 (c) Tangible personal property that will become a component of  
34 battery or fuel cell electric vehicle infrastructure during the  
35 course of installing, constructing, repairing, or improving battery  
36 or fuel cell electric vehicle infrastructure; and

37 (d) Zero emissions buses.

38 (2) The definitions in this subsection apply throughout this  
39 section unless the context clearly requires otherwise.

1 (a) "Battery charging station" means an electrical component  
2 assembly or cluster of component assemblies designed specifically to  
3 charge batteries within electric vehicles, which meet or exceed any  
4 standards, codes, and regulations set forth by chapter 19.28 RCW and  
5 consistent with rules adopted under RCW 19.27.540.

6 (b) "Battery exchange station" means a fully automated facility  
7 that will enable an electric vehicle with a swappable battery to  
8 enter a drive lane and exchange the depleted battery with a fully  
9 charged battery through a fully automated process, which meets or  
10 exceeds any standards, codes, and regulations set forth by chapter  
11 19.28 RCW and consistent with rules adopted under RCW 19.27.540.

12 (c) "Electric vehicle infrastructure" means structures,  
13 machinery, and equipment necessary and integral to support a battery  
14 or fuel cell electric vehicle, including battery charging stations,  
15 rapid charging stations, battery exchange stations, fueling stations  
16 that provide hydrogen for fuel cell electric vehicles, and renewable  
17 hydrogen production facilities.

18 (d) "Rapid charging station" means an industrial grade electrical  
19 outlet that allows for faster recharging of electric vehicle  
20 batteries through higher power levels, which meets or exceeds any  
21 standards, codes, and regulations set forth by chapter 19.28 RCW and  
22 consistent with rules adopted under RCW 19.27.540.

23 (e) "Renewable hydrogen" means hydrogen produced using renewable  
24 resources both as the source for hydrogen and the source for the  
25 energy input into the production process.

26 (f) "Renewable resource" means (i) water; (ii) wind; (iii) solar  
27 energy; (iv) geothermal energy; (v) renewable natural gas; (vi)  
28 renewable hydrogen; (vii) wave, ocean, or tidal power; (viii)  
29 biodiesel fuel that is not derived from crops raised on land cleared  
30 from old growth or first growth forests; or (ix) biomass energy.

31 (g) "Zero emissions bus" means a bus that emits no exhaust gas  
32 from the onboard source of power, other than water vapor.

33 ~~(3) ((On the last day of January, April, July, and October of~~  
34 ~~each year, the state treasurer, based upon information provided by~~  
35 ~~the department, must transfer from the multimodal transportation~~  
36 ~~account to the general fund a sum equal to the dollar amount that~~  
37 ~~would otherwise have been deposited into the general fund during the~~  
38 ~~prior calendar quarter but for the exemption provided in this~~  
39 ~~section. Information provided by the department to the state~~  
40 ~~treasurer must be based on the best available data, except that the~~



1 ~~department may provide estimates of taxes exempted under this section~~  
2 ~~until such time as retailers are able to report such exempted amounts~~  
3 ~~on their tax returns.~~

4 (4)) This section expires July 1, 2025.

5 **Sec. 310.** RCW 82.70.040 and 2016 c 32 s 3 are each amended to  
6 read as follows:

7 (1)(a) The department must keep a running total of all credits  
8 allowed under RCW 82.70.020 during each fiscal year. The department  
9 may not allow any credits that would cause the total amount allowed  
10 to exceed (~~two million seven hundred fifty thousand dollars~~)  
11 \$2,750,000 in any fiscal year.

12 (b) If the total amount of credit applied for by all applicants  
13 in any year exceeds the limit in this subsection, the department must  
14 ratably reduce the amount of credit allowed for all applicants so  
15 that the limit in this subsection is not exceeded. If a credit is  
16 reduced under this subsection, the amount of the reduction may not be  
17 carried forward and claimed in subsequent fiscal years.

18 (2)(a) Tax credits under RCW 82.70.020 may not be claimed in  
19 excess of the amount of tax otherwise due under chapter 82.04 or  
20 82.16 RCW.

21 (b) Through June 30, 2005, a person with taxes equal to or in  
22 excess of the credit under RCW 82.70.020, and therefore not subject  
23 to the limitation in (a) of this subsection, may elect to defer tax  
24 credits for a period of not more than three years after the year in  
25 which the credits accrue. For credits approved by the department  
26 through June 30, 2015, the approved credit may be carried forward and  
27 used for tax reporting periods through December 31, 2016. Credits  
28 approved after June 30, 2015, must be used for tax reporting periods  
29 within the calendar year for which they are approved by the  
30 department and may not be carried forward to subsequent tax reporting  
31 periods. Credits carried forward as authorized by this subsection are  
32 subject to the limitation in subsection (1)(a) of this section for  
33 the fiscal year for which the credits were originally approved.

34 (3) No person may be approved for tax credits under RCW 82.70.020  
35 in excess of (~~one hundred thousand dollars~~) \$100,000 in any fiscal  
36 year. This limitation does not apply to credits carried forward from  
37 prior years under subsection (2)(b) of this section.

38 (4) No person may claim tax credits after June 30, 2024.

1       ~~((5) No person is eligible for tax credits under RCW 82.70.020~~  
2 ~~if the additional revenues for the multimodal transportation account~~  
3 ~~created by chapter 361, Laws of 2003 are terminated.))~~

4       **Sec. 311.** RCW 82.70.050 and 2015 3rd sp.s. c 44 s 415 are each  
5 amended to read as follows:

6       ~~((1))~~ The director must on the 25th of February, May, August,  
7 and November of each year advise the state treasurer of the amount of  
8 credit taken under RCW 82.70.020 during the preceding calendar  
9 quarter ending on the last day of December, March, June, and  
10 September, respectively.

11       ~~((2) On the last day of March, June, September, and December of~~  
12 ~~each year, the state treasurer, based upon information provided by~~  
13 ~~the department, must deposit to the general fund a sum equal to the~~  
14 ~~dollar amount of the credit provided under RCW 82.70.020 from the~~  
15 ~~multimodal transportation account.~~

16       ~~(3) This section expires January 1, 2025.))~~

17       **Sec. 312.** RCW 82.21.030 and 2021 c 333 s 705 are each amended to  
18 read as follows:

19       (1)(a) A tax is imposed on the privilege of possession of  
20 hazardous substances in this state. Except as provided in (b) of this  
21 subsection, the rate of the tax is seven-tenths of one percent  
22 multiplied by the wholesale value of the substance. Moneys collected  
23 under this subsection (1)(a) must be deposited in the model toxics  
24 control capital account.

25       (b) Beginning July 1, 2019, the rate of the tax on petroleum  
26 products is one dollar and nine cents per barrel. The tax collected  
27 under this subsection (1)(b) on petroleum products must be deposited  
28 as follows, after first depositing the tax as provided in (c) of this  
29 subsection, except that during the 2021-2023 biennium the deposit as  
30 provided in (c) of this subsection may be prorated equally across  
31 each month of the biennium:

32       (i) Sixty percent to the model toxics control operating account  
33 created under RCW 70A.305.180;

34       (ii) Twenty-five percent to the model toxics control capital  
35 account created under RCW 70A.305.190; and

36       (iii) Fifteen percent to the model toxics control stormwater  
37 account created under RCW 70A.305.200.

1 (c) Until the beginning of the ensuing biennium after the  
2 enactment of an additive transportation funding act, (~~fifty million~~  
3 ~~dollars~~) \$50,000,000 per biennium to the motor vehicle fund to be  
4 used exclusively for transportation stormwater activities and  
5 projects. For purposes of this subsection, "additive transportation  
6 funding act" means an act enacted after June 30, 2023, in which the  
7 combined total of new revenues deposited into the motor vehicle fund  
8 and the multimodal transportation account exceed (~~two billion~~  
9 ~~dollars~~) \$2,000,000,000 per biennium attributable solely to an  
10 increase in revenue from the enactment of the act.

11 (d) The department must compile a list of petroleum products that  
12 are not easily measured on a per barrel basis. Petroleum products  
13 identified on the list are subject to the rate under (a) of this  
14 subsection in lieu of the volumetric rate under (b) of this  
15 subsection. The list will be made in a form and manner prescribed by  
16 the department and must be made available on the department's  
17 internet website. In compiling the list, the department may accept  
18 technical assistance from persons that sell, market, or distribute  
19 petroleum products and consider any other resource the department  
20 finds useful in compiling the list.

21 (2) Chapter 82.32 RCW applies to the tax imposed in this chapter.  
22 The tax due dates, reporting periods, and return requirements  
23 applicable to chapter 82.04 RCW apply equally to the tax imposed in  
24 this chapter.

25 (3) Beginning July 1, 2020, and every July 1st thereafter, the  
26 rate specified in subsection (1)(b) of this section must be adjusted  
27 to reflect the percentage change in the implicit price deflator for  
28 nonresidential structures as published by the United States  
29 department of commerce, bureau of economic analysis for the most  
30 recent (~~twelve-month~~) 12-month period ending December 31st of the  
31 prior year.

32 **Part IV**  
33 **Account Creation, Local Options, and**  
34 **Other Provisions**

35 NEW SECTION. **Sec. 401.** A new section is added to chapter 46.68  
36 RCW to read as follows:

37 The move ahead WA account is created in the motor vehicle fund.  
38 Moneys in the account may be spent only after appropriation.

1 Expenditures from the account must be used only for projects or  
2 improvements identified as move ahead WA projects or improvements in  
3 an omnibus transportation appropriations act, including any principal  
4 and interest on bonds authorized for the projects or improvements.

5 NEW SECTION. **Sec. 402.** A new section is added to chapter 46.68  
6 RCW to read as follows:

7 The move ahead WA flexible account is created in the state  
8 treasury. Moneys in the account may be spent only after  
9 appropriation. Expenditures from the account may be used only for  
10 transportation projects, programs, or activities identified as move  
11 ahead WA flexible projects, programs, or activities in an omnibus  
12 transportation appropriations act.

13 **Sec. 403.** RCW 43.84.092 and 2021 c 199 s 504 are each amended to  
14 read as follows:

15 (1) All earnings of investments of surplus balances in the state  
16 treasury shall be deposited to the treasury income account, which  
17 account is hereby established in the state treasury.

18 (2) The treasury income account shall be utilized to pay or  
19 receive funds associated with federal programs as required by the  
20 federal cash management improvement act of 1990. The treasury income  
21 account is subject in all respects to chapter 43.88 RCW, but no  
22 appropriation is required for refunds or allocations of interest  
23 earnings required by the cash management improvement act. Refunds of  
24 interest to the federal treasury required under the cash management  
25 improvement act fall under RCW 43.88.180 and shall not require  
26 appropriation. The office of financial management shall determine the  
27 amounts due to or from the federal government pursuant to the cash  
28 management improvement act. The office of financial management may  
29 direct transfers of funds between accounts as deemed necessary to  
30 implement the provisions of the cash management improvement act, and  
31 this subsection. Refunds or allocations shall occur prior to the  
32 distributions of earnings set forth in subsection (4) of this  
33 section.

34 (3) Except for the provisions of RCW 43.84.160, the treasury  
35 income account may be utilized for the payment of purchased banking  
36 services on behalf of treasury funds including, but not limited to,  
37 depository, safekeeping, and disbursement functions for the state  
38 treasury and affected state agencies. The treasury income account is

1 subject in all respects to chapter 43.88 RCW, but no appropriation is  
2 required for payments to financial institutions. Payments shall occur  
3 prior to distribution of earnings set forth in subsection (4) of this  
4 section.

5 (4) Monthly, the state treasurer shall distribute the earnings  
6 credited to the treasury income account. The state treasurer shall  
7 credit the general fund with all the earnings credited to the  
8 treasury income account except:

9 (a) The following accounts and funds shall receive their  
10 proportionate share of earnings based upon each account's and fund's  
11 average daily balance for the period: The abandoned recreational  
12 vehicle disposal account, the aeronautics account, the Alaskan Way  
13 viaduct replacement project account, the ambulance transport fund,  
14 the brownfield redevelopment trust fund account, the budget  
15 stabilization account, the capital vessel replacement account, the  
16 capitol building construction account, the Central Washington  
17 University capital projects account, the charitable, educational,  
18 penal and reformatory institutions account, the Chehalis basin  
19 account, the Chehalis basin taxable account, the cleanup settlement  
20 account, the climate active transportation account, the climate  
21 transit programs account, the Columbia river basin water supply  
22 development account, the Columbia river basin taxable bond water  
23 supply development account, the Columbia river basin water supply  
24 revenue recovery account, the common school construction fund, the  
25 community forest trust account, the connecting Washington account,  
26 the county arterial preservation account, the county criminal justice  
27 assistance account, the deferred compensation administrative account,  
28 the deferred compensation principal account, the department of  
29 licensing services account, the department of retirement systems  
30 expense account, the developmental disabilities community services  
31 account, the diesel idle reduction account, the drinking water  
32 assistance account, the administrative subaccount of the drinking  
33 water assistance account, the early learning facilities development  
34 account, the early learning facilities revolving account, the Eastern  
35 Washington University capital projects account, the education  
36 construction fund, the education legacy trust account, the election  
37 account, the electric vehicle account, the energy freedom account,  
38 the energy recovery act account, the essential rail assistance  
39 account, The Evergreen State College capital projects account, the  
40 fair start for kids account, the ferry bond retirement fund, the

1 fish, wildlife, and conservation account, the freight mobility  
2 investment account, the freight mobility multimodal account, the  
3 grade crossing protective fund, the public health services account,  
4 the state higher education construction account, the higher education  
5 construction account, the higher education retirement plan  
6 supplemental benefit fund, the highway bond retirement fund, the  
7 highway infrastructure account, the highway safety fund, the hospital  
8 safety net assessment fund, the Interstate 405 and state route number  
9 167 express toll lanes account, the judges' retirement account, the  
10 judicial retirement administrative account, the judicial retirement  
11 principal account, the limited fish and wildlife account, the local  
12 leasehold excise tax account, the local real estate excise tax  
13 account, the local sales and use tax account, the marine resources  
14 stewardship trust account, the medical aid account, the money-  
15 purchase retirement savings administrative account, the money-  
16 purchase retirement savings principal account, the motor vehicle  
17 fund, the motorcycle safety education account, the move ahead WA  
18 account, the move ahead WA flexible account, the multimodal  
19 transportation account, the multiuse roadway safety account, the  
20 municipal criminal justice assistance account, the oyster reserve  
21 land account, the pension funding stabilization account, the  
22 perpetual surveillance and maintenance account, the pilotage account,  
23 the pollution liability insurance agency underground storage tank  
24 revolving account, the public employees' retirement system plan 1  
25 account, the public employees' retirement system combined plan 2 and  
26 plan 3 account, the public facilities construction loan revolving  
27 account, the public health supplemental account, the public works  
28 assistance account, the Puget Sound capital construction account, the  
29 Puget Sound ferry operations account, the Puget Sound Gateway  
30 facility account, the Puget Sound taxpayer accountability account,  
31 the real estate appraiser commission account, the recreational  
32 vehicle account, the regional mobility grant program account, the  
33 resource management cost account, the rural arterial trust account,  
34 the rural mobility grant program account, the rural Washington loan  
35 fund, the sexual assault prevention and response account, the site  
36 closure account, the skilled nursing facility safety net trust fund,  
37 the small city pavement and sidewalk account, the special category C  
38 account, the special wildlife account, the state investment board  
39 expense account, the state investment board commingled trust fund  
40 accounts, the state patrol highway account, the state reclamation

1 revolving account, the state route number 520 civil penalties  
2 account, the state route number 520 corridor account, the statewide  
3 broadband account, the statewide tourism marketing account, the  
4 supplemental pension account, the Tacoma Narrows toll bridge account,  
5 the teachers' retirement system plan 1 account, the teachers'  
6 retirement system combined plan 2 and plan 3 account, the tobacco  
7 prevention and control account, the tobacco settlement account, the  
8 toll facility bond retirement account, the transportation 2003  
9 account (nickel account), the transportation equipment fund, the  
10 transportation future funding program account, the transportation  
11 improvement account, the transportation improvement board bond  
12 retirement account, the transportation infrastructure account, the  
13 transportation partnership account, the traumatic brain injury  
14 account, the University of Washington bond retirement fund, the  
15 University of Washington building account, the voluntary cleanup  
16 account, the volunteer firefighters' and reserve officers' relief and  
17 pension principal fund, the volunteer firefighters' and reserve  
18 officers' administrative fund, the vulnerable roadway user education  
19 account, the Washington judicial retirement system account, the  
20 Washington law enforcement officers' and firefighters' system plan 1  
21 retirement account, the Washington law enforcement officers' and  
22 firefighters' system plan 2 retirement account, the Washington public  
23 safety employees' plan 2 retirement account, the Washington school  
24 employees' retirement system combined plan 2 and 3 account, the  
25 Washington state patrol retirement account, the Washington State  
26 University building account, the Washington State University bond  
27 retirement fund, the water pollution control revolving administration  
28 account, the water pollution control revolving fund, the Western  
29 Washington University capital projects account, the Yakima integrated  
30 plan implementation account, the Yakima integrated plan  
31 implementation revenue recovery account, and the Yakima integrated  
32 plan implementation taxable bond account. Earnings derived from  
33 investing balances of the agricultural permanent fund, the normal  
34 school permanent fund, the permanent common school fund, the  
35 scientific permanent fund, and the state university permanent fund  
36 shall be allocated to their respective beneficiary accounts.

37 (b) Any state agency that has independent authority over accounts  
38 or funds not statutorily required to be held in the state treasury  
39 that deposits funds into a fund or account in the state treasury  
40 pursuant to an agreement with the office of the state treasurer shall

1 receive its proportionate share of earnings based upon each account's  
2 or fund's average daily balance for the period.

3 (5) In conformance with Article II, section 37 of the state  
4 Constitution, no treasury accounts or funds shall be allocated  
5 earnings without the specific affirmative directive of this section.

6 **Sec. 404.** RCW 43.84.092 and 2021 c 199 s 505 are each amended to  
7 read as follows:

8 (1) All earnings of investments of surplus balances in the state  
9 treasury shall be deposited to the treasury income account, which  
10 account is hereby established in the state treasury.

11 (2) The treasury income account shall be utilized to pay or  
12 receive funds associated with federal programs as required by the  
13 federal cash management improvement act of 1990. The treasury income  
14 account is subject in all respects to chapter 43.88 RCW, but no  
15 appropriation is required for refunds or allocations of interest  
16 earnings required by the cash management improvement act. Refunds of  
17 interest to the federal treasury required under the cash management  
18 improvement act fall under RCW 43.88.180 and shall not require  
19 appropriation. The office of financial management shall determine the  
20 amounts due to or from the federal government pursuant to the cash  
21 management improvement act. The office of financial management may  
22 direct transfers of funds between accounts as deemed necessary to  
23 implement the provisions of the cash management improvement act, and  
24 this subsection. Refunds or allocations shall occur prior to the  
25 distributions of earnings set forth in subsection (4) of this  
26 section.

27 (3) Except for the provisions of RCW 43.84.160, the treasury  
28 income account may be utilized for the payment of purchased banking  
29 services on behalf of treasury funds including, but not limited to,  
30 depository, safekeeping, and disbursement functions for the state  
31 treasury and affected state agencies. The treasury income account is  
32 subject in all respects to chapter 43.88 RCW, but no appropriation is  
33 required for payments to financial institutions. Payments shall occur  
34 prior to distribution of earnings set forth in subsection (4) of this  
35 section.

36 (4) Monthly, the state treasurer shall distribute the earnings  
37 credited to the treasury income account. The state treasurer shall  
38 credit the general fund with all the earnings credited to the  
39 treasury income account except:



1 (a) The following accounts and funds shall receive their  
2 proportionate share of earnings based upon each account's and fund's  
3 average daily balance for the period: The abandoned recreational  
4 vehicle disposal account, the aeronautics account, the Alaskan Way  
5 viaduct replacement project account, the brownfield redevelopment  
6 trust fund account, the budget stabilization account, the capital  
7 vessel replacement account, the capitol building construction  
8 account, the Central Washington University capital projects account,  
9 the charitable, educational, penal and reformatory institutions  
10 account, the Chehalis basin account, the Chehalis basin taxable  
11 account, the cleanup settlement account, the climate active  
12 transportation account, the climate transit programs account, the  
13 Columbia river basin water supply development account, the Columbia  
14 river basin taxable bond water supply development account, the  
15 Columbia river basin water supply revenue recovery account, the  
16 common school construction fund, the community forest trust account,  
17 the connecting Washington account, the county arterial preservation  
18 account, the county criminal justice assistance account, the deferred  
19 compensation administrative account, the deferred compensation  
20 principal account, the department of licensing services account, the  
21 department of retirement systems expense account, the developmental  
22 disabilities community services account, the diesel idle reduction  
23 account, the drinking water assistance account, the administrative  
24 subaccount of the drinking water assistance account, the early  
25 learning facilities development account, the early learning  
26 facilities revolving account, the Eastern Washington University  
27 capital projects account, the education construction fund, the  
28 education legacy trust account, the election account, the electric  
29 vehicle account, the energy freedom account, the energy recovery act  
30 account, the essential rail assistance account, The Evergreen State  
31 College capital projects account, the fair start for kids account,  
32 the ferry bond retirement fund, the fish, wildlife, and conservation  
33 account, the freight mobility investment account, the freight  
34 mobility multimodal account, the grade crossing protective fund, the  
35 public health services account, the state higher education  
36 construction account, the higher education construction account, the  
37 higher education retirement plan supplemental benefit fund, the  
38 highway bond retirement fund, the highway infrastructure account, the  
39 highway safety fund, the hospital safety net assessment fund, the  
40 Interstate 405 and state route number 167 express toll lanes account,

1 the judges' retirement account, the judicial retirement  
2 administrative account, the judicial retirement principal account,  
3 the limited fish and wildlife account, the local leasehold excise tax  
4 account, the local real estate excise tax account, the local sales  
5 and use tax account, the marine resources stewardship trust account,  
6 the medical aid account, the money-purchase retirement savings  
7 administrative account, the money-purchase retirement savings  
8 principal account, the motor vehicle fund, the motorcycle safety  
9 education account, the move ahead WA account, the move ahead WA  
10 flexible account, the multimodal transportation account, the multiuse  
11 roadway safety account, the municipal criminal justice assistance  
12 account, the oyster reserve land account, the pension funding  
13 stabilization account, the perpetual surveillance and maintenance  
14 account, the pilotage account, the pollution liability insurance  
15 agency underground storage tank revolving account, the public  
16 employees' retirement system plan 1 account, the public employees'  
17 retirement system combined plan 2 and plan 3 account, the public  
18 facilities construction loan revolving account, the public health  
19 supplemental account, the public works assistance account, the Puget  
20 Sound capital construction account, the Puget Sound ferry operations  
21 account, the Puget Sound Gateway facility account, the Puget Sound  
22 taxpayer accountability account, the real estate appraiser commission  
23 account, the recreational vehicle account, the regional mobility  
24 grant program account, the resource management cost account, the  
25 rural arterial trust account, the rural mobility grant program  
26 account, the rural Washington loan fund, the sexual assault  
27 prevention and response account, the site closure account, the  
28 skilled nursing facility safety net trust fund, the small city  
29 pavement and sidewalk account, the special category C account, the  
30 special wildlife account, the state investment board expense account,  
31 the state investment board commingled trust fund accounts, the state  
32 patrol highway account, the state reclamation revolving account, the  
33 state route number 520 civil penalties account, the state route  
34 number 520 corridor account, the statewide broadband account, the  
35 statewide tourism marketing account, the supplemental pension  
36 account, the Tacoma Narrows toll bridge account, the teachers'  
37 retirement system plan 1 account, the teachers' retirement system  
38 combined plan 2 and plan 3 account, the tobacco prevention and  
39 control account, the tobacco settlement account, the toll facility  
40 bond retirement account, the transportation 2003 account (nickel

1 account), the transportation equipment fund, the transportation  
2 future funding program account, the transportation improvement  
3 account, the transportation improvement board bond retirement  
4 account, the transportation infrastructure account, the  
5 transportation partnership account, the traumatic brain injury  
6 account, the University of Washington bond retirement fund, the  
7 University of Washington building account, the voluntary cleanup  
8 account, the volunteer firefighters' and reserve officers' relief and  
9 pension principal fund, the volunteer firefighters' and reserve  
10 officers' administrative fund, the vulnerable roadway user education  
11 account, the Washington judicial retirement system account, the  
12 Washington law enforcement officers' and firefighters' system plan 1  
13 retirement account, the Washington law enforcement officers' and  
14 firefighters' system plan 2 retirement account, the Washington public  
15 safety employees' plan 2 retirement account, the Washington school  
16 employees' retirement system combined plan 2 and 3 account, the  
17 Washington state patrol retirement account, the Washington State  
18 University building account, the Washington State University bond  
19 retirement fund, the water pollution control revolving administration  
20 account, the water pollution control revolving fund, the Western  
21 Washington University capital projects account, the Yakima integrated  
22 plan implementation account, the Yakima integrated plan  
23 implementation revenue recovery account, and the Yakima integrated  
24 plan implementation taxable bond account. Earnings derived from  
25 investing balances of the agricultural permanent fund, the normal  
26 school permanent fund, the permanent common school fund, the  
27 scientific permanent fund, and the state university permanent fund  
28 shall be allocated to their respective beneficiary accounts.

29 (b) Any state agency that has independent authority over accounts  
30 or funds not statutorily required to be held in the state treasury  
31 that deposits funds into a fund or account in the state treasury  
32 pursuant to an agreement with the office of the state treasurer shall  
33 receive its proportionate share of earnings based upon each account's  
34 or fund's average daily balance for the period.

35 (5) In conformance with Article II, section 37 of the state  
36 Constitution, no treasury accounts or funds shall be allocated  
37 earnings without the specific affirmative directive of this section.

38 **Sec. 405.** RCW 82.47.020 and 1991 c 173 s 1 are each amended to  
39 read as follows:

1       (1) The legislative authority of a border area jurisdiction may,  
2 by resolution for the purposes authorized in this chapter and by  
3 approval of a majority of the registered voters of the jurisdiction  
4 voting on the proposition at a general or special election, fix and  
5 impose an excise tax on the retail sale of motor vehicle fuel and  
6 special fuel within the jurisdiction. An election held under this  
7 section must be held not more than (~~twelve~~) 12 months before the  
8 date on which the proposed tax is to be levied. The ballot setting  
9 forth the proposition (~~shall~~) must state the tax rate that is  
10 proposed. The rate of such tax (~~shall be in increments of one-tenth~~  
11 ~~of a cent per gallon and shall~~) may not exceed (~~one cent~~) two  
12 cents per gallon for ballot propositions submitted in calendar year  
13 2022. For ballot propositions submitted after calendar year 2022,  
14 this two cents per gallon maximum tax rate may be adjusted to reflect  
15 the percentage change in the implicit price deflator for personal  
16 consumption expenditures for the United States as published by the  
17 bureau of economic analysis of the federal department of commerce,  
18 for the period of time between calendar year 2022 and when the tax is  
19 placed on the ballot for voter approval.

20       (2) The tax imposed in this section shall be collected and paid  
21 to the jurisdiction but once in respect to any motor vehicle fuel or  
22 special fuel. This tax shall be in addition to any other tax  
23 authorized or imposed by law.

24       (3) For purposes of this chapter, the term "border area  
25 jurisdictions" means all cities and towns within (~~ten~~) 10 miles of  
26 an international border crossing and any transportation benefit  
27 district established under RCW 36.73.020 which has within its  
28 boundaries an international border crossing.

29       **Sec. 406.** RCW 35.21.870 and 2014 c 216 s 306 are each amended to  
30 read as follows:

31       (1) No city or town may impose a tax on the privilege of  
32 conducting an electrical energy, natural gas, steam energy, or  
33 telephone business at a rate which exceeds six percent unless the  
34 rate is first approved by a majority of the voters of the city or  
35 town voting on such a proposition, except as allowed under subsection  
36 (5) of this section.

37       (2) (a) If a city or town is imposing a rate of tax under  
38 subsection (1) of this section in excess of six percent on April 20,  
39 1982, the city or town must decrease the rate to a rate of six

1 percent or less by reducing the rate each year on or before November  
2 1st by ordinances to be effective on January 1st of the succeeding  
3 year, by an amount equal to one-tenth the difference between the tax  
4 rate on April 20, 1982, and six percent.

5 (b) Nothing in this subsection prohibits a city or town from  
6 reducing its rates by amounts greater than the amounts required in  
7 this subsection.

8 (3) Voter approved rate increases under subsection (1) of this  
9 section may not be included in the computations under this  
10 subsection.

11 (4) No city or town may impose a tax on the privilege of  
12 conducting a natural gas business with respect to sales that are  
13 exempt from the tax imposed under chapter 82.16 RCW as provided in  
14 RCW 82.16.310 at a rate higher than its business and occupation tax  
15 rate on the sale of tangible personal property or, if the city or  
16 town does not impose a business and occupation tax on the sale of  
17 tangible personal property, at a rate greater than .002.

18 (5) (a) A city or town may impose a tax of up to two percent,  
19 which may be in addition to the amount imposed pursuant to subsection  
20 (1) of this section, on the privilege of conducting a natural gas,  
21 steam energy, or telephone business.

22 (b) The proceeds of any tax imposed pursuant to this subsection  
23 (5) must be used exclusively for transportation improvements, which  
24 must be contained in the transportation plan of the state, a regional  
25 transportation planning organization, city, or county. A project may  
26 include, but is not limited to, investment in new or existing  
27 highways of statewide significance, principal arterials of regional  
28 significance, high capacity transportation, public transportation,  
29 and other transportation projects and programs of regional or  
30 statewide significance including transportation demand management.  
31 Projects may also include, but are not limited to, the operation,  
32 preservation, and maintenance of these facilities or programs.

33 **Sec. 407.** RCW 36.73.065 and 2015 3rd sp.s. c 44 s 309 are each  
34 amended to read as follows:

35 (1) Except as provided in subsection (4) of this section, taxes,  
36 fees, charges, and tolls may not be imposed by a district without  
37 approval of a majority of the voters in the district voting on a  
38 proposition at a general or special election. The proposition must  
39 include a specific description of: (a) The transportation improvement

1 or improvements proposed by the district; (b) any rebate program  
2 proposed to be established under RCW 36.73.067; and (c) the proposed  
3 taxes, fees, charges, and the range of tolls imposed by the district  
4 to raise revenue to fund the improvement or improvements or rebate  
5 program, as applicable.

6 (2) Voter approval under this section must be accorded  
7 substantial weight regarding the validity of a transportation  
8 improvement as defined in RCW 36.73.015.

9 (3) A district may not increase any taxes, fees, charges, or  
10 range of tolls imposed or change a rebate program under this chapter  
11 once the taxes, fees, charges, tolls, or rebate program takes effect,  
12 except:

13 (a) If authorized by the district voters pursuant to RCW  
14 36.73.160;

15 (b) With respect to a change in a rebate program, a material  
16 change policy adopted pursuant to RCW 36.73.160 is followed and the  
17 change does not reduce the percentage level or rebate amount;

18 (c) For up to (~~forty dollars~~) \$40 of the vehicle fee authorized  
19 in RCW 82.80.140 by the governing board of the district if a vehicle  
20 fee of (~~twenty dollars~~) \$20 has been imposed for at least (~~twenty-~~  
21 ~~four~~) 24 months; (~~or~~)

22 (d) For up to (~~fifty dollars~~) \$50 of the vehicle fee authorized  
23 in RCW 82.80.140 by the governing board of the district if a vehicle  
24 fee of (~~forty dollars~~) \$40 has been imposed for at least (~~twenty-~~  
25 ~~four~~) 24 months and a district has met the requirements of  
26 subsection (6) of this section; or

27 (e) For up to three-tenths of one percent of the selling price,  
28 in the case of a sales tax, or value of the article used, in the case  
29 of a use tax, pursuant to the sales and use tax authorized in RCW  
30 82.14.0455.

31 (4) (a) A district that includes all the territory within the  
32 boundaries of the jurisdiction, or jurisdictions, establishing the  
33 district may impose by a majority vote of the governing board of the  
34 district the following fees, taxes, and charges:

35 (i) Up to (~~twenty dollars~~) \$20 of the vehicle fee authorized in  
36 RCW 82.80.140;

37 (ii) Up to (~~forty dollars~~) \$40 of the vehicle fee authorized in  
38 RCW 82.80.140 if a vehicle fee of (~~twenty dollars~~) \$20 has been  
39 imposed for at least (~~twenty-four~~) 24 months;

1 (iii) Up to (~~(fifty dollars)~~) \$50 of the vehicle fee authorized  
2 in RCW 82.80.140 if a vehicle fee of forty dollars has been imposed  
3 for at least (~~(twenty-four)~~) 24 months and a district has met the  
4 requirements of subsection (6) of this section; (~~(or)~~)

5 (iv) A fee or charge in accordance with RCW 36.73.120; or

6 (v) Up to one-tenth of one percent of the sales and use tax in  
7 accordance with RCW 82.14.0455.

8 (b) The vehicle fee authorized in (a) of this subsection may only  
9 be imposed for a passenger-only ferry transportation improvement if  
10 the vehicle fee is first approved by a majority of the voters within  
11 the jurisdiction of the district.

12 (c)(i) A district solely comprised of a city or cities may not  
13 impose the fees or charges identified in (a) of this subsection  
14 within (~~(one hundred eighty)~~) 180 days after July 22, 2007, unless  
15 the county in which the city or cities reside, by resolution,  
16 declares that it will not impose the fees or charges identified in  
17 (a) of this subsection within the (~~(one hundred eighty-day)~~) 180-day  
18 period; or

19 (ii) A district solely comprised of a city or cities identified  
20 in RCW 36.73.020(6)(b) may not impose the fees or charges until after  
21 May 22, 2008, unless the county in which the city or cities reside,  
22 by resolution, declares that it will not impose the fees or charges  
23 identified in (a) of this subsection through May 22, 2008.

24 (5) If the interlocal agreement in RCW 82.80.140(2)(a) cannot be  
25 reached, a district that includes only the unincorporated territory  
26 of a county may impose by a majority vote of the governing body of  
27 the district up to: (a) (~~(Twenty dollars)~~) \$20 of the vehicle fee  
28 authorized in RCW 82.80.140, (b) (~~(forty dollars)~~) \$40 of the vehicle  
29 fee authorized in RCW 82.80.140 if a fee of (~~(twenty dollars)~~) \$20  
30 has been imposed for at least (~~(twenty-four)~~) 24 months, or (c)  
31 (~~(fifty dollars)~~) \$50 of the vehicle fee authorized in RCW 82.80.140  
32 if a vehicle fee of (~~(forty dollars)~~) \$40 has been imposed for at  
33 least (~~(twenty-four)~~) 24 months and a district has met the  
34 requirements of subsection (6) of this section.

35 (6) If a district intends to impose a vehicle fee of more than  
36 (~~(forty dollars)~~) \$40 by a majority vote of the governing body of the  
37 district, the governing body must publish notice of this intention,  
38 in one or more newspapers of general circulation within the district,  
39 by April 1st of the year in which the vehicle fee is to be imposed.  
40 If within (~~(ninety)~~) 90 days of the date of publication a petition is

1 filed with the county auditor containing the signatures of eight  
2 percent of the number of voters registered and voting in the district  
3 for the office of the governor at the last preceding gubernatorial  
4 election, the county auditor must canvass the signatures in the same  
5 manner as prescribed in RCW 29A.72.230 and certify their sufficiency  
6 to the governing body within two weeks. The proposition to impose the  
7 vehicle fee must then be submitted to the voters of the district at a  
8 special election, called for this purpose, no later than the date on  
9 which a primary election would be held under RCW 29A.04.311. The  
10 vehicle fee may then be imposed only if approved by a majority of the  
11 voters of the district voting on the proposition.

12 **Sec. 408.** RCW 82.14.0455 and 2010 c 105 s 3 are each amended to  
13 read as follows:

14 (1) Subject to the provisions in RCW 36.73.065, a transportation  
15 benefit district under chapter 36.73 RCW may fix and impose a sales  
16 and use tax in accordance with the terms of this chapter. The tax  
17 authorized in this section is in addition to any other taxes  
18 authorized by law and shall be collected from those persons who are  
19 taxable by the state under chapters 82.08 and 82.12 RCW upon the  
20 occurrence of any taxable event within the boundaries of the  
21 district. The rate of tax shall not exceed (~~two-tenths~~) three-  
22 tenths of one percent of the selling price in the case of a sales  
23 tax, or value of the article used, in the case of a use tax. Except  
24 as provided in subsection (2) of this section, the tax may not be  
25 imposed for a period exceeding (~~ten~~) 10 years. This tax, if not  
26 imposed under the conditions of subsection (2) of this section, may  
27 be extended for a period not exceeding (~~ten~~) 10 years with an  
28 affirmative vote of the voters voting at the election or a majority  
29 vote of the governing board of the district. The governing board of  
30 the district may only fix, impose, or extend a sales and use tax of  
31 up to one-tenth of one percent of the selling price in the case of a  
32 sales tax, or value of the article used, in the case of a use tax.

33 (2) The voter-approved sales tax initially imposed under this  
34 section after July 1, 2010, may be imposed for a period exceeding  
35 (~~ten~~) 10 years if the moneys received under this section are  
36 dedicated for the repayment of indebtedness incurred in accordance  
37 with the requirements of chapter 36.73 RCW.

38 (3) Money received from the tax imposed under this section must  
39 be spent in accordance with the requirements of chapter 36.73 RCW.



1        NEW SECTION.        **Sec. 409.**        A new section is added to chapter  
2 70A.535 RCW to read as follows:

3        (1) The department shall adopt rules that establish standards  
4 that reduce carbon intensity in transportation fuels used in  
5 Washington. The standards established by the rules must be based on  
6 the carbon intensity of gasoline and gasoline substitutes and the  
7 carbon intensity of diesel and diesel substitutes. The standards:

8            (a) Must reduce the overall, aggregate carbon intensity of  
9 transportation fuels used in Washington;

10            (b) May only require carbon intensity reductions at the aggregate  
11 level of all transportation fuels and may not require a reduction in  
12 carbon intensity to be achieved by any individual type of  
13 transportation fuel;

14            (c) Must assign a compliance obligation to fuels whose carbon  
15 intensity exceeds the standards adopted by the department, consistent  
16 with the requirements of RCW 70A.535.030; and

17            (d) Must assign credits that can be used to satisfy or offset  
18 compliance obligations to fuels whose carbon intensity is below the  
19 standards adopted by the department and that elect to participate in  
20 the program, consistent with the requirements of RCW 70A.535.030.

21        (2) The clean fuels program adopted by the department must be  
22 designed such that:

23            (a) Regulated parties generate deficits and may reconcile the  
24 deficits, and thus comply with the clean fuels program standards for  
25 a compliance period, by obtaining and retiring credits;

26            (b) Regulated parties and credit generators may generate credits  
27 for fuels used as substitutes or alternatives for gasoline or diesel;

28            (c) Regulated parties, credit generators, and credit aggregators  
29 shall have opportunities to trade credits; and

30            (d) Regulated parties shall be allowed to carry over to the next  
31 compliance period a small deficit without penalty.

32        (3) The department shall, throughout a compliance period,  
33 regularly monitor the availability of fuels needed for compliance  
34 with the clean fuels program.

35        (4)(a) Under the clean fuels program, the department shall  
36 monthly calculate the volume-weighted average price of credits and,  
37 no later than the last day of the month immediately following the  
38 month for which the calculation is completed, post the formula and  
39 the nonaggregated data the department used for the calculation and  
40 the results of the calculation on the department's website.

1 (b) In completing the calculation required by this subsection,  
2 the department may exclude from the data set credit transfers without  
3 a price or other credit transfers made for a price that falls two  
4 standard deviations outside of the mean credit price for the month.  
5 Data posted on the department's website under this section may not  
6 include any individually identifiable information or information that  
7 would constitute a trade secret.

8 (5)(a) Except as provided in this section, the rules adopted  
9 under this section must reduce the greenhouse gas emissions  
10 attributable to each unit of the fuels to 20 percent below 2017  
11 levels by 2038 based on the following schedule:

12 (i) No more than 0.5 percent each year in 2023 and 2024;

13 (ii) No more than an additional one percent each year beginning  
14 in 2025 through 2027;

15 (iii) No more than an additional 1.5 percent each year beginning  
16 in 2028 through 2031; and

17 (iv) No change in 2032 and 2033.

18 (b) The rules must establish a start date for the clean fuels  
19 program of no later than January 1, 2023.

20 (6) Beginning with the program year beginning in calendar year  
21 2028, the department may not increase the carbon intensity reductions  
22 required by the applicable clean fuels program standard adopted by  
23 the department under subsection (5) of this section beyond a 10  
24 percent reduction in carbon intensity until the department  
25 demonstrates that the following have occurred:

26 (a) At least a 15 percent net increase in the volume of in-state  
27 liquid biofuel production and the use of feedstocks grown or produced  
28 within the state relative to the start of the program; and

29 (b) At least one new or expanded biofuel production facility  
30 representing an increase in production capacity or producing, in  
31 total, in excess of 60,000,000 gallons of biofuels per year has or  
32 have received after July 1, 2021, all necessary siting, operating,  
33 and environmental permits post all timely and applicable appeals. As  
34 part of the threshold of 60,000,000 gallons of biofuel under this  
35 subsection, at least one new facility producing at least 10,000,000  
36 gallons per year must have received all necessary siting, operating,  
37 and environmental permits. Timely and applicable appeals must be  
38 determined by the attorney general's office.

39 (7) Beginning with the program year beginning in calendar year  
40 2031, the department may not increase the carbon intensity reductions

1 required by the applicable clean fuels program standard adopted by  
2 the department under subsection (5) of this section beyond a 10  
3 percent reduction in carbon intensity until the:

4 (a) Joint legislative audit and review committee report required  
5 in RCW 70A.535.140 has been completed; and

6 (b) 2033 regular legislative session has adjourned, in order to  
7 allow an opportunity for the legislature to amend the requirements of  
8 this chapter in light of the report required in (a) of this  
9 subsection.

10 (8) Transportation fuels exported from Washington are not subject  
11 to the greenhouse gas emissions reduction requirements in this  
12 section.

13 (9) To the extent the requirements of this chapter conflict with  
14 the requirements of chapter 19.112 RCW, the requirements of this  
15 chapter prevail.

16 **Sec. 410.** RCW 70A.535.010 and 2021 c 317 s 2 are each amended to  
17 read as follows:

18 The definitions in this section apply throughout this chapter  
19 unless the context clearly indicates otherwise.

20 (1) "Carbon dioxide equivalents" has the same meaning as defined  
21 in RCW 70A.45.010.

22 (2) "Carbon intensity" means the quantity of life-cycle  
23 greenhouse gas emissions, per unit of fuel energy, expressed in grams  
24 of carbon dioxide equivalent per megajoule (gCO<sub>2</sub>e/MJ).

25 (3) "Clean fuels program" means the requirements established  
26 under this chapter.

27 (4) "Cost" means an expense connected to the manufacture,  
28 distribution, or other aspects of the provision of a transportation  
29 fuel product.

30 (5) "Credit" means a unit of measure generated when a  
31 transportation fuel with a carbon intensity that is less than the  
32 applicable standard adopted by the department under ((RCW  
33 70A.535.020)) section 409 of this act is produced, imported, or  
34 dispensed for use in Washington, such that one credit is equal to one  
35 metric ton of carbon dioxide equivalents. A credit may also be  
36 generated through other activities consistent with this chapter.

37 (6) "Deficit" means a unit of measure generated when a  
38 transportation fuel with a carbon intensity that is greater than the  
39 applicable standard adopted by the department under ((RCW

1 ~~70A.535.020~~) section 409 of this act is produced, imported, or  
2 dispensed for use in Washington, such that one deficit is equal to  
3 one metric ton of carbon dioxide equivalents.

4 (7) "Department" means the department of ecology.

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

7 (9) "Greenhouse gas" has the same meaning as defined in RCW  
8 70A.45.010.

9 (10) "Military tactical vehicle" means a motor vehicle owned by  
10 the United States department of defense or the United States military  
11 services and that is used in combat, combat support, combat service  
12 support, tactical or relief operations, or training for such  
13 operations.

14 (11) "Motor vehicle" has the same meaning as defined in RCW  
15 46.04.320.

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

19 (13) "Regulated party" means a producer or importer of any amount  
20 of a transportation fuel that is ineligible to generate credits under  
21 this chapter.

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

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

31 (15) "Transportation fuel" means electricity and any liquid or  
32 gaseous fuel sold, supplied, offered for sale, or used for the  
33 propulsion of a motor vehicle or that is intended for use for  
34 transportation purposes.

35 **Sec. 411.** RCW 70A.535.030 and 2021 c 317 s 4 are each amended to  
36 read as follows:

37 The rules adopted by the department to achieve the greenhouse gas  
38 emissions reductions per unit of fuel energy specified in ((RCW

1 ~~70A.535.020~~) section 409 of this act must include, but are not  
2 limited to, the following:

3 (1) Standards for greenhouse gas emissions attributable to the  
4 transportation fuels throughout their life cycles, including but not  
5 limited to emissions from the production, storage, transportation,  
6 and combustion of transportation fuels and from changes in land use  
7 associated with transportation fuels and any permanent greenhouse gas  
8 sequestration activities.

9 (a) The rules adopted by the department under this subsection (1)  
10 may:

11 (i) Include provisions to address the efficiency of a fuel as  
12 used in a powertrain as compared to a reference fuel;

13 (ii) Consider carbon intensity calculations for transportation  
14 fuels developed by national laboratories or used by similar programs  
15 in other states; and

16 (iii) Consider changes in land use and any permanent greenhouse  
17 gas sequestration activities associated with the production of any  
18 type of transportation fuel.

19 (b) The rules adopted by the department under this subsection (1)  
20 must:

21 (i) Neutrally consider the life-cycle emissions associated with  
22 transportation fuels with respect to the political jurisdiction in  
23 which the fuels originated and may not discriminate against fuels on  
24 the basis of having originated in another state or jurisdiction.  
25 Nothing in this subsection may be construed to prohibit inclusion or  
26 assessment of emissions related to fuel production, storage,  
27 transportation, or combustion or associated changes in land use in  
28 determining the carbon intensity of a fuel;

29 (ii) Measure greenhouse gas emissions associated with electricity  
30 and hydrogen based on a mix of generation resources specific to each  
31 electric utility participating in the clean fuels program. The  
32 department may apply an asset-controlling supplier emission factor  
33 certified or approved by a similar program to reduce the greenhouse  
34 gas emissions associated with transportation fuels in another state;

35 (iii) Include mechanisms for certifying electricity that has a  
36 carbon intensity of zero. This electricity must include, at minimum,  
37 electricity:

38 (A) For which a renewable energy credit or other environmental  
39 attribute has been retired or used; and

1 (B) Produced using a zero emission resource including, but not  
2 limited to, solar, wind, geothermal, or the industrial combustion of  
3 biomass consistent with RCW 70A.45.020(3), that is directly supplied  
4 as a transportation fuel by the generator of the electricity to a  
5 metered customer for electric vehicle charging or refueling;

6 (iv) Allow the generation of credits associated with electricity  
7 with a carbon intensity lower than that of standard adopted by the  
8 department. The department may not require electricity to have a  
9 carbon intensity of zero in order to be eligible to generate credits  
10 from use as a transportation fuel; and

11 (v) Include procedures for setting and adjusting the amounts of  
12 greenhouse gas emissions per unit of fuel energy that is assigned to  
13 transportation fuels under this subsection.

14 (c) If the department determines that it is necessary for  
15 purposes of accurately measuring greenhouse gas emissions associated  
16 with transportation fuels, the department may require transportation  
17 fuel suppliers to submit data or information to be used for purposes  
18 of calculating greenhouse gas emissions that is different from or  
19 additional to the greenhouse gas emissions data reported under RCW  
20 70A.15.2200(5)(a)(iii).

21 (d) If the department determines that it is necessary for  
22 purposes of accurately measuring greenhouse gas emissions associated  
23 with electricity supplied to retail customers or hydrogen production  
24 facilities by an electric utility, the department may require  
25 electric utilities participating in the clean fuels program to submit  
26 data or information to be used for purposes of calculating greenhouse  
27 gas emissions that is different from or additional to the fuel mix  
28 disclosure information submitted under chapter 19.29A RCW. To the  
29 extent practicable, rules adopted by the department may allow data  
30 requested of utilities to be submitted in a form and manner  
31 consistent with other required state or federal data submissions;

32 (2) Provisions allowing for the achievement of limits on the  
33 greenhouse gas emissions intensity of transportation fuels in (~~RCW~~  
34 ~~70A.535.020~~) section 409 of this act to be achieved by any  
35 combination of credit generating activities capable of meeting such  
36 standards. Where such provisions would not produce results counter to  
37 the emission reduction goals of the program or prove administratively  
38 burdensome for the department, the rules should provide each  
39 participant in the clean fuels program with the opportunity to  
40 demonstrate appropriate carbon intensity values taking into account

1 both emissions from production facilities and elsewhere in the  
2 production cycle, including changes in land use and permanent  
3 greenhouse gas sequestration activities;

4 (3) (a) Methods for assigning compliance obligations and methods  
5 for tracking tradable credits. The department may assign the  
6 generation of a credit when a fuel with associated life-cycle  
7 greenhouse gas emissions that are lower than the applicable per-unit  
8 standard adopted by the department under ((~~RCW 70A.535.020~~)) section  
9 409 of this act is produced, imported, or dispensed for use in  
10 Washington, or when specified activities are undertaken that support  
11 the reduction of greenhouse gas emissions associated with  
12 transportation in Washington;

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

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

17 (4) Mechanisms to elect to participate in the clean fuels program  
18 for persons associated with the supply chains of transportation fuels  
19 that are eligible to generate credits consistent with subsection (3)  
20 of this section, including producers, importers, distributors, users,  
21 or retailers of such fuels, and electric vehicle manufacturers;

22 (5) Mechanisms for persons associated with the supply chains of  
23 transportation fuels that are used for purposes that are exempt from  
24 the clean fuels program compliance obligations including, but not  
25 limited to, fuels used by aircraft, vessels, railroad locomotives,  
26 and other exempt fuels specified in RCW 70A.535.040, to elect to  
27 participate in the clean fuels program by earning credits for the  
28 production, import, distribution, use, or retail of exempt fuels with  
29 associated life-cycle greenhouse gas emissions lower than the per-  
30 unit standard established in ((~~RCW 70A.535.020~~)) section 409 of this  
31 act;

32 (6) Mechanisms that allow for the assignment of credits to an  
33 electric utility for electricity used within its utility service  
34 area, at minimum, for residential electric vehicle charging or  
35 fueling;

36 (7) Cost containment mechanisms.

37 (a) Cost containment mechanisms must include the credit clearance  
38 market specified in subsection (8) of this section and may also  
39 include, but are not limited to:

1 (i) Procedures similar to the credit clearance market required in  
2 subsection (8) of this section that provide a means of compliance  
3 with the clean fuels program requirements in the event that a  
4 regulated person has not been able to acquire sufficient volumes of  
5 credits at the end of a compliance period; or

6 (ii) Similar procedures that ensure that credit prices do not  
7 significantly exceed credit prices in other jurisdictions that have  
8 adopted similar programs to reduce the carbon intensity of  
9 transportation fuels.

10 (b) Any cost containment mechanisms must be designed to provide  
11 financial disincentive for regulated persons to rely on the cost  
12 containment mechanism for purposes of program compliance instead of  
13 seeking to generate or acquire sufficient credits under the program.

14 (c) The department shall harmonize the program's cost containment  
15 mechanisms with the cost containment rules in the states specified in  
16 RCW 70A.535.060(1).

17 (d) The department shall consider mechanisms such as the  
18 establishment of a credit price cap or other alternative cost  
19 containment measures if deemed necessary to harmonize market credit  
20 costs with those in the states specified in RCW 70A.535.060(1);

21 (8) (a) (i) A credit clearance market for any compliance period in  
22 which at least one regulated party reports that the regulated party  
23 has a net deficit balance at the end of the compliance period, after  
24 retirement of all credits held by the regulated party, that is  
25 greater than a small deficit. A regulated party described by this  
26 subsection is required to participate in the credit clearance market.

27 (ii) If a regulated party has a small deficit at the end of a  
28 compliance period, the regulated party shall notify the department  
29 that it will achieve compliance with the clean fuels program during  
30 the compliance period by either: (A) Participating in a credit  
31 clearance market; or (B) carrying forward the small deficit.

32 (b) For the purposes of administering a credit clearance market  
33 required by this section, the department shall:

34 (i) Allow any regulated party, credit generator, or credit  
35 aggregator that holds excess credits at the end of the compliance  
36 period to voluntarily participate in the credit clearance market as a  
37 seller by pledging a specified number of credits for sale in the  
38 market;

39 (ii) Require each regulated party participating in the credit  
40 clearance market as purchaser of credits to:



1 (A) Have retired all credits in the regulated party's possession  
2 prior to participating in the credit clearance market; and

3 (B) Purchase the specified number of the total pledged credits  
4 that the department has determined are that regulated party's pro  
5 rata share of the pledged credits;

6 (iii) Require all sellers to:

7 (A) Agree to sell pledged credits at a price no higher than a  
8 maximum price for credits;

9 (B) Accept all offers to purchase pledged credits at the maximum  
10 price for credits; and

11 (C) Agree to withhold any pledged credits from sale in any  
12 transaction outside of the credit clearance market until the end of  
13 the credit clearance market, or if no credit clearance market is held  
14 in a given year, then until the date on which the department  
15 announces it will not be held.

16 (c) (i) The department shall set a maximum price for credits in a  
17 credit clearance market, consistent with states that have adopted  
18 similar clean fuels programs, not to exceed \$200 in 2018 dollars for  
19 2023.

20 (ii) For 2024 and subsequent years, the maximum price may exceed  
21 \$200 in 2018 dollars, but only to the extent that a greater maximum  
22 price for credits is necessary to annually adjust for inflation,  
23 beginning on January 1, 2024, pursuant to the increase, if any, from  
24 the preceding calendar year in the consumer price index for all urban  
25 consumers, west region (all items), as published by the bureau of  
26 labor statistics of the United States department of labor.

27 (d) A regulated party that has a net deficit balance after the  
28 close of a credit clearance market:

29 (i) Must carry over the remaining deficits into the next  
30 compliance period; and

31 (ii) May not be subject to interest greater than five percent,  
32 penalties, or assertions of noncompliance that accrue based on the  
33 carryover of deficits under this subsection.

34 (e) If a regulated party has been required under (a) of this  
35 subsection to participate as a purchaser in two consecutive credit  
36 clearance markets and continues to have a net deficit balance after  
37 the close of the second consecutive credit clearance market, the  
38 department shall complete, no later than two months after the close  
39 of the second credit clearance market, an analysis of the root cause  
40 of an inability of the regulated party to retire the remaining

1 deficits. The department may recommend and implement any remedy that  
2 the department determines is necessary to address the root cause  
3 identified in the analysis including, but not limited to, issuing a  
4 deferral, provided that the remedy implemented does not:

5 (i) Require a regulated party to purchase credits for an amount  
6 that exceeds the maximum price for credits in the most recent credit  
7 clearance market; or

8 (ii) Compel a person to sell credits.

9 (f) If credits sold in a credit clearance market are subsequently  
10 invalidated as a result of fraud or any other form of noncompliance  
11 on the part of the generator of the credit, the department may not  
12 pursue civil penalties against, or require credit replacement by, the  
13 regulated party that purchased the credits unless the regulated party  
14 was a party to the fraud or other form of noncompliance.

15 (g) The department may not disclose the deficit balances or pro  
16 rata share purchase requirements of a regulated party that  
17 participates in the credit clearance market;

18 (9) Authority for the department to designate an entity to  
19 aggregate and use unclaimed credits associated with persons that  
20 elect not to participate in the clean fuels program under subsection  
21 (4) of this section.

22 **Sec. 412.** RCW 70A.535.040 and 2021 c 317 s 5 are each amended to  
23 read as follows:

24 (1) The rules adopted under RCW (~~(70A.535.020 and)~~) 70A.535.030  
25 and section 409 of this act must include exemptions for, at minimum,  
26 the following transportation fuels:

27 (a) Fuels used in volumes below thresholds adopted by the  
28 department;

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

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

33 (2)(a) The rules adopted under RCW (~~(70A.535.020 and)~~)  
34 70A.535.030 and section 409 of this act must exempt the following  
35 transportation fuels from greenhouse gas emissions intensity  
36 reduction requirements until January 1, 2028:

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

1 (ii) Dyed special fuel used in vehicles that are not designed  
2 primarily to transport persons or property, that are not designed to  
3 be primarily operated on highways, and that are used primarily for  
4 construction work including, but not limited to, mining and timber  
5 harvest operations; and

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

8 (b) Prior to January 1, 2028, fuels identified in this subsection  
9 (2) are eligible to generate credits, consistent with subsection (5)  
10 of this section. Beginning January 1, 2028, the fuels identified in  
11 this subsection (2) are subject to the greenhouse gas emissions  
12 intensity reduction requirements applicable to transportation fuels  
13 specified in (~~RCW 70A.535.020~~) section 409 of this act.

14 (3) The department may adopt rules to specify the standards for  
15 persons to qualify for the exemptions provided in this section. The  
16 department may implement the exemptions under subsection (2) of this  
17 section to align with the implementation of exemptions for similar  
18 fuels exempt from chapter 82.38 RCW.

19 (4) The rules adopted under RCW (~~70A.535.020 and~~) 70A.535.030  
20 and section 409 of this act may include exemptions in addition to  
21 those described in subsections (1) and (2) of this section, but only  
22 if such exemptions are necessary, with respect to the relationship  
23 between the program and similar greenhouse gas emissions requirements  
24 or low carbon fuel standards, in order to avoid:

25 (a) Mismatched incentives across programs;

26 (b) Fuel shifting between markets; or

27 (c) Other results that are counter to the intent of this chapter.

28 (5) Nothing in this chapter precludes the department from  
29 adopting rules under RCW (~~70A.535.020 and~~) 70A.535.030 and section  
30 409 of this act that allow the generation of credits associated with  
31 electric or alternative transportation infrastructure that existed  
32 prior to July 25, 2021, or to the start date of program requirements.  
33 The department must apply the same baseline years to credits  
34 associated with electric or alternative transportation infrastructure  
35 that apply to gasoline and diesel liquid fuels in any market-based  
36 program enacted by the legislature that establishes a cap on  
37 greenhouse gas emissions.

38 **Sec. 413.** RCW 70A.535.050 and 2021 c 317 s 6 are each amended to  
39 read as follows:

1 (1) The rules adopted under RCW (~~70A.535.020 and~~) 70A.535.030  
2 and section 409 of this act may allow the generation of credits from  
3 activities that support the reduction of greenhouse gas emissions  
4 associated with transportation in Washington, including but not  
5 limited to:

6 (a) Carbon capture and sequestration projects, including but not  
7 limited to:

8 (i) Innovative crude oil production projects that include carbon  
9 capture and sequestration;

10 (ii) Project-based refinery greenhouse gas mitigation including,  
11 but not limited to, process improvements, renewable hydrogen use, and  
12 carbon capture and sequestration; or

13 (iii) Direct air capture projects;

14 (b) Investments and activities that support deployment of  
15 machinery and equipment used to produce gaseous and liquid fuels from  
16 nonfossil feedstocks, and derivatives thereof;

17 (c) The fueling of battery or fuel cell electric vehicles by a  
18 commercial, nonprofit, or public entity that is not an electric  
19 utility, which may include, but is not limited to, the fueling of  
20 vehicles using electricity certified by the department to have a  
21 carbon intensity of zero; and

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

25 (2)(a) The rules adopted under RCW (~~70A.535.020 and~~)  
26 70A.535.030 and section 409 of this act must allow the generation of  
27 credits based on capacity for zero emission vehicle refueling  
28 infrastructure, including DC fast charging infrastructure and  
29 hydrogen refueling infrastructure.

30 (b) The rules adopted under RCW (~~70A.535.020 and~~) 70A.535.030  
31 and section 409 of this act may allow the generation of credits from  
32 the provision of low carbon fuel infrastructure not specified in (a)  
33 of this subsection.

34 (3) The rules adopted under RCW (~~70A.535.020 and~~) 70A.535.030  
35 and section 409 of this act must allow the generation of credits from  
36 state transportation investments funded in an omnibus transportation  
37 appropriations act for activities and projects that reduce greenhouse  
38 gas emissions and decarbonize the transportation sector. These  
39 include, but are not limited to: (a) Electrical grid and hydrogen  
40 fueling infrastructure investments; (b) ferry operating and capital

1 investments; (c) electrification of the state ferry fleet; (d)  
2 alternative fuel vehicle rebate programs; (e) transit grants; (f)  
3 infrastructure and other costs associated with the adoption of  
4 alternative fuel use by transit agencies; (g) bike and pedestrian  
5 grant programs and other activities; (h) complete streets and safe  
6 walking grants and allocations; (i) rail funding; and (j) multimodal  
7 investments.

8 (4) The rules adopted by the department may establish limits for  
9 the number of credits that may be earned each year by persons  
10 participating in the program for some or all of the activities  
11 specified in subsections (1) and (2) of this section. The department  
12 must limit the number of credits that may be earned each year under  
13 subsection (3) of this section to 10 percent of the total program  
14 credits. Any limits established under this subsection must take into  
15 consideration the return on investment required in order for an  
16 activity specified in subsection (2) of this section to be  
17 financially viable.

18 **Sec. 414.** RCW 70A.535.120 and 2021 c 317 s 13 are each amended  
19 to read as follows:

20 (1) The director of the department may issue an order declaring  
21 an emergency deferral of compliance with the carbon intensity  
22 standard established under (~~RCW 70A.535.020~~) section 409 of this  
23 act no later than 15 calendar days after the date the department  
24 determines, in consultation with the governor's office and the  
25 department of commerce, that:

26 (a) Extreme and unusual circumstances exist that prevent the  
27 distribution of an adequate supply of renewable fuels needed for  
28 regulated parties to comply with the clean fuels program taking into  
29 consideration all available methods of obtaining sufficient credits  
30 to comply with the standard;

31 (b) The extreme and unusual circumstances are the result of a  
32 natural disaster, an act of God, a significant supply chain  
33 disruption or production facility equipment failure, or another event  
34 that could not reasonably have been foreseen or prevented and not the  
35 lack of prudent planning on the part of the suppliers of the fuels to  
36 the state; and

37 (c) It is in the public interest to grant the deferral such as  
38 when a deferral is necessary to meet projected temporary shortfalls  
39 in the supply of the renewable fuel in the state and that other

1 methods of obtaining compliance credits are unavailable to compensate  
2 for the shortage of renewable fuel supply.

3 (2) If the director of the department makes the determination  
4 required under subsection (1) of this section, such a temporary  
5 extreme and unusual deferral is permitted only if:

6 (a) The deferral applies only for the shortest time necessary to  
7 address the extreme and unusual circumstances;

8 (b) The deferral is effective for the shortest practicable time  
9 period the director of the department determines necessary to permit  
10 the correction of the extreme and unusual circumstances; and

11 (c) The director has given public notice of a proposed deferral.

12 (3) An order declaring an emergency deferral under this section  
13 must set forth:

14 (a) The duration of the emergency deferral;

15 (b) The types of fuel to which the emergency deferral applies;

16 (c) Which of the following methods the department has selected  
17 for deferring compliance with the clean fuels program during the  
18 emergency deferral:

19 (i) Temporarily adjusting the scheduled applicable carbon  
20 intensity standard to a standard identified in the order that better  
21 reflects the availability of credits during the emergency deferral  
22 and requiring regulated parties to comply with the temporary  
23 standard;

24 (ii) Allowing for the carryover of deficits accrued during the  
25 emergency deferral into the next compliance period without penalty;  
26 or

27 (iii) Suspending deficit accrual during the emergency deferral  
28 period.

29 (4) An emergency deferral may be terminated prior to the  
30 expiration date of the emergency deferral if new information becomes  
31 available indicating that the shortage that provided the basis for  
32 the emergency deferral has ended. The director of the department  
33 shall consult with the department of commerce and the governor's  
34 office in making an early termination decision. Termination of an  
35 emergency deferral is effective 15 calendar days after the date that  
36 the order declaring the termination is adopted.

37 (5)(a) In addition to the emergency deferral specified in  
38 subsection (1) of this section, the department may issue a full or  
39 partial deferral for one calendar quarter of a person's obligation to  
40 furnish credits for compliance under RCW 70A.535.030 if it finds that

1 the person is unable to comply with the requirements of this chapter  
2 due to reasons beyond the person's reasonable control. The department  
3 may initiate a deferral under this subsection at its own discretion  
4 or at the request of a person regulated under this chapter. The  
5 department may renew issued deferrals. In evaluating whether to issue  
6 a deferral under this subsection, the department may consider the  
7 results of the fuel supply forecast in RCW 70A.535.100, but is not  
8 bound in its decision-making discretion by the results of the  
9 forecast.

10 (b) If the department issues a deferral pursuant to this  
11 subsection, the department may:

12 (i) Direct the person subject to the deferral to file a progress  
13 report on achieving full compliance with the requirements of this  
14 chapter within an amount of time determined to be reasonable by the  
15 department; and

16 (ii) Direct the person to take specific actions to achieve full  
17 compliance with the requirements of this chapter.

18 (c) The issuance of a deferral under this subsection does not  
19 permanently relieve the deferral recipient of the obligation to  
20 comply with the requirements of this chapter.

21 NEW SECTION. **Sec. 415.** RCW 70A.535.020 (Carbon intensity of  
22 transportation fuels—Standards to reduce carbon intensity—Adoption  
23 of rules) and 2021 c 317 s 3 are each repealed.

24 NEW SECTION. **Sec. 416.** A new section is added to chapter 43.330  
25 RCW to read as follows:

26 (1) A target is established for the state that all publicly owned  
27 and privately owned passenger and light duty vehicles of model year  
28 2030 or later that are sold, purchased, or registered in Washington  
29 state be electric vehicles.

30 (2) On or before December 31, 2023, the department shall complete  
31 a scoping plan for achieving the 2030 target.

32 NEW SECTION. **Sec. 417.** A new section is added to chapter 47.66  
33 RCW to read as follows:

34 (1) The department shall establish a bus and bus facilities grant  
35 program. The purpose of this competitive grant program is to provide  
36 grants to any transit authority for the replacement, expansion,  
37 rehabilitation, and purchase of transit rolling stock; construction,

1 modification, or rehabilitation of transit facilities; and funding to  
2 adapt to technological change or innovation through the retrofitting  
3 of transit rolling stock and facilities.

4 (2) (a) The department must incorporate environmental justice  
5 principles into the grant selection process, with the goal of  
6 increasing the distribution of funding to communities based on  
7 addressing environmental harms and provide environmental benefits for  
8 overburdened communities, as defined in RCW 70A.02.010, and  
9 vulnerable populations.

10 (b) The department must incorporate geographic diversity into the  
11 grant selection process.

12 (c) No grantee may receive more than 35 percent of the amount  
13 appropriated for the grant program in a particular biennium.

14 (d) Fuel type may not be a factor in the grant selection process.

15 (3) The department must establish an advisory committee to carry  
16 out the mandates of this section, including assisting with the  
17 establishment of grant criteria.

18 (4) The department must report annually to the transportation  
19 committees of the legislature on the status of any grant projects  
20 funded by the program created under this section.

21 (5) For the purposes of this section:

22 (a) "Transit authority" means a city transit system under RCW  
23 35.58.2721 or chapter 35.95A RCW, a county public transportation  
24 authority under chapter 36.57 RCW, a metropolitan municipal  
25 corporation transit system under chapter 36.56 RCW, a public  
26 transportation benefit area under chapter 36.57A RCW, an  
27 unincorporated transportation benefit area under RCW 36.57.100, or  
28 any special purpose district formed to operate a public  
29 transportation system.

30 (b) "Transit rolling stock" means transit vehicles including, but  
31 not limited to, buses, ferries, and vans.

32 NEW SECTION. **Sec. 418.** A new section is added to chapter 47.04  
33 RCW to read as follows:

34 (1) The legislature finds that many communities across Washington  
35 state have not equitably benefited from investments in the active  
36 transportation network. The legislature also finds that legacy state  
37 transportation facilities designed primarily for vehicle use caused  
38 disconnections in safe routes for people who walk, bike, and roll to  
39 work and to carry out other daily activities.



1 (2) To address these investment gaps, the connecting communities  
2 program is established within the department. The purpose of the  
3 program is to improve active transportation connectivity in  
4 communities by:

5 (a) Providing safe, continuous routes for pedestrians,  
6 bicyclists, and other nonvehicle users carrying out their daily  
7 activities;

8 (b) Mitigating for the health, safety, and access impacts of  
9 transportation infrastructure that bisects communities and creates  
10 obstacles in the local active transportation network;

11 (c) Investing in greenways providing protected routes for a wide  
12 variety of nonvehicular users; and

13 (d) Facilitating the planning, development, and implementation of  
14 projects and activities that will improve the connectivity and safety  
15 of the active transportation network.

16 (3) The department must select projects to propose to the  
17 legislature for funding. In selecting projects, the department must  
18 consider, at a minimum, the following criteria:

19 (a) Access to a transit facility, community facility, commercial  
20 center, or community-identified assets;

21 (b) The use of minority and women-owned businesses and community-  
22 based organizations in planning, community engagement, design, and  
23 construction of the project;

24 (c) Whether the project will serve:

25 (i) Overburdened communities as defined in RCW 70A.02.010 to mean  
26 a geographic area where vulnerable populations face combined,  
27 multiple environmental harms and health impacts, and includes, but is  
28 not limited to, highly impacted communities as defined in RCW  
29 19.405.020;

30 (ii) Vulnerable populations as defined in RCW 70A.02.010 to mean  
31 population groups that are more likely to be at higher risk for poor  
32 health outcomes in response to environmental harms, due to adverse  
33 socioeconomic factors, such as unemployment, high housing, and  
34 transportation costs relative to income, limited access to nutritious  
35 food and adequate health care, linguistic isolation, and other  
36 factors that negatively affect health outcomes and increase  
37 vulnerability to the effects of environmental harms; and sensitivity  
38 factors, such as low birth weight and higher rates of  
39 hospitalization. Vulnerable populations include, but are not limited  
40 to: Racial or ethnic minorities, low-income populations, populations

1 disproportionately impacted by environmental harms, and populations  
2 of workers experiencing environmental harms;

3 (iii) Household incomes at or below 200 percent of the federal  
4 poverty level; and

5 (iv) People with disabilities;

6 (d) Environmental health disparities, such as those indicated by  
7 the diesel pollution burden portion of the Washington environmental  
8 health disparities map developed by the department of health, or  
9 other similar indicators;

10 (e) Location on or adjacent to tribal lands or locations  
11 providing essential services to tribal members;

12 (f) Crash experience involving pedestrians and bicyclists; and

13 (g) Identified need by the community, for example in the state  
14 active transportation plan or a regional, county, or community plan.

15 (4) It is the intent of the legislature that the connecting  
16 communities program comply with the requirements of chapter 314, Laws  
17 of 2021.

18 (5) The department shall submit a report to the transportation  
19 committees of the legislature by December 1, 2022, and each December  
20 1st thereafter identifying the selected connecting communities  
21 projects for funding by the legislature. The report must also include  
22 the status of previously funded projects.

23 (6) This section expires July 1, 2027.

24 NEW SECTION. **Sec. 419.** A new section is added to chapter 47.24  
25 RCW to read as follows:

26 (1) In order to improve the safety, mobility, and accessibility  
27 of state highways, it is the intent of the legislature that the  
28 department must incorporate the principles of complete streets with  
29 facilities that provide street access with all users in mind,  
30 including pedestrians, bicyclists, and public transportation users,  
31 notwithstanding the provisions of RCW 47.24.020 concerning  
32 responsibility beyond the curb of state rights-of-way. As such, state  
33 transportation projects starting design on or after July 1, 2022, and  
34 that are \$500,000 or more, must:

35 (a) Identify those locations on state rights-of-way that do not  
36 have a complete and Americans with disabilities act accessible  
37 sidewalk or shared-use path, that do not have bicycle facilities in  
38 the form of a bike lane or adjacent parallel trail or shared-use  
39 path, that have such facilities on a state route within a population

1 center that has a posted speed in excess of 30 miles per hour and no  
2 buffer or physical separation from vehicular traffic for pedestrians  
3 and bicyclists, and/or that have a design that hampers the ability of  
4 motorists to see a crossing pedestrian with sufficient time to stop  
5 given posted speed limits and roadway configuration;

6 (b) Consult with local jurisdictions to confirm existing and  
7 planned active transportation connections along or across the  
8 location; identification of connections to existing and planned  
9 public transportation services, ferry landings, commuter and  
10 passenger rail, and airports; the existing and planned facility  
11 type(s) within the local jurisdiction that connect to the location;  
12 and the potential use of speed management techniques to minimize  
13 crash exposure and severity;

14 (c) Adjust the speed limit to a lower speed with appropriate  
15 modifications to roadway design and operations to achieve the desired  
16 operating speed in those locations where this speed management  
17 approach aligns with local plans or ordinances, particularly in those  
18 contexts that present a higher possibility of serious injury or fatal  
19 crashes occurring based on land use context, observed crash data,  
20 crash potential, roadway characteristics that are likely to increase  
21 exposure, or a combination thereof, in keeping with a safe system  
22 approach and with the intention of ultimately eliminating serious and  
23 fatal crashes; and

24 (d) Plan, design, and construct facilities providing context-  
25 sensitive solutions that contribute to network connectivity and  
26 safety for pedestrians, bicyclists, and people accessing public  
27 transportation and other modal connections, such facilities to  
28 include Americans with disabilities act accessible sidewalks or  
29 shared-use paths, bicyclist facilities, and crossings as needed to  
30 integrate the state route into the local network.

31 (2) Projects undertaken for emergent work required to reopen a  
32 state highway in the event of a natural disaster or other emergency  
33 repair are not required to comply with the provisions of this  
34 section.

35 (3) Maintenance of facilities constructed under this provision  
36 shall be as provided under existing law.

37 (4) This section does not create a private right of action.

38 NEW SECTION. **Sec. 420.** A new section is added to chapter 47.04  
39 RCW to read as follows:

1 (1) The department shall establish a statewide school-based  
2 bicycle education grant program. The grant will support two programs:  
3 One for elementary and middle school; and one for junior high and  
4 high school aged youth to develop the skills and street safety  
5 knowledge to be more confident bicyclists for transportation and/or  
6 recreation. In development of the grant program, the department is  
7 encouraged to consult with the environmental justice council and the  
8 office of equity.

9 (2) (a) For the elementary and middle school program, the  
10 department shall contract with a nonprofit organization with relevant  
11 reach and experience, including a statewide footprint and  
12 demonstrable experience deploying bicycling and road safety education  
13 curriculum via a train the trainer model in schools. The selected  
14 nonprofit shall identify partner schools that serve target  
15 populations, based on the criteria in subsection (3) of this section.  
16 Partner schools shall receive from the nonprofit: In-school bike and  
17 pedestrian safety education curriculum, materials, equipment guidance  
18 and consultation, and physical education teacher trainings. Youth  
19 grades three through eight are eligible for the program.

20 (b) Selected school districts shall receive and maintain a fleet  
21 of bicycles for the youth in the program. Youth and families  
22 participating in the school-base bicycle education grant program  
23 shall have an opportunity to receive a bike, lock, helmet, and lights  
24 free of cost.

25 (3) For the junior high and high school program, the department  
26 shall contract with a nonprofit organization with relevant reach and  
27 experience, including a statewide footprint; demonstrable experience  
28 developing and managing youth-based programming serving youth of  
29 color in an after-school and/or community setting; and deploying  
30 bicycling and road safety education curriculum via a train the  
31 trainer model. The selected nonprofit shall use the equity-based  
32 criteria in subsection (4) of this section to identify target  
33 populations and partner organizations including, but not limited to,  
34 schools, community-based organizations, housing authorities, and  
35 parks and recreation departments, that work with the eligible  
36 populations of youth ages 14 to 18. Partner organizations shall  
37 receive from the nonprofit: Education curriculum, materials,  
38 equipment guidance and consultation, and initial instructor/volunteer  
39 training, as well as ongoing support.

1 (4) In selecting schools and partner organizations for the  
2 school-based bicycle education grant program, the department and  
3 nonprofit must consider, at a minimum, the following criteria:

4 (a) Population impacted by poverty, as measured by free and  
5 reduced lunch population or 200 percent federal poverty level;

6 (b) People of color;

7 (c) People of Hispanic heritage;

8 (d) People with disabilities;

9 (e) Environmental health disparities, such as those indicated by  
10 the diesel pollution burden portion of the Washington environmental  
11 health disparities map developed by the department of health, or  
12 other similar indicators;

13 (f) Location on or adjacent to an Indian reservation;

14 (g) Geographic location throughout the state;

15 (h) Crash experience involving pedestrians and bicyclists;

16 (i) Access to a community facility or commercial center; and

17 (j) Identified need in the state active transportation plan or a  
18 regional, county, or community plan.

19 (5) The department shall submit a report for both programs to the  
20 transportation committees of the legislature by December 1, 2022, and  
21 each December 1st thereafter identifying the selected programs and  
22 school districts for funding by the legislature. The report must also  
23 include the status of previously funded programs.

24 NEW SECTION. **Sec. 421.** A new section is added to chapter 47.04  
25 RCW to read as follows:

26 For the purposes of submitting a request by October 1, 2022, to  
27 Amtrak to adopt a fare policy change, the department shall negotiate  
28 with the Oregon department of transportation to determine ridership,  
29 revenue, and policy impacts relating to elimination of fares for  
30 Amtrak Cascades passengers 18 years of age and younger. It is the  
31 intent of the legislature that fares for passengers 18 years of age  
32 and younger for service on the Amtrak Cascades corridor be  
33 eliminated. The department shall report back to the transportation  
34 committees of the legislature with results of negotiations with the  
35 Oregon department of transportation and the status of fare policy  
36 requests submitted to Amtrak by December 1, 2022.

37 NEW SECTION. **Sec. 422.** A new section is added to chapter 47.60  
38 RCW to read as follows:

1 Consistent with RCW 47.60.315(1)(b), the commission shall adopt  
2 an annual fare policy for Washington state ferries to allow all  
3 riders 18 years of age and younger to ride free of charge on all  
4 system routes. This fare change must apply to both walk-on passengers  
5 and passengers in vehicles. The commission is directed to make the  
6 initial fare policy change effective no later than October 1, 2022.

7 NEW SECTION. **Sec. 423.** A new section is added to chapter 47.66  
8 RCW to read as follows:

9 (1) The department shall establish a transit support grant  
10 program for the purpose of providing financial support to transit  
11 agencies for operating and capital expenses only. Public transit  
12 agencies must maintain or increase their local sales tax authority on  
13 or after January 1, 2022, in order to qualify for the grants.

14 (a) Grants for transit agencies must be prorated based on the  
15 amount expended for operations in the most recently published report  
16 of "Summary of Public Transportation" published by the department.

17 (b) No transit agency may receive more than 35 percent of these  
18 distributions.

19 (c) Fuel type may not be a factor in the grant selection process.

20 (2) To be eligible to receive a grant, the transit agency must  
21 have adopted, at a minimum, a zero-fare policy that allows passengers  
22 18 years of age and younger to ride free of charge on all modes  
23 provided by the agency.

24 (3) The department shall, for the purposes of the "Summary of  
25 Public Transportation" report, require grantees to report the number  
26 of trips that were taken under this program.

27 (4) For the purposes of this section, "transit agency" or  
28 "agency" means a city transit system under RCW 35.58.2721 or chapter  
29 35.95A RCW, a county public transportation authority under chapter  
30 36.57 RCW, a metropolitan municipal corporation transit system under  
31 chapter 36.56 RCW, a public transportation benefit area under chapter  
32 36.57A RCW, an unincorporated transportation benefit area under RCW  
33 36.57.100, or any special purpose district formed to operate a public  
34 transportation system.

35 **Sec. 424.** RCW 46.63.170 and 2020 c 224 s 1 are each amended to  
36 read as follows:

37 (1) The use of automated traffic safety cameras for issuance of  
38 notices of infraction is subject to the following requirements:

1 (a) Except for proposed locations used solely for the pilot  
2 program purposes permitted under subsection (6) of this section, the  
3 appropriate local legislative authority must prepare an analysis of  
4 the locations within the jurisdiction where automated traffic safety  
5 cameras are proposed to be located: (i) Before enacting an ordinance  
6 allowing for the initial use of automated traffic safety cameras; and  
7 (ii) before adding additional cameras or relocating any existing  
8 camera to a new location within the jurisdiction. Automated traffic  
9 safety cameras may be used to detect one or more of the following:  
10 Stoplight, railroad crossing, ~~((+))~~ school speed zone  
11 violations~~((+))~~, speed violations on any roadway identified in a  
12 school walk area as defined in RCW 28A.160.160, speed violations in  
13 public park speed zones, hospital speed zones, speed violations  
14 subject to (c) or (d) of this subsection~~((+))~~, or violations included  
15 in subsection (6) of this section for the duration of the pilot  
16 program authorized under subsection (6) of this section. At a  
17 minimum, the local ordinance must contain the restrictions described  
18 in this section and provisions for public notice and signage. Cities  
19 and counties using automated traffic safety cameras before July 24,  
20 2005, are subject to the restrictions described in this section, but  
21 are not required to enact an authorizing ordinance. Beginning one  
22 year after June 7, 2012, cities and counties using automated traffic  
23 safety cameras must post an annual report of the number of traffic  
24 accidents that occurred at each location where an automated traffic  
25 safety camera is located as well as the number of notices of  
26 infraction issued for each camera and any other relevant information  
27 about the automated traffic safety cameras that the city or county  
28 deems appropriate on the city's or county's website.

29 (b) (i) Except as provided in (c) and (d) of this subsection and  
30 subsection (6) of this section, use of automated traffic safety  
31 cameras is restricted to the following locations only: ~~((+))~~ (A)  
32 Intersections of two or more arterials with traffic control signals  
33 that have yellow change interval durations in accordance with RCW  
34 47.36.022, which interval durations may not be reduced after  
35 placement of the camera; ~~((+))~~ (B) railroad crossings; ~~(and~~  
36 ~~(+))~~ (C) school speed zones; (D) roadways identified in a school  
37 walk area as defined in RCW 28A.160.160; (E) public park speed zones,  
38 as defined in (b)(ii) of this subsection; and (F) hospital speed  
39 zones, as defined in (b)(ii) of this subsection.

40 (ii) For the purposes of this section:

1 (A) "Public park speed zone" means the marked area within public  
2 park property and extending 300 feet from the border of public park  
3 property (I) consistent with active park use; and (II) where signs  
4 are posted to indicate the location is within a public park speed  
5 zone.

6 (B) "Hospital speed zone" means the marked area within hospital  
7 property and extending 300 feet from the border of hospital property  
8 (I) consistent with hospital use; and (II) where signs are posted to  
9 indicate the location is within a hospital speed zone, where  
10 "hospital" has the same meaning as in RCW 70.41.020.

11 (c) ((Any)) In addition to the automated traffic safety cameras  
12 authorized under (d) of this subsection, any city west of the Cascade  
13 mountains with a population of more than ((one hundred ninety-five  
14 thousand)) 195,000 located in a county with a population of fewer  
15 than ((one million five hundred thousand)) 1,500,000 may operate an  
16 automated traffic safety camera to detect speed violations subject to  
17 the following limitations:

18 (i) A city may only operate one such automated traffic safety  
19 camera within its respective jurisdiction; and

20 (ii) The use and location of the automated traffic safety camera  
21 must have first been authorized by the Washington state legislature  
22 as a pilot project for at least one full year.

23 (d)(i) Cities may operate at least one automated traffic safety  
24 camera under this subsection to detect speed violations, subject to  
25 the requirements of (d)(ii) of this subsection. Cities may operate  
26 one additional automated traffic safety camera to detect speed  
27 violations for every 10,000 residents included in the city's  
28 population. Cameras must be placed in locations that comply with one  
29 of the following:

30 (A) The location has been identified as a priority location in a  
31 local road safety plan that a city has submitted to the Washington  
32 state department of transportation and where other speed reduction  
33 measures are not feasible or have not been sufficiently effective at  
34 reducing travel speed;

35 (B) The location has a significantly higher rate of collisions  
36 than the city average in a period of at least three years prior to  
37 installation and other speed reduction measures are not feasible or  
38 have not been sufficiently effective at reducing travel speed; or



1 (C) The location is in an area within the city limits designated  
2 by local ordinance as a zone subject to specified restrictions and  
3 penalties on racing and race attendance.

4 (ii) A city locating an automated traffic safety camera under  
5 this subsection (1)(d) must complete an equity analysis that  
6 evaluates livability, accessibility, economics, education, and  
7 environmental health, and shall consider the outcome of that analysis  
8 when identifying where to locate an automated traffic safety camera.

9 (e) All locations where an automated traffic safety camera is  
10 used to detect speed violations on roadways identified in a school  
11 walk area, speed violations in public park speed zones, speed  
12 violations in hospital speed zones, or speed violations under (c) or  
13 (d) of this subsection must be clearly marked by placing signs in  
14 locations that clearly indicate to a driver either: (i) That the  
15 driver is within a school walk area, public park speed zone, or  
16 hospital speed zone; or (ii) that the driver is entering an area  
17 where speed violations are enforced by an automated traffic safety  
18 camera. Signs placed in automated traffic safety camera locations  
19 after June 7, 2012, must follow the specifications and guidelines  
20 under the manual of uniform traffic control devices for streets and  
21 highways as adopted by the department of transportation under chapter  
22 47.36 RCW.

23 (f) Automated traffic safety cameras may only take pictures of  
24 the vehicle and vehicle license plate and only while an infraction is  
25 occurring. The picture must not reveal the face of the driver or of  
26 passengers in the vehicle. The primary purpose of camera placement is  
27 to take pictures of the vehicle and vehicle license plate when an  
28 infraction is occurring. Cities and counties shall consider  
29 installing cameras in a manner that minimizes the impact of camera  
30 flash on drivers.

31 ((~~e~~)) (g) A notice of infraction must be mailed to the  
32 registered owner of the vehicle within ((~~fourteen~~)) 14 days of the  
33 violation, or to the renter of a vehicle within ((~~fourteen~~)) 14 days  
34 of establishing the renter's name and address under subsection (3)(a)  
35 of this section. The law enforcement officer issuing the notice of  
36 infraction shall include with it a certificate or facsimile thereof,  
37 based upon inspection of photographs, microphotographs, or electronic  
38 images produced by an automated traffic safety camera, stating the  
39 facts supporting the notice of infraction. This certificate or  
40 facsimile is prima facie evidence of the facts contained in it and is

1 admissible in a proceeding charging a violation under this chapter.  
2 The photographs, microphotographs, or electronic images evidencing  
3 the violation must be available for inspection and admission into  
4 evidence in a proceeding to adjudicate the liability for the  
5 infraction. A person receiving a notice of infraction based on  
6 evidence detected by an automated traffic safety camera may respond  
7 to the notice by mail.

8 ~~((f))~~ (h) The registered owner of a vehicle is responsible for  
9 an infraction under RCW 46.63.030(1)(d) unless the registered owner  
10 overcomes the presumption in RCW 46.63.075, or, in the case of a  
11 rental car business, satisfies the conditions under subsection (3) of  
12 this section. If appropriate under the circumstances, a renter  
13 identified under subsection (3)(a) of this section is responsible for  
14 an infraction.

15 ~~((g))~~ (i) Notwithstanding any other provision of law, all  
16 photographs, microphotographs, or electronic images, or any other  
17 personally identifying data prepared under this section are for the  
18 exclusive use of law enforcement in the discharge of duties under  
19 this section and are not open to the public and may not be used in a  
20 court in a pending action or proceeding unless the action or  
21 proceeding relates to a violation under this section. No photograph,  
22 microphotograph, or electronic image, or any other personally  
23 identifying data may be used for any purpose other than enforcement  
24 of violations under this section nor retained longer than necessary  
25 to enforce this section.

26 ~~((h))~~ (j) All locations where an automated traffic safety  
27 camera is used must be clearly marked at least ~~((thirty))~~ 30 days  
28 prior to activation of the camera by placing signs in locations that  
29 clearly indicate to a driver that he or she is entering a zone where  
30 traffic laws are enforced by an automated traffic safety camera.  
31 Signs placed in automated traffic safety camera locations after June  
32 7, 2012, must follow the specifications and guidelines under the  
33 manual of uniform traffic control devices for streets and highways as  
34 adopted by the department of transportation under chapter 47.36 RCW.

35 ~~((i))~~ (k) If a county or city has established an authorized  
36 automated traffic safety camera program under this section, the  
37 compensation paid to the manufacturer or vendor of the equipment used  
38 must be based only upon the value of the equipment and services  
39 provided or rendered in support of the system, and may not be based

1 upon a portion of the fine or civil penalty imposed or the revenue  
2 generated by the equipment.

3 (1) If a city is operating an automated traffic safety camera to  
4 detect speed violations on roadways identified in a school walk area,  
5 speed violations in public park speed zones, speed violations in  
6 hospital speed zones, or speed violations under (c) or (d) of this  
7 subsection, the city shall remit monthly to the state 50 percent of  
8 the noninterest money received for infractions issued by those  
9 cameras excess of the cost to administer, install, operate, and  
10 maintain the automated traffic safety cameras, including the cost of  
11 processing infractions. Money remitted under this subsection to the  
12 state treasurer shall be deposited in the Cooper Jones active  
13 transportation safety account created in RCW 46.68.480. This  
14 subsection (1)(1) does not apply to automated traffic safety cameras  
15 authorized for stoplight, railroad crossing, or school speed zone  
16 violations.

17 (2) Infractions detected through the use of automated traffic  
18 safety cameras are not part of the registered owner's driving record  
19 under RCW 46.52.101 and 46.52.120. Additionally, infractions  
20 generated by the use of automated traffic safety cameras under this  
21 section shall be processed in the same manner as parking infractions,  
22 including for the purposes of RCW 3.50.100, 35.20.220, 46.16A.120,  
23 and 46.20.270(2). Except as provided otherwise in subsection (6) of  
24 this section, the amount of the fine issued for an infraction  
25 generated through the use of an automated traffic safety camera shall  
26 not exceed the amount of a fine issued for other parking infractions  
27 within the jurisdiction. However, the amount of the fine issued for a  
28 traffic control signal violation detected through the use of an  
29 automated traffic safety camera shall not exceed the monetary penalty  
30 for a violation of RCW 46.61.050 as provided under RCW 46.63.110,  
31 including all applicable statutory assessments.

32 (3) If the registered owner of the vehicle is a rental car  
33 business, the law enforcement agency shall, before a notice of  
34 infraction being issued under this section, provide a written notice  
35 to the rental car business that a notice of infraction may be issued  
36 to the rental car business if the rental car business does not,  
37 within (~~eighteen~~) 18 days of receiving the written notice, provide  
38 to the issuing agency by return mail:

1 (a) A statement under oath stating the name and known mailing  
2 address of the individual driving or renting the vehicle when the  
3 infraction occurred; or

4 (b) A statement under oath that the business is unable to  
5 determine who was driving or renting the vehicle at the time the  
6 infraction occurred because the vehicle was stolen at the time of the  
7 infraction. A statement provided under this subsection must be  
8 accompanied by a copy of a filed police report regarding the vehicle  
9 theft; or

10 (c) In lieu of identifying the vehicle operator, the rental car  
11 business may pay the applicable penalty.

12 Timely mailing of this statement to the issuing law enforcement  
13 agency relieves a rental car business of any liability under this  
14 chapter for the notice of infraction.

15 (4) Nothing in this section prohibits a law enforcement officer  
16 from issuing a notice of traffic infraction to a person in control of  
17 a vehicle at the time a violation occurs under RCW 46.63.030(1) (a),  
18 (b), or (c).

19 (5)(a) For the purposes of this section, "automated traffic  
20 safety camera" means a device that uses a vehicle sensor installed to  
21 work in conjunction with an intersection traffic control system, a  
22 railroad grade crossing control system, or a speed measuring device,  
23 and a camera synchronized to automatically record one or more  
24 sequenced photographs, microphotographs, or electronic images of the  
25 rear of a motor vehicle at the time the vehicle fails to stop when  
26 facing a steady red traffic control signal or an activated railroad  
27 grade crossing control signal, or exceeds a speed limit as detected  
28 by a speed measuring device.

29 (b) For the purposes of the pilot program authorized under  
30 subsection (6) of this section, "automated traffic safety camera"  
31 also includes a device used to detect stopping at intersection or  
32 crosswalk violations; stopping when traffic obstructed violations;  
33 public transportation only lane violations; and stopping or traveling  
34 in restricted lane violations. The device, including all technology  
35 defined under "automated traffic safety camera," must not reveal the  
36 face of the driver or the passengers in vehicles, and must not use  
37 any facial recognition technology in real time or after capturing any  
38 information. If the face of any individual in a crosswalk or  
39 otherwise within the frame is incidentally captured, it may not be  
40 made available to the public nor used for any purpose including, but

1 not limited to, any law enforcement action, except in a pending  
2 action or proceeding related to a violation under this section.

3 (6) (a) (i) A city with a population greater than (~~five hundred~~  
4 ~~thousand~~) 500,000 may adopt an ordinance creating a pilot program  
5 authorizing automated traffic safety cameras to be used to detect one  
6 or more of the following violations: Stopping when traffic obstructed  
7 violations; stopping at intersection or crosswalk violations; public  
8 transportation only lane violations; and stopping or traveling in  
9 restricted lane violations. Under the pilot program, stopping at  
10 intersection or crosswalk violations may only be enforced at the  
11 (~~twenty~~) 20 intersections where the city would most like to address  
12 safety concerns related to stopping at intersection or crosswalk  
13 violations. At a minimum, the local ordinance must contain the  
14 restrictions described in this section and provisions for public  
15 notice and signage.

16 (ii) Except where specifically exempted, all of the rules and  
17 restrictions applicable to the use of automated traffic safety  
18 cameras in this section apply to the use of automated traffic safety  
19 cameras in the pilot program established in this subsection (6).

20 (iii) As used in this subsection (6), "public transportation  
21 vehicle" means any motor vehicle, streetcar, train, trolley vehicle,  
22 ferry boat, or any other device, vessel, or vehicle that is owned or  
23 operated by a transit authority or an entity providing service on  
24 behalf of a transit authority that is used for the purpose of  
25 carrying passengers and that operates on established routes. "Transit  
26 authority" has the meaning provided in RCW 9.91.025.

27 (b) Use of automated traffic safety cameras as authorized in this  
28 subsection (6) is restricted to the following locations only:  
29 Locations authorized in subsection (1)(b) of this section; and  
30 midblock on arterials. Additionally, the use of automated traffic  
31 safety cameras as authorized in this subsection (6) is further  
32 limited to the following:

33 (i) The portion of state and local roadways in downtown areas of  
34 the city used for office and commercial activities, as well as retail  
35 shopping and support services, and that may include mixed residential  
36 uses;

37 (ii) The portion of state and local roadways in areas in the city  
38 within one-half mile north of the boundary of the area described in  
39 (b) (i) of this subsection;

1 (iii) Portions of roadway systems in the city that travel into  
2 and out of (b)(ii) of this subsection that are designated by the  
3 Washington state department of transportation as noninterstate  
4 freeways for up to four miles; and

5 (iv) Portions of roadway systems in the city connected to the  
6 portions of the noninterstate freeways identified in (b)(iii) of this  
7 subsection that are designated by the Washington state department of  
8 transportation as arterial roadways for up to one mile from the  
9 intersection of the arterial roadway and the noninterstate freeway.

10 (c) However, automated traffic safety cameras may not be used on  
11 an on-ramp to an interstate.

12 (d) From June 11, 2020, through December 31, 2020, a warning  
13 notice with no penalty must be issued to the registered owner of the  
14 vehicle for a violation generated through the use of an automated  
15 traffic safety camera authorized in this subsection (6). Beginning  
16 January 1, 2021, a notice of infraction must be issued, in a manner  
17 consistent with subsections (1)~~((+e))~~ (g) and (3) of this section,  
18 for a violation generated through the use of an automated traffic  
19 safety camera authorized in this subsection (6). However, the penalty  
20 for the violation may not exceed ~~((seventy-five dollars))~~ \$75.

21 (e) For infractions issued as authorized in this subsection (6),  
22 a city with a pilot program shall remit monthly to the state  
23 ~~((fifty))~~ 50 percent of the noninterest money received under this  
24 subsection (6) in excess of the cost to install, operate, and  
25 maintain the automated traffic safety cameras for use in the pilot  
26 program. Money remitted under this subsection to the state treasurer  
27 shall be deposited in the Cooper Jones active transportation safety  
28 account created in RCW 46.68.480. The remaining ~~((fifty))~~ 50 percent  
29 retained by the city must be used only for improvements to  
30 transportation that support equitable access and mobility for persons  
31 with disabilities.

32 (f) A transit authority may not take disciplinary action,  
33 regarding a warning or infraction issued pursuant to this subsection  
34 (6), against an employee who was operating a public transportation  
35 vehicle at the time the violation that was the basis of the warning  
36 or infraction was detected.

37 (g) A city that implements a pilot program under this subsection  
38 (6) must provide a preliminary report to the transportation  
39 committees of the legislature by June 30, ~~((2022))~~ 2024, and a final  
40 report by January 1, ~~((2023))~~ 2025, on the pilot program that

1 includes the locations chosen for the automated traffic safety  
2 cameras used in the pilot program, the number of warnings and traffic  
3 infractions issued under the pilot program, the number of traffic  
4 infractions issued with respect to vehicles registered outside of the  
5 county in which the city is located, the infrastructure improvements  
6 made using the penalty moneys as required under (e) of this  
7 subsection, an equity analysis that includes any disproportionate  
8 impacts, safety, and on-time performance statistics related to the  
9 impact on driver behavior of the use of automated traffic safety  
10 cameras in the pilot program, and any recommendations on the use of  
11 automated traffic safety cameras to enforce the violations that these  
12 cameras were authorized to detect under the pilot program.

13 **Sec. 425.** RCW 46.63.170 and 2015 3rd sp.s. c 44 s 406 are each  
14 amended to read as follows:

15 (1) The use of automated traffic safety cameras for issuance of  
16 notices of infraction is subject to the following requirements:

17 (a) The appropriate local legislative authority must prepare an  
18 analysis of the locations within the jurisdiction where automated  
19 traffic safety cameras are proposed to be located: (i) Before  
20 enacting an ordinance allowing for the initial use of automated  
21 traffic safety cameras; and (ii) before adding additional cameras or  
22 relocating any existing camera to a new location within the  
23 jurisdiction. Automated traffic safety cameras may be used to detect  
24 one or more of the following: Stoplight, railroad crossing, (~~or~~)  
25 school speed zone violations(~~or~~), speed violations on any roadway  
26 identified in a school walk area as defined in RCW 28A.160.160, speed  
27 violations in public park speed zones, hospital speed zones, or speed  
28 violations subject to (c) or (d) of this subsection. At a minimum,  
29 the local ordinance must contain the restrictions described in this  
30 section and provisions for public notice and signage. Cities and  
31 counties using automated traffic safety cameras before July 24, 2005,  
32 are subject to the restrictions described in this section, but are  
33 not required to enact an authorizing ordinance. Beginning one year  
34 after June 7, 2012, cities and counties using automated traffic  
35 safety cameras must post an annual report of the number of traffic  
36 accidents that occurred at each location where an automated traffic  
37 safety camera is located as well as the number of notices of  
38 infraction issued for each camera and any other relevant information

1 about the automated traffic safety cameras that the city or county  
2 deems appropriate on the city's or county's website.

3 (b) (i) Except as provided in (c) and (d) of this subsection, use  
4 of automated traffic safety cameras is restricted to the following  
5 locations only: ~~((+i))~~ (A) Intersections of two arterials with  
6 traffic control signals that have yellow change interval durations in  
7 accordance with RCW 47.36.022, which interval durations may not be  
8 reduced after placement of the camera; ~~((+ii))~~ (B) railroad  
9 crossings; ~~(and—(iii))~~ (C) school speed zones; (D) roadways  
10 identified in a school walk area as defined in RCW 28A.160.160; (E)  
11 public park speed zones, as defined in (b)(ii) of this subsection;  
12 and (F) hospital speed zones, as defined in (b)(ii) of this  
13 subsection.

14 (ii) For the purposes of this section:

15 (A) "Public park speed zone" means the marked area within public  
16 park property and extending 300 feet from the border of public park  
17 property (I) consistent with active park use; and (II) where signs  
18 are posted to indicate the location is within a public park speed  
19 zone.

20 (B) "Hospital speed zone" means the marked area within hospital  
21 property and extending 300 feet from the border of hospital property  
22 (I) consistent with hospital use; and (II) where signs are posted to  
23 indicate the location is within a hospital speed zone, where  
24 "hospital" has the same meaning as in RCW 70.41.020.

25 (c) ~~((Any))~~ In addition to the automated traffic safety cameras  
26 authorized under (d) of this subsection, any city west of the Cascade  
27 mountains with a population of more than ~~((one hundred ninety-five~~  
28 ~~thousand)) 195,000 located in a county with a population of fewer~~  
29 than ~~((one million five hundred thousand)) 1,500,000 may operate an~~  
30 automated traffic safety camera to detect speed violations subject to  
31 the following limitations:

32 (i) A city may only operate one such automated traffic safety  
33 camera within its respective jurisdiction; and

34 (ii) The use and location of the automated traffic safety camera  
35 must have first been authorized by the Washington state legislature  
36 as a pilot project for at least one full year.

37 (d) (i) Cities may operate at least one automated traffic safety  
38 camera under this subsection to detect speed violations, subject to  
39 the requirements of (d)(ii) of this subsection. Cities may operate  
40 one additional automated traffic safety camera to detect speed



1 violations for every 10,000 residents included in the city's  
2 population. Cameras must be placed in locations that comply with one  
3 of the following:

4 (A) The location has been identified as a priority location in a  
5 local road safety plan that a city has submitted to the Washington  
6 state department of transportation and where other speed reduction  
7 measures are not feasible or have not been sufficiently effective at  
8 reducing travel speed;

9 (B) The location has a significantly higher rate of collisions  
10 than the city average in a period of at least three years prior to  
11 installation and other speed reduction measures are not feasible or  
12 have not been sufficiently effective at reducing travel speed; or

13 (C) The location is in an area within the city limits designated  
14 by local ordinance as a zone subject to specified restrictions and  
15 penalties on racing and race attendance.

16 (ii) A city locating an automated traffic safety camera under  
17 this subsection (1)(d) must complete an equity analysis that  
18 evaluates livability, accessibility, economics, education, and  
19 environmental health, and shall consider the outcome of that analysis  
20 when identifying where to locate an automated traffic safety camera.

21 (e) All locations where an automated traffic safety camera is  
22 used to detect speed violations on roadways identified in a school  
23 walk area, speed violations in public park speed zones, speed  
24 violations in hospital speed zones, or speed violations under (c) or  
25 (d) of this subsection must be clearly marked by placing signs in  
26 locations that clearly indicate to a driver either: (i) That the  
27 driver is within a school walk area, public park speed zone, or  
28 hospital speed zone; or (ii) that the driver is entering an area  
29 where speed violations are enforced by an automated traffic safety  
30 camera. Signs placed in automated traffic safety camera locations  
31 after June 7, 2012, must follow the specifications and guidelines  
32 under the manual of uniform traffic control devices for streets and  
33 highways as adopted by the department of transportation under chapter  
34 47.36 RCW.

35 (f) Automated traffic safety cameras may only take pictures of  
36 the vehicle and vehicle license plate and only while an infraction is  
37 occurring. The picture must not reveal the face of the driver or of  
38 passengers in the vehicle. The primary purpose of camera placement is  
39 to take pictures of the vehicle and vehicle license plate when an  
40 infraction is occurring. Cities and counties shall consider

1 installing cameras in a manner that minimizes the impact of camera  
2 flash on drivers.

3 ~~((e))~~ (g) A notice of infraction must be mailed to the  
4 registered owner of the vehicle within ~~((fourteen))~~ 14 days of the  
5 violation, or to the renter of a vehicle within ~~((fourteen))~~ 14 days  
6 of establishing the renter's name and address under subsection (3)(a)  
7 of this section. The law enforcement officer issuing the notice of  
8 infraction shall include with it a certificate or facsimile thereof,  
9 based upon inspection of photographs, microphotographs, or electronic  
10 images produced by an automated traffic safety camera, stating the  
11 facts supporting the notice of infraction. This certificate or  
12 facsimile is prima facie evidence of the facts contained in it and is  
13 admissible in a proceeding charging a violation under this chapter.  
14 The photographs, microphotographs, or electronic images evidencing  
15 the violation must be available for inspection and admission into  
16 evidence in a proceeding to adjudicate the liability for the  
17 infraction. A person receiving a notice of infraction based on  
18 evidence detected by an automated traffic safety camera may respond  
19 to the notice by mail.

20 ~~((f))~~ (h) The registered owner of a vehicle is responsible for  
21 an infraction under RCW 46.63.030(1)(d) unless the registered owner  
22 overcomes the presumption in RCW 46.63.075, or, in the case of a  
23 rental car business, satisfies the conditions under subsection (3) of  
24 this section. If appropriate under the circumstances, a renter  
25 identified under subsection (3)(a) of this section is responsible for  
26 an infraction.

27 ~~((g))~~ (i) Notwithstanding any other provision of law, all  
28 photographs, microphotographs, or electronic images prepared under  
29 this section are for the exclusive use of law enforcement in the  
30 discharge of duties under this section and are not open to the public  
31 and may not be used in a court in a pending action or proceeding  
32 unless the action or proceeding relates to a violation under this  
33 section. No photograph, microphotograph, or electronic image may be  
34 used for any purpose other than enforcement of violations under this  
35 section nor retained longer than necessary to enforce this section.

36 ~~((h))~~ (j) All locations where an automated traffic safety  
37 camera is used must be clearly marked at least ~~((thirty))~~ 30 days  
38 prior to activation of the camera by placing signs in locations that  
39 clearly indicate to a driver that he or she is entering a zone where  
40 traffic laws are enforced by an automated traffic safety camera.

1 Signs placed in automated traffic safety camera locations after June  
2 7, 2012, must follow the specifications and guidelines under the  
3 manual of uniform traffic control devices for streets and highways as  
4 adopted by the department of transportation under chapter 47.36 RCW.

5 ~~((i))~~ (k) If a county or city has established an authorized  
6 automated traffic safety camera program under this section, the  
7 compensation paid to the manufacturer or vendor of the equipment used  
8 must be based only upon the value of the equipment and services  
9 provided or rendered in support of the system, and may not be based  
10 upon a portion of the fine or civil penalty imposed or the revenue  
11 generated by the equipment.

12 (1) If a city is operating an automated traffic safety camera to  
13 detect speed violations on roadways identified in a school walk area,  
14 speed violations in public park speed zones, speed violations in  
15 hospital speed zones, or speed violations under (c) or (d) of this  
16 subsection, the city shall remit monthly to the state 50 percent of  
17 the noninterest money received for infractions issued by those  
18 cameras excess of the cost to administer, install, operate, and  
19 maintain the automated traffic safety cameras, including the cost of  
20 processing infractions. Money remitted under this subsection to the  
21 state treasurer shall be deposited in the Cooper Jones active  
22 transportation safety account created in RCW 46.68.480. This  
23 subsection (1)(1) does not apply to automated traffic safety cameras  
24 authorized for stoplight, railroad crossing, or school speed zone  
25 violations.

26 (2) Infractions detected through the use of automated traffic  
27 safety cameras are not part of the registered owner's driving record  
28 under RCW 46.52.101 and 46.52.120. Additionally, infractions  
29 generated by the use of automated traffic safety cameras under this  
30 section shall be processed in the same manner as parking infractions,  
31 including for the purposes of RCW 3.50.100, 35.20.220, 46.16A.120,  
32 and 46.20.270(2). The amount of the fine issued for an infraction  
33 generated through the use of an automated traffic safety camera shall  
34 not exceed the amount of a fine issued for other parking infractions  
35 within the jurisdiction. However, the amount of the fine issued for a  
36 traffic control signal violation detected through the use of an  
37 automated traffic safety camera shall not exceed the monetary penalty  
38 for a violation of RCW 46.61.050 as provided under RCW 46.63.110,  
39 including all applicable statutory assessments.

1 (3) If the registered owner of the vehicle is a rental car  
2 business, the law enforcement agency shall, before a notice of  
3 infraction being issued under this section, provide a written notice  
4 to the rental car business that a notice of infraction may be issued  
5 to the rental car business if the rental car business does not,  
6 within (~~eighteen~~) 18 days of receiving the written notice, provide  
7 to the issuing agency by return mail:

8 (a) A statement under oath stating the name and known mailing  
9 address of the individual driving or renting the vehicle when the  
10 infraction occurred; or

11 (b) A statement under oath that the business is unable to  
12 determine who was driving or renting the vehicle at the time the  
13 infraction occurred because the vehicle was stolen at the time of the  
14 infraction. A statement provided under this subsection must be  
15 accompanied by a copy of a filed police report regarding the vehicle  
16 theft; or

17 (c) In lieu of identifying the vehicle operator, the rental car  
18 business may pay the applicable penalty.

19 Timely mailing of this statement to the issuing law enforcement  
20 agency relieves a rental car business of any liability under this  
21 chapter for the notice of infraction.

22 (4) Nothing in this section prohibits a law enforcement officer  
23 from issuing a notice of traffic infraction to a person in control of  
24 a vehicle at the time a violation occurs under RCW 46.63.030(1) (a),  
25 (b), or (c).

26 (5) For the purposes of this section, "automated traffic safety  
27 camera" means a device that uses a vehicle sensor installed to work  
28 in conjunction with an intersection traffic control system, a  
29 railroad grade crossing control system, or a speed measuring device,  
30 and a camera synchronized to automatically record one or more  
31 sequenced photographs, microphotographs, or electronic images of the  
32 rear of a motor vehicle at the time the vehicle fails to stop when  
33 facing a steady red traffic control signal or an activated railroad  
34 grade crossing control signal, or exceeds a speed limit as detected  
35 by a speed measuring device.

36 (6) During the 2011-2013 and 2013-2015 fiscal biennia, this  
37 section does not apply to automated traffic safety cameras for the  
38 purposes of section 216(5), chapter 367, Laws of 2011 and section  
39 216(6), chapter 306, Laws of 2013.

1        NEW SECTION.    **Sec. 426.**    A new section is added to chapter 47.56  
2    RCW to read as follows:

3        The legislature recognizes the need to reduce congestion and  
4    improve mobility on the Interstate 405 and state route number 167  
5    corridors, and finds that performance on the corridors has not met  
6    the goal that average vehicle speeds in the express toll lanes remain  
7    above 45 miles per hour at least 90 percent of the time during peak  
8    hours. Therefore, the legislature intends that the commission  
9    reevaluate options at least every two years to improve performance on  
10   the Interstate 405 and state route number 167 corridors, pursuant to  
11   RCW 47.56.880 and 47.56.850.

12        **Sec. 427.**    RCW 70A.65.230 and 2021 c 316 s 26 are each amended to  
13    read as follows:

14        (1) It is the intent of the legislature that each year the total  
15    investments made through the carbon emissions reduction account  
16    created in RCW 70A.65.240, the climate commitment account created in  
17    RCW 70A.65.260, the natural climate solutions account created in RCW  
18    70A.65.270, and the air quality and health disparities improvement  
19    account created in RCW 70A.65.280, achieve the following:

20        (a) A minimum of not less than 35 percent and a goal of 40  
21    percent of total investments that provide direct and meaningful  
22    benefits to vulnerable populations within the boundaries of  
23    overburdened communities identified under chapter 314, Laws of 2021;  
24    and

25        (b) In addition to the requirements of (a) of this subsection, a  
26    minimum of not less than 10 percent of total investments that are  
27    used for programs, activities, or projects formally supported by a  
28    resolution of an Indian tribe, with priority given to otherwise  
29    qualifying projects directly administered or proposed by an Indian  
30    tribe. An investment that meets the requirements of both this  
31    subsection (1)(b) and (a) of this subsection may count toward the  
32    minimum percentage targets for both subsections.

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

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

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

4 (b) Meaningfully protect an overburdened community from, or  
5 support community response to, the impacts of air pollution or  
6 climate change; or

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

9 (4) The state must develop a process by which to evaluate the  
10 impacts of the investments made under this chapter, work across state  
11 agencies to develop and track priorities across the different  
12 eligible funding categories, and work with the environmental justice  
13 council pursuant to RCW 70A.65.040.

14 ~~((5) No expenditures may be made from the carbon emissions  
15 reduction account created in RCW 70A.65.240, the climate investment  
16 account created in RCW 70A.65.250, or the air quality and health  
17 disparities improvement account created in RCW 70A.65.280 if, by  
18 April 1, 2023, the legislature has not considered and enacted request  
19 legislation brought forth by the department under RCW 70A.65.060 that  
20 outlines a compliance pathway specific to emissions-intensive, trade-  
21 exposed businesses for achieving their proportionate share of the  
22 state's emissions reduction limits through 2050.))~~

23 NEW SECTION. **Sec. 428.** The legislature finds that in order to  
24 meet the statewide greenhouse gas emissions limits in RCW 70A.45.020  
25 and 70A.45.050, the state must drastically reduce vehicle greenhouse  
26 gas emissions. A critical strategy to meet those goals is  
27 transitioning to zero emissions vehicles and this transition requires  
28 ongoing purposeful interagency coordination and cooperation. As such,  
29 it is the intent of the legislature to create a formal interagency  
30 council responsible for coordinating the state's transportation  
31 electrification efforts to ensure the state is leveraging state and  
32 federal resources to the best extent possible and to ensure zero  
33 emissions incentives, infrastructure, and opportunities are available  
34 and accessible to all Washingtonians.

35 The legislature further finds that in order to meet the statewide  
36 greenhouse gas emissions limits in the transportation sector of the  
37 economy, more resources must be directed toward achieving zero  
38 emissions transportation and transit, while continuing to relieve  
39 energy burdens that exist in overburdened communities.

1        NEW SECTION.        **Sec. 429.**        (1) There is hereby created an  
2 interagency electric vehicle coordinating council jointly led by the  
3 Washington state department of commerce and the Washington state  
4 department of transportation with participation from the following  
5 agencies:

6        (a) The department of ecology;

7        (b) The department of enterprise services;

8        (c) The state efficiency and environmental performance office;

9        (d) The department of agriculture;

10       (e) The department of health;

11       (f) The utilities and transportation commission;

12       (g) A representative from the office of the superintendent of  
13 public instruction knowledgeable on issues pertaining to student  
14 transportation; and

15       (h) Other agencies with key roles in electrifying the  
16 transportation sector.

17       (2) The Washington state department of commerce and Washington  
18 state department of transportation shall assign staff in each agency  
19 to lead the council's coordination work and provide ongoing reports  
20 to the governor and legislature including, but not limited to, the  
21 transportation, energy, economic development, and other appropriate  
22 legislative committees.

23       NEW SECTION.        **Sec. 430.**        (1) Interagency electric vehicle  
24 coordinating council responsibilities include, but are not limited  
25 to:

26       (a) Development of a statewide transportation electrification  
27 strategy to ensure market and infrastructure readiness for all new  
28 vehicle sales;

29       (b) Identification of all electric vehicle infrastructure grant-  
30 related funding to include existing and future opportunities,  
31 including state, federal, and other funds; and

32       (c) Coordination of grant funding criteria across agency grant  
33 programs to most efficiently distribute state and federal electric  
34 vehicle-related funding in a manner that is most beneficial to the  
35 state, advances best practices, and recommends additional criteria  
36 that could be useful in advancing transportation electrification.

37       (2) The council shall provide an annual report to the appropriate  
38 committees of the legislature summarizing electric vehicle  
39 implementation progress, gaps, and resource needs.

**PART V**  
**Miscellaneous**

NEW SECTION.   **Sec. 501.**   Sections 428 through 430 of this act constitute a new chapter in Title 43 RCW.

NEW SECTION.   **Sec. 502.**   If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION.   **Sec. 503.**   Sections 310 and 403 of this act expire July 1, 2024.

NEW SECTION.   **Sec. 504.**   Section 404 of this act takes effect July 1, 2024.

**Sec. 505.**   2020 c 224 s 3 (uncodified) is amended to read as follows:

Section 1 of this act expires June 30, (~~2023~~) 2025.

NEW SECTION.   **Sec. 506.**   Section 424 of this act expires June 30, 2025.

NEW SECTION.   **Sec. 507.**   Section 425 of this act takes effect June 30, 2025.

NEW SECTION.   **Sec. 508.**   Sections 312, 409 through 415, and 422 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and take effect immediately.

NEW SECTION.   **Sec. 509.**   Sections 211, 212, 215, and 216 of this act take effect October 1, 2022.

NEW SECTION.   **Sec. 510.**   Sections 213 and 214 of this act take effect January 1, 2023.

NEW SECTION.   **Sec. 511.**   Sections 201 through 206 of this act take effect February 1, 2023.



1        NEW SECTION.    **Sec. 512.**    Sections 101 through 106, 207 through  
2 210, 217, 301 through 311, 401 through 403, 405 through 408, 416  
3 through 421, 423, 424, 426 through 430, and 505 of this act take  
4 effect July 1, 2022.

--- **END** ---