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**SUBSTITUTE SENATE BILL 5583**

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

**By** Senate Transportation (originally sponsored by Senators Liias, C. Wilson, Kauffman, Valdez, Lovelett, Lovick, Nguyen, and Nobles)

AN ACT Relating to improving young driver safety; amending RCW 46.20.075, 46.20.100, 46.82.280, 46.20.120, 46.20.055, 46.68.041, 43.84.092, and 43.84.092; reenacting and amending RCW 28A.220.020; adding new sections to chapter 46.20 RCW; adding new sections to chapter 46.82 RCW; adding a new section to chapter 28A.220 RCW; adding a new section to chapter 42.56 RCW; providing an effective date; and providing an expiration date.

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

NEW SECTION. **Sec.**  A new section is added to chapter 46.20 RCW to read as follows:

Beginning January 1, 2025:

(1)(a) To obtain a driver's license under this section, a person at least 18 years of age but under 22 years of age must, in addition to other skills and examination requirements as prescribed by the department, satisfactorily complete one of the following:

(i) A driver training education course as defined in RCW 28A.220.020; or

(ii) A driver training education course as defined by the department and offered by a driver training school licensed under chapter 46.82 RCW.

(b) The course offered by a school district or an approved private school must be part of a traffic safety education program authorized by the office of the superintendent of public instruction and certified under chapter 28A.220 RCW. The course offered by a driver training school must meet the standards established by the department under chapter 46.82 RCW.

(2)(a) To obtain a driver's license under this section, a person at least 22 years of age but under 25 years of age must, in addition to other skills and examination requirements as prescribed by the department, satisfactorily complete one of the following:

(i) A condensed traffic safety education course as defined in RCW 28A.220.020 for a course offered by a school district or approved private school;

(ii) A condensed traffic safety education course as defined by the department and offered by a driver training school licensed under chapter 46.82 RCW; or

(iii) An online, self-paced condensed traffic safety education course as defined by the department and offered by a driver training school licensed under chapter 46.82 RCW. A person that satisfactorily completes an online, self-paced condensed traffic safety education course under this subsection (2)(a)(iii) must complete at least three hours of behind-the-wheel instruction.

(b) The course offered by a school district or an approved private school must be part of a traffic safety education program authorized by the office of the superintendent of public instruction and certified under chapter 28A.220 RCW. The course offered by a driver training school and the online, self-paced condensed traffic safety education course must meet the standards established by the department under chapter 46.82 RCW.

(3)(a) To meet the traffic safety education requirement for a motorcycle endorsement, the applicant must successfully complete a motorcycle safety education course that meets the standards established by the department.

(b)(i) The department may waive the driver training education course requirement for a driver's license under subsection (1) or (2) of this section if the applicant demonstrates to the department's satisfaction that:

(A) He or she was unable to take or complete a driver training education course;

(B) A need exists for the applicant to operate a motor vehicle; and

(C) He or she has the ability to operate a motor vehicle in such a manner as not to jeopardize the safety of persons or property.

(ii) The department may adopt rules to implement this subsection (3)(b) in concert with the supervisor of the traffic safety education section of the office of the superintendent of public instruction.

(4) The department may waive the driver training education course requirement if the applicant was licensed to drive a motor vehicle or motorcycle from a reciprocal jurisdiction outside this state or provides proof that they have had education, from a reciprocal jurisdiction, equivalent to that required under this section.

**Sec.**  RCW 46.20.075 and 2011 c 60 s 44 are each amended to read as follows:

(1) An intermediate license authorizes the holder to drive a motor vehicle under the conditions specified in this section. An applicant for an intermediate license must be at least ((~~sixteen~~)) 16 years of age and:

(a) Have possessed a valid instruction permit for a period of not less than six months;

(b) Have passed a driver licensing examination administered by the department;

(c) Have passed a course of driver's education in accordance with the standards established in RCW 46.20.100;

(d) Present certification by his or her parent, guardian, or employer to the department stating (i) that the applicant has had at least ((~~fifty~~)) 50 hours of driving experience, ((~~ten~~)) 10 of which were at night, during which the driver was supervised by a person at least ((~~twenty-one~~)) 21 years of age who has had a valid driver's license for at least three years, and (ii) that the applicant has not been issued a notice of traffic infraction or cited for a traffic violation that is pending at the time of the application for the intermediate license;

(e) Not have been convicted of or found to have committed a traffic violation within the last six months before the application for the intermediate license; and

(f) Not have been adjudicated for an offense involving the use of alcohol or drugs during the period the applicant held an instruction permit.

(2) For the first six months after the issuance of an intermediate license or until the holder reaches ((~~eighteen~~)) 18 years of age, whichever occurs first, the holder of the license may not operate a motor vehicle that is carrying any passengers under the age of ((~~twenty~~)) 20 who are not members of the holder's immediate family as defined in RCW 42.17A.005. For the remaining period of the intermediate license, the holder may not operate a motor vehicle that is carrying more than three passengers who are under the age of ((~~twenty~~)) 20 who are not members of the holder's immediate family.

(3) The holder of an intermediate license may not operate a motor vehicle between the hours of 1 a.m. and 5 a.m. except (a) when the holder is accompanied by ((~~a parent, guardian, or~~)) a licensed driver who is at least ((~~twenty-five~~)) 25 years of age, or (b) for school, religious, or employment activities for the holder or a member of the holder's immediate family as defined in RCW 42.17A.005.

(4) The holder of an intermediate license may not operate a moving motor vehicle while using a wireless communications device unless the holder is using the device to report illegal activity, summon medical or other emergency help, or prevent injury to a person or property.

(5) It is a traffic infraction for the holder of an intermediate license to operate a motor vehicle in violation of the restrictions imposed under this section.

(6) Except for a violation of subsection (4) of this section, enforcement of this section by law enforcement officers may be accomplished only as a secondary action when a driver of a motor vehicle has been detained for a suspected violation of this title or an equivalent local ordinance or some other offense.

(7) An intermediate licensee may drive at any hour without restrictions on the number of passengers in the vehicle if necessary for agricultural purposes.

(8) An intermediate licensee may drive at any hour without restrictions on the number of passengers in the vehicle if, for the ((~~twelve-month~~)) 12-month period following the issuance of the intermediate license, he or she:

(a) Has not been involved in an accident involving only one motor vehicle;

(b) Has not been involved in an accident where he or she was cited in connection with the accident or was found to have caused the accident;

(c) Has not been involved in an accident where no one was cited or was found to have caused the accident; and

(d) Has not been convicted of or found to have committed a traffic offense described in chapter 46.61 RCW or violated restrictions placed on an intermediate licensee under this section.

**Sec.**  RCW 46.20.100 and 2017 c 197 s 7 are each amended to read as follows:

(1) **Application**. The application of a person under the age of ((~~eighteen~~)) 18 years for a driver's license or a motorcycle endorsement must be signed by a parent or guardian with custody of the minor. If the person under the age of ((~~eighteen~~)) 18 has no father, mother, or guardian, then the application must be signed by the minor's employer.

(2) **Traffic safety education requirement**. For a person under the age of ((~~eighteen~~)) 18 years to obtain a driver's license, he or she must meet the traffic safety education requirements of this subsection.

(a) To meet the traffic safety education requirement for a driver's license, the applicant must satisfactorily complete a driver training education course as defined in RCW 28A.220.020 for a course offered by a school district or approved private school, or as defined by the department of licensing for a course offered by a driver training school licensed under chapter 46.82 RCW. The course offered by a school district or an approved private school must be part of a traffic safety education program authorized by the office of the superintendent of public instruction and certified under chapter 28A.220 RCW. The course offered by a driver training school must meet the standards established by the department of licensing under chapter 46.82 RCW. The driver training education course may be provided by:

(i) A secondary school within a school district or approved private school that establishes and maintains an approved and certified traffic safety education program under chapter 28A.220 RCW; or

(ii) A driver training school licensed under chapter 46.82 RCW that is annually approved by the department of licensing.

(b) To meet the traffic safety education requirement for a motorcycle endorsement, the applicant must successfully complete a motorcycle safety education course that meets the standards established by the department of licensing.

(c) The department may waive the driver training education course requirement for a driver's license if the applicant demonstrates to the department's satisfaction that:

(i) He or she was unable to take or complete a driver training education course;

(ii) A need exists for the applicant to operate a motor vehicle; and

(iii) He or she has the ability to operate a motor vehicle in such a manner as not to jeopardize the safety of persons or property.

The department may adopt rules to implement this subsection (2)(c) in concert with the supervisor of the traffic safety education section of the office of the superintendent of public instruction.

(d) The department may waive the driver training education course requirement if the applicant was licensed to drive a motor vehicle or motorcycle from a reciprocal jurisdiction outside this state ((~~and~~)) or provides proof that he or she has had education equivalent, from a reciprocal jurisdiction, to that required under this subsection.

**Sec.**  RCW 46.82.280 and 2017 c 197 s 8 are each amended to read as follows:

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

(1) "Behind-the-wheel instruction" means instruction in an approved driver training school instruction vehicle according to and inclusive of the required curriculum. Behind-the-wheel instruction is characterized by driving experience.

(2) "Classroom" means a space dedicated to and used exclusively by a driver training instructor for the instruction of students. With prior department approval, a branch office classroom may be located within alternative facilities, such as a public or private library, school, community college, college or university, or a business training facility.

(3) "Classroom instruction" means that portion of a traffic safety education course that is characterized by in-person classroom‑based student instruction or virtual classroom-based student instruction with a live instructor using the required curriculum conducted by or under the direct supervision of a licensed instructor or licensed instructors. Classroom instruction may include self-paced, online components as authorized and certified by the department of licensing.

(4) "Condensed traffic safety education course" means a course of instruction in traffic safety education, intended for novice drivers between 22 and 25 years of age, approved and licensed by the department of licensing that consists of at least eight hours of classroom instruction and three hours of behind-the-wheel instruction that follows the approved curriculum as determined in rule.

(5) "Director" means the director of the department of licensing of the state of Washington.

((~~(5)~~)) (6) "Driver training education course" means a course of instruction in traffic safety education approved and licensed by the department of licensing that consists of classroom and behind-the-wheel instruction that follows the approved curriculum.

((~~(6)~~)) (7) "Driver training school" means a commercial driver training school engaged in the business of giving instruction, for a fee, in the operation of automobiles.

((~~(7)~~)) (8) "Enrollment" means the collecting of a fee or the signing of a contract for a driver training education course. "Enrollment" does not include the collecting of names and contact information for enrolling students once a driver training school is licensed to instruct.

((~~(8)~~)) (9) "Fraudulent practices" means any conduct or representation on the part of a driver training school owner or instructor including:

(a) Inducing anyone to believe, or to give the impression, that a license to operate a motor vehicle or any other license granted by the director may be obtained by any means other than those prescribed by law, or furnishing or obtaining the same by illegal or improper means, or requesting, accepting, or collecting money for such purposes;

(b) Operating a driver training school without a license, providing instruction without an instructor's license, verifying enrollment prior to being licensed, misleading or false statements on applications for a commercial driver training school license or instructor's license or on any required records or supporting documentation;

(c) Failing to fully document and maintain all required driver training school records of instruction, school operation, and instructor training;

(d) Issuing a driver training course certificate without requiring completion of the necessary behind-the-wheel and classroom instruction.

((~~(9)~~)) (10) "Instructor" means any person employed by or otherwise associated with a driver training school to instruct persons in the operation of an automobile.

((~~(10)~~)) (11) "Owner" means an individual, partnership, corporation, association, or other person or group that holds a substantial interest in a driver training school.

((~~(11)~~)) (12) "Person" means any individual, firm, corporation, partnership, or association.

((~~(12)~~)) (13) "Place of business" means a designated location at which the business of a driver training school is transacted or its records are kept.

((~~(13)~~)) (14) "Student" means any person enrolled in an approved driver training course.

((~~(14)~~)) (15) "Substantial interest holder" means a person who has actual or potential influence over the management or operation of any driver training school. Evidence of substantial interest includes, but is not limited to, one or more of the following:

(a) Directly or indirectly owning, operating, managing, or controlling a driver training school or any part of a driver training school;

(b) Directly or indirectly profiting from or assuming liability for debts of a driver training school;

(c) Is an officer or director of a driver training school;

(d) Owning ((~~ten~~)) 10 percent or more of any class of stock in a privately or closely held corporate driver training school, or five percent or more of any class of stock in a publicly traded corporate driver training school;

(e) Furnishing ((~~ten~~)) 10 percent or more of the capital, whether in cash, goods, or services, for the operation of a driver training school during any calendar year; or

(f) Directly or indirectly receiving a salary, commission, royalties, or other form of compensation from the activity in which a driver training school is or seeks to be engaged.

**Sec.**  RCW 28A.220.020 and 2017 c 197 s 2 are each reenacted and amended to read as follows:

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

(1) "Appropriate course delivery standards" means the classroom and behind-the-wheel student learning experiences considered acceptable to the superintendent of public instruction under RCW 28A.220.030 that must be satisfactorily accomplished by the student in order to successfully complete the driver training education course.

(2) "Approved private school" means a private school approved by the board of education under chapter 28A.195 RCW.

(3) "Condensed traffic safety education course" means a course of instruction in traffic safety education, intended for novice drivers between 22 and 25 years of age, authorized by the superintendent of public instruction and licensed by the department of licensing that consists of at least eight hours of classroom instruction and three hours of behind-the-wheel instruction that follows the approved curriculum as determined in rule.

(4) "Director" means the director of the department of licensing.

((~~(4)~~)) (5) "Driver training education course" means a course of instruction in traffic safety education (a) offered as part of a traffic safety education program authorized by the superintendent of public instruction and certified by the department of licensing and (b) taught by a qualified teacher of driver training education that consists of classroom and behind-the-wheel instruction using curriculum that meets joint superintendent of public instruction and department of licensing standards and the course requirements established by the superintendent of public instruction under RCW 28A.220.030. Behind-the-wheel instruction is characterized by driving experience.

((~~(5)~~)) (6) "Qualified teacher of driver training education" means an instructor who:

(a) Is certificated under chapter 28A.410 RCW and has obtained a traffic safety endorsement or a letter of approval to teach traffic safety education from the superintendent of public instruction or is certificated by the superintendent of public instruction to teach a driver training education course; or

(b) Is an instructor provided by a driver training school that has contracted with a school district's or districts' board of directors under RCW 28A.220.030(3) to teach driver education for the school district.

((~~(6)~~)) (7) "Superintendent" or "state superintendent" means the superintendent of public instruction.

((~~(7)~~)) (8) "Traffic safety education program" means the administration and provision of driver training education courses offered by secondary schools of a school district or vocational-technical schools that are conducted by such schools in a like manner to their other regular courses.

NEW SECTION. **Sec.**  A new section is added to chapter 46.82 RCW to read as follows:

(1) The department must publish on its website an interactive map of all driver training education course providers and providers of a traffic safety education program as defined in RCW 28A.220.020, including driver, motorcyclist, and commercial driver training and testing providers certified by the department. The interactive map, at a minimum, must provide training and testing provider names, locations, contact information, course and program pricing, and services offered by language.

(2) Each driving training education course and traffic safety education program provider must report course and program pricing to the department on an annual basis.

NEW SECTION. **Sec.**  A new section is added to chapter 46.82 RCW to read as follows:

(1) Beginning January 1, 2025, and subject to the availability of funds appropriated in the omnibus transportation appropriations act for this specific purpose, the department must establish a program to provide vouchers to cover the average cost of driver training education courses for novice drivers who reside in low-income households.

(2) In consultation with the Washington traffic safety commission, the department shall adopt rules establishing eligibility criteria and application and award procedures, and any other necessary rules, for implementing this section.

(3) An applicant who has previously received financial support to complete a driver training program under RCW 74.13.338(2)(b) or 49.04.290 is deemed ineligible for a voucher under this section.

(4) A driver training school may not increase driver training education course costs or fees to offset any voucher amounts provided by school applicants.

(5) On a biennial basis beginning June 30, 2026, the department shall report to the appropriate committees of the legislature the following:

(a) The income criteria used to determine voucher awards for driver training education courses;

(b) The number of applicants for driver training education vouchers annually by county;

(c) The number of vouchers awarded annually by county;

(d) The number of vouchers redeemed annually by county;

(e) The dollar amount of vouchers redeemed annually by county; and

(f) The community average income of voucher recipients during the reporting period.

(6) For the purposes of this section, "novice driver" means a person who has not previously obtained a license to drive a motor vehicle.

NEW SECTION. **Sec.**  A new section is added to chapter 28A.220 RCW to read as follows:

(1) Beginning January 1, 2025, and subject to the availability of funds appropriated in the omnibus transportation appropriations act for this specific purpose, the superintendent of public instruction, in collaboration with the department of licensing, must establish a grant program to allow schools to initiate or reinitiate traffic safety education programs as part of their course offerings.

(2) In consultation with the department of licensing, the superintendent shall adopt rules establishing eligibility criteria, and the grant application and award procedures, for implementing this section. The eligibility criteria must prioritize school districts in overburdened communities as defined in RCW 70A.02.010 and school districts with above average concentrations of students eligible for free or reduced-price lunches.

(3) On a biennial basis beginning June 30, 2026, the superintendent, with assistance of the department of licensing, shall report to the appropriate committees of the legislature on the following:

(a) The grant amounts provided to each school district or school;

(b) The number of school districts or schools offering traffic safety education programs;

(c) The number of students receiving traffic safety instruction in those programs;

(d) The number of students eligible for free or reduced-price lunch receiving traffic safety instruction in those programs; and

(e) An assessment of the equity impacts in overburdened communities resulting from this section.

NEW SECTION. **Sec.**  A new section is added to chapter 42.56 RCW to read as follows:

Any recipient income data collected by the department of licensing as part of the driver training education course voucher program established under section 7 of this act is exempt from disclosure under this chapter.

**Sec.**  RCW 46.20.120 and 2021 c 158 s 6 are each amended to read as follows:

An applicant for a new or renewed driver's license must successfully pass a driver licensing examination to qualify for a driver's license. The department must ensure that examinations are given at places and times reasonably available to the people of this state. If the department does not administer driver licensing examinations as a routine part of its licensing services within a department region because adequate testing sites are provided by driver training schools or school districts within that region, the department shall, at a minimum, administer driver licensing examinations by appointment to applicants ((~~eighteen~~)) 18 years of age and older in at least one licensing office within that region.

(1) **Waiver**. The department may waive:

(a) All or any part of the examination of any person applying for the renewal of a driver's license unless the department determines that the applicant is not qualified to hold a driver's license under this title; or

(b) All or any part of the examination involving operating a motor vehicle if the applicant:

(i) Surrenders a valid driver's license issued by the person's previous home state; or

(ii) Provides for verification a valid driver's license issued by a foreign driver licensing jurisdiction with which the department has an informal agreement under RCW 46.20.125; and

(iii) Is otherwise qualified to be licensed.

(2) **Fee**. ((~~Each~~)) Prior to October 1, 2023, each applicant for a new license must pay an examination fee of ((~~thirty-five dollars~~)) $35. On or after October 1, 2023, each applicant for a new license must pay an examination fee of $51.

(a) The examination fee is in addition to the fee charged for issuance of the license.

(b) "New license" means a license issued to a driver:

(i) Who has not been previously licensed in this state; or

(ii) Whose last previous Washington license has been expired for more than eight years.

(3) An application for driver's license renewal may be submitted by means of:

(a) Personal appearance before the department;

(b) Mail or electronic commerce, if permitted by rule of the department and if the applicant did not renew the license by mail or by electronic commerce when it last expired; or

(c) From January 1, 2022, to June 30, 2024, electronic commerce, if permitted by rule of the department.

(4) A person whose license expired or will expire while the licensee is living outside the state, may:

(a) Apply to the department to extend the validity of the license for no more than ((~~twelve~~)) 12 months. If the person establishes to the department's satisfaction that the licensee is unable to return to Washington before the date the license expires, the department shall extend the person's license. The department may grant consecutive extensions, but in no event may the cumulative total of extensions exceed ((~~twelve~~)) 12 months. An extension granted under this section does not change the expiration date of the license for purposes of RCW 46.20.181. The department shall charge a fee of five dollars for each license extension;

(b) Apply to the department to renew the license by mail or, if permitted by rule of the department, by electronic commerce even if subsection (3)(b) of this section would not otherwise allow renewal by that means. If the person establishes to the department's satisfaction that the licensee is unable to return to Washington within ((~~twelve~~)) 12 months of the date that the license expires, the department shall renew the person's license by mail or, if permitted by rule of the department, by electronic commerce.

(5)(a) If a qualified person submits an application for renewal under subsection (3)(b) or (c) or (4)(b) of this section, the applicant is not required to pass an examination and only needs to provide an updated photograph:

(i) At least every 16 years, except that persons under 30 must provide an updated photograph every eight years; and

(ii) Beginning January 1, 2023, persons renewing through electronic commerce must provide an updated photograph in a form and manner approved by the department with each renewal unless they are unable to provide a photograph that meets the department's requirements and the most recent photograph on file with the department is not more than 10 years old at the time of renewal.

(b) A license renewed by mail or by electronic commerce that does not include a photograph of the licensee must be labeled "not valid for identification purposes."

(6) Driver training schools licensed by the department under chapter 46.82 RCW may administer the portions of the driver licensing examination that test the applicant's knowledge of traffic laws and ability to safely operate a motor vehicle.

(7) School districts that offer a traffic safety education program under chapter 28A.220 RCW may administer the portions of the driver licensing examination that test the applicant's knowledge of traffic laws and ability to safely operate a motor vehicle.

**Sec.**  RCW 46.20.055 and 2021 c 158 s 3 are each amended to read as follows:

(1) **Driver's instruction permit**. The department may issue a driver's instruction permit online or in person with or without a photograph to an applicant who has successfully passed all parts of the examination other than the driving test, provided the information required by RCW 46.20.091, paid an application fee of ((~~twenty-five dollars~~)) $25 prior to October 1, 2023, and $37 on or after October 1, 2023, and meets the following requirements:

(a) Is at least ((~~fifteen and one-half~~)) 15.5 years of age; or

(b) Is at least ((~~fifteen~~)) 15 years of age and:

(i) Has submitted a proper application; and

(ii) Is enrolled in a driver training education course offered as part of a traffic safety education program authorized by the office of the superintendent of public instruction and certified under chapter 28A.220 RCW or offered by a driver training school licensed and inspected by the department of licensing under chapter 46.82 RCW, that includes practice driving.

(2) **Waiver of written examination for instruction permit**. The department may waive the written examination, if, at the time of application, an applicant is enrolled in a driver training education course as defined in RCW 46.82.280 or 28A.220.020.

The department may require proof of registration in such a course as it deems necessary.

(3) **Effect of instruction permit**. A person holding a driver's instruction permit may drive a motor vehicle, other than a motorcycle, upon the public highways if:

(a) The person has immediate possession of the permit;

(b) The person is not using a wireless communications device, unless the person is using the device to report illegal activity, summon medical or other emergency help, or prevent injury to a person or property; and

(c) A driver training education course instructor who meets the qualifications of chapter 46.82 or 28A.220 RCW, or a licensed driver with at least five years of driving experience, occupies the seat beside the driver.

(4) **Term of instruction permit**. A driver's instruction permit is valid for one year from the date of issue.

(a) The department may issue one additional one-year permit.

(b) The department may issue a third driver's permit if it finds after an investigation that the permittee is diligently seeking to improve driving proficiency.

(c) A person applying for an additional instruction permit must submit the application to the department and pay an application fee of ((~~twenty-five dollars~~)) $25 for each issuance.

**Sec.**  RCW 46.68.041 and 2022 c 182 s 210 are each amended to read as follows:

(1) Except as provided in subsections (2) ((~~and (3)~~)) through (4) of this section, the department must forward all funds accruing under the provisions of chapter 46.20 RCW together with a proper identifying, detailed report to the state treasurer who must deposit such moneys to the credit of the highway safety fund.

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

(3) Fifty percent of the revenue from the fees imposed under RCW 46.20.200(2) must be deposited in the move ahead WA flexible account created in RCW 46.68.520.

(4)(a) Beginning October 1, 2023, $16 of the driver's examination fee imposed under RCW 46.20.120(2) must be deposited into the driver's education safety improvement account created in section 13 of this act.

(b) Beginning October 1, 2023, $12 of the driver's instruction permit application fee imposed under RCW 46.20.055(1) must be deposited into the driver's education safety improvement account created in section 13 of this act.

NEW SECTION. **Sec.**  A new section is added to chapter 46.20 RCW to read as follows:

The driver's education safety improvement account is created in the state treasury. A portion of the driver's examination fee imposed under RCW 46.20.120 and a portion of the driver's instruction permit application fee imposed under RCW 46.20.055 must be deposited in the account. The account may also receive a portion of the revenue from traffic infraction fines as designated by the legislature. Moneys in the account may be spent only after appropriation. Expenditures from the account may only be used for expanding and improving driver's education programs and activities. On a biennial basis, the legislature intends to spend 50 percent of the amount available in the account on the driver training education course voucher program established in section 7 of this act and the remaining 50 percent on the traffic safety education grant program established in section 8 of this act.

**Sec.**  RCW 43.84.092 and 2022 c 182 s 403 are each amended to read as follows:

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

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

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

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

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The abandoned recreational vehicle disposal account, the aeronautics account, the Alaskan Way viaduct replacement project account, the ambulance transport fund, the brownfield redevelopment trust fund account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the Chehalis basin account, the Chehalis basin taxable account, the cleanup settlement account, the climate active transportation account, the climate transit programs account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the common school construction fund, the community forest trust account, the connecting Washington account, the county arterial preservation account, the county criminal justice assistance account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community services account, the diesel idle reduction account, the drinking water assistance account, the administrative subaccount of the drinking water assistance account, the driver's education safety improvement account, the early learning facilities development account, the early learning facilities revolving account, the Eastern Washington University capital projects account, the education construction fund, the education legacy trust account, the election account, the electric vehicle account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the fair start for kids account, the ferry bond retirement fund, the fish, wildlife, and conservation account, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the public health services account, the state higher education construction account, the higher education construction account, the higher education retirement plan supplemental benefit fund, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the hospital safety net assessment fund, the Interstate 405 and state route number 167 express toll lanes account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the limited fish and wildlife account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the money-purchase retirement savings administrative account, the money-purchase retirement savings principal account, the motor vehicle fund, the motorcycle safety education account, the move ahead WA account, the move ahead WA flexible account, the multimodal transportation account, the multiuse roadway safety account, the municipal criminal justice assistance account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the pilotage account, the pollution liability insurance agency underground storage tank revolving account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account, the public health supplemental account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puget Sound Gateway facility account, the Puget Sound taxpayer accountability account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the sexual assault prevention and response account, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state reclamation revolving account, the state route number 520 civil penalties account, the state route number 520 corridor account, the statewide broadband account, the statewide tourism marketing account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the toll facility bond retirement account, the transportation 2003 account (nickel account), the transportation equipment fund, the transportation future funding program account, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the University of Washington bond retirement fund, the University of Washington building account, the voluntary cleanup account, the volunteer firefighters' and reserve officers' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the vulnerable roadway user education account, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, the water pollution control revolving fund, the Western Washington University capital projects account, the Yakima integrated plan implementation account, the Yakima integrated plan implementation revenue recovery account, and the Yakima integrated plan implementation taxable bond account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, and the state university permanent fund shall be allocated to their respective beneficiary accounts.

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

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

**Sec.**  RCW 43.84.092 and 2022 c 182 s 404 are each amended to read as follows:

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

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

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

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

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The abandoned recreational vehicle disposal account, the aeronautics account, the Alaskan Way viaduct replacement project account, the brownfield redevelopment trust fund account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the Chehalis basin account, the Chehalis basin taxable account, the cleanup settlement account, the climate active transportation account, the climate transit programs account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the common school construction 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The Evergreen State College capital projects account, the fair start for kids account, the ferry bond retirement fund, the fish, wildlife, and conservation account, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the public health services account, the state higher education construction account, the higher education construction account, the higher education retirement plan supplemental benefit fund, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the hospital safety net assessment fund, the Interstate 405 and state route number 167 express toll lanes account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the limited fish and wildlife account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship 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system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, the water pollution control revolving fund, the Western Washington University capital projects account, the Yakima integrated plan implementation account, the Yakima integrated plan implementation revenue recovery account, and the Yakima integrated plan implementation taxable bond account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, and the state university permanent fund shall be allocated to their respective beneficiary accounts.

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

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

NEW SECTION. **Sec.**  Section 14 of this act expires July 1, 2024.

NEW SECTION. **Sec.**  Section 15 of this act takes effect July 1, 2024.

**--- END ---**