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**SENATE BILL 6304**

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**State of Washington 68th Legislature 2024 Regular Session**

**By** Senators Liias, Nguyen, and Kuderer

AN ACT Relating to implementing certain recommendations of the transportation electrification strategy; amending RCW 43.31.970, 47.01.520, 35.92.450, 54.16.430, 80.28.360, and 46.96.185; reenacting and amending RCW 43.84.092, 43.84.092, and 43.84.092; adding a new section to chapter 46.37 RCW; adding a new section to chapter 28A.160 RCW; adding a new section to chapter 43.01 RCW; adding a new chapter to Title 19 RCW; adding a new chapter to Title 70A RCW; creating a new section; prescribing penalties; providing effective dates; and providing expiration dates.

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

**PART I**

**ELECTRIC VEHICLE SUPPLY EQUIPMENT INSTALLATION, INFORMATION, AND RELIABILITY**

**Sec.**  RCW 43.31.970 and 2023 c 470 s 2046 are each amended to read as follows:

The department of commerce must ((~~distribute~~)):

(1) Coordinate with the interagency electric vehicle coordinating council, state and local agencies, climate and environmental justice organizations, consumer and ratepayer advocates, industry representatives, and building owners and operators to implement this section;

(2) Develop recommended legislative language, delivered to the legislature, on:

(a) Maximum timelines for electric vehicle supply equipment project permitting and interconnection;

(b) Streamlined reporting requirements for electric utilities on transportation electrification efforts;

(c) Requirements for consumer information on electric vehicle supply equipment;

(d) Extending right-to-charge policies to tenants and homeowners outside of common interest communities;

(e) Reliability standards for publicly available and shared use electric vehicle supply equipment; and

(f) Other policies to implement recommendations on improving electric vehicle supply equipment availability and use in the transportation electrification strategy under RCW 43.392.040;

(3) Develop a comprehensive and publicly available inventory of all electric vehicle supply equipment in Washington by December 31, 2025.

(a) The department must develop reporting requirements for electric vehicle supply providers, equipment owners and operators, electric utilities, or any other entities necessary to develop the inventory in this subsection.

(b) For publicly available or shared use electric vehicle supply equipment, the department must require entities to report reliability data as determined by the department.

(c) The department must adopt rules to determine necessary information and a reporting process for collecting data for the inventory;

(4) Distribute to local governments model ordinances, model development regulations, and guidance for local governments for siting and installing electric vehicle infrastructure((~~, and in particular battery charging stations, and appropriate handling, recycling, and storage of electric vehicle batteries and equipment, when available~~)) by December 31, 2025, and every five years thereafter. The model ordinances, model development regulations, and guidance must be developed by a federal or state agency, or nationally recognized organizations with specific expertise in land-use regulations or electric vehicle infrastructure.

**Sec.**  RCW 47.01.520 and 2021 c 300 s 2 are each amended to read as follows:

(1) The department, through the department's public-private partnership office and in consultation with the department of ecology, the department of commerce, and the office of equity, must develop and maintain a publicly available mapping and forecasting tool that provides locations and essential information of charging and refueling infrastructure to support forecasted levels of electric vehicle adoption, travel, and usage across Washington state.

(2)(a) The publicly available mapping and forecasting tool must be designed to enable coordinated, effective, efficient, and timely deployment of charging and refueling infrastructure necessary to support statewide and local transportation electrification efforts that result in emissions reductions consistent with RCW 70A.45.020.

(b) The tool must:

(i) Initially prioritize on-road transportation;

(ii) ((~~To the greatest extent possible, maintain~~)) Incorporate the latest data on public and shared use charging from the inventory of electric vehicle supply equipment as specified in RCW 43.31.970;

(iii) ((~~Model charging and~~)) Use electric vehicle supply equipment estimates as identified in the transportation electrification strategy under RCW 43.392.040 and model hydrogen refueling infrastructure that may be used by owners and operators of light, medium, and heavy duty vehicles; and

(iv) Incorporate the department's traffic data for passenger and freight vehicles.

(c) The tool must, if feasible:

(i) Provide the data necessary to support programs by state agencies that directly or indirectly support transportation electrification efforts;

(ii) Evolve over time to support future transportation electrification programs;

(iii) Provide data at a scale that supports electric utility planning for the impacts of transportation electrification both systemwide and on specific components of the distribution system; and

(iv) ((~~Forecast~~)) Use statewide zero emissions vehicle ((~~use that would achieve the emissions reductions consistent with RCW 70A.45.020~~)) estimates from the transportation electrification strategy under RCW 43.392.040. The department may reference ((~~existing~~)) zero emissions vehicle use forecasts that update the transportation electrification strategy estimates, such as that established in the state energy strategy.

(3) The department, in consultation with the department of commerce, the department of ecology, and the office of equity, may elect to include other transportation charging and refueling infrastructure, such as maritime, public transportation, and aviation in the mapping and forecasting tool.

(4) The tool must include, to the extent feasible, the following elements:

(a) The amount, type, location, and year of installation for electric vehicle supply equipment that is expected to be necessary to support forecasted electric vehicle penetration and usage within the state;

(b) Electric vehicle adoption, usage, technological profiles, and any other characteristics necessary to model future electric vehicle penetration levels and use cases that impact electric vehicle supply equipment needs within the state;

(c) The estimated energy and capacity demand based on inputs from (b) of this subsection;

(d) Boundaries of political subdivisions including, but not limited to:

(i) Retail electricity suppliers;

(ii) Public transportation agency boundaries;

(iii) Municipalities;

(iv) Counties; and

(v) Federally recognized tribal governments;

(e) Existing and known publicly or privately owned level 2, direct current fast charge, and refueling infrastructure. The department must identify gas stations, convenience stores, and other small retailers that are colocated with existing and known electric vehicle charging infrastructure identified under this subsection;

(f) A public interface designed to provide any user the ability to determine the forecasted charging and refueling infrastructure needs within a provided geographic boundary, including those listed under (d) of this subsection; and

(g) The ability for all data tracked within the tool to be downloadable or usable within a separate mapping and forecasting tool.

(5) The tool must, if feasible, integrate scenarios including:

(a) Varying levels of public transportation utilization;

(b) Varying levels of active transportation usage, such as biking or walking;

(c) Vehicle miles traveled amounts above and below the baseline;

(d) Adoption of autonomous and shared mobility services; and

(e) Forecasts capturing each utility service area's relative level of zero emissions vehicle use that would achieve each utility service area's relative emissions reductions consistent with ((~~RCW 70A.45.020~~)) estimates from the transportation electrification strategy under RCW 43.392.040.

(6) To support highly impacted communities and vulnerable populations disproportionately burdened by transportation-related emissions and to ensure economic and mobility benefits flow to communities that have historically received less investment in infrastructure, the mapping and forecasting tool must integrate population, health, environmental, and socioeconomic data on a census tract basis. The department may use existing data used by other state or federal agencies. The department must consult with the department of health, the office of equity, the department of ecology, and other agencies as necessary in order to ensure the tool properly integrates cumulative impact analyses best practices and to ensure that the tool is developed in coordination with other state government administrative efforts to identify disproportionately impacted communities.

(7) The mapping and forecasting tool must, to the extent appropriate, integrate related analyses, such as the department of commerce's state energy strategy, the joint transportation committee's public fleet electrification study, the west coast collaborative's alternative fuel infrastructure corridor coalition report, and other related electric vehicle supply equipment assessments as deemed appropriate. To the extent that the mapping and forecasting tool is used by the department as the basis for the identification of recommended future electric vehicle charging sites, the department must consider recommending sites that are colocated with small retailers, including gas stations and convenience stores, and other amenities.

(8) Where appropriate and feasible, the mapping and forecasting tool must incorporate infrastructure located at or near the border in neighboring state and provincial jurisdictions.

(9) In designing the mapping and forecasting tool, the department must coordinate with the department of commerce, the department of ecology, the utilities and transportation commission, and other state agencies as needed in order to ensure the mapping and forecasting tool is able to successfully facilitate other state agency programs that involve deployment of electric vehicle supply equipment.

(10) The department must conduct a stakeholder process in developing the mapping and forecasting tool to ensure the tool supports the needs of communities, public agencies, and relevant private organizations. The stakeholder process must involve stakeholders((~~,~~)) including, but not limited to, electric utilities, early in the development of the tool.

(11) The department may contract with the department of commerce or consultants, or both, to develop and implement all or portions of the mapping and forecasting tool. The department may rely on or, to the extent necessary, contract for privately maintained data sufficient to develop the elements specified in subsection (4) of this section.

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

(a) "Charging infrastructure" means a unit of fueling infrastructure that supplies electric energy for the recharging of battery electric vehicles.

(b) "Direct current fast charger" means infrastructure that supplies electricity to battery electric vehicles at capacities no less than 50 kilowatts, typically using 208/408 volt three-phase direct current electricity.

(c) "Electric vehicle" means any craft, vessel, automobile, public transportation vehicle, or equipment that transports people or goods and operates, either partially or exclusively, on electrical energy from an off-board source that is stored onboard for motive purpose.

(d) "Electric vehicle supply equipment" means charging infrastructure and hydrogen refueling infrastructure.

(e) "Level 2 charger" means infrastructure that supplies electricity to battery electric vehicles at 240 volts and equal to or less than 80 amps.

(f) "Refueling infrastructure" means a unit of fueling infrastructure that supplies hydrogen for the resupply of hydrogen fuel cell electric vehicles.

**PART II**

**ELECTRIC UTILITY TRANSPORTATION ELECTRIFICATION INVESTMENTS**

**Sec.**  RCW 35.92.450 and 2019 c 109 s 2 are each amended to read as follows:

(1) The governing authority of an electric utility formed under this chapter may adopt an electrification of transportation plan that((~~, at a minimum, establishes a finding that~~)) provides utility outreach and investment in the electrification of transportation infrastructure ((~~does not increase net costs to ratepayers in excess of one-quarter of one percent~~)).

(2) In making investments under subsection (1) of this section, the governing authority must:

(a) Prioritize strategies for electric utilities to implement including, but not limited to:

(i) Residential and fleet charging;

(ii) Demand management, including managed charging; and

(iii) Upgrades to, or expansions of, utility owned and operated grid infrastructure for the purposes of delivering power to electric vehicle supply equipment.

(b) Meet or exceed the same equity-related investment requirements in RCW 70A.535.080 as implemented by the department of ecology.

(3) In adopting an electrification of transportation plan under subsection (1) of this section, the governing authority may consider some or all of the following: (a) The applicability of multiple options for electrification of transportation across all customer classes; (b) the impact of electrification on the utility's load, and whether demand response or other load management opportunities, including direct load control and dynamic pricing, are operationally appropriate; (c) system reliability and distribution system efficiencies; (d) interoperability concerns, including the interoperability of hardware and software systems in electrification of transportation proposals; and (e) overall customer experience.

((~~(3)~~)) (4) An electric utility formed under this chapter may, upon making a determination in accordance with subsection (1) of this section, offer incentive programs in the electrification of transportation for its customers, including the promotion of electric vehicle adoption and advertising programs to promote the utility's services, incentives, or rebates.

**Sec.**  RCW 54.16.430 and 2019 c 109 s 3 are each amended to read as follows:

(1) The commission of a public utility district may adopt an electrification of transportation plan that((~~, at a minimum, establishes a finding that~~)) provides utility outreach and investment in the electrification of transportation infrastructure ((~~does not increase net costs to ratepayers in excess of one-quarter of one percent~~)).

(2) In making investments under subsection (1) of this section, a public utility district must:

(a) Prioritize strategies for electric utilities to implement including, but not limited to:

(i) Residential and fleet charging;

(ii) Demand management, including managed charging; and

(iii) Upgrades to, or expansions of, utility owned and operated grid infrastructure for the purposes of delivering power to electric vehicle supply equipment.

(b) Meet or exceed the same equity-related investment requirements in RCW 70A.535.080 as implemented by the department of ecology.

(3) In adopting an electrification of transportation plan under subsection (1) of this section, the ((~~commission of a~~)) public utility district may consider some or all of the following: (a) The applicability of multiple options for electrification of transportation across all customer classes; (b) the impact of electrification on the district's load, and whether demand response or other load management opportunities, including direct load control and dynamic pricing, are operationally appropriate; (c) system reliability and distribution system efficiencies; (d) interoperability concerns, including the interoperability of hardware and software systems in electrification of transportation proposals; and (e) overall customer experience.

((~~(3)~~)) (4) A public utility district may, upon making a determination in accordance with subsection (1) of this section, offer incentive programs in the electrification of transportation for its customers, including the promotion of electric vehicle adoption and advertising programs to promote the district's services, incentives, or rebates.

**Sec.**  RCW 80.28.360 and 2019 c 287 s 6 are each amended to read as follows:

(1) In establishing rates for each electrical company regulated under this title, the commission may allow an incentive rate of return on investment ((~~through December 31, 2030,~~)) on capital expenditures for electric vehicle supply equipment that is deployed for the benefit of ratepayers((~~, provided that the capital expenditures of the utilities' programs or plans in RCW 80.28.365(1) do not increase the annual retail revenue requirement of the utility, after accounting for the benefits of transportation electrification in each year of the plan, in excess of one-quarter of one percent~~)). The commission must consider and may adopt other policies to improve access to and promote fair competition in the provision of electric vehicle supply equipment.

(2) An incentive rate of return on investment under this section may be allowed only if ((~~the~~)):

(a) The company chooses to pursue capital investment in electric vehicle supply equipment on a fully regulated basis similar to other capital investments behind a customer's meter. ((~~In the case of an incentive rate of return on investment allowed under this section, an increment of up to two percent must be added to the rate of return on common equity allowed on the company's other investments.~~))

(b) The company prioritizes strategies for electric utilities to implement including, but not limited to:

(i) Residential and fleet charging;

(ii) Demand management, including managed charging; and

(iii) Upgrades to, or expansions of, utility owned and operated grid infrastructure for the purposes of delivering power to electric vehicle supply equipment.

(c) The company meets or exceeds the same equity-related investment requirements in RCW 70A.535.080 as implemented by the department of ecology or a higher standard as set by the commission.

(3) The incentive rate of return on investment authorized in subsection (2) of this section applies only to projects which have been installed after July 1, 2015.

(4) The incentive rate of return on investment increment pursuant to this section may be earned only for a period up to the depreciable life of the electric vehicle supply equipment as defined in the depreciation schedules developed by the company and submitted to the commission for review. When the capital investment has fully depreciated, an electrical company may gift the electric vehicle supply equipment to the owner of the property on which it is located.

(5) By December 31, 2017, the commission must report to the appropriate committees of the legislature with regard to the use of any incentives allowed under this section, the quantifiable impacts of the incentives on actual electric vehicle deployment, and any recommendations to the legislature about utility participation in the electric vehicle market.

**PART III**

**DIRECT-TO-CONSUMER SALES FOR ZERO EMISSIONS VEHICLE MANUFACTURERS**

**Sec.**  RCW 46.96.185 and 2018 c 296 s 2 are each amended to read as follows:

(1) Notwithstanding the terms of a franchise agreement, a manufacturer, distributor, factory branch, or factory representative, or an agent, officer, parent company, wholly or partially owned subsidiary, affiliated entity, or other person controlled by or under common control with a manufacturer, distributor, factory branch, or factory representative, shall not:

(a) Discriminate between new motor vehicle dealers by selling or offering to sell a like vehicle to one dealer at a lower actual price than the actual price offered to another dealer for the same model similarly equipped;

(b) Discriminate between new motor vehicle dealers by selling or offering to sell parts or accessories to one dealer at a lower actual price than the actual price offered to another dealer;

(c) Discriminate between new motor vehicle dealers by using a promotion plan, marketing plan, or other similar device that results in a lower actual price on vehicles, parts, or accessories being charged to one dealer over another dealer;

(d) Discriminate between new motor vehicle dealers by adopting a method, or changing an existing method, for the allocation, scheduling, or delivery of new motor vehicles, parts, or accessories to its dealers that is not fair, reasonable, and equitable. Upon the request of a dealer, a manufacturer, distributor, factory branch, or factory representative shall disclose in writing to the dealer the method by which new motor vehicles, parts, and accessories are allocated, scheduled, or delivered to its dealers handling the same line or make of vehicles;

(e) Discriminate against a new motor vehicle dealer by preventing, offsetting, or otherwise impairing the dealer's right to request a documentary service fee on affinity or similar program purchases. This prohibition applies to, but is not limited to, any promotion plan, marketing plan, manufacturer or dealer employee or employee friends or family purchase programs, or similar plans or programs;

(f) Give preferential treatment to some new motor vehicle dealers over others by refusing or failing to deliver, in reasonable quantities and within a reasonable time after receipt of an order, to a dealer holding a franchise for a line or make of motor vehicles sold or distributed by the manufacturer, distributor, factory branch, or factory representative, a new vehicle, parts, or accessories, if the vehicle, parts, or accessories are being delivered to other dealers, or require a dealer to purchase unreasonable advertising displays or other materials, or unreasonably require a dealer to remodel or renovate existing facilities as a prerequisite to receiving a model or series of vehicles;

(g) Compete with a new motor vehicle dealer of any make or line by acting in the capacity of a new motor vehicle dealer, or by owning, operating, or controlling, whether directly or indirectly, a motor vehicle dealership in this state. It is not, however, a violation of this subsection for:

(i) A manufacturer, distributor, factory branch, or factory representative to own or operate a dealership for a temporary period, not to exceed two years, during the transition from one owner of the dealership to another where the dealership was previously owned by a franchised dealer and is currently for sale to any qualified independent person at a fair and reasonable price. The temporary operation may be extended for one ((~~twelve-month~~)) 12-month period on petition of the temporary operator to the department. The matter will be handled as an adjudicative proceeding under chapter 34.05 RCW. A dealer who is a franchisee of the petitioning manufacturer or distributor may intervene and participate in a proceeding under this subsection (1)(g)(i). The temporary operator has the burden of proof to show justification for the extension and a good faith effort to sell the dealership to an independent person at a fair and reasonable price;

(ii) A manufacturer, distributor, factory branch, or factory representative to own or operate a dealership in conjunction with an independent person in a bona fide business relationship for the purpose of broadening the diversity of its dealer body and enhancing opportunities for qualified persons who are part of a group who have historically been underrepresented in its dealer body, or other qualified persons who lack the resources to purchase a dealership outright, and where the independent person: (A) Has made, or within a period of two years from the date of commencement of operation will have made, a significant, bona fide capital investment in the dealership that is subject to loss; (B) has an ownership interest in the dealership; and (C) operates the dealership under a bona fide written agreement with the manufacturer, distributor, factory branch, or factory representative under which he or she will acquire all of the ownership interest in the dealership within a reasonable period of time and under reasonable terms and conditions. The manufacturer, distributor, factory branch, or factory representative has the burden of proof of establishing that the acquisition of the dealership by the independent person was made within a reasonable period of time and under reasonable terms and conditions. Nothing in this subsection (1)(g)(ii) relieves a manufacturer, distributor, factory branch, or factory representative from complying with (a) through (f) of this subsection;

(iii) A manufacturer, distributor, factory branch, or factory representative to own or operate a dealership in conjunction with an independent person in a bona fide business relationship where the independent person: (A) Has made, or within a period of two years from the date of commencement of operation will have made, a significant, bona fide capital investment in the dealership that is subject to loss; (B) has an ownership interest in the dealership; and (C) operates the dealership under a bona fide written agreement with the manufacturer, distributor, factory branch, or factory representative under which he or she will acquire all of the ownership interest in the dealership within a reasonable period of time and under reasonable terms and conditions. The manufacturer, distributor, factory branch, or factory representative has the burden of proof of establishing that the acquisition of the dealership by the independent person was made within a reasonable period of time and under reasonable terms and conditions. The number of dealerships operated under this subsection (1)(g)(iii) may not exceed four percent rounded up to the nearest whole number of a manufacturer's total of new motor vehicle dealer franchises in this state. Nothing in this subsection (1)(g)(iii) relieves a manufacturer, distributor, factory branch, or factory representative from complying with (a) through (f) of this subsection;

(iv) A truck manufacturer to own, operate, or control a new motor vehicle dealership that sells only trucks of that manufacturer's line make with a gross vehicle weight rating of 12,500 pounds or more, and the truck manufacturer has been continuously engaged in the retail sale of the trucks at least since January 1, 1993;

(v) A manufacturer to own, operate, or control a new motor vehicle dealership trading exclusively in a single line make of the manufacturer if (A) the manufacturer does not own, directly or indirectly, in the aggregate, in excess of ((~~forty-five~~)) 45 percent of the total ownership interest in the dealership, (B) at the time the manufacturer first acquires ownership or assumes operation or control of any such dealership, the distance between any dealership thus owned, operated, or controlled and the nearest new motor vehicle dealership trading in the same line make of vehicle and in which the manufacturer has no ownership or control is not less than ((~~fifteen~~)) 15 miles and complies with the applicable provisions in the relevant market area sections of this chapter, (C) all of the manufacturer's franchise agreements confer rights on the dealer of that line make to develop and operate within a defined geographic territory or area, as many dealership facilities as the dealer and the manufacturer agree are appropriate, and (D) as of January 1, 2000, the manufacturer had no more than four new motor vehicle dealers of that manufacturer's line make in this state, and at least half of those dealers owned and operated two or more dealership facilities in the geographic territory or area covered by their franchise agreements with the manufacturer;

(vi) A final-stage manufacturer to own, operate, or control a new motor vehicle dealership; ((~~or~~))

(vii) A manufacturer that held a vehicle dealer license in this state on January 1, 2014, to own, operate, or control a new motor vehicle dealership that sells new vehicles that are only of that manufacturer's makes or lines and that are not sold new by a licensed independent franchise dealer, or to own, operate, or control or contract with companies that provide finance, leasing, or service for vehicles that are of that manufacturer's makes or lines; or

(viii) A manufacturer of zero emissions vehicles to own, operate, or control a new motor vehicle dealership that sells new vehicles that are only of that manufacturer's makes or lines, or to own, operate, or control or contract with companies that provide finance, leasing, or service for vehicles that are of that manufacturer's makes or lines. For purposes of this subsection, "zero emissions vehicle" means a vehicle that emits no exhaust gas from the onboard source of power, other than water vapor;

(h) Compete with a new motor vehicle dealer by owning, operating, or controlling, whether directly or indirectly, a service facility in this state for the repair or maintenance of motor vehicles under the manufacturer's new car warranty and extended warranty. Nothing in this subsection (1)(h), however, prohibits a manufacturer, distributor, factory branch, or factory representative from owning or operating a service facility for the purpose of providing or performing maintenance, repair, or service work on motor vehicles that are owned by the manufacturer, distributor, factory branch, or factory representative;

(i) Use confidential or proprietary information obtained from a new motor vehicle dealer to unfairly compete with the dealer. For purposes of this subsection (1)(i), "confidential or proprietary information" means trade secrets as defined in RCW 19.108.010, business plans, marketing plans or strategies, customer lists, contracts, sales data, revenues, or other financial information;

(j)(i) Terminate, cancel, or fail to renew a franchise with a new motor vehicle dealer based upon any of the following events, which do not constitute good cause for termination, cancellation, or nonrenewal under RCW 46.96.060: (A) The fact that the new motor vehicle dealer owns, has an investment in, participates in the management of, or holds a franchise agreement for the sale or service of another make or line of new motor vehicles; (B) the fact that the new motor vehicle dealer has established another make or line of new motor vehicles or service in the same dealership facilities as those of the manufacturer or distributor; (C) that the new motor vehicle dealer has or intends to relocate the manufacturer or distributor's make or line of new motor vehicles or service to an existing dealership facility that is within the relevant market area, as defined in RCW 46.96.140, of the make or line to be relocated, except that, in any nonemergency circumstance, the dealer must give the manufacturer or distributor at least ((~~sixty~~)) 60 days' notice of his or her intent to relocate and the relocation must comply with RCW 46.96.140 and 46.96.150 for any same make or line facility; or (D) the failure of a franchisee to change the location of the dealership or to make substantial alterations to the use or number of franchises on the dealership premises or facilities.

(ii) Notwithstanding the limitations of this section, a manufacturer may, for separate consideration, enter into a written contract with a dealer to exclusively sell and service a single make or line of new motor vehicles at a specific facility for a defined period of time. The penalty for breach of the contract must not exceed the amount of consideration paid by the manufacturer plus a reasonable rate of interest;

(k) Coerce or attempt to coerce a motor vehicle dealer to refrain from, or prohibit or attempt to prohibit a new motor vehicle dealer from acquiring, owning, having an investment in, participating in the management of, or holding a franchise agreement for the sale or service of another make or line of new motor vehicles or related products, or establishing another make or line of new motor vehicles or service in the same dealership facilities, if the prohibition against acquiring, owning, investing, managing, or holding a franchise for such additional make or line of vehicles or products, or establishing another make or line of new motor vehicles or service in the same dealership facilities, is not supported by reasonable business considerations. The burden of proving that reasonable business considerations support or justify the prohibition against the additional make or line of new motor vehicles or products or nonexclusive facilities is on the manufacturer;

(l) Require, by contract or otherwise, a new motor vehicle dealer to make a material alteration, expansion, or addition to any dealership facility, unless the required alteration, expansion, or addition is uniformly required of other similarly situated new motor vehicle dealers of the same make or line of vehicles and is reasonable in light of all existing circumstances, including economic conditions. In any proceeding in which a required facility alteration, expansion, or addition is an issue, the manufacturer or distributor has the burden of proof. Except for a program or any renewal or modification of a program that is in effect with one or more new motor vehicle dealers in this state on June 12, 2014, a manufacturer shall not require, coerce, or attempt to coerce any new motor vehicle dealer by program, policy, standard, or otherwise to change the location of the dealership or construct, replace, renovate, or make any substantial changes, alterations, or remodeling to a new motor vehicle dealer's sales or service facilities, except as necessary to comply with health or safety laws or to comply with technology requirements without which a dealer would be unable to service a vehicle the dealer has elected to sell, before the tenth anniversary of the date of issuance of the certificate of occupancy or the manufacturer's approval, whichever is later, from:

(i) The date construction of the dealership at that location was completed if the construction was in substantial compliance with standards or plans provided by a manufacturer, distributor, or representative or through a subsidiary or agent of the manufacturer, distributor, or representative; or

(ii) The date a prior change, alteration, or remodel of the dealership at that location was completed if the construction was in substantial compliance with standards or plans provided by a manufacturer, distributor, or representative or through a subsidiary or agent of the manufacturer, distributor, or representative;

(m) Prevent or attempt to prevent by contract or otherwise any new motor vehicle dealer from changing the executive management of a new motor vehicle dealer unless the manufacturer or distributor, having the burden of proof, can show that a proposed change of executive management will result in executive management by a person or persons who are not of good moral character or who do not meet reasonable, preexisting, and equitably applied standards of the manufacturer or distributor. If a manufacturer or distributor rejects a proposed change in the executive management, the manufacturer or distributor shall give written notice of its reasons to the dealer within ((~~sixty~~)) 60 days after receiving written notice from the dealer of the proposed change and all related information reasonably requested by the manufacturer or distributor, or the change in executive management must be considered approved;

(n) Condition the sale, transfer, relocation, or renewal of a franchise agreement or condition manufacturer, distributor, factory branch, or factory representative sales, services, or parts incentives upon the manufacturer obtaining site control, including rights to purchase or lease the dealer's facility, or an agreement to make improvements or substantial renovations to a facility. For purposes of this section, a substantial renovation has a gross cost to the dealer in excess of ((~~five thousand dollars~~)) $5,000;

(o) Fail to provide to a new motor vehicle dealer purchasing or leasing building materials or other facility improvements the right to purchase or lease franchisor image elements of like kind and quality from an alternative vendor selected by the dealer if the goods or services are to be supplied by a vendor selected, identified, or designated by the manufacturer or distributor. If the vendor selected by the manufacturer or distributor is the only available vendor of like kind and quality materials, the new motor vehicle dealer must be given the opportunity to purchase the franchisor image elements at a price substantially similar to the capitalized lease costs of the elements. This subsection (1)(o) must not be construed to allow a new motor vehicle dealer or vendor to gain additional intellectual property rights they are not otherwise entitled to or to impair or eliminate the intellectual property rights of the manufacturer or distributor or to permit a new motor vehicle dealer to erect or maintain signs that do not conform to the reasonable intellectual property usage guidelines of the manufacturer or distributor;

(p) Take any adverse action against a new motor vehicle dealer including, but not limited to, charge backs or reducing vehicle allocations, for sales and service performance within a designated area of primary responsibility unless that area is reasonable in light of proximity to relevant census tracts to the dealership and competing dealerships, highways and road networks, any natural or man-made barriers, demographics, including economic factors, buyer behavior information, and contains only areas inside the state of Washington unless specifically approved by the new motor vehicle dealer;

(q) Require, coerce, or attempt to coerce any new motor vehicle dealer by program, policy, facility guide, standard, or otherwise to order or accept delivery of any service or repair appliances, equipment, parts, or accessories, or any other commodity not required by law, which the dealer has not voluntarily ordered or which the dealer does not have the right to return unused for a full refund within ((~~ninety~~)) 90 days or a longer period as mutually agreed upon by the dealer and manufacturer; or

(r) Modify the franchise agreement for any new motor vehicle dealer unless the manufacturer notifies the dealer in writing of its intention to modify the agreement at least ((~~ninety~~)) 90 days before the effective date thereof, stating the specific grounds for the modification, and undertakes the modification in good faith, for good cause, and in a manner that would not adversely and substantially alter the rights, obligations, investment, or return on investment of the franchised new motor vehicle dealer under the existing agreement.

(2) Subsection (1)(a), (b), and (c) of this section do not apply to sales to a motor vehicle dealer: (a) For resale to a federal, state, or local government agency; (b) where the vehicles will be sold or donated for use in a program of driver's education; (c) where the sale is made under a manufacturer's bona fide promotional program offering sales incentives or rebates; (d) where the sale of parts or accessories is under a manufacturer's bona fide quantity discount program; or (e) where the sale is made under a manufacturer's bona fide fleet vehicle discount program. For purposes of this subsection, "fleet" means a group of fifteen or more new motor vehicles purchased or leased by a dealer at one time under a single purchase or lease agreement for use as part of a fleet, and where the dealer has been assigned a fleet identifier code by the department of licensing.

(3) The following definitions apply to this section:

(a) "Actual price" means the price to be paid by the dealer less any incentive paid by the manufacturer, distributor, factory branch, or factory representative, whether paid to the dealer or the ultimate purchaser of the vehicle.

(b) "Control" or "controlling" means (i) the possession of, title to, or control of ten percent or more of the voting equity interest in a person, whether directly or indirectly through a fiduciary, agent, or other intermediary, or (ii) the possession, direct or indirect, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of voting securities, through director control, by contract, or otherwise, except as expressly provided under the franchise agreement.

(c) "Motor vehicles" does not include trucks that are 14,001 pounds gross vehicle weight and above or recreational vehicles as defined in RCW 43.22.335.

(d) "Operate" means to manage a dealership, whether directly or indirectly.

(e) "Own" or "ownership" means to hold the beneficial ownership of one percent or more of any class of equity interest in a dealership, whether the interest is that of a shareholder, partner, limited liability company member, or otherwise. To hold an ownership interest means to have possession of, title to, or control of the ownership interest, whether directly or indirectly through a fiduciary, agent, or other intermediary.

(4) A violation of this section is deemed to affect the public interest and constitutes an unlawful and unfair practice under chapter 19.86 RCW. A person aggrieved by an alleged violation of this section may petition the department to have the matter handled as an adjudicative proceeding under chapter 34.05 RCW.

**PART IV**

**ROLLING RESISTANCE OF REPLACEMENT TIRES**

NEW SECTION. **Sec.**  The legislature finds that:

(1) Rolling resistance of tires has a significant effect on the fuel efficiency of motor vehicles, and the sales of high rolling resistance replacement tires when low rolling resistance tire technology is in use by new vehicles costs the average gasoline vehicle driver the equivalent of approximately two-thirds the state gas tax;

(2) Independent testing of available tires has demonstrated no statistically significant adverse effect of low rolling resistance tires on safety or tire longevity;

(3) Analysis conducted by the department's energy policy office shows adoption of reasonable replacement tire energy efficiency standards could result in an approximate cumulative reduction of 600,000,000 gallons of gasoline and 1,500 gigawatt hours of electricity, equating to a savings of $3,000,000,000 in transportation costs for Washington drivers and 5,000,000 metric tons of carbon dioxide from 2026 to 2035, assuming a 10 percent reduction in rolling resistance improves gasoline fuel efficiency by three percent and electricity fuel efficiency by eight percent;

(4) Providing authority to the department to adopt energy efficiency standards for replacement tires sold in the state could therefore lower gasoline and electricity costs for drivers, reduce greenhouse gas emissions to reach the state limit in RCW 70A.45.020, and improve public health especially for overburdened communities near highways through reduced transportation-related air pollution.

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

(1) "Department" means the department of commerce.

(2) "Light duty truck" means any motor vehicle other than a passenger car with a gross vehicle weight rating not exceeding 10,000 pounds.

(3) "Passenger car" means any motor vehicle designed primarily for transportation of persons, having a design capacity of 12 persons or less, with a gross vehicle weight rating not exceeding 10,000 pounds.

(4) "Replacement tire" means a tire sold or offered for sale in the state, except a tire sold:

(a) At wholesale for final retail sale outside the state; or

(b) With a new passenger car or light duty truck.

(5) "Rolling resistance coefficient" means the ratio of the rolling resistance force, in newtons, to the load on the tire in kilonewtons.

(6) "Tire brand name owner" means a person, other than a tire manufacturer, who owns or has the right to control the brand name of a tire or a person who licenses another to purchase tires from a tire manufacturer bearing the licensor's brand name.

(7) "Tire manufacturer" means a person, parent corporation, subsidiary, affiliate, or any other entity manufacturing or assembling replacement tires, or importing or distributing replacement tires in or into Washington for sale or use in Washington.

NEW SECTION. **Sec.**  (1) This section applies to either passenger car replacement tires or light duty truck replacement tires, or both, for sale or offered for sale in Washington.

(2) The department, to establish and enforce energy efficiency standards for replacement tires, may adopt and implement any combination of the following:

(a) A database of replacement tires in production offered for sale or distribution in the state;

(b) Requirements for any tire brand name owners and manufacturers with replacement tires in production offered for sale or distribution in the state to report information necessary to implement this section;

(c) A rating system for the energy efficiency of replacement tires based on their rolling resistance coefficient;

(d) Testing procedures in alignment with enacted regulations by the national highway transportation safety administration as they existed as of the effective date of this section; and

(e) Minimum energy efficiency standards for replacement tires based on their rolling resistance.

(3)(a) The department may prohibit the sale or offer for sale of replacement tires that do not meet the minimum energy efficiency standards established in subsection (2) of this section.

(b) Any rules adopted by the department prohibiting the sale or offer for sale of replacement tires based on their rolling resistance:

(i) May not adversely affect tire safety or tire longevity as demonstrated by the independent testing of wet grip or traction and treadwear by an analyst prepared for the department or another state energy office and verified by the department; and

(ii) Must provide exemptions for snow tires, spare use tires, tires manufactured specifically for use in vehicles with three or fewer wheels, or tires manufactured specifically for use in an off-road recreational or agricultural motor vehicle.

(4) The department may require energy efficiency ratings determined under the rating system in subsection (2) of this section be displayed to consumers at the physical or online point-of-sale.

NEW SECTION. **Sec.**  (1) The department may adopt and amend rules as necessary to implement, administer, and enforce this chapter.

(a) Any person or entity who violates rules adopted to implement this chapter may be issued a warning by the department, or another state agency as designated by the department, for any first violation. Repeat violations are subject to a civil penalty ranging from $100 to $10,000 per occurrence.

(b) The department, or another state agency as designated by the department, may carry out inspections of replacement tires sold or offered for sale.

(2) Rules adopted to implement this chapter, except for emergency rules consistent with RCW 34.05.350, must take effect no sooner than one year following final rule adoption.

NEW SECTION. **Sec.**  A new section is added to chapter 46.37 RCW to read as follows:

The chief of the Washington state patrol may update rules authorized in this chapter to reference rules adopted by the department of commerce as authorized under section 404 of this act to ensure better clarity and compliance.

NEW SECTION. **Sec.**  Sections 401 through 404 of this act constitute a new chapter in Title 19 RCW.

**PART V**

**MEDIUM AND HEAVY DUTY VEHICLE IDLING PREVENTION**

NEW SECTION. **Sec.**  The department of ecology shall enforce rules adopted as required under RCW 70A.30.010 regarding the prevention of idling for motor vehicles with gross vehicle weight ratings of greater than 10,000 pounds.

NEW SECTION. **Sec.**  The idling prevention enforcement account is created in the state treasury. All receipts to the state from civil penalties generated under this chapter from idling violations must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used for:

(1) Enforcement activities required in section 501 of this act;

(2) Incentives for idle reduction technologies; or

(3) Incentives for zero emissions vehicles with gross vehicle weight ratings of greater than 10,000 pounds.

NEW SECTION. **Sec.**  Sections 501 and 502 of this act constitute a new chapter in Title 70A RCW.

**PART VI**

**ZERO EMISSIONS SCHOOL BUSES**

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

(1) The legislature finds that to transition Washington's school bus fleet as quickly as the state's greenhouse gas emissions reduction targets demand and to significantly improve health outcomes for students and bus drivers, easy-to-access funding must be provided for school districts and for student transportation service contractors to purchase electric school buses on an urgent timeline.

(2) Utilizing its expertise from its clean diesel school bus program, the department of ecology must collaborate with the office of the superintendent of public instruction and the department of commerce to:

(a) Identify target years for requiring that all new public school bus purchases be for zero emissions school buses and that all public school buses in operation be zero emissions school buses, with consideration of the modeling from the transportation electrification strategy under RCW 43.392.040 and other cost analyses and bus availability projections;

(b) Calculate the amount of funding necessary for school districts to cover higher purchase prices before cost parity, bus route planning, facility upgrades, charging infrastructure, and training for technicians and drivers;

(c) Develop a funding process that does not require school districts to apply for state competitive grants separate from other direct funding streams, and that ensures a seamless transition from the department of ecology's clean diesel school bus program;

(d) Develop an exemptions request and approval process that can be made for a zero emissions school bus, if a district can demonstrate the zero emissions school bus is required by the bus route; and

(e) Coordinate with school districts through regional transportation coordinators to implement this section.

**PART VII**

**ELECTRIC VEHICLE INFRASTRUCTURE TRAINING**

NEW SECTION. **Sec.**  A new section is added to chapter 43.01 RCW to read as follows:

Any state agency subject to the requirements of executive order 21-04 must require that the installation of electric vehicle supply equipment at state facilities be performed by persons certified by the electric vehicle infrastructure training program or a similarly accredited program to ensure safety, effectiveness, and achieve consistency in labor standards.

**PART IX**

**MISCELLANEOUS**

**Sec.**  RCW 43.84.092 and 2023 c 435 s 13, 2023 c 431 s 9, 2023 c 389 s 9, 2023 c 377 s 6, 2023 c 340 s 9, 2023 c 110 s 2, 2023 c 73 s 9, and 2023 c 41 s 3 are each reenacted and 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 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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 2023 c 435 s 14, 2023 c 431 s 10, 2023 c 389 s 10, 2023 c 377 s 7, 2023 c 340 s 10, 2023 c 110 s 3, 2023 c 73 s 10, and 2023 c 41 s 4 are each reenacted and 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.

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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 2023 c 435 s 14, 2023 c 431 s 10, 2023 c 389 s 10, 2023 c 377 s 7, 2023 c 340 s 10, 2023 c 110 s 3, 2023 c 73 s 10, and 2023 c 41 s 4 are each reenacted and amended to read as follows:

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(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.

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(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.**  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.**  (1) Section 801 of this act expires July 1, 2024.

(2) Section 802 of this act expires July 1, 2028.

NEW SECTION. **Sec.**  (1) Section 802 of this act takes effect July 1, 2024.

(2) Section 803 of this act takes effect July 1, 2028.

NEW SECTION. **Sec.**  If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2024, in the supplemental transportation appropriations act, this act is null and void.

**--- END ---**