
SENATE BILL 6304

State of Washington

68th Legislature

2024 Regular Session

By Senators Lias, Nguyen, and Kuderer

Read first time 01/25/24. Referred to Committee on Transportation.

1 AN ACT Relating to implementing certain recommendations of the
2 transportation electrification strategy; amending RCW 43.31.970,
3 47.01.520, 35.92.450, 54.16.430, 80.28.360, and 46.96.185; reenacting
4 and amending RCW 43.84.092, 43.84.092, and 43.84.092; adding a new
5 section to chapter 46.37 RCW; adding a new section to chapter 28A.160
6 RCW; adding a new section to chapter 43.01 RCW; adding a new chapter
7 to Title 19 RCW; adding a new chapter to Title 70A RCW; creating a
8 new section; prescribing penalties; providing effective dates; and
9 providing expiration dates.

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

11 **PART I**

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

14 **Sec. 101.** RCW 43.31.970 and 2023 c 470 s 2046 are each amended
15 to read as follows:

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

17 (1) Coordinate with the interagency electric vehicle coordinating
18 council, state and local agencies, climate and environmental justice
19 organizations, consumer and ratepayer advocates, industry

1 representatives, and building owners and operators to implement this
2 section;

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

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

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

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

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

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

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

18 (3) Develop a comprehensive and publicly available inventory of
19 all electric vehicle supply equipment in Washington by December 31,
20 2025.

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

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

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

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

1 **Sec. 102.** RCW 47.01.520 and 2021 c 300 s 2 are each amended to
2 read as follows:

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

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

15 (b) The tool must:

16 (i) Initially prioritize on-road transportation;

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

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

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

27 (c) The tool must, if feasible:

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

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

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

36 (iv) ~~((Forecast))~~ Use statewide zero emissions vehicle ~~((use that~~
37 ~~would achieve the emissions reductions consistent with RCW~~
38 ~~70A.45.020))~~ estimates from the transportation electrification
39 strategy under RCW 43.392.040. The department may reference
40 ~~((existing))~~ zero emissions vehicle use forecasts that update the

1 transportation electrification strategy estimates, such as that
2 established in the state energy strategy.

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

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

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

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

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

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

22 (i) Retail electricity suppliers;

23 (ii) Public transportation agency boundaries;

24 (iii) Municipalities;

25 (iv) Counties; and

26 (v) Federally recognized tribal governments;

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

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

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

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

40 (a) Varying levels of public transportation utilization;

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

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

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

5 (e) Forecasts capturing each utility service area's relative
6 level of zero emissions vehicle use that would achieve each utility
7 service area's relative emissions reductions consistent with ((~~RCW~~
8 ~~70A.45.020~~)) estimates from the transportation electrification
9 strategy under RCW 43.392.040.

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

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

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

39 (9) In designing the mapping and forecasting tool, the department
40 must coordinate with the department of commerce, the department of

1 ecology, the utilities and transportation commission, and other state
2 agencies as needed in order to ensure the mapping and forecasting
3 tool is able to successfully facilitate other state agency programs
4 that involve deployment of electric vehicle supply equipment.

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

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

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

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

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

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

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

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

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

1 **PART II**

2 **ELECTRIC UTILITY TRANSPORTATION ELECTRIFICATION INVESTMENTS**

3 **Sec. 201.** RCW 35.92.450 and 2019 c 109 s 2 are each amended to
4 read as follows:

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

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

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

15 (i) Residential and fleet charging;

16 (ii) Demand management, including managed charging; and

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

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

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

34 ~~((3))~~ (4) An electric utility formed under this chapter may,
35 upon making a determination in accordance with subsection (1) of this
36 section, offer incentive programs in the electrification of
37 transportation for its customers, including the promotion of electric
38 vehicle adoption and advertising programs to promote the utility's
39 services, incentives, or rebates.

1 **Sec. 202.** RCW 54.16.430 and 2019 c 109 s 3 are each amended to
2 read as follows:

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

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

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

13 (i) Residential and fleet charging;

14 (ii) Demand management, including managed charging; and

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

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

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

33 (~~(3))~~ (4) A public utility district may, upon making a
34 determination in accordance with subsection (1) of this section,
35 offer incentive programs in the electrification of transportation for
36 its customers, including the promotion of electric vehicle adoption
37 and advertising programs to promote the district's services,
38 incentives, or rebates.

1 **Sec. 203.** RCW 80.28.360 and 2019 c 287 s 6 are each amended to
2 read as follows:

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

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

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

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

25 (i) Residential and fleet charging;
26 (ii) Demand management, including managed charging; and
27 (iii) Upgrades to, or expansions of, utility owned and operated
28 grid infrastructure for the purposes of delivering power to electric
29 vehicle supply equipment.

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

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

36 (4) The incentive rate of return on investment increment pursuant
37 to this section may be earned only for a period up to the depreciable
38 life of the electric vehicle supply equipment as defined in the
39 depreciation schedules developed by the company and submitted to the
40 commission for review. When the capital investment has fully

1 depreciated, an electrical company may gift the electric vehicle
2 supply equipment to the owner of the property on which it is located.

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

9 **PART III**

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

11 **Sec. 301.** RCW 46.96.185 and 2018 c 296 s 2 are each amended to
12 read as follows:

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

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

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

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

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

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

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

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

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

39 (ii) A manufacturer, distributor, factory branch, or factory
40 representative to own or operate a dealership in conjunction with an

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

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

1 in this subsection (1)(g)(iii) relieves a manufacturer, distributor,
2 factory branch, or factory representative from complying with (a)
3 through (f) of this subsection;

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

9 (v) A manufacturer to own, operate, or control a new motor
10 vehicle dealership trading exclusively in a single line make of the
11 manufacturer if (A) the manufacturer does not own, directly or
12 indirectly, in the aggregate, in excess of (~~forty-five~~) 45 percent
13 of the total ownership interest in the dealership, (B) at the time
14 the manufacturer first acquires ownership or assumes operation or
15 control of any such dealership, the distance between any dealership
16 thus owned, operated, or controlled and the nearest new motor vehicle
17 dealership trading in the same line make of vehicle and in which the
18 manufacturer has no ownership or control is not less than (~~fifteen~~)
19 15 miles and complies with the applicable provisions in the relevant
20 market area sections of this chapter, (C) all of the manufacturer's
21 franchise agreements confer rights on the dealer of that line make to
22 develop and operate within a defined geographic territory or area, as
23 many dealership facilities as the dealer and the manufacturer agree
24 are appropriate, and (D) as of January 1, 2000, the manufacturer had
25 no more than four new motor vehicle dealers of that manufacturer's
26 line make in this state, and at least half of those dealers owned and
27 operated two or more dealership facilities in the geographic
28 territory or area covered by their franchise agreements with the
29 manufacturer;

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

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

39 (viii) A manufacturer of zero emissions vehicles to own, operate,
40 or control a new motor vehicle dealership that sells new vehicles

1 that are only of that manufacturer's makes or lines, or to own,
2 operate, or control or contract with companies that provide finance,
3 leasing, or service for vehicles that are of that manufacturer's
4 makes or lines. For purposes of this subsection, "zero emissions
5 vehicle" means a vehicle that emits no exhaust gas from the onboard
6 source of power, other than water vapor;

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

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

23 (j)(i) Terminate, cancel, or fail to renew a franchise with a new
24 motor vehicle dealer based upon any of the following events, which do
25 not constitute good cause for termination, cancellation, or
26 nonrenewal under RCW 46.96.060: (A) The fact that the new motor
27 vehicle dealer owns, has an investment in, participates in the
28 management of, or holds a franchise agreement for the sale or service
29 of another make or line of new motor vehicles; (B) the fact that the
30 new motor vehicle dealer has established another make or line of new
31 motor vehicles or service in the same dealership facilities as those
32 of the manufacturer or distributor; (C) that the new motor vehicle
33 dealer has or intends to relocate the manufacturer or distributor's
34 make or line of new motor vehicles or service to an existing
35 dealership facility that is within the relevant market area, as
36 defined in RCW 46.96.140, of the make or line to be relocated, except
37 that, in any nonemergency circumstance, the dealer must give the
38 manufacturer or distributor at least (~~sixty~~) 60 days' notice of his
39 or her intent to relocate and the relocation must comply with RCW
40 46.96.140 and 46.96.150 for any same make or line facility; or (D)

1 the failure of a franchisee to change the location of the dealership
2 or to make substantial alterations to the use or number of franchises
3 on the dealership premises or facilities.

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

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

26 (l) Require, by contract or otherwise, a new motor vehicle dealer
27 to make a material alteration, expansion, or addition to any
28 dealership facility, unless the required alteration, expansion, or
29 addition is uniformly required of other similarly situated new motor
30 vehicle dealers of the same make or line of vehicles and is
31 reasonable in light of all existing circumstances, including economic
32 conditions. In any proceeding in which a required facility
33 alteration, expansion, or addition is an issue, the manufacturer or
34 distributor has the burden of proof. Except for a program or any
35 renewal or modification of a program that is in effect with one or
36 more new motor vehicle dealers in this state on June 12, 2014, a
37 manufacturer shall not require, coerce, or attempt to coerce any new
38 motor vehicle dealer by program, policy, standard, or otherwise to
39 change the location of the dealership or construct, replace,
40 renovate, or make any substantial changes, alterations, or remodeling

1 to a new motor vehicle dealer's sales or service facilities, except
2 as necessary to comply with health or safety laws or to comply with
3 technology requirements without which a dealer would be unable to
4 service a vehicle the dealer has elected to sell, before the tenth
5 anniversary of the date of issuance of the certificate of occupancy
6 or the manufacturer's approval, whichever is later, from:

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

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

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

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

39 (o) Fail to provide to a new motor vehicle dealer purchasing or
40 leasing building materials or other facility improvements the right

1 to purchase or lease franchisor image elements of like kind and
2 quality from an alternative vendor selected by the dealer if the
3 goods or services are to be supplied by a vendor selected,
4 identified, or designated by the manufacturer or distributor. If the
5 vendor selected by the manufacturer or distributor is the only
6 available vendor of like kind and quality materials, the new motor
7 vehicle dealer must be given the opportunity to purchase the
8 franchisor image elements at a price substantially similar to the
9 capitalized lease costs of the elements. This subsection (1)(o) must
10 not be construed to allow a new motor vehicle dealer or vendor to
11 gain additional intellectual property rights they are not otherwise
12 entitled to or to impair or eliminate the intellectual property
13 rights of the manufacturer or distributor or to permit a new motor
14 vehicle dealer to erect or maintain signs that do not conform to the
15 reasonable intellectual property usage guidelines of the manufacturer
16 or distributor;

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

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

35 (r) Modify the franchise agreement for any new motor vehicle
36 dealer unless the manufacturer notifies the dealer in writing of its
37 intention to modify the agreement at least (~~ninety~~) 90 days before
38 the effective date thereof, stating the specific grounds for the
39 modification, and undertakes the modification in good faith, for good
40 cause, and in a manner that would not adversely and substantially

1 alter the rights, obligations, investment, or return on investment of
2 the franchised new motor vehicle dealer under the existing agreement.

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

16 (3) The following definitions apply to this section:

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

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

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

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

35 (e) "Own" or "ownership" means to hold the beneficial ownership
36 of one percent or more of any class of equity interest in a
37 dealership, whether the interest is that of a shareholder, partner,
38 limited liability company member, or otherwise. To hold an ownership
39 interest means to have possession of, title to, or control of the

1 ownership interest, whether directly or indirectly through a
2 fiduciary, agent, or other intermediary.

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

8 **PART IV**

9 **ROLLING RESISTANCE OF REPLACEMENT TIRES**

10 NEW SECTION. **Sec. 401.** The legislature finds that:

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

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

20 (3) Analysis conducted by the department's energy policy office
21 shows adoption of reasonable replacement tire energy efficiency
22 standards could result in an approximate cumulative reduction of
23 600,000,000 gallons of gasoline and 1,500 gigawatt hours of
24 electricity, equating to a savings of \$3,000,000,000 in
25 transportation costs for Washington drivers and 5,000,000 metric tons
26 of carbon dioxide from 2026 to 2035, assuming a 10 percent reduction
27 in rolling resistance improves gasoline fuel efficiency by three
28 percent and electricity fuel efficiency by eight percent;

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

35 NEW SECTION. **Sec. 402.** The definitions in this section apply
36 throughout this chapter unless the context clearly requires
37 otherwise.

- 1 (1) "Department" means the department of commerce.
- 2 (2) "Light duty truck" means any motor vehicle other than a
3 passenger car with a gross vehicle weight rating not exceeding 10,000
4 pounds.
- 5 (3) "Passenger car" means any motor vehicle designed primarily
6 for transportation of persons, having a design capacity of 12 persons
7 or less, with a gross vehicle weight rating not exceeding 10,000
8 pounds.
- 9 (4) "Replacement tire" means a tire sold or offered for sale in
10 the state, except a tire sold:
- 11 (a) At wholesale for final retail sale outside the state; or
12 (b) With a new passenger car or light duty truck.
- 13 (5) "Rolling resistance coefficient" means the ratio of the
14 rolling resistance force, in newtons, to the load on the tire in
15 kilonewtons.
- 16 (6) "Tire brand name owner" means a person, other than a tire
17 manufacturer, who owns or has the right to control the brand name of
18 a tire or a person who licenses another to purchase tires from a tire
19 manufacturer bearing the licensor's brand name.
- 20 (7) "Tire manufacturer" means a person, parent corporation,
21 subsidiary, affiliate, or any other entity manufacturing or
22 assembling replacement tires, or importing or distributing
23 replacement tires in or into Washington for sale or use in
24 Washington.

25 NEW SECTION. **Sec. 403.** (1) This section applies to either
26 passenger car replacement tires or light duty truck replacement
27 tires, or both, for sale or offered for sale in Washington.

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

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

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

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

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

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

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

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

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

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

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

23 NEW SECTION. **Sec. 404.** (1) The department may adopt and amend
24 rules as necessary to implement, administer, and enforce this
25 chapter.

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

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

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

37 NEW SECTION. **Sec. 405.** A new section is added to chapter 46.37
38 RCW to read as follows:

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

5 NEW SECTION. **Sec. 406.** Sections 401 through 404 of this act
6 constitute a new chapter in Title 19 RCW.

7 **PART V**

8 **MEDIUM AND HEAVY DUTY VEHICLE IDLING PREVENTION**

9 NEW SECTION. **Sec. 501.** The department of ecology shall enforce
10 rules adopted as required under RCW 70A.30.010 regarding the
11 prevention of idling for motor vehicles with gross vehicle weight
12 ratings of greater than 10,000 pounds.

13 NEW SECTION. **Sec. 502.** The idling prevention enforcement
14 account is created in the state treasury. All receipts to the state
15 from civil penalties generated under this chapter from idling
16 violations must be deposited into the account. Moneys in the account
17 may be spent only after appropriation. Expenditures from the account
18 may be used for:

- 19 (1) Enforcement activities required in section 501 of this act;
20 (2) Incentives for idle reduction technologies; or
21 (3) Incentives for zero emissions vehicles with gross vehicle
22 weight ratings of greater than 10,000 pounds.

23 NEW SECTION. **Sec. 503.** Sections 501 and 502 of this act
24 constitute a new chapter in Title 70A RCW.

25 **PART VI**

26 **ZERO EMISSIONS SCHOOL BUSES**

27 NEW SECTION. **Sec. 601.** A new section is added to chapter
28 28A.160 RCW to read as follows:

- 29 (1) The legislature finds that to transition Washington's school
30 bus fleet as quickly as the state's greenhouse gas emissions
31 reduction targets demand and to significantly improve health outcomes
32 for students and bus drivers, easy-to-access funding must be provided

1 for school districts and for student transportation service
2 contractors to purchase electric school buses on an urgent timeline.

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

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

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

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

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

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

27 **PART VII**

28 **ELECTRIC VEHICLE INFRASTRUCTURE TRAINING**

29 NEW SECTION. **Sec. 701.** A new section is added to chapter 43.01
30 RCW to read as follows:

31 Any state agency subject to the requirements of executive order
32 21-04 must require that the installation of electric vehicle supply
33 equipment at state facilities be performed by persons certified by
34 the electric vehicle infrastructure training program or a similarly
35 accredited program to ensure safety, effectiveness, and achieve
36 consistency in labor standards.

PART IX
MISCELLANEOUS

Sec. 801. 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:

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

1 replacement project account, the Interstate 405 and state route
2 number 167 express toll lanes account, the judges' retirement
3 account, the judicial retirement administrative account, the judicial
4 retirement principal account, the limited fish and wildlife account,
5 the local leasehold excise tax account, the local real estate excise
6 tax account, the local sales and use tax account, the marine
7 resources stewardship trust account, the medical aid account, the
8 money-purchase retirement savings administrative account, the money-
9 purchase retirement savings principal account, the motor vehicle
10 fund, the motorcycle safety education account, the move ahead WA
11 account, the move ahead WA flexible account, the multimodal
12 transportation account, the multiuse roadway safety account, the
13 municipal criminal justice assistance account, the oyster reserve
14 land account, the pension funding stabilization account, the
15 perpetual surveillance and maintenance account, the pilotage account,
16 the pollution liability insurance agency underground storage tank
17 revolving account, the public employees' retirement system plan 1
18 account, the public employees' retirement system combined plan 2 and
19 plan 3 account, the public facilities construction loan revolving
20 account, the public health supplemental account, the public works
21 assistance account, the Puget Sound capital construction account, the
22 Puget Sound ferry operations account, the Puget Sound Gateway
23 facility account, the Puget Sound taxpayer accountability account,
24 the real estate appraiser commission account, the recreational
25 vehicle account, the regional mobility grant program account, the
26 reserve officers' relief and pension principal fund, the resource
27 management cost account, the rural arterial trust account, the rural
28 mobility grant program account, the rural Washington loan fund, the
29 second injury fund, the sexual assault prevention and response
30 account, the site closure account, the skilled nursing facility
31 safety net trust fund, the small city pavement and sidewalk account,
32 the special category C account, the special wildlife account, the
33 state hazard mitigation revolving loan account, the state investment
34 board expense account, the state investment board commingled trust
35 fund accounts, the state patrol highway account, the state
36 reclamation revolving account, the state route number 520 civil
37 penalties account, the state route number 520 corridor account, the
38 statewide broadband account, the statewide tourism marketing account,
39 the supplemental pension account, the Tacoma Narrows toll bridge
40 account, the teachers' retirement system plan 1 account, the

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

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

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

1 **Sec. 802.** RCW 43.84.092 and 2023 c 435 s 14, 2023 c 431 s 10,
2 2023 c 389 s 10, 2023 c 377 s 7, 2023 c 340 s 10, 2023 c 110 s 3,
3 2023 c 73 s 10, and 2023 c 41 s 4 are each reenacted and amended to
4 read as follows:

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

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

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

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

37 (a) The following accounts and funds shall receive their
38 proportionate share of earnings based upon each account's and fund's
39 average daily balance for the period: The abandoned recreational
40 vehicle disposal account, the aeronautics account, the Alaskan Way

1 viaduct replacement project account, the ambulance transport fund,
2 the brownfield redevelopment trust fund account, the budget
3 stabilization account, the capital vessel replacement account, the
4 capitol building construction account, the Central Washington
5 University capital projects account, the charitable, educational,
6 penal and reformatory institutions account, the Chehalis basin
7 account, the Chehalis basin taxable account, the cleanup settlement
8 account, the climate active transportation account, the climate
9 transit programs account, the Columbia river basin water supply
10 development account, the Columbia river basin taxable bond water
11 supply development account, the Columbia river basin water supply
12 revenue recovery account, the common school construction fund, the
13 community forest trust account, the connecting Washington account,
14 the county arterial preservation account, the county criminal justice
15 assistance account, the covenant homeownership account, the deferred
16 compensation administrative account, the deferred compensation
17 principal account, the department of licensing services account, the
18 department of retirement systems expense account, the developmental
19 disabilities community services account, the diesel idle reduction
20 account, the opioid abatement settlement account, the drinking water
21 assistance account, the administrative subaccount of the drinking
22 water assistance account, the early learning facilities development
23 account, the early learning facilities revolving account, the Eastern
24 Washington University capital projects account, the education
25 construction fund, the education legacy trust account, the election
26 account, the electric vehicle account, the energy freedom account,
27 the energy recovery act account, the essential rail assistance
28 account, The Evergreen State College capital projects account, the
29 fair start for kids account, the ferry bond retirement fund, the
30 fish, wildlife, and conservation account, the freight mobility
31 investment account, the freight mobility multimodal account, the
32 grade crossing protective fund, the higher education retirement plan
33 supplemental benefit fund, the Washington student loan account, the
34 highway bond retirement fund, the highway infrastructure account, the
35 highway safety fund, the hospital safety net assessment fund, the
36 idling prevention enforcement account, the Interstate 5 bridge
37 replacement project account, the Interstate 405 and state route
38 number 167 express toll lanes account, the judges' retirement
39 account, the judicial retirement administrative account, the judicial
40 retirement principal account, the limited fish and wildlife account,

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

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

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

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

37 **Sec. 803.** RCW 43.84.092 and 2023 c 435 s 14, 2023 c 431 s 10,
38 2023 c 389 s 10, 2023 c 377 s 7, 2023 c 340 s 10, 2023 c 110 s 3,

1 2023 c 73 s 10, and 2023 c 41 s 4 are each reenacted and amended to
2 read as follows:

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

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

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

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

35 (a) The following accounts and funds shall receive their
36 proportionate share of earnings based upon each account's and fund's
37 average daily balance for the period: The abandoned recreational
38 vehicle disposal account, the aeronautics account, the Alaskan Way
39 viaduct replacement project account, the brownfield redevelopment
40 trust fund account, the budget stabilization account, the capital

1 vessel replacement account, the capitol building construction
2 account, the Central Washington University capital projects account,
3 the charitable, educational, penal and reformatory institutions
4 account, the Chehalis basin account, the Chehalis basin taxable
5 account, the cleanup settlement account, the climate active
6 transportation account, the climate transit programs account, the
7 Columbia river basin water supply development account, the Columbia
8 river basin taxable bond water supply development account, the
9 Columbia river basin water supply revenue recovery account, the
10 common school construction fund, the community forest trust account,
11 the connecting Washington account, the county arterial preservation
12 account, the county criminal justice assistance account, the covenant
13 homeownership account, the deferred compensation administrative
14 account, the deferred compensation principal account, the department
15 of licensing services account, the department of retirement systems
16 expense account, the developmental disabilities community services
17 account, the diesel idle reduction account, the opioid abatement
18 settlement account, the drinking water assistance account, the
19 administrative subaccount of the drinking water assistance account,
20 the early learning facilities development account, the early learning
21 facilities revolving account, the Eastern Washington University
22 capital projects account, the education construction fund, the
23 education legacy trust account, the election account, the electric
24 vehicle account, the energy freedom account, the energy recovery act
25 account, the essential rail assistance account, The Evergreen State
26 College capital projects account, the fair start for kids account,
27 the ferry bond retirement fund, the fish, wildlife, and conservation
28 account, the freight mobility investment account, the freight
29 mobility multimodal account, the grade crossing protective fund, the
30 higher education retirement plan supplemental benefit fund, the
31 Washington student loan account, the highway bond retirement fund,
32 the highway infrastructure account, the highway safety fund, the
33 hospital safety net assessment fund, the idling prevention
34 enforcement account, the Interstate 5 bridge replacement project
35 account, the Interstate 405 and state route number 167 express toll
36 lanes account, the judges' retirement account, the judicial
37 retirement administrative account, the judicial retirement principal
38 account, the limited fish and wildlife account, the local leasehold
39 excise tax account, the local real estate excise tax account, the
40 local sales and use tax account, the marine resources stewardship

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

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

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

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

35 NEW SECTION. **Sec. 804.** If any provision of this act or its
36 application to any person or circumstance is held invalid, the
37 remainder of the act or the application of the provision to other
38 persons or circumstances is not affected.

1 NEW SECTION. **Sec. 805.** (1) Section 801 of this act expires July
2 1, 2024.

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

4 NEW SECTION. **Sec. 806.** (1) Section 802 of this act takes effect
5 July 1, 2024.

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

7 NEW SECTION. **Sec. 807.** If specific funding for the purposes of
8 this act, referencing this act by bill or chapter number, is not
9 provided by June 30, 2024, in the supplemental transportation
10 appropriations act, this act is null and void.

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