

ESSB 5998 - H AMD TO H AMD (H-3714.1/26) **2110**

By Representative Connors

NOT ADOPTED 02/28/2026

1 On page 383, line 9, increase the general fund-state appropriation
2 for fiscal year 2027 by \$500,000,000

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4 On page 383, line 29, correct the total.

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6 On page 384, after line 24, insert the following:

7 "(7) (a) \$500,000,000 of the general fund-state appropriation for
8 fiscal year 2027 is provided solely for payments to vehicle owners as
9 a credit in the form of a remittance to mitigate the financial impacts
10 of motor vehicle fuel taxes. Of the amount provided in this
11 subsection, \$25,000,000 is provided solely for the department's
12 administrative costs.

13 (b) Payments under this subsection consist of checks sent to
14 registered eligible vehicle owners in the following amounts: \$100 per
15 vehicle owner that owns one or more internal combustion engine
16 eligible vehicles, and \$50 per vehicle owner that owns a hybrid
17 eligible vehicle, but does not own an internal combustion engine
18 eligible vehicle. Vehicle owners that solely own an electric vehicle
19 are not eligible for payments under this subsection.

20 (c) For eligible vehicles registered to multiple persons, the
21 department must issue the payment only in the name of the first person
22 listed on the vehicle's registration unless the first person listed on
23 the vehicle's registration has already received a payment under this
24 subsection, in which case the department must issue the rebate to a
25 second person listed on the vehicle registration who has not
26 previously received a payment under this subsection;

27

1 (d) For persons to whom multiple vehicles are registered, the
2 department must issue no more than one payment to any person.

3 (e) "Eligible vehicle" means trucks registered under RCW 46.17.355
4 and the following vehicle types registered under RCW 46.17.350:

5 (i) For hire vehicle, six seats or less;

6 (ii) Moped;

7 (iii) Motorcycle;

8 (iv) Passenger car;

9 (v) Sport utility vehicle; and

10 (vi) Tow truck.

11 (f) "Registered eligible vehicle owner" means a registered owner
12 who has paid all of the fees and taxes due for an original or renewal
13 vehicle registration for an eligible vehicle's current registration
14 year."

15
16 On page 516, after line 17, insert the following:
17 "Climate Investment Account: For transfer to the
18 state general fund, \$384,000,000 for fiscal year 2027... \$384,000,000"

19
20 On page 535, after line 34, insert the following:
21 **"Sec. 924.** RCW 70A.65.250 and 2025 c 424 s 973 are each amended
22 to read as follows:

23 (1)(a) The climate investment account is created in the state
24 treasury. Except as otherwise provided in chapter 316, Laws of 2021,
25 all receipts from the auction of allowances authorized in this
26 chapter must be deposited into the account. Moneys in the account
27 may be spent only after appropriation.

28 (b) Projects or activities funded from the account must meet
29 high labor standards, including family sustaining wages, providing
30 benefits including health care and employer-contributed retirement
31 plans, career development opportunities, and maximize access to
32 economic benefits from such projects for local workers and diverse
33 businesses. Each contracting entity's proposal must be reviewed for
34 equity and opportunity improvement efforts, including: (i) Employer

1 paid sick leave programs; (ii) pay practices in relation to living
2 wage indicators such as the federal poverty level; (iii) efforts to
3 evaluate pay equity based on gender identity, race, and other
4 protected status under Washington law; (iv) facilitating career
5 development opportunities, such as apprenticeship programs,
6 internships, job-shadowing, and on-the-job training; and (v)
7 employment assistance and employment barriers for justice affected
8 individuals.

9 (2) Moneys in the account may be used only for projects and
10 programs that achieve the purposes of the greenhouse gas emissions
11 cap and invest program established under this chapter and for tribal
12 capacity grants under RCW 70A.65.305. During the 2023-2025 fiscal
13 biennium, moneys in the account may also be used for tribal capacity
14 grant activities supporting climate resilience and adaptation,
15 developing tribal clean energy projects, applying for state or
16 federal grant funding, and other related work; and for providing
17 payments to agricultural fuel purchasers. During the 2025-2027
18 fiscal biennium, moneys in the account may also be used for tribal
19 capacity grant activities supporting climate resilience and
20 adaptation, developing tribal clean energy projects, applying for
21 state or federal grant funding, and other related work. Moneys in
22 the account as described in this subsection must first be
23 appropriated for the administration of the requirements of this
24 chapter, in an amount not to exceed five percent of the total
25 receipt of funds from allowance auction proceeds under this chapter.
26 Beginning July 1, 2023, and annually thereafter, the state treasurer
27 shall distribute funds in the account that exceed the amounts
28 appropriated for the purposes of this subsection (2) as follows:

29 (a) Seventy-five percent of the moneys to the climate commitment
30 account created in RCW 70A.65.260; and

31 (b) Twenty-five percent of the moneys to the natural climate
32 solutions account created in RCW 70A.65.270.

33 (3) The allocations specified in subsection (2)(a) and (b) of
34 this section must be reviewed by the legislature on a biennial basis

1 based on the changing needs of the state in meeting its clean
2 economy and greenhouse gas reduction goals in a timely, economically
3 advantageous, and equitable manner.

4 (4) During the 2023-2025 and 2025-2027 fiscal biennia, the
5 legislature may direct the state treasurer to make transfers of
6 moneys in the climate investment account to the carbon emissions
7 reduction account, the climate commitment account, the state general
8 fund, and the natural climate solutions account."

9
10 Renumber the remaining sections consecutively and correct any
11 internal references accordingly.

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EFFECT: Provides \$500 million General Fund-State one-time to the Department of Licensing for payments to vehicle owners as a credit to mitigate the financial impacts of motor vehicle fuel taxes. Specifies criteria for the payment amounts, recipients, and eligible vehicles.

Transfers \$384 million from the Climate Investment Account (CIA) to General Fund-State (GF-S). Amends the CIA statute to allow transfers to GF-S.

FISCAL IMPACT:

Increases General Fund - State appropriations by \$500,000,000.

Increases General Fund - State fund balance by \$384,000,000.

Reduces Climate Investment Account - State fund balance by \$384,000,000.

FOUR-YEAR OUTLOOK EXPENDITURE EFFECT:

Net impact on Near General Fund-State of \$116,000,000.

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