

ESSB 5998 - H AMD TO H AMD (H-3714.1/26) **2116**

By Representative Couture

NOT ADOPTED 02/28/2026

1 On page 88, line 7, increase the general fund-state appropriation
2 in fiscal year 2027 by \$500,000

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4 On page 88, line 20, correct the total.

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6 On page 90, after line 32, insert the following:

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8 "(15) \$500,000 of the general fund-state appropriation for fiscal
9 year 2027 is provided solely for the implementation of House Bill No.
10 2742 (sales tax holiday). If the bill is not enacted by June 30, 2026,
11 the amount provided in this subsection shall lapse."

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13 On page 517, after line 10, insert the following:

14 "Climate Investment Account: For transfer to the
15 state general fund, \$384,000,000 for fiscal
16 year 2027.....\$384,000,000"

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18 On page 535, after line 34, insert the following:

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20 "NEW SECTION. Sec. 924. RCW 70A.65.250 and 2025 c 424 s 973 are
21 each amended to read as follows:

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

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1 (b) Projects or activities funded from the account must meet
2 high labor standards, including family sustaining wages, providing
3 benefits including health care and employer-contributed retirement
4 plans, career development opportunities, and maximize access to
5 economic benefits from such projects for local workers and diverse
6 businesses. Each contracting entity's proposal must be reviewed for
7 equity and opportunity improvement efforts, including: (i) Employer
8 paid sick leave programs; (ii) pay practices in relation to living
9 wage indicators such as the federal poverty level; (iii) efforts to
10 evaluate pay equity based on gender identity, race, and other
11 protected status under Washington law; (iv) facilitating career
12 development opportunities, such as apprenticeship programs,
13 internships, job-shadowing, and on-the-job training; and (v)
14 employment assistance and employment barriers for justice affected
15 individuals.

16 (2) Moneys in the account may be used only for projects and
17 programs that achieve the purposes of the greenhouse gas emissions
18 cap and invest program established under this chapter and for tribal
19 capacity grants under RCW 70A.65.305. During the 2023-2025 fiscal
20 biennium, moneys in the account may also be used for tribal capacity
21 grant activities supporting climate resilience and adaptation,
22 developing tribal clean energy projects, applying for state or
23 federal grant funding, and other related work; and for providing
24 payments to agricultural fuel purchasers. During the 2025-2027
25 fiscal biennium, moneys in the account may also be used for tribal
26 capacity grant activities supporting climate resilience and
27 adaptation, developing tribal clean energy projects, applying for
28 state or federal grant funding, and other related work. Moneys in
29 the account as described in this subsection must first be
30 appropriated for the administration of the requirements of this
31 chapter, in an amount not to exceed five percent of the total
32 receipt of funds from allowance auction proceeds under this chapter.
33 Beginning July 1, 2023, and annually thereafter, the state treasurer
34

1 shall distribute funds in the account that exceed the amounts
2 appropriated for the purposes of this subsection (2) as follows:

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

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

7 (3) The allocations specified in subsection (2)(a) and (b) of
8 this section must be reviewed by the legislature on a biennial basis
9 based on the changing needs of the state in meeting its clean
10 economy and greenhouse gas reduction goals in a timely, economically
11 advantageous, and equitable manner.

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

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18 Renumber the remaining sections consecutively and correct any
19 internal references accordingly.

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EFFECT:

- Assumes implementation of House Bill No. 2742 (sales tax holiday), which removes the application of the sales and use tax on items \$500 or less for the four days following Thanksgiving day each year and reduces 2025-2027 fiscal biennium NGF-O (funds subject to the outlook) resources by \$200,000,000 and the 2027-2029 fiscal biennium NGF-O resources by \$410,000,000. This legislation also reduces other fund revenues by \$300,000 in the 2025-2027 fiscal biennium.
- Provides ongoing funding to the Department of Revenue for the implementation of House Bill No. 2742 (sales tax holiday).
- Transfers funds 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 expenditures by \$500,000.

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

Increases NGF-0 (funds subject to the outlook) resources by \$184,000,000.

FOUR-YEAR OUTLOOK EFFECT:

Increases NGF-0 (funds subject to the outlook) expenditures by \$900,000.

Decreases NGF-0 (funds subject to the outlook) resources by \$226,000,000

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