H-0704.3

1 2

3

4

5

6 7

8

12

13

14

15

16

17

18

1920

#### HOUSE BILL 1921

State of Washington 69th Legislature 2025 Regular Session

By Representatives Fey, Ramel, Wylie, Ormsby, Parshley, Zahn, and Macri

Read first time 02/10/25. Referred to Committee on Transportation.

AN ACT Relating to establishing new sources of transportation revenue based on motor vehicle use of public roadways; amending RCW 46.16A.170, 46.12.650, 46.17.050, 46.17.323, 46.17.324, 46.01.030, 46.01.040, 46.01.110, 42.56.330, 46.16A.040, and 46.16A.110; reenacting and amending RCW 43.84.092 and 43.84.092; adding a new section to chapter 46.08 RCW; adding new sections to chapter 46.68 RCW; adding a new chapter to Title 46 RCW; creating a new section; providing effective dates; and providing an expiration date.

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

# 10 Part I 11 General Provisions

NEW SECTION. Sec. 1. (1) The legislature recognizes that sufficient funding for the transportation system is essential to ensuring that it meets the mobility needs of residents of Washington. Transportation funding needs are currently met through a variety of revenue-generating funding mechanisms, including fuel taxes, vehicle licensing fees, and other registration fees. While the fuel tax bears a relationship to use of the roadways, it also varies based on the fuel economy of a vehicle. The legislature believes that a more direct road usage-based funding method would more fairly and

p. 1 HB 1921

accurately correspond to motor vehicle use of public roads. The legislature also recognizes that the state's roadways are part of the state's integrated transportation system, and that all elements of the transportation system are necessary to sustain the system as a whole and to foster mobility throughout the state.

- (2) The legislature finds that a fair and equitable means of funding the statewide transportation system in the long term is needed to serve the transportation needs of the state. As vehicles become more fuel efficient and this impacts state fuel tax revenue, which has historically funded the construction, preservation, maintenance, and operations of the state highway system and the state ferry system, a reliable source of 18th amendment protected funds is needed to offset reductions in fuel tax revenue. At the same time, the legislature recognizes that support for a range of transportation modes can help mitigate the demands placed on the roadway system and that establishing a source of transportation revenue to support these modes can further the longstanding and growing need for an additional revenue source to help offset demands on a heavily utilized state highway system by funding critical rail, bicycle, pedestrian, and public transportation needs.
- (3) It is, therefore, the legislature's intent to establish a road usage licensing fee for preservation and maintenance highway purposes that imposes a per mile fee for the use of public roads and that is phased in over time using a rate to maintain the same net level of revenue as the fuel tax rate generates today. It is also the legislature's intent to establish a road use assessment on the use of public roadways that can be collected alongside a road usage fee to, in combination, provide support to all elements of the state's transportation system, thereby ensuring that the system is able to meet the demands being placed upon it.
- (4) The legislature further finds and declares that the road usage charge system must protect individuals' privacy and civil liberties. Experience in states that collect road usage charges, in addition to the research and year long test of road usage charging in Washington, demonstrates that mileage-based charges can be implemented in a manner that ensures data security and protects the privacy of motor vehicle owners. The legislature intends that the road usage charge system authorized in this act be designed and implemented in a manner that places privacy of the motor vehicle owner as a first principle, especially with regard to location data.

p. 2 HB 1921

NEW SECTION. Sec. 2. (1)(a) A voluntary road usage charge program is established that places a per mile fee on motor vehicle usage of public roadways in the state. The department shall implement and administer the voluntary road usage charge program. The following vehicles are eligible to be enrolled in the voluntary road usage charge program:

1

2 3

4

5 6

7

8

9

10

12

13

14

15 16

17 18

19

20 21

22 23

24 25

26

27 28

29

30 31

32

33

34 35

36

37

38 39

40

- (i) From July 1, 2027, to June 30, 2029, all electric and hybrid electric vehicles; and
- (ii) From July 1, 2029, to June 30, 2031, internal combustion engine vehicles with a fuel economy rating of 20 miles per gallon or 11 higher.
  - (b)(i) Beginning July 1, 2027, before accepting an application for an annual vehicle renewal for a motor vehicle registering for onroad use, the department, county auditor, or other agent or subagent appointed by the director, shall require the applicant to pay the road usage fee at the rate established in section 4 of this act if the vehicle is enrolled in the voluntary road usage charge program established in this section for the prior 12-month period of vehicle registration, subject to (b)(ii) of this subsection.
  - (ii) The department is authorized to establish rules for periodic payment options for road usage fees.
    - (c) The electric and hybrid electric vehicle registration renewal fees specified in RCW 46.17.323 and the transportation electrification fees specified in RCW 46.17.324 are waived if the registration renewal applicant enrolled the vehicle in the voluntary road usage charge program established in this section for the prior 12-month period of vehicle registration.
  - (d) The road usage fee for electric and hybrid electric vehicles due at the end of each 12-month period following vehicle registration, or any applicable portion of that period, under the voluntary road usage charge program established in this section may not exceed the combined amount in fees required under RCW 46.17.323 and 46.17.324 that would be due if they were not waived for the vehicle as a result of its enrollment in the voluntary road usage charge program.
  - (2) This section only applies to a motor vehicle registered for on-road use that is designed to have the capability to drive at a speed of more than 35 miles per hour and that has a gross vehicle weight rating of 10,000 pounds or less.
    - (3) For the purposes of this section:

p. 3 HB 1921

- 1 (a) "Electric vehicle" means a vehicle that is powered by an 2 electric motor that draws electricity from a battery and is capable 3 of being charged from an external source; and
- 4 (b) "Hybrid electric vehicle" means a vehicle that is powered by 5 an internal combustion engine in combination with one or more 6 electric motors that use energy stored in batteries.

- NEW SECTION. Sec. 3. (1)(a) A mandatory road usage charge program is established that places a per mile fee on motor vehicle usage of public roadways in the state. The department shall implement and administer the mandatory road usage charge program. The following vehicles are required to be enrolled in the mandatory road usage charge program:
- 13 (i) Beginning July 1, 2029, all electric and hybrid electric 14 vehicles;
- 15 (ii) Beginning July 1, 2031, internal combustion engine vehicles 16 with a fuel economy rating of 40 miles per gallon or higher;
  - (iii) Beginning July 1, 2032, internal combustion engine vehicles with a fuel economy rating of 35 miles per gallon or higher;
  - (iv) Beginning July 1, 2033, internal combustion engine vehicles with a fuel economy rating of 30 miles per gallon or higher;
  - (v) Beginning July 1, 2034, internal combustion engine vehicles with a fuel economy rating of 25 miles per gallon or higher; and
  - (vi) Beginning July 1, 2035, internal combustion engine vehicles with a fuel economy rating of 20 miles per gallon or higher.
  - (b) (i) Beginning July 1, 2029, before accepting an application for an annual vehicle renewal for a motor vehicle registering for onroad use, the department, county auditor, or other agent or subagent appointed by the director, shall require the applicant to pay the road usage fee at the rate established in section 4 of this act if the applicant's vehicle is required to be enrolled in the mandatory road usage charge program established in this section for the prior 12-month period of vehicle registration, subject to (b)(ii) of this subsection.
  - (ii) The department is authorized to establish rules for determination of the fuel economy rating of vehicles to be used to carry out this section and section 2 of this act, and is also authorized to establish rules to set periodic payment options for road usage fee payments required under this section and section 2 of this act.

p. 4 HB 1921

- (2) This section only applies to a motor vehicle registered for on-road use that is designed to have the capability to drive at a speed of more than 35 miles per hour and that has a gross vehicle weight rating of 10,000 pounds or less.
  - (3) For the purposes of this section:

2

3

4

5

7

8

25

2627

2829

30

31

3233

34

35

36

37

38

- (a) "Electric vehicle" means a vehicle that is powered by an electric motor that draws electricity from a battery and is capable of being charged from an external source; and
- 9 (b) "Hybrid electric vehicle" means a vehicle that is powered by 10 an internal combustion engine in combination with one or more 11 electric motors that use energy stored in batteries.
- 12 NEW SECTION. **Sec. 4.** (1) The road usage charge rate for 13 participants in the voluntary and mandatory road usage charge programs established in sections 2 and 3 of this act is 2.6 cents per 14 15 mile and is automatically adjusted when a fuel tax rate adjustment is 16 made to the motor vehicle fuel tax rate imposed under chapter 82.38 17 RCW by applying the percentage change to the aggregate motor fuel tax rate under RCW 82.38.030 to the road usage charge rate in place at 18 that time under this section. 19
- 20 (2) Proceeds from the per mile fee imposed under sections 2 and 3 21 of this act are motor vehicle license fees that must be used for 22 preservation and maintenance highway purposes and must be deposited 23 in the road usage charge highway account created in section 23 of this act.
  - NEW SECTION. Sec. 5. All moneys that have accrued or may accrue in the road usage charge highway account created in section 23 of this act first must be expended for purposes enumerated in subsections (1) and (2) of this section. Beginning July 1, 2029, the remaining net fee amount must be distributed monthly by the state treasurer on a pro rata basis according to the manner in which fuel taxes imposed under RCW 46.68.090 (2) through (7) are distributed:
  - (1) For payment of refunds of road usage charges that have been paid and are refundable as provided by law; and
  - (2) For payment of amounts to be expended pursuant to appropriations for the administrative expenses of the offices of the state treasurer, state auditor, and department of licensing of the state of Washington in the administration of the road usage charge, which sums must be distributed monthly.

p. 5 HB 1921

NEW SECTION. **Sec. 6.** (1) A road usage assessment for participants in the mandatory road usage charge program established in section 3 of this act is established that places an assessment on road usage fees to support a comprehensive approach to addressing demand being placed on the public roadway system. A road usage assessment shall be assessed and collected on vehicles enrolled in the mandatory road usage charge program under section 3 of this act in an amount equal to 10 percent of the total road usage fees imposed under this chapter after the application of road usage fee credits and exemptions imposed under this chapter. The department shall implement and administer the road usage assessment. For the purpose of administrative efficiency, time of collection for the road usage assessment shall be consistent with the time of collection for the road usage fee imposed under this chapter. This assessment is not a motor vehicle license fee.

(2) The road usage assessment is imposed to provide funds to help manage roadway system needs through the support of a range of transportation modes that help mitigate the demands placed on the roadway system. Proceeds from the assessment on road usage imposed under this section must be used for the following multimodal transportation system purposes: Rail, bicycle, pedestrian, and public transportation. Proceeds from the assessment must be deposited in the road usage assessment account created in section 24 of this act.

NEW SECTION. Sec. 7. (1) A vehicle registered under RCW 46.16A.040 or 46.16A.110 that is exempt from vehicle registration renewal and that is enrolled in the voluntary and mandatory road usage charge programs established in sections 2 and 3 of this act is required to pay the road usage fee at the rate established in section 4 of this act and the road usage assessment as established in section 6 of this act on an annual basis consistent with this chapter, except as provided in RCW 46.16A.170 or section 10 of this act.

(2) The department may adopt rules as necessary to implement this section.

### 34 Part II

1

2

3

4

5

7

8

10 11

12

13

14

1516

17

18

19

20

2122

23

24

2526

2728

2930

31

32

33

35

### Implementation and Administration

NEW SECTION. Sec. 8. (1) The department shall require vehicle owners participating in the voluntary and mandatory road usage charge

p. 6 HB 1921

programs under sections 2 and 3 of this act to report miles driven through the submittal of periodic odometer mileage. The department may also offer vehicle owners the option of one or more automated methods of reporting miles driven. The department may certify one or more private sector service providers to provide the automated methods of reporting miles driven. Any customer fees associated with third-party automated reporting methods certified by the department may not be assumed by the department.

- (2) At the time of road usage fee collection under sections 2 and 3 of this act, the fee due for a vehicle participating in the road usage charge program is reduced by a fee credit in the amount of the motor vehicle fuel tax imposed under chapter 82.38 RCW that is determined by the department to correspond, either constructively or actually, to the vehicle's motor vehicle fuel usage over the period of time for which the road usage fee is being assessed. The fee credit is available solely to offset the road usage fee due based on applicable vehicle miles driven during the period of time the fee credit is earned and is nonrefundable and nontransferable to future years of program participation. The department shall adopt by rule methodologies used to determine constructive motor vehicle fuel usage by vehicles, as well as any requirements for the determination of actual fuel usage by vehicles applicable.
- (3) At the time of road usage fee collection under sections 2 and 3 of this act, the road usage fee due for a vehicle participating in the road usage charge program is reduced by an amount corresponding to a standard deduction of 200 miles per 12-month period, or by a proportionate share of the standard deduction applicable to the period of time for which the road usage fee is being assessed. The department shall establish by rule a process for submission of documentation for road usage charge program participants to claim a road usage fee exemption for the operation of an enrolled vehicle on roadways other than public roadways in the state in excess of the applicable standard deduction. Application for a road usage fee exemption must be made to the department in a form and manner determined by the department. The application must include any information and documentation required by the department.
- NEW SECTION. Sec. 9. (1) The following exemptions apply to road usage fees imposed under this chapter as specified below:

p. 7 HB 1921

(a) (i) The use of vehicles by publicly owned and operated urban passenger transportation systems;

- (ii) For the purposes of this subsection (1)(a), "publicly owned and operated urban passenger transportation systems" include public transportation benefit areas under chapter 36.57A RCW, metropolitan municipal corporations under chapter 36.56 RCW, city-owned transit systems under chapter 35.58 RCW, county public transportation authorities under chapter 36.57 RCW, unincorporated transportation benefit areas under chapter 36.57 RCW, and regional transit authorities under chapter 81.112 RCW;
- (b) The use of vehicles by a private, nonprofit transportation provider regulated under chapter 81.66 RCW when providing transportation services for persons with special transportation needs;
- (c)(i) The use of vehicles by privately owned urban passenger transportation systems and carriers as defined in chapters 81.68 and 81.70 RCW, except that no exemption applies to privately owned urban transportation vehicles, or vehicles operated pursuant to chapters 81.68 and 81.70 RCW, on any trip where any portion of the trip is more than 25 road miles beyond the corporate limits of the county in which the trip originated;
- (ii) For purposes of this subsection (1)(c), "privately owned urban passenger transportation system" means every privately owned transportation system having as its principal source of revenue the income from transporting persons for compensation by means of motor vehicles or trackless trolleys, each having a seating capacity for over 15 persons over prescribed routes in such a manner that the routes of such motor vehicles or trackless trolleys, either alone or in conjunction with routes of other such motor vehicles or trackless trolleys subject to routing by the same transportation system, do not extend for a distance exceeding 25 road miles beyond the corporate limits of the county in which the original starting points of such motor vehicles or trackless trolleys are located;
- (d) The use of vehicles by federally recognized Indian tribes to provide public transportation services;
- 36 (e) The use of vehicles owned and operated by the state of 37 Washington, any county, or any municipality, when used for street and 38 highway construction and maintenance purposes; and
  - (f) The use of publicly owned firefighting equipment.

p. 8 HB 1921

- 1 (2) The legislature intends to address the impact of the 2 mandatory road usage charge program established in section 3 of this 3 act on drivers who operate on the platforms of transportation network 4 companies, as defined in RCW 46.04.652, by July 1, 2027.
- NEW SECTION. Sec. 10. The department is required to complete the following activities for further development of the road usage charge program:
- 8 (1) Provide a report to the legislature on periodic payment 9 options for the road usage charge program, with input from relevant 10 stakeholders, by June 30, 2027; and
- 12 (2) Coordinate a task force to evaluate options for road usage 12 fee and assessment revenue collection enforcement to address 13 potential challenges to collection and provide recommendations to the 14 legislature by January 1, 2028.
- NEW SECTION. Sec. 11. (1) The joint transportation committee is required to oversee studies on the following topics to inform further development of the mandatory road usage charge program established in section 3 of this act:

2021

22

23

24

25

26

27

28

33

34

35

- (a) Assess the applicability and impacts of the road usage charge program in a tribal context with input from relevant stakeholders and make recommendations to the transportation committees of the legislature and the governor in a report to be provided by June 30, 2026;
- (b) Examine the differentiated road wear and safety impacts of large and heavy passenger vehicles and provide a report to the legislature by January 1, 2027, to inform the legislature's consideration in 2027 of implementation of differentiated road usage charge rates based on hood height and/or vehicle weight;
- (c) Evaluate the impact of the collection of the road usage fee on funding for off-road vehicle infrastructure and options available to address that impact, with a report provided to the transportation committees of the legislature by January 1, 2028; and
  - (d) Explore possible local jurisdiction revenue-generating mechanisms that could be used to complement the state road usage charge program.
- 36 (2)(a) Upon completion of the study required under subsection 37 (1)(a) of this section, the governor shall conduct a consultation 38 with the state's federally recognized Indian tribes to determine the

p. 9 HB 1921

1 manner in which the mandatory road usage charge program required 2 under section 3 of this act will apply to federally recognized Indian 3 tribes.

4

5

7

8

9

15

16

17

18

19

20

21

22

36

37

38

- (b) The governor may enter into an agreement with any federally recognized Indian tribe located on a reservation within this state regarding the mandatory road usage charge program established in section 3 of this act. The agreement may provide mutually agreeable means to address any tribal immunities or any preemption of the road usage fee and assessment.
- NEW SECTION. Sec. 12. (1) The department, in consultation with the Washington state transportation commission, shall design and execute a public outreach and education program to be carried out prior to implementation of the voluntary and mandatory road usage charge programs established in sections 2 and 3 of this act.
  - (2) Beginning January 1, 2027, the department shall provide semiannual reports to the joint transportation committee of the legislature on the status of preparations for and implementation of the voluntary and mandatory road usage charge programs established in sections 2 and 3 of this act and recommendations for program enhancements, and shall continue to report semiannually to the joint transportation committee of the legislature on road usage charge program status and recommendations.
- 23 (3) The Washington state transportation commission shall pursue 24 federal grant funding opportunities for which the voluntary and 25 mandatory road usage charge programs established under sections 2 and 26 3 of this act are eligible, as directed by the legislature.
- 27 **Sec. 13.** RCW 46.16A.170 and 2010 c 161 s 407 are each amended to 28 read as follows:
- 29 (1) The following vehicles are exempt from the payment of vehicle 30 license fees:
- 31 (a) ((Any)) Except for payment of road usage fees required under 32 sections 2 and 3 of this act, any vehicle owned, rented, or leased by 33 the state of Washington, or by any county, city, town, school 34 district, or other political subdivision of the state of Washington 35 and used exclusively by them;
  - (b) ((\formula \text{Vehicles})) Except for payment of road usage fees required under sections 2 and 3 of this act, vehicles owned or leased with an option to purchase by the United States government, or by the

p. 10 HB 1921

government of foreign countries, or by international bodies to which the United States government is a signatory by treaty;

- (c) Vehicles owned or leased by the governing body of an Indian tribe located within this state and recognized as a governmental entity by the United States department of the interior, and used exclusively in its service;
- (d) ((Any)) Except for payment of road usage fees required under sections 2 and 3 of this act, any bus or vehicle owned and operated by a private school or schools meeting the requirements of RCW 28A.195.010 and used by that school or schools primarily to transport children to and from school or to transport children in connection with school activities. A registration issued by the department for these buses or vehicles is exempt from the motor vehicle excise tax provided in chapter 82.44 RCW;
- (e) ((Vehicles)) Except for payment of road usage fees required under sections 2 and 3 of this act, vehicles owned and used exclusively by the United States government ((and)) that are clearly identified by displaying registration numbers or license plates assigned by the United States government if the vehicle is registered and displays license plates assigned to it by the United States government; and
- (f) Except for payment of the license plate fee required under RCW 46.17.240 and payment of road usage fees required under sections 2 and 3 of this act, vehicles owned and used exclusively by the United States government and are clearly identified by displaying registration numbers of license plates assigned by the state of Washington if the vehicle is registered and displays license plates assigned to it by the state of Washington.
- (2) The department shall assign a license plate or plates to each vehicle or may assign a block of license plates to an agency or political subdivision for further assignment by the agency or political subdivision to individual vehicles registered to it. The agency, political subdivision, or Indian tribe, except a foreign government or international body, shall pay the fee required in RCW 46.17.240 for the license plate or plates for each vehicle.
- (3) An Indian tribe located within this state and recognized as a governmental entity by the United States department of the interior is not entitled to register any tribal government service vehicle under this section if that tribe itself registers any tribal government service vehicles under tribal law.

p. 11 HB 1921

- 1 (4) A vehicle registration or license plates may not be issued to 2 any vehicle under this section for the transportation of school 3 children unless the vehicle has been first inspected by the director 4 or the director's authorized representative.
- 5 **Sec. 14.** RCW 46.12.650 and 2023 c 273 s 1 are each amended to 6 read as follows:
- 7 (1) **Releasing interest.** An owner releasing interest in a vehicle shall:
- 9 (a) Sign the release of interest section provided on the 10 certificate of title or on a release of interest document or form 11 approved by the department;
- 12 (b) Give the certificate of title or most recent evidence of 13 ownership to the person gaining the interest in the vehicle;
- 14 (c) Give the person gaining interest in the vehicle an odometer 15 disclosure statement if one is required; and
- 16 (d) Report the vehicle sold as provided in subsection (2) of this section.
  - (2) **Report of sale.** An owner shall notify the department, county auditor or other agent, or subagent appointed by the director in writing within five business days after a vehicle is or has been:
    - (a) Sold;

1920

21

23

25

27

28

2930

31

32

37

- 22 (b) Given as a gift to another person;
  - (c) Traded, either privately or to a dealership;
- 24 (d) Donated to charity;
  - (e) Turned over to an insurance company or wrecking yard; or
- 26 (f) Disposed of.
  - (3) Report of sale properly filed. A report of sale is properly filed if it is received by the department, county auditor or other agent, or subagent appointed by the director within five business days after the date of sale or transfer and it includes:
    - (a) The date of sale or transfer;
    - (b) The owner's full name and complete, current address;
- 33 (c) The full name and complete, current address of the person 34 acquiring the vehicle, including street name and number, and 35 apartment number if applicable, or post office box number, city or 36 town, and postal code;
  - (d) The vehicle identification number and license plate number;
- 38 (e) The mileage shown on the odometer of the motor vehicle at the 39 time of vehicle transfer, except for reports of sale filed as

p. 12 HB 1921

- required under this subsection (3)(e) or (f) of this subsection if the department determines that the odometer reading is unavailable due to damage sustained by the vehicle;
- (f) A date or stamp by the department showing it was received on or before the fifth business day after the date of sale or transfer; and
  - $((\frac{f}{f}))$  (g) Payment of the fees required under RCW 46.17.050.
  - (4) Report of sale administration. (a) The department shall:
  - (i) Provide or approve reports of sale forms;

- 10 (ii) Provide a system enabling an owner to submit reports of sale 11 electronically;
- 12 (iii) Immediately update the department's vehicle record when a 13 report of sale has been filed;
  - (iv) Provide instructions on release of interest forms that allow the seller of a vehicle to release their interest in a vehicle at the same time a financial institution, as defined in RCW 30A.22.040, releases its lien on the vehicle; ((and))
  - (v) Require payment of road usage fees and assessments due for vehicles enrolled in a voluntary or mandatory road usage charge program under section 2 or 3 of this act that would have been due at the time of annual vehicle registration renewal if not for the transfer of ownership of the vehicle, to be determined using the odometer reading of the vehicle at the time of transfer, subject to the exception for unavailable odometers under subsection (3) (e) of this section; and
  - <u>(vi)</u> Send a report to the department of revenue that lists vehicles for which a report of sale has been received but no transfer of ownership has taken place. The department shall send the report once each guarter.
  - (b) A report of sale is not proof of a completed vehicle transfer for purposes of the collection of expenses related to towing, storage, and auction of an abandoned vehicle in situations where there is no evidence indicating the buyer knew of or was a party to acceptance of the vehicle transfer. A contract signed by the prior owner and the new owner, a certificate of title, a receipt, a purchase order or wholesale order, or other legal proof or record of acceptance of the vehicle by the new owner may be provided to establish legal responsibility for the abandoned vehicle.
  - (5) Report of sale licensed dealers. A vehicle dealer as defined in RCW 46.70.011 may, but is not required to, file a report

p. 13 HB 1921

of sale on behalf of an owner who trades in, sells, or otherwise transfers ownership of a vehicle to the dealer. A vehicle dealer who files on behalf of an owner shall collect and remit the fees required under RCW 46.17.050 from the owner in addition to any other fees charged to or owed by the customer.

- (6) (a) **Transferring ownership**. A person who has recently acquired a vehicle by purchase, exchange, gift, lease, inheritance, or legal action shall apply to the department, county auditor or other agent, or subagent appointed by the director for a new certificate of title within 15 days of delivery of the vehicle. A secured party who has possession of the certificate of title shall either:
- (i) Apply for a new certificate of title on behalf of the owner and pay the fee required under RCW 46.17.100; or
- (ii) Provide all required documents to the owner, as long as the transfer was not a breach of its security agreement, to allow the owner to apply for a new certificate of title.
- (b) Compliance with this subsection does not affect the rights of the secured party.
- (7) Certificate of title delivered to secured party. The certificate of title must be kept by or delivered to the person who becomes the secured party when a security interest is reserved or created at the time of the transfer of ownership. The parties must comply with RCW 46.12.675.
- (8) Penalty for late transfer. A person who has recently acquired a motor vehicle by purchase, exchange, gift, lease, inheritance, or legal action who does not apply for a new certificate of title within 15 calendar days of delivery of the vehicle is charged a penalty, as described in RCW 46.17.140, when applying for a new certificate of title. It is a misdemeanor to fail or neglect to apply for a transfer of ownership within 45 days after delivery of the vehicle. The misdemeanor is a single continuing offense for each day that passes regardless of the number of days that have elapsed following the 45-day time period.
- (9) **Penalty for late transfer exceptions.** The penalty is not charged if the delay in application is due to at least one of the following:
  - (a) The department requests additional supporting documents;
- 38 (b) The department, county auditor or other agent, or subagent 39 fails to perform or is neglectful;

p. 14 HB 1921

- 1 (c) The owner is prevented from applying due to an illness or extended hospitalization;
  - (d) The legal owner fails or neglects to release interest;

4

5

16

17

18

1920

21

22

2324

25

2627

28

2930

31

32

33

34

35

36

3738

39

- (e) The owner did not know of the filing of a report of sale by the previous owner and signs an affidavit to the fact; or
- 6 (f) The department finds other conditions exist that adequately 7 explain the delay.
- 8 (10) **Review and issue.** The department shall review applications 9 for certificates of title and issue certificates of title when it has 10 determined that all applicable provisions of law have been complied 11 with.
- 12 (11) **Rules.** The department may adopt rules as necessary to 13 implement this section.
- 14 **Sec. 15.** RCW 46.17.050 and 2017 c 147 s 12 are each amended to 15 read as follows:
  - (1) Until June 30, 2017, before accepting a report of sale filed under RCW 46.12.650(2), the county auditor or other agent or subagent appointed by the director shall require the applicant to pay:
  - (a) The filing fee under RCW 46.17.005(1), the license plate technology fee under RCW 46.17.015, and the license service fee under RCW 46.17.025 to the county auditor or other agent; and
    - (b) The service fee under RCW 46.17.040(1)(b) to the subagent.
  - (2) (a) Beginning July 1, 2017, before accepting a report of sale filed under RCW 46.12.650(2), the department, county auditor or other agent, or subagent appointed by the director shall require the applicant to pay the filing fee under RCW 46.17.005(1), the license plate technology fee under RCW 46.17.015, the license service fee under RCW 46.17.025, and the service fee under RCW 46.17.040(1)(b).
  - (b) Service fees collected under (a) of this subsection by the department or county auditor or other agent appointed by the director must be credited to the capital vessel replacement account under RCW 47.60.322.
  - (3) Beginning July 1, 2027, before accepting a report of sale filed under RCW 46.12.650(2), the department, county auditor or other agent, or subagent appointed by the director shall also require the applicant to pay the road usage fees and assessments due for vehicles enrolled in a voluntary or mandatory road usage charge program under section 2 or 3 of this act that would have been due at the time of annual vehicle registration renewal if not for the transfer of

p. 15 HB 1921

- 1 ownership of the vehicle, to be determined using the odometer reading
- 2 of the vehicle at the time of transfer, subject to the exception for
- 3 <u>unavailable odometers in RCW 46.12.650(3)(e).</u>

7

8

9

10

11

12

13

14

18

1920

21

22

2324

25

- 4 **Sec. 16.** RCW 46.17.323 and 2022 c 149 s 1 are each amended to read as follows:
  - (1) Before accepting an application for an annual vehicle registration renewal for a vehicle that both (a) uses at least one method of propulsion that is capable of being reenergized by an external source of electricity and (b) is capable of traveling at least 30 miles using only battery power, except for electric motorcycles, the department, county auditor or other agent, or subagent appointed by the director must require the applicant to pay a \$100 fee in addition to any other fees and taxes required by law. The \$100 fee is due only at the time of annual registration renewal.
- 15 (2) This section only applies to a vehicle that is designed to 16 have the capability to drive at a speed of more than 35 miles per 17 hour.
  - (3) (a) The fee under this section is imposed to provide funds to mitigate the impact of vehicles on state roads and highways and for the purpose of evaluating the feasibility of transitioning from a revenue collection system based on fuel taxes to a road user assessment system, and is separate and distinct from other vehicle license fees. Proceeds from the fee must be used for highway purposes, and must be deposited in the motor vehicle fund created in RCW 46.68.070, subject to (b) of this subsection.
- 26 (b) If in any year the amount of proceeds from the fee collected 27 under this section exceeds \$1,000,000, the excess amount over 28 \$1,000,000 must be deposited as follows:
- 29 (i) Seventy percent to the motor vehicle fund created in RCW 30 46.68.070;
- 31 (ii) Fifteen percent to the transportation improvement account 32 created in RCW 47.26.084; and
- 33 (iii) Fifteen percent to the rural arterial trust account created 34 in RCW 36.79.020.
- 35 (4)(a) In addition to the fee established in subsection (1) of 36 this section, before accepting an application for an annual vehicle 37 registration renewal for a vehicle that both (i) uses at least one 38 method of propulsion that is capable of being reenergized by an 39 external source of electricity and (ii) is capable of traveling at

p. 16 HB 1921

- least 30 miles using only battery power, except for electric motorcycles, the department, county auditor or other agent, or subagent appointed by the director must require the applicant to pay a \$50 fee.
  - (b) The fee required under (a) of this subsection must be distributed as follows:

7

8

1112

13

14

1516

17

18

19

2021

22

23

24

3132

33

34

35

36

3738

39

- (i) The first \$1,000,000 raised by the fee must be deposited into the multimodal transportation account created in RCW 47.66.070; and
- 9 (ii) Any remaining amounts must be deposited into the motor 10 vehicle fund created in RCW 46.68.070.
  - (5) Beginning November 1, 2022, before accepting an application for an annual vehicle registration renewal for an electric motorcycle that uses propulsion units powered solely by electricity, the department, county auditor or other agent, or subagent appointed by the director must require the applicant to pay a \$30 fee in addition to any other fees and taxes required by law. The \$30 fee is due only at the time of annual registration renewal.
  - (6) The fees collected pursuant to subsection (5) of this section shall be deposited into the motor vehicle fund created in RCW 46.68.070.
    - (7) This section applies to annual vehicle registration renewals until the effective date of enacted legislation that imposes a mandatory vehicle miles traveled fee or tax that applies to all vehicles that are required to pay fees under this section.
- 25 (8) The fees specified in this section are waived if the 26 registration renewal applicant enrolled the vehicle in a voluntary or 27 mandatory road usage charge program established in section 2 or 3 of 28 this act for the prior 12-month period of vehicle registration.
- 29 **Sec. 17.** RCW 46.17.324 and 2019 c 287 s 23 are each amended to 30 read as follows:

To realize the environmental benefits of electrification of the transportation system it is necessary to support the adoption of electric vehicles and other electric technology in the state by incentivizing the purchase of these vehicles, building out the charging infrastructure, developing greener transit options, and supporting clean alternative fuel infrastructure. Therefore, it is the intent of the legislature to support these activities through the imposition of new transportation electrification fees in this section.

p. 17 HB 1921

- (1) A vehicle that both (a) uses at least one method of propulsion that is capable of being reenergized by an external source of electricity and (b) is capable of traveling at least ((thirty)) 30 miles using only battery power, is subject to an annual ((seventy-five dollar)) \$75 transportation electrification fee to be collected by the department, county auditor, or other agent or subagent appointed by the director, in addition to any other fees and taxes required by law. For administrative efficiencies, the transportation electrification fee must be collected at the same time as vehicle registration renewals and may only be collected for vehicles that are renewing an annual vehicle registration.
- (2) Beginning October 1, 2019, in lieu of the fee in subsection (1) of this section for a hybrid or alternative fuel vehicle that is not required to pay the fees established in RCW 46.17.323 (1) and (4), for reasons other than participation in the voluntary or mandatory road usage charge program established in section 2 or 3 of this act, the department, county auditor, or other agent or subagent appointed by the director must require that the applicant for the annual vehicle registration renewal of such hybrid or alternative fuel vehicle pay a ((seventy-five dollar)) §75 hybrid vehicle transportation electrification fee, in addition to any other fees and taxes required by law.
- (3) The fees required under this section must be deposited in the electric vehicle account created in RCW 82.44.200, until July 1, 2025, when the fee must be deposited in the motor vehicle account.
- (4) This section only applies to a vehicle that is designed to have the capability to drive at a speed of more than ((thirty-five)) 35 miles per hour.
- (5) The fees specified in this section are waived if the registration renewal applicant enrolled the vehicle in a voluntary or mandatory road usage charge program established in section 2 or 3 of this act for the prior 12-month period of vehicle registration.

# Part III Related Provisions

- NEW SECTION. Sec. 18. A new section is added to chapter 46.08 RCW to read as follows:
- 37 (1) The only personally identifying information that may be 38 collected under the voluntary and mandatory road usage charge

p. 18 HB 1921

- programs established in sections 2 and 3 of this act, as well as for purposes of applying the assessment established in section 6 of this act, is personally identifying information necessary to properly calculate, report, and collect road usage fees and assessments, unless the vehicle owner provides his or her express written consent for the collection of additional information.
- 7 (2) Per mile reporting methods may only record or report general location data when:

10 11

12

1314

15

1617

18

19

2021

22

23

2425

26

27

2829

30 31

32

33

34

37

38

39

40

- (a) The vehicle owner chooses a reporting method that requires general location data to be collected;
- (b) Proper disclosure of the reporting method was made pursuant to rules adopted by the department; and
- (c) The vehicle owner specifically consents to the reporting of general location data.
- (3) Per mile reporting methods shall not report specific location data to the department or any subdivision of the state, including data on travel patterns, origins, destinations, waypoint locations, or times of travel, unless a vehicle owner specifically consents to the recording or reporting of this location data.
- (4) The department and any road usage charge service provider has an affirmative public duty regarding the collection of a per mile fee under sections 2 and 3 of this act to:
  - (a) Ensure that per mile information is protected with reasonable operational, administrative, technical, and physical safeguards to ensure its confidentiality and integrity;
  - (b) Implement and maintain reasonable security procedures and practices to protect per mile information from unauthorized access, destruction, use, modification, or disclosure; and
- (c) Implement and maintain a usage and privacy policy to ensure that the collection of per mile information is consistent with respect for individuals' privacy and civil liberties.
- (5) The department may adopt rules as necessary to implement this section.
  - (6) For the purposes of this section:
- 35 (a) "General location data" means vehicle location information 36 necessary for the determination of road usage fees and assessments.
  - (b) "Personally identifying information" means any information that identifies or describes a person including, but not limited to, travel pattern data, address, telephone number, email address, photograph, bank account information, or credit card number.

p. 19 HB 1921

- "Personally identifying information" does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.
  - (c) "Public purposes" means research, testing, and information gathering that advances the safety of the motoring public or the adequate preservation, maintenance, and upkeep of public roadways.
- 7 (d) "Specific location data" means information about the origin, 8 destination, waypoint, or travel patterns of vehicles.
- 9 (e) "Vehicle owner" has the same meaning as "owner" in RCW 10 46.04.380.
- 11 **Sec. 19.** RCW 46.01.030 and 2010 c 161 s 1107 are each amended to 12 read as follows:
- The department is responsible for administering and recommending the improvement of the motor vehicle laws of this state relating to:
  - (1) Driver examining and licensing;
  - (2) Driver improvement;
  - (3) Driver records;

5

15

16

17

- 18 (4) Financial responsibility;
- 19 (5) Certificates of title;
- 20 (6) Vehicle registration certificates and license plates;
- 21 (7) Proration and reciprocity;
- 22 (8) Liquid fuel tax collections;
- 23 (9) Road usage fee collections;
- 24 (10) Road usage assessment collections;
- 25 <u>(11)</u> Licensing of dealers, motor vehicle transporters, motor 26 vehicle wreckers, for hire vehicles, and drivers' schools;
- $((\frac{(10)}{(10)}))$  General highway safety promotion in cooperation with the Washington state patrol and traffic safety commission; and
- 29  $((\frac{(11)}{(11)}))$  Such other activities as the legislature may 30 provide.
- 31 **Sec. 20.** RCW 46.01.040 and 2013 c 225 s 606 are each amended to 32 read as follows:
- The department is vested with all powers, functions, and duties with respect to and including the following:
- 35 (1) The fuel tax and aircraft fuel tax as provided in chapters 36 82.38 and 82.42 RCW;
- 37 (2) The motor vehicle excise tax as provided in chapter 82.44 38 RCW;

p. 20 HB 1921

- 1 (3) The travel trailers and campers excise tax as provided in chapter 82.50 RCW;
- 3 (4) Road usage fees and assessments as provided in chapter 46.--4 RCW (the new chapter created in section 29 of this act);
- 5 <u>(5)</u> All general powers and duties relating to motor vehicles as provided in chapter 46.08 RCW;
- (((+5))) (6) Certificates of title and registration certificates 8 as provided in chapters 46.12 and 46.16A RCW;
- $((\frac{(6)}{(6)}))$  The registration of motor vehicles as provided in chapter 46.16A RCW;
- $((\frac{7}{1}))$  <u>(8)</u> Dealers' licenses as provided in chapter 46.70 RCW;
- $((\frac{(8)}{(8)}))$  The licensing of motor vehicle transporters as provided in chapter 46.76 RCW;
- $((\frac{(9)}{(9)}))$  (10) The licensing of vehicle wreckers as provided in chapter 46.80 RCW;
- $((\frac{(10)}{(10)}))$  <u>(11)</u> The administration of the laws relating to reciprocal or proportional registration of motor vehicles as provided in chapter 46.85 RCW;
- $((\frac{11}{11}))$  <u>(12)</u> The licensing of passenger vehicles for hire as 20 provided in chapter 46.72 RCW;
- $((\frac{12}{12}))$  <u>(13)</u> Drivers' licenses as provided in chapter 46.20 RCW;
- $((\frac{(13)}{(14)}))$  (14) Commercial driver training schools as provided in chapter 46.82 RCW;
- (((14))) (15) Financial responsibility as provided in chapter 25 46.29 RCW;
- $((\frac{(15)}{)})$  (16) Accident reporting as provided in chapter 46.52 27 RCW:
- $((\frac{(16)}{(16)}))$  <u>(17)</u> Disposition of revenues as provided in chapter 29 46.68 RCW; and
- $((\frac{(17)}{(18)}))$  The administration of all other laws relating to motor vehicles vested in the director of licenses on June 30, 1965.
- **Sec. 21.** RCW 46.01.110 and 2010 c 161 s 202 are each amended to 33 read as follows:
- The director may adopt and enforce rules to carry out provisions related to vehicle registrations, certificates of title, <u>road usage</u> fees and assessments, and drivers' licenses. These rules must not be based:
- 38 (1) Solely on a section of law stating a statute's intent or 39 purpose;

p. 21 HB 1921

- 1 (2) On the enabling provisions of the statute establishing the 2 agency; or
- 3 (3) On any combination of subsections (1) and (2) of this 4 section.
- **Sec. 22.** RCW 42.56.330 and 2017 c 333 s 6 are each amended to 6 read as follows:

The following information relating to public utilities and transportation is exempt from disclosure under this chapter:

- (1) Records filed with the utilities and transportation commission or attorney general under RCW 80.04.095 or 81.77.210 that a court has determined are confidential under RCW 80.04.095 or 81.77.210;
- information, and customer-specific utility usage and billing information in increments less than a billing cycle of the customers of a public utility contained in the records or lists held by the public utility of which they are customers, except that this information may be released to the division of child support or the agency or firm providing child support enforcement for another state under Title IV-D of the federal social security act, for the establishment, enforcement, or modification of a support order;
- (3) The names, residential addresses, residential telephone numbers, and other individually identifiable records held by an agency in relation to a vanpool, carpool, or other ride-sharing program or service. Participants' names, general locations, and point of contact may be disclosed to other persons who apply for ridematching services and who need that information in order to identify potential riders or drivers with whom to share rides;
- (4) The personally identifying information of current or former participants or applicants in a paratransit or other transit service operated for the benefit of persons with disabilities or elderly persons;
- (5) The personally identifying information of persons who acquire and use transit passes or other fare payment media including, but not limited to, stored value smart cards and magnetic strip cards, except that an agency may disclose personally identifying information to a person, employer, educational institution, or other entity that is responsible, in whole or in part, for payment of the cost of acquiring or using a transit pass or other fare payment media for the

p. 22 HB 1921

purpose of preventing fraud. As used in this subsection, "personally identifying information" includes acquisition or use information pertaining to a specific, individual transit pass or fare payment media.

- (a) Information regarding the acquisition or use of transit passes or fare payment media may be disclosed in aggregate form if the data does not contain any personally identifying information.
- (b) Personally identifying information may be released to law enforcement agencies if the request is accompanied by a court order;
- (6) Any information obtained by governmental agencies that is collected by the use of a motor carrier intelligent transportation system or any comparable information equipment attached to a truck, tractor, or trailer; however, the information may be given to other governmental agencies or the owners of the truck, tractor, or trailer from which the information is obtained. As used in this subsection, "motor carrier" has the same definition as provided in RCW 81.80.010;
- (7) The personally identifying information of persons who acquire and use transponders or other technology to facilitate payment of tolls. This information may be disclosed in aggregate form as long as the data does not contain any personally identifying information. For these purposes aggregate data may include the census tract of the account holder as long as any individual personally identifying information is not released. Personally identifying information may be released to law enforcement agencies only for toll enforcement purposes. Personally identifying information may be released to law enforcement agencies for other purposes only if the request is accompanied by a court order;
- (8) The personally identifying information of persons who acquire and use a driver's license or identicard that includes a radio frequency identification chip or similar technology to facilitate border crossing. This information may be disclosed in aggregate form as long as the data does not contain any personally identifying information. Personally identifying information may be released to law enforcement agencies only for United States customs and border protection enforcement purposes. Personally identifying information may be released to law enforcement agencies for other purposes only if the request is accompanied by a court order; ((and))
- 38 (9) Personally identifying information included in safety 39 complaints submitted under chapter 81.61 RCW; and

p. 23 HB 1921

- 1 (10) The personally identifying information of persons who report their vehicle odometer mileage or any vehicle location information as 2 part of a vehicle registration or vehicle registration renewal 3 application required under chapter 46.16A or 46.--- RCW (the new 4 chapter created in section 29 of this act) or as part of a report of 5 6 sale required under RCW 46.12.650 and 46.17.050. This information may 7 be disclosed in aggregate form only if the data does not contain any personally identifying information. Personally identifying 8 information may be released to law enforcement agencies only if the 9 10 request is accompanied by a court order.
- NEW SECTION. Sec. 23. A new section is added to chapter 46.68 RCW to read as follows:
- The road usage charge highway account is created in the motor vehicle fund. All receipts from the voluntary and mandatory road usage charge programs established in sections 2 and 3 of this act must be deposited in the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for the purposes specified in RCW 46.68.070 that are also highway preservation and maintenance purposes.
- NEW SECTION. Sec. 24. A new section is added to chapter 46.68 RCW to read as follows:
- The road usage assessment account is created in the state 22 23 treasury. All receipts from the assessment imposed under section 6 of 24 this act must be deposited in the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may 25 26 only be used for the following multimodal transportation system 27 purposes: Rail, bicycle, pedestrian, and public transportation. Expenditures from the account may not be used for purposes exclusive 28 29 of these multimodal transportation system purposes.
- 30 **Sec. 25.** RCW 43.84.092 and 2024 c 210 s 4 and 2024 c 168 s 12 31 are each reenacted and amended to read as follows:
- 32 (1) All earnings of investments of surplus balances in the state 33 treasury shall be deposited to the treasury income account, which 34 account is hereby established in the state treasury.
- 35 (2) The treasury income account shall be utilized to pay or 36 receive funds associated with federal programs as required by the 37 federal cash management improvement act of 1990. The treasury income

p. 24 HB 1921

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

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

- (4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:
- (a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The abandoned recreational vehicle disposal account, the aeronautics account, the Alaskan Way viaduct replacement project account, the ambulance transport fund, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the Chehalis basin account, the Chehalis basin taxable account, the clean fuels credit account, the clean fuels transportation investment account, the cleanup settlement account, the climate active transportation account, the climate transit programs account, the Columbia river basin water supply development account, the Columbia river basin

p. 25 HB 1921

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

p. 26 HB 1921

1 stabilization account, the perpetual surveillance and maintenance account, the pilotage account, the pollution liability insurance 2 agency underground storage tank revolving account, the public 3 employees' retirement system plan 1 account, the public employees' 4 retirement system combined plan 2 and plan 3 account, the public 5 6 facilities construction loan revolving account, the public health supplemental account, the public works assistance account, the Puget 7 Sound capital construction account, the Puget Sound ferry operations 8 account, the Puget Sound Gateway facility account, the Puget Sound 9 taxpayer accountability account, the real estate appraiser commission 10 11 account, the recreational vehicle account, the regional mobility grant program account, the reserve officers' relief and pension principal fund, the resource management cost account, the road usage 13 charge highway account, the road usage assessment account, the rural 14 15 arterial trust account, the rural mobility grant program account, the 16 rural Washington loan fund, the second injury fund, the sexual assault prevention and response account, the site closure account, 17 the skilled nursing facility safety net trust fund, the small city 18 19 pavement and sidewalk account, the special category C account, the special wildlife account, the state hazard mitigation revolving loan 20 21 account, the state investment board expense account, the state 22 investment board commingled trust fund accounts, the state patrol 23 highway account, the state reclamation revolving account, the state route number 520 civil penalties account, the state route number 520 24 25 corridor account, the statewide broadband account, the statewide tourism marketing account, the supplemental pension account, the 26 Tacoma Narrows toll bridge account, the teachers' retirement system 27 28 plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the 29 tobacco settlement account, the toll facility bond retirement 31 account, the transportation 2003 account (nickel account), the 32 transportation equipment fund, the JUDY transportation future funding 33 program account, the transportation improvement account, transportation improvement board bond retirement account, the 34 transportation infrastructure account, the transportation partnership 35 account, the traumatic brain injury account, the tribal opioid 36 prevention and treatment account, the University of Washington bond 37 retirement fund, the University of Washington building account, the 38 39 voluntary cleanup account, the volunteer firefighters' relief and pension principal fund, the volunteer firefighters' and reserve

12

30

40

p. 27 HB 1921

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

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

20

21

2223

2425

2627

28

31

32

33

34

35

36

3738

39

- (5) In conformance with Article II, section 37 of the state Constitution, no treasury accounts or funds shall be allocated earnings without the specific affirmative directive of this section.
- 29 **Sec. 26.** RCW 43.84.092 and 2024 c 210 s 5 and 2024 c 168 s 13 30 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

p. 28 HB 1921

1 interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require 2 appropriation. The office of financial management shall determine the 3 amounts due to or from the federal government pursuant to the cash 4 management improvement act. The office of financial management may 5 6 direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and 7 this subsection. Refunds or allocations shall occur prior to the 8 distributions of earnings set forth in subsection (4) of this 9 10 section.

11

12

1314

1516

17

18

19

2021

22

23

24

25

26

27

28

29

30 31

32

33

34

35

36

37

3839

40

- (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:
- following accounts and funds shall receive their The proportionate share of earnings based upon each account's and fund's average daily balance for the period: The abandoned recreational vehicle disposal account, the aeronautics account, the Alaskan Way viaduct replacement project account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the Chehalis basin account, the Chehalis basin taxable account, the clean fuels credit account, the clean fuels transportation investment account, the cleanup settlement account, the climate active transportation account, the climate transit programs account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water development account, the Columbia river basin water supply revenue recovery account, the common school construction fund, the community forest trust account, the connecting Washington account, the county

p. 29 HB 1921

1 arterial preservation account, the county criminal justice assistance covenant homeownership account, the 2 account, the compensation administrative account, the deferred compensation 3 principal account, the department of licensing services account, the 4 department of retirement systems expense account, the developmental 5 6 disabilities community services account, the diesel idle reduction account, the opioid abatement settlement account, the drinking water 7 assistance account, the administrative subaccount of the drinking 8 water assistance account, the early learning facilities development 9 account, the early learning facilities revolving account, the Eastern 10 11 Washington University capital projects account, the education 12 construction fund, the education legacy trust account, the election account, the electric vehicle account, the energy freedom account, 13 the energy recovery act account, the essential rail assistance 14 account, The Evergreen State College capital projects account, the 15 16 fair start for kids account, the family medicine 17 development account, the ferry bond retirement fund, the fish, wildlife, and conservation account, the freight mobility investment 18 19 account, the freight mobility multimodal account, the grade crossing protective fund, the higher education retirement plan supplemental 20 21 benefit fund, the Washington student loan account, the highway bond 22 retirement fund, the highway infrastructure account, the highway 23 safety fund, the hospital safety net assessment fund, the Interstate 5 bridge replacement project account, the Interstate 405 and state 24 25 route number 167 express toll lanes account, the judges' retirement 26 account, the judicial retirement administrative account, the judicial retirement principal account, the limited fish and wildlife account, 27 28 the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine 29 resources stewardship trust account, the medical aid account, the 30 31 money-purchase retirement savings administrative account, the money-32 purchase retirement savings principal account, the motor vehicle fund, the motorcycle safety education account, the move ahead WA 33 account, the move ahead WA flexible account, the multimodal 34 transportation account, the multiuse roadway safety account, the 35 municipal criminal justice assistance account, the oyster reserve 36 account, the pension funding stabilization account, 37 perpetual surveillance and maintenance account, the pilotage account, 38 39 the pollution liability insurance agency underground storage tank 40 revolving account, the public employees' retirement system plan 1

p. 30 HB 1921

account, the public employees' retirement system combined plan 2 and 1 plan 3 account, the public facilities construction loan revolving 2 account, the public health supplemental account, the public works 3 assistance account, the Puget Sound capital construction account, the 4 Puget Sound ferry operations account, the Puget Sound Gateway 5 6 facility account, the Puget Sound taxpayer accountability account, 7 the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the 8 reserve officers' relief and pension principal fund, the resource 9 management cost account, the road usage charge highway account, the 10 road usage assessment account, the rural arterial trust account, the 11 12 rural mobility grant program account, the rural Washington loan fund, the second injury fund, the sexual assault prevention and response 13 account, the site closure account, the skilled nursing facility 14 safety net trust fund, the small city pavement and sidewalk account, 15 16 the special category C account, the special wildlife account, the 17 state hazard mitigation revolving loan account, the state investment 18 board expense account, the state investment board commingled trust 19 fund accounts, the state patrol highway account, the reclamation revolving account, the state route number 520 civil 20 21 penalties account, the state route number 520 corridor account, the 22 statewide broadband account, the statewide tourism marketing account, the supplemental pension account, the Tacoma Narrows toll bridge 23 account, the teachers' retirement system plan 1 account, the 24 25 teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement 26 account, the toll facility bond retirement account, the 27 transportation 2003 account (nickel account), the transportation 28 equipment fund, the JUDY transportation future funding program 29 account, the transportation improvement account, the transportation 30 31 improvement board bond retirement account, the transportation 32 infrastructure account, the transportation partnership account, the traumatic brain injury account, the tribal opioid prevention and 33 treatment account, the University of Washington bond retirement fund, 34 the University of Washington building account, the voluntary cleanup 35 account, the volunteer firefighters' relief and pension principal 36 volunteer firefighters' and reserve officers' 37 administrative fund, the vulnerable roadway user education account, 38 39 the Washington judicial retirement system account, the Washington law 40 enforcement officers' and firefighters' system plan 1 retirement

p. 31 HB 1921

account, the Washington law enforcement officers' and firefighters' 1 system plan 2 retirement account, the Washington public safety 2 3 employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the 4 Washington state patrol retirement account, the Washington State 5 6 University building account, the Washington State University bond 7 retirement fund, the water pollution control revolving administration account, the water pollution control revolving fund, the Western 8 Washington University capital projects account, the Yakima integrated 9 implementation account, the Yakima 10 integrated 11 implementation revenue recovery account, and the Yakima integrated 12 plan implementation taxable bond account. Earnings derived from investing balances of the agricultural permanent fund, the normal 13 14 school permanent fund, the permanent common school fund, the scientific permanent fund, and the state university permanent fund 15 16 shall be allocated to their respective beneficiary accounts.

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

17

1819

2021

22

28

2930

31

32

33

3435

36

37

38

- 23 (5) In conformance with Article II, section 37 of the state 24 Constitution, no treasury accounts or funds shall be allocated 25 earnings without the specific affirmative directive of this section.
- 26 **Sec. 27.** RCW 46.16A.040 and 2017 c 147 s 4 are each amended to read as follows:
  - (1) An owner or the owner's authorized representative must apply for an original vehicle registration to the department, county auditor or other agent, or subagent appointed by the director on a form furnished by the department. The application must contain:
  - (a) A description of the vehicle, including its make, model, vehicle identification number, type of body, and power to be used;
  - (b) The name and address of the person who is the registered owner of the vehicle and, if the vehicle is subject to a security interest, the name and address of the secured party;
    - (c) The purpose for which the vehicle is to be used;
    - (d) The licensed gross weight for the vehicle, which is:

p. 32 HB 1921

- (i) The adult seating capacity, including the operator, as provided for in RCW 46.16A.455(1) if the vehicle will be operated as a for hire vehicle or auto stage and has a seating capacity of more than six; or
- 5 (ii) The gross weight declared by the applicant as required in 6 RCW 46.16A.455(2) if the vehicle will be operated as a motor truck, 7 tractor, or truck tractor;
  - (e) The empty scale weight of the vehicle; and

2

3

4

8

9

11

12

13

1415

1617

18 19

2021

2223

24

25

2627

28

29

30

31

32

33 34

35

36

37

3839

40

- (f) Other information that the department may require.
- (2) In the application for an original vehicle registration of a motor vehicle for on-road use, the department shall request the mileage shown on the odometer of the motor vehicle being registered at the time of application.
  - (a) A vehicle owner enrolling in the voluntary and mandatory road usage charge programs established in sections 2 and 3 of this act at the time of application is required to provide the mileage shown on the odometer in the application for an original vehicle registration of a motor vehicle for on-road use at the time of vehicle enrollment.
- (b) A vehicle owner is not required to provide the mileage shown on the odometer for a vehicle not enrolling in the voluntary or mandatory road usage charge program established in section 2 or 3 of this act at the time of application. Failure to provide the mileage shown on the odometer vehicle for vehicle owners identified in this subsection (2) (b) is not grounds to deny vehicle registration or to issue any monetary or civil penalty or infraction. The application for an original vehicle registration must state that the vehicle owner of a vehicle not enrolling in the voluntary or mandatory road usage charge program established in section 2 or 3 of this act is not required to provide the mileage shown on the odometer for the vehicle and that failure to provide the mileage shown on the odometer of a vehicle not enrolling in the voluntary or mandatory road usage charge program established in section 2 or 3 of this act is not grounds to deny vehicle registration or issue any monetary or civil penalty or infraction.
- (3) The registered owner or the registered owner's authorized representative shall sign the application for an original vehicle registration and certify that the statements on the application are true to the best of the applicant's knowledge.
- ((-(3))) (4) The application for an original vehicle registration must be accompanied by a draft, money order, certified bank check, or

p. 33 HB 1921

1 cash for all fees and taxes due for the application for an original vehicle registration.

((4))) (5) Whenever any person, after applying for or receiving a vehicle registration, moves from the address named in the application or in the registration issued to him or her, or changes his or her name of record, the person shall, within ((ten)) 10 days thereafter, notify the department of the name or address change as provided in RCW 46.08.195.

- **Sec. 28.** RCW 46.16A.110 and 2014 c 80 s 3 are each amended to 10 read as follows:
  - (1) (a) A registered owner or the registered owner's authorized representative must apply for a renewal vehicle registration to the department, county auditor or other agent, or subagent appointed by the director on a form approved by the director. The application for a renewal vehicle registration must be accompanied by a draft, money order, certified bank check, or cash for all fees, assessments, and taxes required by law for the application for a renewal vehicle registration.
  - (b) In the application for a renewal vehicle registration of a motor vehicle for on-road use, the department shall request the mileage shown on the odometer of the motor vehicle being registered at the time of application.
  - (i) A vehicle owner enrolling or enrolled in the voluntary or mandatory road usage charge program established in section 2 or 3 of this act is required to provide the mileage shown on the odometer in the application for an original vehicle registration of a motor vehicle for on-road use at the time of enrollment and at subsequent vehicle registration renewals.
  - (ii) A vehicle owner is not required to provide the mileage shown on the odometer for a vehicle not enrolling or enrolled in the voluntary or mandatory road usage charge program established in section 2 or 3 of this act. Failure to provide the mileage shown on the odometer vehicle for vehicle owners identified in this subsection (1) (b) is not grounds to deny vehicle registration or to issue any monetary or civil penalty or infraction. The application for an original vehicle registration must state that the vehicle owner of a vehicle not enrolling or enrolled in the voluntary and mandatory road usage charge programs established in sections 2 and 3 of this act is not required to provide the mileage shown on the odometer for the

p. 34 HB 1921

vehicle, and that failure to provide the mileage shown on the odometer of a vehicle not enrolling or enrolled in the voluntary or mandatory road usage charge program established in section 2 or 3 of this act is not grounds to deny vehicle registration or issue any monetary or civil penalty or infraction.

- (2) (a) When a vehicle changes ownership, the person taking ownership or his or her authorized representative must apply for a renewal vehicle registration as provided in subsection (1) of this section and, except as provided in (b) of this subsection, pay all the taxes, assessments, and fees that are due at the time of registration renewal. For the purposes of this section, when a vehicle is sold to a vehicle dealer for resale, the application for a renewal registration need not be made until the vehicle is sold by the vehicle dealer.
- (b) The person taking ownership or his or her authorized representative must be given credit for the portion of a motor vehicle excise tax, including the motor vehicle excise tax collected under RCW 81.104.160, that reflects the remaining period for which the tax was initially paid by the previous owner.
- (3) An application and the fees, assessments, and taxes for a renewal vehicle registration must be handled in the same manner as an original vehicle registration application. The registration does not need to show the name of the lienholder when the application for renewal vehicle registration becomes the renewal registration upon validation.
- (4) A person expecting to be out of state during the normal renewal period of a vehicle registration may renew a vehicle registration and have license plates or tabs preissued by applying for a renewal as described in subsection (1) of this section. A vehicle registration may be renewed for the subsequent registration year up to ((eighteen)) 18 months before the current expiration date and must be displayed from the date of issue or from the day of the expiration of the current registration year, whichever date is later.
- (5) An application for a renewal vehicle registration is not required for those vehicles owned, rented, or leased by:
- 36 (a) The state of Washington, or by any county, city, town, school 37 district, or other political subdivision of the state of Washington; 38 or

p. 35 HB 1921

- 1 (b) A governing body of an Indian tribe located within this state
- 2 and recognized as a governmental entity by the United States
- 3 department of the interior.
- 4 <u>NEW SECTION.</u> **Sec. 29.** Sections 2 through 12 of this act
- 5 constitute a new chapter in Title 46 RCW.
- 6 <u>NEW SECTION.</u> **Sec. 30.** Section 25 of this act expires July 1,
- 7 2028.
- 8 <u>NEW SECTION.</u> **Sec. 31.** Sections 27 and 28 of this act take
- 9 effect July 1, 2026.
- 10 <u>NEW SECTION.</u> **Sec. 32.** Sections 14 and 15 of this act take
- 11 effect July 1, 2027.
- 12 <u>NEW SECTION.</u> **Sec. 33.** Section 26 of this act takes effect July
- 13 1, 2028.

--- END ---

p. 36 HB 1921