



1 subsection (2) expires when the bonds issued for transportation 2003  
2 projects are retired.

3 (3) Beginning July 1, 2005, an additional and cumulative tax rate  
4 of three cents per gallon of fuel is imposed on fuel licensees.

5 (4) Beginning July 1, 2006, an additional and cumulative tax rate  
6 of three cents per gallon of fuel is imposed on fuel licensees.

7 (5) Beginning July 1, 2007, an additional and cumulative tax rate  
8 of two cents per gallon of fuel is imposed on fuel licensees.

9 (6) Beginning July 1, 2008, an additional and cumulative tax rate  
10 of one and one-half cents per gallon of fuel is imposed on fuel  
11 licensees.

12 (7) Beginning August 1, 2015, an additional and cumulative tax  
13 rate of seven cents per gallon of fuel is imposed on fuel licensees.

14 (8) Beginning July 1, 2016, an additional and cumulative tax rate  
15 of four and nine-tenths cents per gallon of fuel is imposed on fuel  
16 licensees.

17 (9) Beginning July 1, 2025, an additional and cumulative tax rate  
18 of six cents per gallon of fuel is imposed on fuel licensees.

19 (10) Beginning July 1, 2025, an additional and cumulative tax  
20 rate of three cents per gallon of special fuel is imposed on fuel  
21 licensees.

22 (11) Beginning July 1, 2027, an additional and cumulative tax  
23 rate of three cents per gallon of special fuel is imposed on fuel  
24 licensees.

25 (12) ~~((a)) Beginning July 1, 2026, ((the fuel tax rates imposed  
26 under subsections (1) through (9) of this section must be increased  
27 annually by two percent and the resulting fuel tax rate must be  
28 rounded to the nearest one-thousandth of \$1.~~

29 ~~(b))~~ an additional and cumulative tax rate per gallon of fuel is  
30 imposed on fuel licensees. The tax rate imposed under this subsection  
31 is calculated each July 1st by:

32 (a) Increasing by two percent the sum of:

33 (i) The fuel tax rates imposed under subsections (1) through (9)  
34 of this section as of the current July 1st; and

35 (ii) The fuel tax rate imposed under this subsection (12) for the  
36 prior 12 months;

37 (b) Subtracting the sum of the fuel tax rates imposed under  
38 subsections (1) through (9) of this section as of the current July  
39 1st; and

40 (c) Rounding the result to the nearest one-thousandth of \$1.

1       ~~(13) Beginning July 1, 2028, ((the fuel tax rate imposed under~~  
2 ~~subsections (10) and (11) of this section must be increased annually~~  
3 ~~by two percent and the resulting fuel tax rate must be rounded to the~~  
4 ~~nearest one-thousandth of \$1.~~

5       ~~(13))~~ an additional and cumulative tax rate per gallon of  
6 special fuel is imposed on fuel licensees. The tax rate imposed under  
7 this subsection is calculated each July 1st by:

8       (a) Increasing by two percent the sum of:

9       (i) The fuel tax rates imposed under subsections (1) through (11)  
10 of this section as of the current July 1st; and

11       (ii) The fuel tax rates imposed, for the prior 12 months, under  
12 both subsection (12) of this section and this subsection (13);

13       (b) Subtracting the sum of the fuel tax rates imposed under  
14 subsections (1) through (12) of this section as of the current July  
15 1st; and

16       (c) Rounding the result to the nearest one-thousandth of \$1.

17       (14) Taxes are imposed when:

18       (a) Fuel is removed in this state from a terminal if the fuel is  
19 removed at the rack unless the removal is by a licensed supplier or  
20 distributor for direct delivery to a destination outside of the  
21 state, or the removal is by a fuel supplier for direct delivery to an  
22 international fuel tax agreement licensee under RCW 82.38.320;

23       (b) Fuel is removed in this state from a refinery if either of  
24 the following applies:

25       (i) The removal is by bulk transfer and the refiner or the owner  
26 of the fuel immediately before the removal is not a licensed  
27 supplier; or

28       (ii) The removal is at the refinery rack unless the removal is to  
29 a licensed supplier or distributor for direct delivery to a  
30 destination outside of the state, or the removal is to a licensed  
31 supplier for direct delivery to an international fuel tax agreement  
32 licensee under RCW 82.38.320;

33       (c) Fuel enters into this state for sale, consumption, use, or  
34 storage, unless the fuel enters this state for direct delivery to an  
35 international fuel tax agreement licensee under RCW 82.38.320, if  
36 either of the following applies:

37       (i) The entry is by bulk transfer and the importer is not a  
38 licensed supplier; or

39       (ii) The entry is not by bulk transfer;

1 (d) Fuel enters this state by means outside the bulk transfer-  
2 terminal system and is delivered directly to a licensed terminal  
3 unless the owner is a licensed distributor or supplier;

4 (e) Fuel is sold or removed in this state to an unlicensed entity  
5 unless there was a prior taxable removal, entry, or sale of the fuel;

6 (f) Blended fuel is removed or sold in this state by the blender  
7 of the fuel. The number of gallons of blended fuel subject to tax is  
8 the difference between the total number of gallons of blended fuel  
9 removed or sold and the number of gallons of previously taxed fuel  
10 used to produce the blended fuel;

11 (g) Dyed special fuel is used on a highway, as authorized by the  
12 internal revenue code, unless the use is exempt from the fuel tax;

13 (h) Dyed special fuel is held for sale, sold, used, or is  
14 intended to be used in violation of this chapter;

15 (i) Special fuel purchased by an international fuel tax agreement  
16 licensee under RCW 82.38.320 is used on a highway; and

17 (j) Fuel is sold by a licensed fuel supplier to a fuel  
18 distributor or fuel blender and the fuel is not removed from the bulk  
19 transfer-terminal system.

20 **Sec. 102.** RCW 46.68.090 and 2025 c 417 s 103 and 2025 c 416 s  
21 706 are each reenacted and amended to read as follows:

22 (1) All moneys that have accrued or may accrue to the motor  
23 vehicle fund from the fuel tax must be first expended for purposes  
24 enumerated in (a) and (b) of this subsection. The remaining net tax  
25 amount must be distributed monthly by the state treasurer in  
26 accordance with subsections (2) through (9) of this section.

27 (a) For payment of refunds of fuel tax that has been paid and is  
28 refundable as provided by law;

29 (b) For payment of amounts to be expended pursuant to  
30 appropriations for the administrative expenses of the offices of  
31 state treasurer, state auditor, and the department of licensing of  
32 the state of Washington in the administration of the fuel tax, which  
33 sums must be distributed monthly.

34 (2) All of the remaining net tax amount collected under RCW  
35 82.38.030(1) must be distributed as set forth in (a) through (j) of  
36 this subsection.

37 (a) For distribution to the motor vehicle fund an amount equal to  
38 44.387 percent to be expended for highway purposes of the state as  
39 defined in RCW 46.68.130;

1 (b)(i) For distribution to the special category C account, hereby  
2 created in the motor vehicle fund, an amount equal to 3.2609 percent  
3 to be expended for special category C projects. Special category C  
4 projects are category C projects that, due to high cost only, will  
5 require bond financing to complete construction.

6 (ii) The following criteria, listed in order of priority, must be  
7 used in determining which special category C projects have the  
8 highest priority:

9 (A) Accident experience;

10 (B) Fatal accident experience;

11 (C) Capacity to move people and goods safely and at reasonable  
12 speeds without undue congestion; and

13 (D) Continuity of development of the highway transportation  
14 network.

15 (iii) Moneys deposited in the special category C account in the  
16 motor vehicle fund may be used for payment of debt service on bonds  
17 the proceeds of which are used to finance special category C projects  
18 under this subsection (2)(b);

19 (c) For distribution to the Puget Sound ferry operations account  
20 in the motor vehicle fund an amount equal to 2.3283 percent;

21 (d) For distribution to the Puget Sound capital construction  
22 account in the motor vehicle fund an amount equal to 2.3726 percent;

23 (e) For distribution to the transportation improvement account in  
24 the motor vehicle fund an amount equal to 7.5597 percent;

25 (f) For distribution to the transportation improvement account in  
26 the motor vehicle fund an amount equal to 5.6739 percent and expended  
27 in accordance with RCW 47.26.086;

28 (g) For distribution to the cities and towns from the motor  
29 vehicle fund an amount equal to 10.6961 percent in accordance with  
30 RCW 46.68.110;

31 (h) For distribution to the counties from the motor vehicle fund  
32 an amount equal to 19.2287 percent: (i) Out of which there must be  
33 distributed from time to time, as directed by the department of  
34 transportation, those sums as may be necessary to carry out the  
35 provisions of RCW 47.56.725; and (ii) less any amounts appropriated  
36 to the county road administration board to implement the provisions  
37 of RCW 47.56.725(4), with the balance of such county share to be  
38 distributed monthly as the same accrues for distribution in  
39 accordance with RCW 46.68.120;

1 (i) For distribution to the county arterial preservation account,  
2 hereby created in the motor vehicle fund an amount equal to 1.9565  
3 percent. These funds must be distributed by the county road  
4 administration board to counties in proportions corresponding to the  
5 number of paved arterial lane miles in the unincorporated area of  
6 each county and must be used for improvements to sustain the  
7 structural, safety, and operational integrity of county arterials.  
8 The county road administration board must adopt reasonable rules and  
9 develop policies to implement this program and to assure that a  
10 pavement management system is used. During the 2025-2027 fiscal  
11 biennium, the county arterial preservation account may also be used  
12 for staffing-related expenses of the board, contracting costs, and  
13 grants associated with bridge ratings;

14 (j) For distribution to the rural arterial trust account in the  
15 motor vehicle fund an amount equal to 2.5363 percent and expended in  
16 accordance with RCW 36.79.020.

17 (3) The remaining net tax amount collected under RCW 82.38.030(2)  
18 must be distributed to the transportation 2003 account (nickel  
19 account).

20 (4) The remaining net tax amount collected under RCW 82.38.030(3)  
21 must be distributed as follows:

22 (a) 8.3333 percent must be distributed to the incorporated cities  
23 and towns of the state in accordance with RCW 46.68.110;

24 (b) 8.3333 percent must be distributed to counties of the state  
25 in accordance with RCW 46.68.120; and

26 (c) The remainder must be distributed to the transportation  
27 partnership account created in RCW 46.68.290.

28 (5) The remaining net tax amount collected under RCW 82.38.030(4)  
29 must be distributed as follows:

30 (a) 8.3333 percent must be distributed to the incorporated cities  
31 and towns of the state in accordance with RCW 46.68.110;

32 (b) 8.3333 percent must be distributed to counties of the state  
33 in accordance with RCW 46.68.120; and

34 (c) The remainder must be distributed to the transportation  
35 partnership account created in RCW 46.68.290.

36 (6) The remaining net tax amount collected under RCW 82.38.030  
37 (5) and (6) must be distributed to the transportation partnership  
38 account created in RCW 46.68.290.

1 (7) The remaining net tax amount collected under RCW 82.38.030  
2 (7) and (8) must be distributed to the connecting Washington account  
3 created in RCW 46.68.395.

4 (8) The remaining net tax amount collected under RCW 82.38.030  
5 (9) through (~~(12)~~) (13) must be distributed as follows:

6 (a) Two and one-half percent must be distributed to the  
7 incorporated cities and towns of the state in accordance with RCW  
8 46.68.110;

9 (b) Two and one-half percent must be distributed to counties of  
10 the state in accordance with RCW 46.68.120; and

11 (c) The remainder must be distributed to the motor vehicle fund  
12 created in RCW 46.68.070.

13 (9) Nothing in this section or in RCW 46.68.130 may be construed  
14 so as to violate any terms or conditions contained in any highway  
15 construction bond issues now or hereafter authorized by statute and  
16 whose payment is by such statute pledged to be paid from any excise  
17 taxes on fuel.

18 **PART II: RECREATIONAL VESSEL, PEER-TO-PEER, AND LUXURY VEHICLE SALES**  
19 **TAXES**

20 **Recreational Vessel and Peer-to-Peer Sales Taxes**

21 **Sec. 201.** RCW 82.08.020 and 2025 c 418 s 3 and 2025 c 417 s 201  
22 are each reenacted and amended to read as follows:

23 (1) There is levied and collected a tax equal to six and five-  
24 tenths percent of the selling price on each retail sale in this state  
25 of:

26 (a) Tangible personal property, unless the sale is specifically  
27 excluded from the RCW 82.04.050 definition of retail sale;

28 (b) Digital goods, digital codes, and digital automated services,  
29 if the sale is included within the RCW 82.04.050 definition of retail  
30 sale;

31 (c) Services, other than digital automated services, included  
32 within the RCW 82.04.050 definition of retail sale;

33 (d) Extended warranties to consumers; and

34 (e) Anything else, the sale of which is included within the RCW  
35 82.04.050 definition of retail sale.

36 (2)(a) There is levied and collected an additional tax on each  
37 retail car rental, regardless of whether the vehicle is licensed in  
38 this state, equal to:

1 (i) Eleven and nine-tenths percent of the selling price from  
2 January 1, 2026, through December 31, 2026; and

3 (ii) (A) Nine and nine-tenths percent of the selling price  
4 beginning January 1, 2027.

5 (B) The revenue collected under ~~((a) of)~~ this subsection (2) (a)  
6 must be deposited in the multimodal transportation account created in  
7 RCW 47.66.070.

8 (b) (i) Beginning January 1, 2027, there is levied and collected  
9 an additional tax on peer-to-peer car sharing transactions equal to  
10 the selling price multiplied by the rate of tax imposed under (a) of  
11 this subsection. This subsection (2) (b) applies only to peer-to-peer  
12 car sharing transactions where the vehicle owner obtained the shared  
13 vehicle as a vehicle for resale using a reseller permit or an  
14 approved exemption certificate under RCW 82.04.470. The revenue  
15 collected under this subsection (2) (b) must be deposited in the  
16 multimodal transportation account created in RCW 47.66.070.

17 (ii) A peer-to-peer car sharing program may not allow a vehicle  
18 to be placed on a digital network or software application of the  
19 peer-to-peer car sharing program for the purpose of making the  
20 vehicle available for sharing through the peer-to-peer car sharing  
21 program unless the peer-to-peer car sharing program receives an  
22 electronic certification from the shared vehicle owner as to whether  
23 the shared vehicle owner obtained the shared vehicle as a vehicle for  
24 resale using a reseller permit or an approved exemption certificate  
25 under RCW 82.04.470. The peer-to-peer car sharing program must  
26 maintain a record of such certification for a period of no less than  
27 five years.

28 (iii) A peer-to-peer car sharing program may rely in good faith  
29 on the shared vehicle owner's certification as to whether the shared  
30 vehicle owner obtained the shared vehicle as a vehicle for resale  
31 using a reseller permit or an approved exemption certificate under  
32 RCW 82.04.470. Such good faith reliance on the shared vehicle owner's  
33 certification does not subject the peer-to-peer car sharing program  
34 to any tax liability, or penalties or interest, that may be imposed  
35 on the shared vehicle owner.

36 (3) For purposes of this ~~((subsection (2) (b)))~~ section, "peer-to-  
37 peer car sharing" has the same meaning as in RCW 46.74A.010. "Peer-  
38 to-peer car sharing" does not mean:

39 ~~((A))~~ (a) "Retail car rental" as defined in RCW 82.08.011; or

1       ~~((B))~~ (b) "Rental car" as defined in RCW 46.04.465 or  
2 48.115.005.

3       ~~((3))~~ (4) There is levied and collected an additional tax of  
4 five-tenths of one percent of the selling price on each retail sale  
5 of a motor vehicle in this state, other than retail car rentals and  
6 peer-to-peer car sharing transactions taxed under subsection (2) of  
7 this section. The revenue collected under this subsection must be  
8 deposited in the multimodal transportation account created in RCW  
9 47.66.070.

10       ~~((4))~~ (5) (a) ~~((Beginning July 1, 2026, in addition to taxes~~  
11 ~~required under this chapter and chapters 82.12 and 82.49 RCW, there))~~  
12 There is levied and collected an additional tax of five-tenths of one  
13 percent on the selling price, plus trade-in property of like kind,  
14 ~~((for purchased recreational vessels.~~

15       ~~(b) In the case of a lease requiring periodic payments, the tax~~  
16 ~~is imposed on the fair market value of the recreational vessel at the~~  
17 ~~inception of the lease.~~

18       ~~(c) The revenue collected under this subsection must be deposited~~  
19 ~~in the multimodal transportation account created in RCW 47.66.070.~~

20       ~~(d))~~ on each retail sale of a recreational vessel in the state.  
21 The revenue collected under this subsection must be deposited in the  
22 multimodal transportation account created in RCW 47.66.070.

23       (b) For purposes of this subsection, "recreational vessel" means  
24 a vessel as defined in RCW 88.02.310 that is subject to watercraft  
25 excise tax under chapter 82.49 RCW.

26       ~~((5))~~ (6) For purposes of subsection ~~((3))~~ (4) of this  
27 section, "motor vehicle" has the meaning provided in RCW 46.04.320,  
28 but does not include:

29       (a) Farm tractors or farm vehicles as defined in RCW 46.04.180  
30 and 46.04.181, unless the farm tractor or farm vehicle is for use in  
31 the production of cannabis;

32       (b) Off-road vehicles as defined in RCW 46.04.365;

33       (c) Nonhighway vehicles as defined in RCW 46.09.310; and

34       (d) Snowmobiles as defined in RCW 46.04.546.

35       ~~((6))~~ (7) Beginning on December 8, 2005, 0.16 percent of the  
36 taxes collected under subsection (1) of this section must be  
37 dedicated to funding comprehensive performance audits required under  
38 RCW 43.09.470. The revenue identified in this subsection must be  
39 deposited in the performance audits of government account created in  
40 RCW 43.09.475.

1       ~~((7))~~ (8) Beginning July 1, 2027, the portion of taxes  
2 collected by the state under subsection (1) of this section equal to  
3 0.1 percent of the selling price on each retail sale in this state  
4 must be deposited in the multimodal transportation account created in  
5 RCW 47.66.070.

6       ~~((8))~~ (9) The taxes imposed under this chapter apply to  
7 successive retail sales of the same property.

8       ~~((9))~~ (10) The rates provided in this section apply to taxes  
9 imposed under chapter 82.12 RCW as provided in RCW 82.12.020.

10       **Sec. 202.** RCW 82.12.020 and 2025 c 418 s 4 and 2025 c 417 s 202  
11 are each reenacted and amended to read as follows:

12       (1) There is levied and collected from every person in this state  
13 a tax or excise for the privilege of using within this state as a  
14 consumer any:

15       (a) Article of tangible personal property acquired by the user in  
16 any manner, including tangible personal property acquired at a casual  
17 or isolated sale, and including by-products used by the manufacturer  
18 thereof, except as otherwise provided in this chapter, irrespective  
19 of whether the article or similar articles are manufactured or are  
20 available for purchase within this state;

21       (b) Prewritten computer software, regardless of the method of  
22 delivery, but excluding prewritten computer software that is either  
23 provided free of charge or is provided for temporary use in viewing  
24 information, or both;

25       (c) Services defined as a retail sale in RCW 82.04.050 (2) (a) or  
26 (g) or (6) ~~((e))~~ (b), excluding services defined as a retail sale in  
27 RCW 82.04.050 (6) ~~((e))~~ (b) that are provided free of charge;

28       (d) Extended warranty; or

29       (e) (i) Digital good, digital code, or digital automated service,  
30 including the use of any services provided by a seller exclusively in  
31 connection with digital goods, digital codes, or digital automated  
32 services, whether or not a separate charge is made for such services.

33       (ii) With respect to the use of digital goods, digital automated  
34 services, and digital codes acquired by purchase, the tax imposed in  
35 this subsection (1) (e) applies in respect to:

36       (A) Sales in which the seller has granted the purchaser the right  
37 of permanent use;

38       (B) Sales in which the seller has granted the purchaser a right  
39 of use that is less than permanent;

1 (C) Sales in which the purchaser is not obligated to make  
2 continued payment as a condition of the sale; and

3 (D) Sales in which the purchaser is obligated to make continued  
4 payment as a condition of the sale.

5 (iii) With respect to digital goods, digital automated services,  
6 and digital codes acquired other than by purchase, the tax imposed in  
7 this subsection (1)(e) applies regardless of whether or not the  
8 consumer has a right of permanent use or is obligated to make  
9 continued payment as a condition of use.

10 (2) The provisions of this chapter do not apply in respect to the  
11 use of any article of tangible personal property, extended warranty,  
12 digital good, digital code, digital automated service, or service  
13 taxable under RCW 82.04.050 (2) (a) or (g) or (6) ~~((e))~~ (b), if the  
14 sale to, or the use by, the present user or the present user's bailor  
15 or donor has already been subjected to the tax under chapter 82.08  
16 RCW or this chapter and the tax has been paid by the present user or  
17 by the present user's bailor or donor.

18 (3)(a) Except as provided in this section, payment of the tax  
19 imposed by this chapter or chapter 82.08 RCW by one purchaser or user  
20 of tangible personal property, extended warranty, digital good,  
21 digital code, digital automated service, or other service does not  
22 have the effect of exempting any other purchaser or user of the same  
23 property, extended warranty, digital good, digital code, digital  
24 automated service, or other service from the taxes imposed by such  
25 chapters.

26 (b) The tax imposed by this chapter does not apply:

27 (i) If the sale to, or the use by, the present user or his or her  
28 bailor or donor has already been subjected to the tax under chapter  
29 82.08 RCW or this chapter and the tax has been paid by the present  
30 user or by his or her bailor or donor;

31 (ii) In respect to the use of any article of tangible personal  
32 property acquired by bailment and the tax has once been paid based on  
33 reasonable rental as determined by RCW 82.12.060 measured by the  
34 value of the article at time of first use multiplied by the tax rate  
35 imposed by chapter 82.08 RCW or this chapter as of the time of first  
36 use;

37 (iii) In respect to the use of any article of tangible personal  
38 property acquired by bailment, if the property was acquired by a  
39 previous bailee from the same bailor for use in the same general  
40 activity and the original bailment was prior to June 9, 1961; or

1 (iv) To the use of digital goods or digital automated services,  
2 which were obtained through the use of a digital code, if the sale of  
3 the digital code to, or the use of the digital code by, the present  
4 user or the present user's bailor or donor has already been subjected  
5 to the tax under chapter 82.08 RCW or this chapter and the tax has  
6 been paid by the present user or by the present user's bailor or  
7 donor.

8 (4) (a) Except as provided in (b) of this subsection (4), the tax  
9 is levied and must be collected in an amount equal to the value of  
10 the article used, value of the digital good or digital code used,  
11 value of the extended warranty used, or value of the service used by  
12 the taxpayer, multiplied by the applicable rates in effect for the  
13 retail sales tax under RCW 82.08.020.

14 (b) In the case of a seller required to collect use tax from the  
15 purchaser, the tax must be collected in an amount equal to the  
16 purchase price multiplied by the applicable rate in effect for the  
17 retail sales tax under RCW 82.08.020.

18 (5) Beginning July 1, 2027, the portion of taxes collected by the  
19 state under subsection (1) of this section equal to 0.1 percent of  
20 the value of the article used, value of the digital good or digital  
21 code used, value of the extended warranty used, or value of the  
22 service used by the taxpayer, must be deposited in the multimodal  
23 transportation account created in RCW 47.66.070.

24 (6) For purposes of the tax imposed in this section, "person"  
25 includes anyone within the definition of "buyer," "purchaser," and  
26 "consumer" in RCW 82.08.010.

27 ~~((7) (a) Beginning July 1, 2026, the tax imposed in this section~~  
28 ~~at the rate provided in RCW 82.08.020(4) applies to the use of a~~  
29 ~~recreational vessel at the time that it is first used in this state~~  
30 ~~by the consumer.~~

31 ~~(b) The revenue collected under this subsection must be deposited~~  
32 ~~in the multimodal transportation account created in RCW 47.66.070.~~

33 ~~(c) For purposes of this subsection, "recreational vessel" means~~  
34 ~~a vessel as defined in RCW 88.02.310 that is subject to watercraft~~  
35 ~~excise tax under chapter 82.49 RCW.)~~

### 36 Motor Vehicle Luxury Tax

37 **Sec. 203.** RCW 82.08.817 and 2025 c 417 s 203 are each amended to  
38 read as follows:

1 (1)(a) Except as provided in subsection (3) of this section, in  
2 addition to the taxes imposed under RCW 82.08.020, there is levied  
3 and collected an additional tax of eight percent on the sale of a  
4 motor vehicle if:

5 (i) The selling price of the motor vehicle plus trade-in property  
6 of like kind for purchased vehicles exceeds \$100,000; or

7 (ii) In the case of a lease requiring periodic payments, the  
8 (~~fair market~~) value of the motor vehicle exceeds \$100,000 at the  
9 inception of the lease.

10 (b) The additional tax imposed in this subsection (1):

11 (i) Is equal to the portion of the selling price plus trade-in  
12 property of like kind for purchased vehicles in excess of the  
13 deduction amount specified in subsection (2) of this section,  
14 multiplied by eight percent; or

15 (ii) In the case of a lease requiring periodic payments, is the  
16 (~~fair market~~) value of the motor vehicle in excess of the deduction  
17 amount specified in subsection (2) of this (~~subsection~~) section, at  
18 the inception of the lease, multiplied by eight percent, and may be  
19 remitted in equal periodic payments over the term of the lease.

20 (2) The deduction amount is \$100,000 for fiscal year 2026. The  
21 deduction amount must be annually adjusted on July 1st of each year  
22 by increasing the amount by two percent and rounding the result to  
23 the nearest whole dollar.

24 (3) (a) The taxes imposed under this section do not apply to the  
25 sale or lease of:

26 (~~(a)~~) (i) A commercial motor vehicle, as defined in RCW  
27 46.25.010; (~~or~~

28 ~~(b)~~) (ii) A motor vehicle that has a gross vehicle weight rating  
29 of greater than 10,000 pounds other than motor homes, as defined in  
30 RCW 46.04.305; or

31 (iii) Through December 31, 2026, a motor home, as defined in RCW  
32 46.04.305.

33 (b) The exemptions available for the sale of motor vehicles under  
34 RCW 82.08.0317 and 82.08.0264 also apply to the tax under this  
35 section.

36 (4) The revenue collected under this section must be deposited in  
37 the multimodal transportation account created in RCW 47.66.070.

38 (5) For the purposes of this section and RCW 82.12.818, the  
39 following definitions apply:

1 (a) "Fair market value" has the same meaning as "value of the  
2 article used" in RCW 82.12.010.

3 (b) "Motor vehicle" has the same meaning as in RCW 46.04.320, but  
4 does not include:

5 (i) Farm tractors or farm vehicles as defined in RCW 46.04.180  
6 and 46.04.181, unless the farm tractor or farm vehicle is for use in  
7 the production of cannabis;

8 (ii) Off-road vehicles as defined in RCW 46.04.365;

9 (iii) Nonhighway vehicles as defined in RCW 46.09.310; and

10 (iv) Snowmobiles as defined in RCW 46.04.546.

11 ~~((b))~~ (c) "Value of the motor vehicle" means the fair market  
12 value of the motor vehicle ~~((. In the case of a leased motor vehicle~~  
13 ~~in which the consumer is required to make periodic lease payments,~~  
14 ~~"value of the motor vehicle" means the fair market value of the motor~~  
15 ~~vehicle at the inception of the lease))~~ plus the value of trade-in  
16 property of like kind.

17 **Sec. 204.** RCW 82.12.818 and 2025 c 417 s 204 are each amended to  
18 read as follows:

19 (1) Except as provided in subsection (3) of this section, in  
20 addition to the tax imposed under RCW 82.12.020, there is levied and  
21 collected from every person in this state a tax for the privilege of  
22 using within this state as a consumer any motor vehicle if the value  
23 of the motor vehicle exceeds \$100,000.

24 (2)(a) Except as provided in (b) of this subsection, the tax is  
25 levied and must be collected in an amount equal to the value of the  
26 motor vehicle that exceeds the deduction amount specified in (c) of  
27 this subsection, multiplied by eight percent.

28 (b) In the case of a seller required to collect use tax under  
29 this section from the purchaser, the tax must be collected in an  
30 amount equal to ~~((the amount of the purchase price that exceeds))~~  
31 eight percent of the remainder that results when the amount specified  
32 in (c) of this subsection ~~((, multiplied by eight percent))~~ is  
33 deducted from the sum of the selling price and the value of trade-in  
34 property of like kind.

35 (c) The deduction amount is \$100,000 for fiscal year 2026. The  
36 deduction amount must be annually adjusted on July 1st of each year  
37 by increasing the amount by two percent and rounding the result to  
38 the nearest whole dollar.

1 (3) The taxes imposed under this section do not apply to the use  
2 of:

3 (a) A commercial motor vehicle, as defined in RCW 46.25.010;  
4 (~~or~~)

5 (b) A motor vehicle that has a gross vehicle weight rating of  
6 greater than 10,000 pounds other than motor homes, as defined in RCW  
7 46.04.305; or

8 (c) Through December 31, 2026, a motor home, as defined in RCW  
9 46.04.305.

10 (4) The revenue collected under this section must be deposited in  
11 the multimodal transportation account created in RCW 47.66.070.

12 (5) For the purposes of this section, "value of the motor  
13 vehicle" means the same as in RCW 82.08.817.

14 NEW SECTION. Sec. 205. A new section is added to chapter 82.32  
15 RCW to read as follows:

16 (1) Except as otherwise provided in subsections (2) through (4)  
17 of this section, the department shall waive penalties and interest  
18 otherwise due under this chapter if all of the following conditions  
19 are met:

20 (a)(i) The penalties and interest are imposed with respect to  
21 additional motor vehicle taxes imposed under RCW 82.12.818 and  
22 82.08.817; and (ii) the tax liability is directly attributable to a  
23 failure to collect additional motor vehicle taxes as provided in  
24 sections 203 and 204, chapter 417, Laws of 2025 for tax reporting  
25 periods through June 30, 2026;

26 (b) The taxpayer files with the department any amended or  
27 outstanding returns covering tax liabilities with respect to which a  
28 penalty and interest waiver under this section is requested;

29 (c) The taxpayer remits full payment to the department of the  
30 balance due on all tax liabilities for which a penalty and interest  
31 waiver under this section is requested or enters into a payment  
32 agreement with the department as provided in RCW 82.32.080 for such  
33 liabilities;

34 (d) The taxpayer has timely filed returns and remitted payment on  
35 all taxes due for a period of 24 months immediately preceding the  
36 period covered by the return for which the waiver is being requested;  
37 and

38 (e) The taxpayer must never have had an evasion penalty assessed  
39 against the taxpayer by the department under RCW 82.32.090 or a

1 penalty assessed against the taxpayer by the department under RCW  
2 82.32.291 for misusing a reseller permit or resale certificate.

3 (2) (a) The taxpayer must submit a completed application for a  
4 penalty and interest waiver under this section in a form and manner  
5 prescribed by the department.

6 (b) Applications for a penalty and interest waiver under this  
7 section must be submitted to the department on or before September  
8 30, 2027.

9 (3) All tax liability reported and paid as required in subsection  
10 (1) of this section is subject to verification by the department as  
11 provided in RCW 82.32.050. This section does not preclude the  
12 assessment of taxes, penalties, and interest with respect to any  
13 amounts determined by the department to have been underpaid for any  
14 tax period for which the taxpayer previously received penalty relief  
15 under this section.

16 (4) This section does not apply to tax liabilities associated  
17 with additional motor vehicle taxes imposed under RCW 82.12.818 and  
18 82.08.817 for tax reporting periods beginning on or after July 1,  
19 2026.

20 (5) This section expires January 1, 2029.

### 21 **Alternative Fuel Vehicle Tax Exemption Reporting**

22 **Sec. 206.** RCW 82.08.9999 and 2022 c 182 s 305 are each amended  
23 to read as follows:

24 (1) Beginning August 1, 2019, with sales made or lease agreements  
25 signed on or after the qualification period start date:

26 (a) The tax levied by RCW 82.08.020 does not apply as provided in  
27 (b) of this subsection to sales or leases of new or used passenger  
28 cars, light duty trucks, and medium duty passenger vehicles that:

29 (i) Are exclusively powered by a clean alternative fuel; or

30 (ii) Use at least one method of propulsion that is capable of  
31 being reenergized by an external source of electricity and are  
32 capable of traveling at least 30 miles using only battery power; and

33 (iii) (A) Have a vehicle selling price plus trade-in property of  
34 like kind for purchased vehicles that:

35 (I) For a vehicle that is a new vehicle at the time of the  
36 purchase date or the date the lease agreement was signed, does not  
37 exceed \$45,000; or

1 (II) For a vehicle that is a used vehicle at the time of the  
2 purchase date or the date the lease agreement was signed, does not  
3 exceed \$30,000; or

4 (B) Have a fair market value at the inception of the lease for  
5 leased vehicles that:

6 (I) For a vehicle that is a new vehicle at the time of the  
7 purchase date or the date the lease agreement was signed, does not  
8 exceed \$45,000; or

9 (II) For a vehicle that is a used vehicle at the time of the  
10 purchase date or the date the lease agreement was signed, does not  
11 exceed \$30,000;

12 (b) (i) The exemption in this section is applicable for up to the  
13 amounts specified in (b) (ii) or (iii) of this subsection of:

14 (A) The total amount of the vehicle's selling price, for sales  
15 made; or

16 (B) The total lease payments made plus any additional selling  
17 price of the leased vehicle if the original lessee purchases the  
18 leased vehicle before the qualification period end date, for lease  
19 agreements signed.

20 (ii) Based on the purchase date or the date the lease agreement  
21 was signed of the vehicle if the vehicle is a new vehicle at the time  
22 of the purchase date or the date the lease agreement was signed:

23 (A) From the qualification period start date until July 31, 2021,  
24 the maximum amount eligible under (b) (i) of this subsection is  
25 \$25,000;

26 (B) From August 1, 2021, until July 31, 2023, the maximum amount  
27 eligible under (b) (i) of this subsection is \$20,000;

28 (C) From August 1, 2023, until July 31, 2025, the maximum amount  
29 eligible under (b) (i) of this subsection is \$15,000.

30 (iii) If the vehicle is a used vehicle at the time of the  
31 purchase date or the date the lease agreement was signed, the maximum  
32 amount eligible under (b) (i) of this subsection is \$16,000.

33 (2) The seller must keep records necessary for the department to  
34 verify eligibility under this section. A person claiming the  
35 exemption must also submit itemized information to the department for  
36 all vehicles for which an exemption is claimed that must include the  
37 following: Vehicle make; vehicle model; model year; whether the  
38 vehicle has been sold or leased; date of sale or start date of lease;  
39 length of lease; sales price for purchased vehicles and fair market  
40 value at the inception of the lease for leased vehicles; and the

1 total amount qualifying for the incentive claimed for each vehicle,  
2 in addition to the future monthly amount to be claimed for each  
3 leased vehicle. This information must be provided in a form and  
4 manner prescribed by the department.

5 (3) (a) The department of licensing must maintain and publish a  
6 list of all vehicle models qualifying for the tax exemptions under  
7 this section or RCW 82.12.9999 until the expiration date of this  
8 section, and is authorized to issue final rulings on vehicle model  
9 qualification for these criteria. A seller is not responsible for  
10 repayment of the tax exemption under this section and RCW 82.12.9999  
11 for a vehicle if the department of licensing's published list of  
12 qualifying vehicle models on the purchase date or the date the lease  
13 agreement was signed includes the vehicle model and the department of  
14 licensing subsequently removes the vehicle model from the published  
15 list, and, if applicable, the vehicle meets the qualifying criterion  
16 under subsection (1) (a) (iii) (B) of this section and RCW  
17 82.12.9999(1) (a) (iii) (B).

18 (b) The department of revenue retains responsibility for  
19 determining whether a vehicle meets the applicable qualifying  
20 criterion under subsection (1) (a) (iii) (B) of this section and RCW  
21 82.12.9999(1) (a) (iii) (B).

22 (4) By the last day of October 2019, and every six months  
23 thereafter until (~~(this section expires)~~) October 31, 2025, based on  
24 the best available data, the department must report the following  
25 information to the transportation committees of the legislature: The  
26 cumulative number of vehicles that qualified for the exemption under  
27 this section and RCW 82.12.9999 by month of purchase or lease start  
28 and vehicle make and model; the dollar amount of all state retail  
29 sales and use taxes exempted on or after the qualification period  
30 start date, under this section and RCW 82.12.9999; and estimates of  
31 the future costs of leased vehicles that qualified for the exemption  
32 under this section and RCW 82.12.9999.

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

35 (a) "Clean alternative fuel" means natural gas, propane,  
36 hydrogen, or electricity, when used as a fuel in a motor vehicle that  
37 meets the California motor vehicle emission standards in Title 13 of  
38 the California Code of Regulations, effective January 1, 2019, and  
39 the rules of the Washington state department of ecology.

1 (b) "Fair market value" has the same meaning as "value of the  
2 article used" in RCW 82.12.010.

3 (c) "New vehicle" has the same meaning as "new motor vehicle" in  
4 RCW 46.04.358.

5 (d) "Qualification period end date" means August 1, 2025.

6 (e) "Qualification period start date" means August 1, 2019.

7 (f) "Used vehicle" has the same meaning as in RCW 46.04.660.

8 (6)(a) Sales of vehicles delivered to the buyer or leased  
9 vehicles for which the lease agreement was signed after the  
10 qualification period end date do not qualify for the exemption under  
11 this section.

12 (b) All leased vehicles that qualified for the exemption under  
13 this section before the qualification period end date must continue  
14 to receive the exemption as described under subsection (1)(b) of this  
15 section on any lease payments due through the remainder of the lease  
16 before August 1, 2028.

17 (7) This section expires August 1, 2028.

18 (8) This section is supported by the revenues generated in RCW  
19 46.17.324, and therefore takes effect only if RCW 46.17.324 is  
20 enacted by June 30, 2019.

### 21 **PART III: MISCELLANEOUS**

#### 22 **Tow Truck Impounds**

23 **Sec. 301.** 2025 c 417 s 1406 (uncodified) is amended to read as  
24 follows:

25 Sections 1307 through 1309 of this act take effect (~~February 1,~~  
26 ~~2026~~) July 1, 2027.

#### 27 **Tire Disposal Fee**

28 **Sec. 302.** RCW 70A.205.405 and 2025 c 417 s 301 are each amended  
29 to read as follows:

30 (1) There is levied a \$5 per tire fee on the retail sale of new  
31 replacement vehicle tires. The fee imposed in this section must be  
32 paid by the buyer to the seller, and each seller shall collect from  
33 the buyer the full amount of the fee. The fee collected from the  
34 buyer by the seller less the (~~ten percent~~) amount retained by the  
35 seller as provided in RCW 70A.205.430(1) must be paid to the  
36 department of revenue in accordance with RCW 82.32.045.

1 (2) The department of revenue shall incorporate into the agency's  
2 regular audit cycle a reconciliation of the number of tires sold and  
3 the amount of revenue collected by the businesses selling new  
4 replacement vehicle tires at retail. The department of revenue shall  
5 collect on the business excise tax return from the businesses selling  
6 new replacement vehicle tires at retail:

7 (a) The number of tires sold; and

8 (b) The fee levied in this section.

9 (3) All other applicable provisions of chapter 82.32 RCW have  
10 full force and application with respect to the fee imposed under this  
11 section. The department of revenue shall administer this section.

12 (4) For the purposes of this section, "new replacement vehicle  
13 tires" means tires that are newly manufactured for vehicle purposes  
14 and does not include retreaded vehicle tires.

#### 15 **Account Transfer Timing**

16 **Sec. 303.** RCW 43.155.050 and 2025 c 424 s 956 and 2025 c 418 s 2  
17 are each reenacted and amended to read as follows:

18 (1) The public works assistance account is hereby established in  
19 the state treasury. Money may be placed in the public works  
20 assistance account from the proceeds of bonds when authorized by the  
21 legislature or from any other lawful source. Money in the public  
22 works assistance account shall be used to make loans and grants and  
23 to give financial guarantees to local governments for public works  
24 projects. Moneys in the account may also be appropriated or  
25 transferred to the water pollution control revolving fund and the  
26 drinking water assistance account to provide for state match  
27 requirements under federal law. Moneys in the account may be  
28 transferred to the move ahead WA account to provide support of public  
29 works projects funded in the move ahead WA program. Not more than 20  
30 percent of the biennial capital budget appropriation to the public  
31 works board from this account may be expended or obligated for  
32 preconstruction loans and grants, emergency loans and grants, or  
33 loans and grants for capital facility planning under this chapter.  
34 Not more than 10 percent of the biennial capital budget appropriation  
35 to the public works board from this account may be expended or  
36 obligated as grants for preconstruction, emergency, capital facility  
37 planning, and construction projects. During the 2017-2019 and  
38 2019-2021 fiscal biennia, the legislature may appropriate moneys from

1 the account for activities related to rural economic development, the  
2 growth management act, the aviation revitalization loan program, the  
3 community economic revitalization board broadband program, and the  
4 voluntary stewardship program. During the 2021-2023 and 2023-2025  
5 fiscal biennia, the legislature may appropriate moneys from the  
6 account for activities related to the community aviation  
7 revitalization board. During the 2019-2021 fiscal biennia, the  
8 legislature may direct the state treasurer to make transfers of  
9 moneys in the public works assistance account to the education legacy  
10 trust account. During the 2019-2021 and 2021-2023 fiscal biennia, the  
11 legislature may direct the state treasurer to make transfers of  
12 moneys in the public works assistance account to the statewide  
13 broadband account. The legislature may appropriate moneys from the  
14 public works assistance account for activities related to the  
15 voluntary stewardship program, rural economic development, and the  
16 growth management act. During the 2021-2023 biennium, the legislature  
17 may appropriate moneys from the account for projects identified in  
18 section 1033, chapter 296, Laws of 2022. During the 2023-2025 fiscal  
19 biennium, the legislature may appropriate moneys from the public  
20 works assistance account for an evaluation of the costs of relocating  
21 public utilities related to fish barrier removal projects. During the  
22 2023-2025 fiscal biennium, the legislature may appropriate moneys  
23 from the account for activities related to developing a data  
24 dashboard to map investments made by the public works board, the  
25 department of commerce, the department of health, the department of  
26 ecology, the department of transportation, the transportation  
27 improvement board, and by board partners to the system improvement  
28 team created in RCW 43.155.150.

29 (2) (a) For fiscal year 2024(~~(7)~~) and fiscal year 2025(~~(7—and~~  
30 ~~fiscal year 2028 through fiscal year 2038)~~), the state treasurer must  
31 transfer from the public works assistance account to the move ahead  
32 WA account created in RCW 46.68.510 \$57,000,000 each fiscal year in  
33 four equal quarterly transfers.

34 (b) For fiscal year 2026 and fiscal year 2027, the state  
35 treasurer must transfer from the public works assistance account to  
36 the general fund \$57,000,000 each fiscal year in four equal quarterly  
37 transfers.

38 (c) For fiscal year 2028 through fiscal year 2038, the state  
39 treasurer must transfer from the public works assistance account to

1 the move ahead WA account created in RCW 46.68.510 \$57,000,000 each  
2 fiscal year.

3 (3) During the 2025-2027 fiscal biennium, the legislature may  
4 direct the state treasurer to transfer money from the public works  
5 assistance account to the state general fund.

6 **Preserve Washington Account**

7 NEW SECTION. **Sec. 304.** A new section is added to chapter 46.68  
8 RCW to read as follows:

9 The preserve Washington account is created in the motor vehicle  
10 fund. Moneys in the account may be spent only after appropriation.  
11 Expenditures from the account may be used only for the purposes  
12 specified in RCW 46.68.070 that are also highway preservation and  
13 maintenance purposes.

14 **Sec. 305.** RCW 43.84.092 and 2025 c 417 s 802, 2025 c 399 s 15,  
15 2025 c 359 s 12, and 2025 c 299 s 21 are each reenacted and amended  
16 to read as follows:

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

20 (2) The treasury income account shall be utilized to pay or  
21 receive funds associated with federal programs as required by the  
22 federal cash management improvement act of 1990. The treasury income  
23 account is subject in all respects to chapter 43.88 RCW, but no  
24 appropriation is required for refunds or allocations of interest  
25 earnings required by the cash management improvement act. Refunds of  
26 interest to the federal treasury required under the cash management  
27 improvement act fall under RCW 43.88.180 and shall not require  
28 appropriation. The office of financial management shall determine the  
29 amounts due to or from the federal government pursuant to the cash  
30 management improvement act. The office of financial management may  
31 direct transfers of funds between accounts as deemed necessary to  
32 implement the provisions of the cash management improvement act, and  
33 this subsection. Refunds or allocations shall occur prior to the  
34 distributions of earnings set forth in subsection (4) of this  
35 section.

36 (3) Except for the provisions of RCW 43.84.160, the treasury  
37 income account may be utilized for the payment of purchased banking

1 services on behalf of treasury funds including, but not limited to,  
2 depository, safekeeping, and disbursement functions for the state  
3 treasury and affected state agencies. The treasury income account is  
4 subject in all respects to chapter 43.88 RCW, but no appropriation is  
5 required for payments to financial institutions. Payments shall occur  
6 prior to distribution of earnings set forth in subsection (4) of this  
7 section.

8 (4) Monthly, the state treasurer shall distribute the earnings  
9 credited to the treasury income account. The state treasurer shall  
10 credit the general fund with all the earnings credited to the  
11 treasury income account except:

12 (a) The following accounts and funds shall receive their  
13 proportionate share of earnings based upon each account's and fund's  
14 average daily balance for the period: The abandoned recreational  
15 vehicle disposal account, the aeronautics account, the Alaskan Way  
16 viaduct replacement project account, the ambulance transport fund,  
17 the budget stabilization account, the capital vessel replacement  
18 account, the capitol building construction account, the Central  
19 Washington University capital projects account, the charitable,  
20 educational, penal and reformatory institutions account, the Chehalis  
21 basin account, the Chehalis basin taxable account, the clean fuels  
22 credit account, the clean fuels transportation investment account,  
23 the cleanup settlement account, the Columbia river basin water supply  
24 development account, the Columbia river basin taxable bond water  
25 supply development account, the Columbia river basin water supply  
26 revenue recovery account, the common school construction fund, the  
27 community forest trust account, the connecting Washington account,  
28 the county arterial preservation account, the county criminal justice  
29 assistance account, the covenant homeownership account, the deferred  
30 compensation administrative account, the deferred compensation  
31 principal account, the department of licensing services account, the  
32 department of retirement systems expense account, the developmental  
33 disabilities community services account, the diesel idle reduction  
34 account, the opioid abatement settlement account, the drinking water  
35 assistance account, the administrative subaccount of the drinking  
36 water assistance account, the driver education safety improvement  
37 account, the early learning facilities development account, the early  
38 learning facilities revolving account, the Eastern Washington  
39 University capital projects account, the education legacy trust  
40 account, the election account, the electric vehicle account, the

1 energy freedom account, the energy recovery act account, the  
2 essential rail assistance account, The Evergreen State College  
3 capital projects account, the fair start for kids account, the family  
4 medicine workforce development account, the ferry bond retirement  
5 fund, the fish, wildlife, and conservation account, the freight  
6 mobility investment account, the freight mobility multimodal account,  
7 the grade crossing protective fund, the higher education retirement  
8 plan supplemental benefit fund, the Washington student loan account,  
9 the highway bond retirement fund, the highway infrastructure account,  
10 the highway safety fund, the hospital safety net assessment fund, the  
11 Interstate 5 bridge replacement project account, the Interstate 5  
12 bridge replacement project toll facility bond retirement account, the  
13 Interstate 405 and state route number 167 express toll lanes account,  
14 the judges' retirement account, the judicial retirement  
15 administrative account, the judicial retirement principal account,  
16 the limited fish and wildlife account, the local leasehold excise tax  
17 account, the local real estate excise tax account, the local sales  
18 and use tax account, the marine resources stewardship trust account,  
19 the medical aid account, the money-purchase retirement savings  
20 administrative account, the money-purchase retirement savings  
21 principal account, the motor vehicle fund, the motorcycle safety  
22 education account, the move ahead WA account, the move ahead WA  
23 flexible account, the multimodal transportation account, the multiuse  
24 roadway safety account, the municipal criminal justice assistance  
25 account, the oyster reserve land account, the pension funding  
26 stabilization account, the perpetual surveillance and maintenance  
27 account, the pilotage account, the pollution liability insurance  
28 agency underground storage tank revolving account, the medicaid  
29 access program account, the preserve Washington account, the public  
30 employees' retirement system plan 1 account, the public employees'  
31 retirement system combined plan 2 and plan 3 account, the public  
32 facilities construction loan revolving account, the public health  
33 supplemental account, the public works assistance account, the Puget  
34 Sound capital construction account, the Puget Sound ferry operations  
35 account, the Puget Sound Gateway facility account, the Puget Sound  
36 taxpayer accountability account, the real estate appraiser commission  
37 account, the recreational vehicle account, the regional mobility  
38 grant program account, the reserve officers' relief and pension  
39 principal fund, the resource management cost account, the rural  
40 arterial trust account, the rural mobility grant program account, the

1 rural Washington loan fund, the Sandy Williams connecting communities  
2 program account, the second injury fund, the sexual assault  
3 prevention and response account, the site closure account, the  
4 skilled nursing facility safety net trust fund, the small city  
5 pavement and sidewalk account, the special category C account, the  
6 special wildlife account, the state hazard mitigation revolving loan  
7 account, the state investment board expense account, the state  
8 investment board commingled trust fund accounts, the state patrol  
9 highway account, the state reclamation revolving account, the state  
10 route number 520 civil penalties account, the state route number 520  
11 corridor account, the statewide broadband account, the statewide  
12 tourism marketing account, the supplemental pension account, the  
13 Tacoma Narrows toll bridge account, the teachers' retirement system  
14 plan 1 account, the teachers' retirement system combined plan 2 and  
15 plan 3 account, the tobacco prevention and control account, the  
16 tobacco settlement account, the toll facility bond retirement  
17 account, the transportation 2003 account (nickel account), the  
18 transportation equipment fund, the JUDY transportation future funding  
19 program account, the transportation improvement account, the  
20 transportation improvement board bond retirement account, the  
21 transportation infrastructure account, the transportation partnership  
22 account, the traumatic brain injury account, the tribal opioid  
23 prevention and treatment account, the University of Washington bond  
24 retirement fund, the University of Washington building account, the  
25 voluntary cleanup account, the volunteer firefighters' relief and  
26 pension principal fund, the volunteer firefighters' and reserve  
27 officers' administrative fund, the vulnerable roadway user education  
28 account, the Washington judicial retirement system account, the  
29 Washington law enforcement officers' and firefighters' system plan 1  
30 retirement account, the Washington law enforcement officers' and  
31 firefighters' system plan 2 retirement account, the Washington public  
32 safety employees' plan 2 retirement account, the Washington school  
33 employees' retirement system combined plan 2 and 3 account, the  
34 Washington state patrol retirement account, the Washington State  
35 University building account, the Washington State University bond  
36 retirement fund, the water pollution control revolving administration  
37 account, the water pollution control revolving fund, the Western  
38 Washington University capital projects account, the Yakima integrated  
39 plan implementation account, the Yakima integrated plan  
40 implementation revenue recovery account, and the Yakima integrated

1 plan implementation taxable bond account. Earnings derived from  
2 investing balances of the agricultural permanent fund, the normal  
3 school permanent fund, the permanent common school fund, the  
4 scientific permanent fund, and the state university permanent fund  
5 shall be allocated to their respective beneficiary accounts.

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

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

15 **Sec. 306.** RCW 43.84.092 and 2025 c 417 s 802, 2025 c 399 s 15,  
16 and 2025 c 299 s 21 are each reenacted and amended to read as  
17 follows:

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

21 (2) The treasury income account shall be utilized to pay or  
22 receive funds associated with federal programs as required by the  
23 federal cash management improvement act of 1990. The treasury income  
24 account is subject in all respects to chapter 43.88 RCW, but no  
25 appropriation is required for refunds or allocations of interest  
26 earnings required by the cash management improvement act. Refunds of  
27 interest to the federal treasury required under the cash management  
28 improvement act fall under RCW 43.88.180 and shall not require  
29 appropriation. The office of financial management shall determine the  
30 amounts due to or from the federal government pursuant to the cash  
31 management improvement act. The office of financial management may  
32 direct transfers of funds between accounts as deemed necessary to  
33 implement the provisions of the cash management improvement act, and  
34 this subsection. Refunds or allocations shall occur prior to the  
35 distributions of earnings set forth in subsection (4) of this  
36 section.

37 (3) Except for the provisions of RCW 43.84.160, the treasury  
38 income account may be utilized for the payment of purchased banking  
39 services on behalf of treasury funds including, but not limited to,

1 depository, safekeeping, and disbursement functions for the state  
2 treasury and affected state agencies. The treasury income account is  
3 subject in all respects to chapter 43.88 RCW, but no appropriation is  
4 required for payments to financial institutions. Payments shall occur  
5 prior to distribution of earnings set forth in subsection (4) of this  
6 section.

7 (4) Monthly, the state treasurer shall distribute the earnings  
8 credited to the treasury income account. The state treasurer shall  
9 credit the general fund with all the earnings credited to the  
10 treasury income account except:

11 (a) The following accounts and funds shall receive their  
12 proportionate share of earnings based upon each account's and fund's  
13 average daily balance for the period: The abandoned recreational  
14 vehicle disposal account, the aeronautics account, the Alaskan Way  
15 viaduct replacement project account, the ambulance transport fund,  
16 the budget stabilization account, the capital vessel replacement  
17 account, the capitol building construction account, the Central  
18 Washington University capital projects account, the charitable,  
19 educational, penal and reformatory institutions account, the Chehalis  
20 basin account, the Chehalis basin taxable account, the clean fuels  
21 credit account, the clean fuels transportation investment account,  
22 the cleanup settlement account, the Columbia river basin water supply  
23 development account, the Columbia river basin taxable bond water  
24 supply development account, the Columbia river basin water supply  
25 revenue recovery account, the common school construction fund, the  
26 community forest trust account, the connecting Washington account,  
27 the county arterial preservation account, the county criminal justice  
28 assistance account, the covenant homeownership account, the deferred  
29 compensation administrative account, the deferred compensation  
30 principal account, the department of licensing services account, the  
31 department of retirement systems expense account, the developmental  
32 disabilities community services account, the diesel idle reduction  
33 account, the opioid abatement settlement account, the drinking water  
34 assistance account, the administrative subaccount of the drinking  
35 water assistance account, the driver education safety improvement  
36 account, the early learning facilities development account, the early  
37 learning facilities revolving account, the Eastern Washington  
38 University capital projects account, the education legacy trust  
39 account, the election account, the electric vehicle account, the  
40 energy freedom account, the energy recovery act account, the

1 essential rail assistance account, The Evergreen State College  
2 capital projects account, the fair start for kids account, the family  
3 medicine workforce development account, the ferry bond retirement  
4 fund, the fish, wildlife, and conservation account, the freight  
5 mobility investment account, the freight mobility multimodal account,  
6 the grade crossing protective fund, the higher education retirement  
7 plan supplemental benefit fund, the Washington student loan account,  
8 the highway bond retirement fund, the highway infrastructure account,  
9 the highway safety fund, the hospital safety net assessment fund, the  
10 Interstate 5 bridge replacement project account, the Interstate 5  
11 bridge replacement project toll facility bond retirement account, the  
12 Interstate 405 and state route number 167 express toll lanes account,  
13 the judges' retirement account, the judicial retirement  
14 administrative account, the judicial retirement principal account,  
15 the limited fish and wildlife account, the local leasehold excise tax  
16 account, the local real estate excise tax account, the local sales  
17 and use tax account, the marine resources stewardship trust account,  
18 the medical aid account, the money-purchase retirement savings  
19 administrative account, the money-purchase retirement savings  
20 principal account, the motor vehicle fund, the motorcycle safety  
21 education account, the move ahead WA account, the move ahead WA  
22 flexible account, the multimodal transportation account, the multiuse  
23 roadway safety account, the municipal criminal justice assistance  
24 account, the oyster reserve land account, the pension funding  
25 stabilization account, the perpetual surveillance and maintenance  
26 account, the pilotage account, the pollution liability insurance  
27 agency underground storage tank revolving account, the preserve  
28 Washington account, the public employees' retirement system plan 1  
29 account, the public employees' retirement system combined plan 2 and  
30 plan 3 account, the public facilities construction loan revolving  
31 account, the public health supplemental account, the public works  
32 assistance account, the Puget Sound capital construction account, the  
33 Puget Sound ferry operations account, the Puget Sound Gateway  
34 facility account, the Puget Sound taxpayer accountability account,  
35 the real estate appraiser commission account, the recreational  
36 vehicle account, the regional mobility grant program account, the  
37 reserve officers' relief and pension principal fund, the resource  
38 management cost account, the rural arterial trust account, the rural  
39 mobility grant program account, the rural Washington loan fund, the  
40 Sandy Williams connecting communities program account, the second

1 injury fund, the sexual assault prevention and response account, the  
2 site closure account, the skilled nursing facility safety net trust  
3 fund, the small city pavement and sidewalk account, the special  
4 category C account, the special wildlife account, the state hazard  
5 mitigation revolving loan account, the state investment board expense  
6 account, the state investment board commingled trust fund accounts,  
7 the state patrol highway account, the state reclamation revolving  
8 account, the state route number 520 civil penalties account, the  
9 state route number 520 corridor account, the statewide broadband  
10 account, the statewide tourism marketing account, the supplemental  
11 pension account, the Tacoma Narrows toll bridge account, the  
12 teachers' retirement system plan 1 account, the teachers' retirement  
13 system combined plan 2 and plan 3 account, the tobacco prevention and  
14 control account, the tobacco settlement account, the toll facility  
15 bond retirement account, the transportation 2003 account (nickel  
16 account), the transportation equipment fund, the JUDY transportation  
17 future funding program account, the transportation improvement  
18 account, the transportation improvement board bond retirement  
19 account, the transportation infrastructure account, the  
20 transportation partnership account, the traumatic brain injury  
21 account, the tribal opioid prevention and treatment account, the  
22 University of Washington bond retirement fund, the University of  
23 Washington building account, the voluntary cleanup account, the  
24 volunteer firefighters' relief and pension principal fund, the  
25 volunteer firefighters' and reserve officers' administrative fund,  
26 the vulnerable roadway user education account, the Washington  
27 judicial retirement system account, the Washington law enforcement  
28 officers' and firefighters' system plan 1 retirement account, the  
29 Washington law enforcement officers' and firefighters' system plan 2  
30 retirement account, the Washington public safety employees' plan 2  
31 retirement account, the Washington school employees' retirement  
32 system combined plan 2 and 3 account, the Washington state patrol  
33 retirement account, the Washington State University building account,  
34 the Washington State University bond retirement fund, the water  
35 pollution control revolving administration account, the water  
36 pollution control revolving fund, the Western Washington University  
37 capital projects account, the Yakima integrated plan implementation  
38 account, the Yakima integrated plan implementation revenue recovery  
39 account, and the Yakima integrated plan implementation taxable bond  
40 account. Earnings derived from investing balances of the agricultural

1 permanent fund, the normal school permanent fund, the permanent  
2 common school fund, the scientific permanent fund, and the state  
3 university permanent fund shall be allocated to their respective  
4 beneficiary accounts.

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

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

14 **Sec. 307.** RCW 43.84.092 and 2025 c 417 s 803, 2025 c 399 s 16,  
15 2025 c 359 s 13, and 2025 c 299 s 22 are each reenacted and amended  
16 to read as follows:

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

20 (2) The treasury income account shall be utilized to pay or  
21 receive funds associated with federal programs as required by the  
22 federal cash management improvement act of 1990. The treasury income  
23 account is subject in all respects to chapter 43.88 RCW, but no  
24 appropriation is required for refunds or allocations of interest  
25 earnings required by the cash management improvement act. Refunds of  
26 interest to the federal treasury required under the cash management  
27 improvement act fall under RCW 43.88.180 and shall not require  
28 appropriation. The office of financial management shall determine the  
29 amounts due to or from the federal government pursuant to the cash  
30 management improvement act. The office of financial management may  
31 direct transfers of funds between accounts as deemed necessary to  
32 implement the provisions of the cash management improvement act, and  
33 this subsection. Refunds or allocations shall occur prior to the  
34 distributions of earnings set forth in subsection (4) of this  
35 section.

36 (3) Except for the provisions of RCW 43.84.160, the treasury  
37 income account may be utilized for the payment of purchased banking  
38 services on behalf of treasury funds including, but not limited to,  
39 depository, safekeeping, and disbursement functions for the state

1 treasury and affected state agencies. The treasury income account is  
2 subject in all respects to chapter 43.88 RCW, but no appropriation is  
3 required for payments to financial institutions. Payments shall occur  
4 prior to distribution of earnings set forth in subsection (4) of this  
5 section.

6 (4) Monthly, the state treasurer shall distribute the earnings  
7 credited to the treasury income account. The state treasurer shall  
8 credit the general fund with all the earnings credited to the  
9 treasury income account except:

10 (a) The following accounts and funds shall receive their  
11 proportionate share of earnings based upon each account's and fund's  
12 average daily balance for the period: The abandoned recreational  
13 vehicle disposal account, the aeronautics account, the Alaskan Way  
14 viaduct replacement project account, the budget stabilization  
15 account, the capital vessel replacement account, the capitol building  
16 construction account, the Central Washington University capital  
17 projects account, the charitable, educational, penal and reformatory  
18 institutions account, the Chehalis basin account, the Chehalis basin  
19 taxable account, the clean fuels credit account, the clean fuels  
20 transportation investment account, the cleanup settlement account,  
21 the Columbia river basin water supply development account, the  
22 Columbia river basin taxable bond water supply development account,  
23 the Columbia river basin water supply revenue recovery account, the  
24 common school construction fund, the community forest trust account,  
25 the connecting Washington account, the county arterial preservation  
26 account, the county criminal justice assistance account, the covenant  
27 homeownership account, the deferred compensation administrative  
28 account, the deferred compensation principal account, the department  
29 of licensing services account, the department of retirement systems  
30 expense account, the developmental disabilities community services  
31 account, the diesel idle reduction account, the opioid abatement  
32 settlement account, the drinking water assistance account, the  
33 administrative subaccount of the drinking water assistance account,  
34 the driver education safety improvement account, the early learning  
35 facilities development account, the early learning facilities  
36 revolving account, the Eastern Washington University capital projects  
37 account, the education legacy trust account, the election account,  
38 the electric vehicle account, the energy freedom account, the energy  
39 recovery act account, the essential rail assistance account, The  
40 Evergreen State College capital projects account, the fair start for

1 kids account, the family medicine workforce development account, the  
2 ferry bond retirement fund, the fish, wildlife, and conservation  
3 account, the freight mobility investment account, the freight  
4 mobility multimodal account, the grade crossing protective fund, the  
5 higher education retirement plan supplemental benefit fund, the  
6 Washington student loan account, the highway bond retirement fund,  
7 the highway infrastructure account, the highway safety fund, the  
8 hospital safety net assessment fund, the Interstate 5 bridge  
9 replacement project account, the Interstate 5 bridge replacement  
10 project toll facility bond retirement account, the Interstate 405 and  
11 state route number 167 express toll lanes account, the judges'  
12 retirement account, the judicial retirement administrative account,  
13 the judicial retirement principal account, the limited fish and  
14 wildlife account, the local leasehold excise tax account, the local  
15 real estate excise tax account, the local sales and use tax account,  
16 the marine resources stewardship trust account, the medical aid  
17 account, the money-purchase retirement savings administrative  
18 account, the money-purchase retirement savings principal account, the  
19 motor vehicle fund, the motorcycle safety education account, the move  
20 ahead WA account, the move ahead WA flexible account, the multimodal  
21 transportation account, the multiuse roadway safety account, the  
22 municipal criminal justice assistance account, the oyster reserve  
23 land account, the pension funding stabilization account, the  
24 perpetual surveillance and maintenance account, the pilotage account,  
25 the pollution liability insurance agency underground storage tank  
26 revolving account, the medicaid access program account, the preserve  
27 Washington account, the public employees' retirement system plan 1  
28 account, the public employees' retirement system combined plan 2 and  
29 plan 3 account, the public facilities construction loan revolving  
30 account, the public health supplemental account, the public works  
31 assistance account, the Puget Sound capital construction account, the  
32 Puget Sound ferry operations account, the Puget Sound Gateway  
33 facility account, the Puget Sound taxpayer accountability account,  
34 the real estate appraiser commission account, the recreational  
35 vehicle account, the regional mobility grant program account, the  
36 reserve officers' relief and pension principal fund, the resource  
37 management cost account, the rural arterial trust account, the rural  
38 mobility grant program account, the rural Washington loan fund, the  
39 Sandy Williams connecting communities program account, the second  
40 injury fund, the sexual assault prevention and response account, the

1 site closure account, the skilled nursing facility safety net trust  
2 fund, the small city pavement and sidewalk account, the special  
3 category C account, the special wildlife account, the state hazard  
4 mitigation revolving loan account, the state investment board expense  
5 account, the state investment board commingled trust fund accounts,  
6 the state patrol highway account, the state reclamation revolving  
7 account, the state route number 520 civil penalties account, the  
8 state route number 520 corridor account, the statewide broadband  
9 account, the statewide tourism marketing account, the supplemental  
10 pension account, the Tacoma Narrows toll bridge account, the  
11 teachers' retirement system plan 1 account, the teachers' retirement  
12 system combined plan 2 and plan 3 account, the tobacco prevention and  
13 control account, the tobacco settlement account, the toll facility  
14 bond retirement account, the transportation 2003 account (nickel  
15 account), the transportation equipment fund, the JUDY transportation  
16 future funding program account, the transportation improvement  
17 account, the transportation improvement board bond retirement  
18 account, the transportation infrastructure account, the  
19 transportation partnership account, the traumatic brain injury  
20 account, the tribal opioid prevention and treatment account, the  
21 University of Washington bond retirement fund, the University of  
22 Washington building account, the voluntary cleanup account, the  
23 volunteer firefighters' relief and pension principal fund, the  
24 volunteer firefighters' and reserve officers' administrative fund,  
25 the vulnerable roadway user education account, the Washington  
26 judicial retirement system account, the Washington law enforcement  
27 officers' and firefighters' system plan 1 retirement account, the  
28 Washington law enforcement officers' and firefighters' system plan 2  
29 retirement account, the Washington public safety employees' plan 2  
30 retirement account, the Washington school employees' retirement  
31 system combined plan 2 and 3 account, the Washington state patrol  
32 retirement account, the Washington State University building account,  
33 the Washington State University bond retirement fund, the water  
34 pollution control revolving administration account, the water  
35 pollution control revolving fund, the Western Washington University  
36 capital projects account, the Yakima integrated plan implementation  
37 account, the Yakima integrated plan implementation revenue recovery  
38 account, and the Yakima integrated plan implementation taxable bond  
39 account. Earnings derived from investing balances of the agricultural  
40 permanent fund, the normal school permanent fund, the permanent

1 common school fund, the scientific permanent fund, and the state  
2 university permanent fund shall be allocated to their respective  
3 beneficiary accounts.

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

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

13 **Sec. 308.** RCW 43.84.092 and 2025 c 417 s 803, 2025 c 399 s 16,  
14 and 2025 c 299 s 22 are each reenacted and amended to read as  
15 follows:

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

19 (2) The treasury income account shall be utilized to pay or  
20 receive funds associated with federal programs as required by the  
21 federal cash management improvement act of 1990. The treasury income  
22 account is subject in all respects to chapter 43.88 RCW, but no  
23 appropriation is required for refunds or allocations of interest  
24 earnings required by the cash management improvement act. Refunds of  
25 interest to the federal treasury required under the cash management  
26 improvement act fall under RCW 43.88.180 and shall not require  
27 appropriation. The office of financial management shall determine the  
28 amounts due to or from the federal government pursuant to the cash  
29 management improvement act. The office of financial management may  
30 direct transfers of funds between accounts as deemed necessary to  
31 implement the provisions of the cash management improvement act, and  
32 this subsection. Refunds or allocations shall occur prior to the  
33 distributions of earnings set forth in subsection (4) of this  
34 section.

35 (3) Except for the provisions of RCW 43.84.160, the treasury  
36 income account may be utilized for the payment of purchased banking  
37 services on behalf of treasury funds including, but not limited to,  
38 depository, safekeeping, and disbursement functions for the state  
39 treasury and affected state agencies. The treasury income account is

1 subject in all respects to chapter 43.88 RCW, but no appropriation is  
2 required for payments to financial institutions. Payments shall occur  
3 prior to distribution of earnings set forth in subsection (4) of this  
4 section.

5 (4) Monthly, the state treasurer shall distribute the earnings  
6 credited to the treasury income account. The state treasurer shall  
7 credit the general fund with all the earnings credited to the  
8 treasury income account except:

9 (a) The following accounts and funds shall receive their  
10 proportionate share of earnings based upon each account's and fund's  
11 average daily balance for the period: The abandoned recreational  
12 vehicle disposal account, the aeronautics account, the Alaskan Way  
13 viaduct replacement project account, the budget stabilization  
14 account, the capital vessel replacement account, the capitol building  
15 construction account, the Central Washington University capital  
16 projects account, the charitable, educational, penal and reformatory  
17 institutions account, the Chehalis basin account, the Chehalis basin  
18 taxable account, the clean fuels credit account, the clean fuels  
19 transportation investment account, the cleanup settlement account,  
20 the Columbia river basin water supply development account, the  
21 Columbia river basin taxable bond water supply development account,  
22 the Columbia river basin water supply revenue recovery account, the  
23 common school construction fund, the community forest trust account,  
24 the connecting Washington account, the county arterial preservation  
25 account, the county criminal justice assistance account, the covenant  
26 homeownership account, the deferred compensation administrative  
27 account, the deferred compensation principal account, the department  
28 of licensing services account, the department of retirement systems  
29 expense account, the developmental disabilities community services  
30 account, the diesel idle reduction account, the opioid abatement  
31 settlement account, the drinking water assistance account, the  
32 administrative subaccount of the drinking water assistance account,  
33 the driver education safety improvement account, the early learning  
34 facilities development account, the early learning facilities  
35 revolving account, the Eastern Washington University capital projects  
36 account, the education legacy trust account, the election account,  
37 the electric vehicle account, the energy freedom account, the energy  
38 recovery act account, the essential rail assistance account, The  
39 Evergreen State College capital projects account, the fair start for  
40 kids account, the family medicine workforce development account, the

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

1 pavement and sidewalk account, the special category C account, the  
2 special wildlife account, the state hazard mitigation revolving loan  
3 account, the state investment board expense account, the state  
4 investment board commingled trust fund accounts, the state patrol  
5 highway account, the state reclamation revolving account, the state  
6 route number 520 civil penalties account, the state route number 520  
7 corridor account, the statewide broadband account, the statewide  
8 tourism marketing account, the supplemental pension account, the  
9 Tacoma Narrows toll bridge account, the teachers' retirement system  
10 plan 1 account, the teachers' retirement system combined plan 2 and  
11 plan 3 account, the tobacco prevention and control account, the  
12 tobacco settlement account, the toll facility bond retirement  
13 account, the transportation 2003 account (nickel account), the  
14 transportation equipment fund, the JUDY transportation future funding  
15 program account, the transportation improvement account, the  
16 transportation improvement board bond retirement account, the  
17 transportation infrastructure account, the transportation partnership  
18 account, the traumatic brain injury account, the tribal opioid  
19 prevention and treatment account, the University of Washington bond  
20 retirement fund, the University of Washington building account, the  
21 voluntary cleanup account, the volunteer firefighters' relief and  
22 pension principal fund, the volunteer firefighters' and reserve  
23 officers' administrative fund, the vulnerable roadway user education  
24 account, the Washington judicial retirement system account, the  
25 Washington law enforcement officers' and firefighters' system plan 1  
26 retirement account, the Washington law enforcement officers' and  
27 firefighters' system plan 2 retirement account, the Washington public  
28 safety employees' plan 2 retirement account, the Washington school  
29 employees' retirement system combined plan 2 and 3 account, the  
30 Washington state patrol retirement account, the Washington State  
31 University building account, the Washington State University bond  
32 retirement fund, the water pollution control revolving administration  
33 account, the water pollution control revolving fund, the Western  
34 Washington University capital projects account, the Yakima integrated  
35 plan implementation account, the Yakima integrated plan  
36 implementation revenue recovery account, and the Yakima integrated  
37 plan implementation taxable bond account. Earnings derived from  
38 investing balances of the agricultural permanent fund, the normal  
39 school permanent fund, the permanent common school fund, the

1 scientific permanent fund, and the state university permanent fund  
2 shall be allocated to their respective beneficiary accounts.

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

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

12 **Sec. 309.** RCW 43.84.092 and 2025 c 417 s 803, 2025 c 399 s 16,  
13 2025 c 359 s 13, 2025 c 299 s 22, and 2025 c 228 s 15 are each  
14 reenacted and amended to read as follows:

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

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

34 (3) Except for the provisions of RCW 43.84.160, the treasury  
35 income account may be utilized for the payment of purchased banking  
36 services on behalf of treasury funds including, but not limited to,  
37 depository, safekeeping, and disbursement functions for the state  
38 treasury and affected state agencies. The treasury income account is  
39 subject in all respects to chapter 43.88 RCW, but no appropriation is

1 required for payments to financial institutions. Payments shall occur  
2 prior to distribution of earnings set forth in subsection (4) of this  
3 section.

4 (4) Monthly, the state treasurer shall distribute the earnings  
5 credited to the treasury income account. The state treasurer shall  
6 credit the general fund with all the earnings credited to the  
7 treasury income account except:

8 (a) The following accounts and funds shall receive their  
9 proportionate share of earnings based upon each account's and fund's  
10 average daily balance for the period: The abandoned recreational  
11 vehicle disposal account, the aeronautics account, the Alaskan Way  
12 viaduct replacement project account, the budget stabilization  
13 account, the capital vessel replacement account, the capitol building  
14 construction account, the Central Washington University capital  
15 projects account, the charitable, educational, penal and reformatory  
16 institutions account, the Chehalis basin account, the Chehalis basin  
17 taxable account, the clean fuels credit account, the clean fuels  
18 transportation investment account, the cleanup settlement account,  
19 the Columbia river basin water supply development account, the  
20 Columbia river basin taxable bond water supply development account,  
21 the Columbia river basin water supply revenue recovery account, the  
22 common school construction fund, the community forest trust account,  
23 the connecting Washington account, the county arterial preservation  
24 account, the county criminal justice assistance account, the covenant  
25 homeownership account, the deferred compensation administrative  
26 account, the deferred compensation principal account, the department  
27 of licensing services account, the department of retirement systems  
28 expense account, the developmental disabilities community services  
29 account, the diesel idle reduction account, the opioid abatement  
30 settlement account, the drinking water assistance account, the  
31 administrative subaccount of the drinking water assistance account,  
32 the driver education safety improvement account, the early learning  
33 facilities development account, the early learning facilities  
34 revolving account, the Eastern Washington University capital projects  
35 account, the education legacy trust account, the election account,  
36 the electric vehicle account, the energy freedom account, the energy  
37 recovery act account, the essential rail assistance account, The  
38 Evergreen State College capital projects account, the fair start for  
39 kids account, the family medicine workforce development account, the  
40 ferry bond retirement fund, the fish, wildlife, and conservation

1 account, the freight mobility investment account, the freight  
2 mobility multimodal account, the grade crossing protective fund, the  
3 higher education retirement plan supplemental benefit fund, the  
4 Washington student loan account, the highway bond retirement fund,  
5 the highway infrastructure account, the highway safety fund, the  
6 hospital safety net assessment fund, the intelligent speed assistance  
7 device revolving account, the Interstate 5 bridge replacement project  
8 account, the Interstate 5 bridge replacement project toll facility  
9 bond retirement account, the Interstate 405 and state route number  
10 167 express toll lanes account, the judges' retirement account, the  
11 judicial retirement administrative account, the judicial retirement  
12 principal account, the limited fish and wildlife account, the local  
13 leasehold excise tax account, the local real estate excise tax  
14 account, the local sales and use tax account, the marine resources  
15 stewardship trust account, the medical aid account, the money-  
16 purchase retirement savings administrative account, the money-  
17 purchase retirement savings principal account, the motor vehicle  
18 fund, the motorcycle safety education account, the move ahead WA  
19 account, the move ahead WA flexible account, the multimodal  
20 transportation account, the multiuse roadway safety account, the  
21 municipal criminal justice assistance account, the oyster reserve  
22 land account, the pension funding stabilization account, the  
23 perpetual surveillance and maintenance account, the pilotage account,  
24 the pollution liability insurance agency underground storage tank  
25 revolving account, the medicaid access program account, the preserve  
26 Washington account, the public employees' retirement system plan 1  
27 account, the public employees' retirement system combined plan 2 and  
28 plan 3 account, the public facilities construction loan revolving  
29 account, the public health supplemental account, the public works  
30 assistance account, the Puget Sound capital construction account, the  
31 Puget Sound ferry operations account, the Puget Sound Gateway  
32 facility account, the Puget Sound taxpayer accountability account,  
33 the real estate appraiser commission account, the recreational  
34 vehicle account, the regional mobility grant program account, the  
35 reserve officers' relief and pension principal fund, the resource  
36 management cost account, the rural arterial trust account, the rural  
37 mobility grant program account, the rural Washington loan fund, the  
38 Sandy Williams connecting communities program account, the second  
39 injury fund, the sexual assault prevention and response account, the  
40 site closure account, the skilled nursing facility safety net trust

1 fund, the small city pavement and sidewalk account, the special  
2 category C account, the special wildlife account, the state hazard  
3 mitigation revolving loan account, the state investment board expense  
4 account, the state investment board commingled trust fund accounts,  
5 the state patrol highway account, the state reclamation revolving  
6 account, the state route number 520 civil penalties account, the  
7 state route number 520 corridor account, the statewide broadband  
8 account, the statewide tourism marketing account, the supplemental  
9 pension account, the Tacoma Narrows toll bridge account, the  
10 teachers' retirement system plan 1 account, the teachers' retirement  
11 system combined plan 2 and plan 3 account, the tobacco prevention and  
12 control account, the tobacco settlement account, the toll facility  
13 bond retirement account, the transportation 2003 account (nickel  
14 account), the transportation equipment fund, the JUDY transportation  
15 future funding program account, the transportation improvement  
16 account, the transportation improvement board bond retirement  
17 account, the transportation infrastructure account, the  
18 transportation partnership account, the traumatic brain injury  
19 account, the tribal opioid prevention and treatment account, the  
20 University of Washington bond retirement fund, the University of  
21 Washington building account, the voluntary cleanup account, the  
22 volunteer firefighters' relief and pension principal fund, the  
23 volunteer firefighters' and reserve officers' administrative fund,  
24 the vulnerable roadway user education account, the Washington  
25 judicial retirement system account, the Washington law enforcement  
26 officers' and firefighters' system plan 1 retirement account, the  
27 Washington law enforcement officers' and firefighters' system plan 2  
28 retirement account, the Washington public safety employees' plan 2  
29 retirement account, the Washington school employees' retirement  
30 system combined plan 2 and 3 account, the Washington state patrol  
31 retirement account, the Washington State University building account,  
32 the Washington State University bond retirement fund, the water  
33 pollution control revolving administration account, the water  
34 pollution control revolving fund, the Western Washington University  
35 capital projects account, the Yakima integrated plan implementation  
36 account, the Yakima integrated plan implementation revenue recovery  
37 account, and the Yakima integrated plan implementation taxable bond  
38 account. Earnings derived from investing balances of the agricultural  
39 permanent fund, the normal school permanent fund, the permanent  
40 common school fund, the scientific permanent fund, and the state

1 university permanent fund shall be allocated to their respective  
2 beneficiary accounts.

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

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

12 **Sec. 310.** RCW 43.84.092 and 2025 c 417 s 803, 2025 c 399 s 16,  
13 2025 c 299 s 22, and 2025 c 228 s 15 are each reenacted and amended  
14 to read as follows:

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

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

34 (3) Except for the provisions of RCW 43.84.160, the treasury  
35 income account may be utilized for the payment of purchased banking  
36 services on behalf of treasury funds including, but not limited to,  
37 depository, safekeeping, and disbursement functions for the state  
38 treasury and affected state agencies. The treasury income account is  
39 subject in all respects to chapter 43.88 RCW, but no appropriation is

1 required for payments to financial institutions. Payments shall occur  
2 prior to distribution of earnings set forth in subsection (4) of this  
3 section.

4 (4) Monthly, the state treasurer shall distribute the earnings  
5 credited to the treasury income account. The state treasurer shall  
6 credit the general fund with all the earnings credited to the  
7 treasury income account except:

8 (a) The following accounts and funds shall receive their  
9 proportionate share of earnings based upon each account's and fund's  
10 average daily balance for the period: The abandoned recreational  
11 vehicle disposal account, the aeronautics account, the Alaskan Way  
12 viaduct replacement project account, the budget stabilization  
13 account, the capital vessel replacement account, the capitol building  
14 construction account, the Central Washington University capital  
15 projects account, the charitable, educational, penal and reformatory  
16 institutions account, the Chehalis basin account, the Chehalis basin  
17 taxable account, the clean fuels credit account, the clean fuels  
18 transportation investment account, the cleanup settlement account,  
19 the Columbia river basin water supply development account, the  
20 Columbia river basin taxable bond water supply development account,  
21 the Columbia river basin water supply revenue recovery account, the  
22 common school construction fund, the community forest trust account,  
23 the connecting Washington account, the county arterial preservation  
24 account, the county criminal justice assistance account, the covenant  
25 homeownership account, the deferred compensation administrative  
26 account, the deferred compensation principal account, the department  
27 of licensing services account, the department of retirement systems  
28 expense account, the developmental disabilities community services  
29 account, the diesel idle reduction account, the opioid abatement  
30 settlement account, the drinking water assistance account, the  
31 administrative subaccount of the drinking water assistance account,  
32 the driver education safety improvement account, the early learning  
33 facilities development account, the early learning facilities  
34 revolving account, the Eastern Washington University capital projects  
35 account, the education legacy trust account, the election account,  
36 the electric vehicle account, the energy freedom account, the energy  
37 recovery act account, the essential rail assistance account, The  
38 Evergreen State College capital projects account, the fair start for  
39 kids account, the family medicine workforce development account, the  
40 ferry bond retirement fund, the fish, wildlife, and conservation

1 account, the freight mobility investment account, the freight  
2 mobility multimodal account, the grade crossing protective fund, the  
3 higher education retirement plan supplemental benefit fund, the  
4 Washington student loan account, the highway bond retirement fund,  
5 the highway infrastructure account, the highway safety fund, the  
6 hospital safety net assessment fund, the intelligent speed assistance  
7 device revolving account, the Interstate 5 bridge replacement project  
8 account, the Interstate 5 bridge replacement project toll facility  
9 bond retirement account, the Interstate 405 and state route number  
10 167 express toll lanes account, the judges' retirement account, the  
11 judicial retirement administrative account, the judicial retirement  
12 principal account, the limited fish and wildlife account, the local  
13 leasehold excise tax account, the local real estate excise tax  
14 account, the local sales and use tax account, the marine resources  
15 stewardship trust account, the medical aid account, the money-  
16 purchase retirement savings administrative account, the money-  
17 purchase retirement savings principal account, the motor vehicle  
18 fund, the motorcycle safety education account, the move ahead WA  
19 account, the move ahead WA flexible account, the multimodal  
20 transportation account, the multiuse roadway safety account, the  
21 municipal criminal justice assistance account, the oyster reserve  
22 land account, the pension funding stabilization account, the  
23 perpetual surveillance and maintenance account, the pilotage account,  
24 the pollution liability insurance agency underground storage tank  
25 revolving account, the preserve Washington account, the public  
26 employees' retirement system plan 1 account, the public employees'  
27 retirement system combined plan 2 and plan 3 account, the public  
28 facilities construction loan revolving account, the public health  
29 supplemental account, the public works assistance account, the Puget  
30 Sound capital construction account, the Puget Sound ferry operations  
31 account, the Puget Sound Gateway facility account, the Puget Sound  
32 taxpayer accountability account, the real estate appraiser commission  
33 account, the recreational vehicle account, the regional mobility  
34 grant program account, the reserve officers' relief and pension  
35 principal fund, the resource management cost account, the rural  
36 arterial trust account, the rural mobility grant program account, the  
37 rural Washington loan fund, the Sandy Williams connecting communities  
38 program account, the second injury fund, the sexual assault  
39 prevention and response account, the site closure account, the  
40 skilled nursing facility safety net trust fund, the small city

1 pavement and sidewalk account, the special category C account, the  
2 special wildlife account, the state hazard mitigation revolving loan  
3 account, the state investment board expense account, the state  
4 investment board commingled trust fund accounts, the state patrol  
5 highway account, the state reclamation revolving account, the state  
6 route number 520 civil penalties account, the state route number 520  
7 corridor account, the statewide broadband account, the statewide  
8 tourism marketing account, the supplemental pension account, the  
9 Tacoma Narrows toll bridge account, the teachers' retirement system  
10 plan 1 account, the teachers' retirement system combined plan 2 and  
11 plan 3 account, the tobacco prevention and control account, the  
12 tobacco settlement account, the toll facility bond retirement  
13 account, the transportation 2003 account (nickel account), the  
14 transportation equipment fund, the JUDY transportation future funding  
15 program account, the transportation improvement account, the  
16 transportation improvement board bond retirement account, the  
17 transportation infrastructure account, the transportation partnership  
18 account, the traumatic brain injury account, the tribal opioid  
19 prevention and treatment account, the University of Washington bond  
20 retirement fund, the University of Washington building account, the  
21 voluntary cleanup account, the volunteer firefighters' relief and  
22 pension principal fund, the volunteer firefighters' and reserve  
23 officers' administrative fund, the vulnerable roadway user education  
24 account, the Washington judicial retirement system account, the  
25 Washington law enforcement officers' and firefighters' system plan 1  
26 retirement account, the Washington law enforcement officers' and  
27 firefighters' system plan 2 retirement account, the Washington public  
28 safety employees' plan 2 retirement account, the Washington school  
29 employees' retirement system combined plan 2 and 3 account, the  
30 Washington state patrol retirement account, the Washington State  
31 University building account, the Washington State University bond  
32 retirement fund, the water pollution control revolving administration  
33 account, the water pollution control revolving fund, the Western  
34 Washington University capital projects account, the Yakima integrated  
35 plan implementation account, the Yakima integrated plan  
36 implementation revenue recovery account, and the Yakima integrated  
37 plan implementation taxable bond account. Earnings derived from  
38 investing balances of the agricultural permanent fund, the normal  
39 school permanent fund, the permanent common school fund, the

1 scientific permanent fund, and the state university permanent fund  
2 shall be allocated to their respective beneficiary accounts.

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

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

### 12 **Bus and Bus Facilities Grant Program**

13 **Sec. 311.** RCW 47.66.130 and 2022 c 182 s 416 are each amended to  
14 read as follows:

15 (1) The department shall establish a bus and bus facilities grant  
16 program. The purpose of this competitive grant program is to provide  
17 grants to any transit authority for the replacement, expansion,  
18 rehabilitation, and purchase of transit rolling stock; construction,  
19 modification, or rehabilitation of transit facilities; safety or  
20 security enhancements for transit rolling stock or transit  
21 facilities; and funding to adapt to technological change or  
22 innovation through the retrofitting of transit rolling stock and  
23 facilities.

24 (2) (a) The department must incorporate environmental justice  
25 principles into the grant selection process, with the goal of  
26 increasing the distribution of funding to communities based on  
27 addressing environmental harms and provide environmental benefits for  
28 overburdened communities, as defined in RCW 70A.02.010, and  
29 vulnerable populations.

30 (b) The department must incorporate geographic diversity into the  
31 grant selection process.

32 (c) No grantee may receive more than 35 percent of the amount  
33 appropriated for the grant program in a particular biennium.

34 (d) Fuel type may not be a factor in the grant selection process.

35 (e) Grant funds may not be used for any expenses relating to  
36 armed security.

1 (3) The department must establish an advisory committee to carry  
2 out the mandates of this section, including assisting with the  
3 establishment of grant criteria.

4 (4) The department must report annually to the transportation  
5 committees of the legislature on the status of any grant projects  
6 funded by the program created under this section.

7 (5) For the purposes of this section:

8 (a) "Transit authority" means a city transit system under RCW  
9 35.58.2721 or chapter 35.95A RCW, a county public transportation  
10 authority under chapter 36.57 RCW, a metropolitan municipal  
11 corporation transit system under chapter 36.56 RCW, a public  
12 transportation benefit area under chapter 36.57A RCW, an  
13 unincorporated transportation benefit area under RCW 36.57.100, or  
14 any special purpose district formed to operate a public  
15 transportation system.

16 (b) "Transit rolling stock" means transit vehicles including, but  
17 not limited to, buses, ferries, and vans.

#### 18 **Identicards and Older Drivers**

19 NEW SECTION. **Sec. 312.** A new section is added to chapter 46.20  
20 RCW to read as follows:

21 (1) By January 1, 2028, the department, after consulting with the  
22 appropriate organizations, shall create and implement an older driver  
23 reduced fee identicard program.

24 (2) The fee for the identicard is \$5 regardless of issuance time  
25 period.

26 (3) Older drivers eligible for the program are currently licensed  
27 drivers aged 70 years or older who agree to voluntarily replace their  
28 driver's license with an identicard, provided the individual:

29 (a) Meets the department criteria under RCW 46.20.117;

30 (b) Meets the department criteria under RCW 46.20.202, if the  
31 eligible older driver wishes to obtain an enhanced identicard; and

32 (c) Is expected to reside in a location within Washington state.

33 (4) The department is authorized to adopt rules necessary to  
34 implement the older driver reduced fee identicard program under this  
35 section.

#### 36 **Toll Collection Communication**

1       **Sec. 313.** RCW 46.63.160 and 2015 c 292 s 1 are each amended to  
2 read as follows:

3       (1) This section applies only to civil penalties for nonpayment  
4 of tolls detected through use of photo toll systems.

5       (2) Nothing in this section prohibits a law enforcement officer  
6 from issuing a notice of traffic infraction to a person in control of  
7 a vehicle at the time a violation occurs under RCW 46.63.030(1) (a),  
8 (b), or (c).

9       (3) A notice of civil penalty may be issued by the department of  
10 transportation when a toll is assessed through use of a photo toll  
11 system and the toll is not paid by the toll payment due date, which  
12 is (~~eighty~~) 80 days from the date the vehicle uses the toll  
13 facility and incurs the toll charge.

14       (4) Any registered owner or renter of a vehicle traveling upon a  
15 toll facility operated under chapter 47.56 or 47.46 RCW is subject to  
16 a civil penalty governed by the administrative procedures set forth  
17 in this section when the vehicle incurs a toll charge and the toll is  
18 not paid by the toll payment due date, which is (~~eighty~~) 80 days  
19 from the date the vehicle uses the toll facility and incurs the toll  
20 charge.

21       (5)(a) The department shall develop rules to allow an individual  
22 who has been issued a notice of civil penalty to present evidence of  
23 mitigating circumstances as to why a toll bill was not timely paid.  
24 If an individual is able to present verifiable evidence to the  
25 department that a civil penalty was incurred due to hospitalization,  
26 military deployment, eviction, homelessness, death of the alleged  
27 violator or of an alleged violator's immediate family member, failure  
28 to receive the toll bill due to an incorrect email or physical  
29 address that has since been corrected, a prepaid electronic toll  
30 account error that has since been corrected, an error made by the  
31 department or an agent of the department, or other mitigating  
32 circumstances as determined by the department, the department may  
33 dismiss or reduce the civil penalty and associated fees.

34       (b)(i) Consistent with chapter 34.05 RCW, the department of  
35 transportation shall develop an administrative adjudication process  
36 to review appeals of civil penalties issued by the department of  
37 transportation for toll nonpayment detected through the use of a  
38 photo toll system under this section. The department of  
39 transportation shall submit to the transportation committees of the  
40 legislature an annual report on the number of times adjudicators

1 reduce or dismiss the civil penalty as provided in (b)(ii) of this  
2 subsection and the total amount of the civil penalties dismissed. The  
3 report must be submitted by December 1st of each year.

4 (ii) During the adjudication process, the alleged violator must  
5 have an opportunity to explain mitigating circumstances as to why the  
6 toll bill was not timely paid. Hospitalization, a divorce decree or  
7 legal separation agreement resulting in a transfer of the vehicle, an  
8 active duty member of the military or national guard covered by the  
9 federal service members civil relief act, 50 U.S.C. Sec. 501 et seq.,  
10 or state service members' civil relief act, chapter 38.42 RCW,  
11 eviction, homelessness, the death of the alleged violator or of an  
12 immediate family member, being switched to a different method of toll  
13 payment, if the alleged violator did not receive a toll charge bill  
14 or notice of civil penalty, or other mitigating circumstances as  
15 determined by the adjudicator are deemed valid mitigating  
16 circumstances. All of the reasons that constitute mitigating  
17 circumstances must have occurred within a reasonable time of the  
18 alleged toll violation. In response to these circumstances, the  
19 adjudicator may reduce or dismiss the civil penalty and associated  
20 administrative fees.

21 (6) The use of a photo toll system is subject to the following  
22 requirements:

23 (a) Photo toll systems may take photographs, digital photographs,  
24 microphotographs, videotapes, or other recorded images of the vehicle  
25 and vehicle license plate only.

26 (b) A notice of civil penalty must include with it a certificate  
27 or facsimile thereof, based upon inspection of photographs,  
28 microphotographs, videotape, or other recorded images produced by a  
29 photo toll system, stating the facts supporting the notice of civil  
30 penalty. This certificate or facsimile is prima facie evidence of the  
31 facts contained in it and is admissible in a proceeding established  
32 under subsection (5) of this section. The photographs, digital  
33 photographs, microphotographs, videotape, or other recorded images  
34 evidencing the toll nonpayment civil penalty must be available for  
35 inspection and admission into evidence in a proceeding to adjudicate  
36 the liability for the civil penalty.

37 (c)(i) By June 30, 2016, prior to issuing a notice of civil  
38 penalty to a registered owner of a vehicle listed on an active  
39 prepaid electronic toll account, the department of transportation  
40 must:

1 (A) Send an (~~electronic mail~~) email notice to the email address  
2 provided in the prepaid electronic toll account of unpaid pay-by-mail  
3 toll bills at least (~~ten~~) 10 days prior to a notice of civil  
4 penalty being issued for the associated pay-by-mail toll. The notice  
5 must be separate from any regular notice sent by the department; and

6 (B) Call the phone numbers provided in the account to provide  
7 notice of unpaid pay-by-mail toll bills at least (~~ten~~) 10 days  
8 prior to a notice of civil penalty being issued for the associated  
9 pay-by-mail toll.

10 (ii) The department is relieved of its obligation to provide  
11 notice as required by this section if the customer has declined to  
12 receive communications from the department through such methods.

13 (d) Notwithstanding any other provision of law, all photographs,  
14 digital photographs, microphotographs, videotape, other recorded  
15 images, or other records identifying a specific instance of travel  
16 prepared under this section are for the exclusive use of the tolling  
17 agency for toll collection and enforcement purposes and are not open  
18 to the public and may not be used in a court in a pending action or  
19 proceeding unless the action or proceeding relates to a civil penalty  
20 under this section. No photograph, digital photograph,  
21 microphotograph, videotape, other recorded image, or other record  
22 identifying a specific instance of travel may be used for any purpose  
23 other than toll collection or enforcement of civil penalties under  
24 this section. Records identifying a specific instance of travel by a  
25 specific person or vehicle must be retained only as required to  
26 ensure payment and enforcement of tolls and to comply with state  
27 records retention policies.

28 (e) All locations where a photo toll system is used must be  
29 clearly marked by placing signs in locations that clearly indicate to  
30 a driver that he or she is entering a zone where tolls are assessed  
31 and enforced by a photo toll system.

32 (f) Within existing resources, the department of transportation  
33 shall conduct education and outreach efforts at least six months  
34 prior to activating an all-electronic photo toll system. Methods of  
35 outreach shall include a department presence at community meetings in  
36 the vicinity of a toll facility, signage, and information published  
37 in local media. Information provided shall include notice of when all  
38 electronic photo tolling shall begin and methods of payment.  
39 Additionally, the department shall provide quarterly reporting on

1 education and outreach efforts and other data related to the issuance  
2 of civil penalties.

3 (g) The envelope or electronic message containing a toll charge  
4 bill or related notice issued pursuant to RCW 47.46.105 or 47.56.795,  
5 or a notice of civil penalty issued under this section, must  
6 prominently indicate that the contents are time sensitive and related  
7 to a toll violation.

8 (7) Civil penalties for toll nonpayment detected through the use  
9 of photo toll systems must be issued to the registered owner of the  
10 vehicle identified by the photo toll system, but are not part of the  
11 registered owner's driving record under RCW 46.52.101 and 46.52.120.

12 (8) The civil penalty for toll nonpayment detected through the  
13 use of a photo toll system is (~~forty dollars~~) \$40 plus the photo  
14 toll and associated fees.

15 (9) Except as provided otherwise in this subsection, all civil  
16 penalties, including the photo toll and associated fees, collected  
17 under this section must be deposited into the toll facility account  
18 of the facility on which the toll was assessed. However, through June  
19 30, 2013, civil penalties deposited into the Tacoma Narrows toll  
20 bridge account created under RCW 47.56.165 that are in excess of  
21 amounts necessary to support the toll adjudication process applicable  
22 to toll collection on the Tacoma Narrows bridge must first be  
23 allocated toward repayment of operating loans and reserve payments  
24 provided to the account from the motor vehicle (~~account—[fund]~~)  
25 fund under section 1005(15), chapter 518, Laws of 2007. Additionally,  
26 all civil penalties, resulting from nonpayment of tolls on the state  
27 route number 520 corridor, shall be deposited into the state route  
28 number 520 civil penalties account created under section 4, chapter  
29 248, Laws of 2010 but only if chapter 248, Laws of 2010 is enacted by  
30 June 30, 2010.

31 (10) If the registered owner of the vehicle is a rental car  
32 business, the department of transportation shall, before a toll bill  
33 is issued, provide a written notice to the rental car business that a  
34 toll bill may be issued to the rental car business if the rental car  
35 business does not, within (~~thirty~~) 30 days of the mailing of the  
36 written notice, provide to the issuing agency by return mail:

37 (a) A statement under oath stating the name and known mailing  
38 address of the individual driving or renting the vehicle when the  
39 toll was assessed; or

1 (b) A statement under oath that the business is unable to  
2 determine who was driving or renting the vehicle at the time the toll  
3 was assessed because the vehicle was stolen at the time the toll was  
4 assessed. A statement provided under this subsection must be  
5 accompanied by a copy of a filed police report regarding the vehicle  
6 theft; or

7 (c) In lieu of identifying the vehicle operator, the rental car  
8 business may pay the applicable toll and fee.

9 Timely mailing of this statement to the issuing agency relieves a  
10 rental car business of any liability under this section for the  
11 payment of the toll.

12 (11) It is the intent of the legislature that the department  
13 provide an educational opportunity when vehicle owners incur fees and  
14 penalties associated with late payment of tolls for the first time.  
15 As part of this educational opportunity, the department may waive  
16 penalties and fees if the issue that resulted in the toll not being  
17 timely paid has been resolved and the vehicle owner establishes an  
18 electronic toll account, if practicable. To aid in collecting tolls  
19 in a timely manner, the department may waive or reduce the  
20 outstanding amounts of fees and penalties assessed when tolls are not  
21 timely paid.

22 (12)(a) By June 30, 2016, the department of transportation must  
23 update its website, and accommodate access to the website from mobile  
24 platforms, to allow toll customers to efficiently manage all their  
25 tolling accounts, regardless of method of payment.

26 (b)(i) By June 30, 2016, the department of transportation must  
27 make available to the public a point of access that allows a third  
28 party to develop an application for mobile technologies that (A)  
29 securely accesses a user's toll account information and (B) allows  
30 the user to manage his or her toll account to the same extent  
31 possible through the department's website.

32 (ii) If the department determines that it would be cost-effective  
33 and in the best interests of the citizens of Washington, it may also  
34 develop an application for mobile technologies that allows toll  
35 customers to manage all of their tolling accounts from a mobile  
36 platform.

37 (13) When acquiring a new photo toll system, the department of  
38 transportation must enable the new system to:

39 (a) Connect with the department of licensing's vehicle record  
40 system so that a prepaid electronic toll account can be updated

1 automatically when a toll customer's vehicle record is updated, if  
2 the customer has consented to such updates; and

3 (b) Document when any toll is assessed for a vehicle listed in a  
4 prepaid electronic toll account in the monthly statement that is made  
5 available to the electronic toll account holder regardless of whether  
6 the method of payment for the toll is via pay-by-mail or prepaid  
7 electronic toll account.

8 (14) Consistent with chapter 34.05 RCW, the department of  
9 transportation shall develop rules to implement this section.

10 (15) For the purposes of this section:

11 (a) "Photo toll system" means the system defined in RCW 47.56.010  
12 and 47.46.020.

13 (b) "Prepaid electronic toll account" means a prepaid toll  
14 account linked to a pass or license plate number, including "Good to  
15 Go!".

16 (16) If a customer's toll charge or civil penalty is waived  
17 pursuant to this section due to an error made by the department, or  
18 an agent of the department, in reading the customer's license plate,  
19 the secretary of transportation must send a letter to the customer  
20 apologizing for the error.

21 **PART IV: EFFECTIVE DATES AND OTHER MISCELLANEOUS PROVISIONS**

22 NEW SECTION. **Sec. 401.** (1) Section 305 of this act expires the  
23 earlier of July 1, 2028, or when RCW 74.76.040 expires.

24 (2) Section 306 of this act expires July 1, 2028.

25 (3) Section 307 of this act expires the earlier of January 1,  
26 2029, or when RCW 74.76.040 expires.

27 (4) Section 308 of this act expires January 1, 2029.

28 (5) Section 309 of this act expires when RCW 74.76.040 expires.

29 NEW SECTION. **Sec. 402.** (1) Section 306 of this act takes effect  
30 when RCW 74.76.040 expires.

31 (2) Sections 307 and 308 of this act take effect July 1, 2028.

32 (3) Sections 309 and 310 of this act take effect January 1, 2029.

33 NEW SECTION. **Sec. 403.** The following acts or parts of acts are  
34 each repealed:

35 (1) 2025 c 417 s 501; and

36 (2) 2025 c 417 s 502.

1        NEW SECTION.    **Sec. 404.**    The following acts or parts of acts are  
2 each repealed:

- 3        (1) RCW 82.48A.010 (Luxury aircraft tax) and 2025 c 417 s 207;
- 4        (2) RCW 82.48A.020 (Use tax if value of aircraft exceeds \$500,000  
5 —Exception) and 2025 c 417 s 208;
- 6        (3) RCW 82.48A.030 (Deposit for revenue collected) and 2025 c 417  
7 s 209; and
- 8        (4) RCW 82.48A.040 (Administration) and 2025 c 417 s 210.

9        NEW SECTION.    **Sec. 405.**    Sections 301, 304, and 404 of this act  
10 are necessary for the immediate preservation of the public peace,  
11 health, or safety, or support of the state government and its  
12 existing public institutions, and take effect immediately.

13        NEW SECTION.    **Sec. 406.**    Sections 101, 102, and 201 through 204  
14 of this act take effect July 1, 2026.

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