

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

39 (13) Beginning July 1, 2028, ~~((the fuel tax rate imposed under
40 subsections (10) and (11) of this section must be increased annually~~

1 ~~by two percent and the resulting fuel tax rate must be rounded to the~~
2 ~~nearest one-thousandth of \$1.~~

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

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

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

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

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

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

15 (14) Taxes are imposed when:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 **Sec. 102.** RCW 46.68.090 and 2025 c 417 s 103 and 2025 c 416 s
18 706 are each reenacted and amended to read as follows:

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

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

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

31 (2) All of the remaining net tax amount collected under RCW
32 82.38.030(1) must be distributed as set forth in (a) through (j) of
33 this subsection.

34 (a) For distribution to the motor vehicle fund an amount equal to
35 44.387 percent to be expended for highway purposes of the state as
36 defined in RCW 46.68.130;

37 (b)(i) For distribution to the special category C account, hereby
38 created in the motor vehicle fund, an amount equal to 3.2609 percent
39 to be expended for special category C projects. Special category C

1 projects are category C projects that, due to high cost only, will
2 require bond financing to complete construction.

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

6 (A) Accident experience;

7 (B) Fatal accident experience;

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

10 (D) Continuity of development of the highway transportation
11 network.

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

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

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

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

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

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

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

37 (i) For distribution to the county arterial preservation account,
38 hereby created in the motor vehicle fund an amount equal to 1.9565
39 percent. These funds must be distributed by the county road
40 administration board to counties in proportions corresponding to the

1 number of paved arterial lane miles in the unincorporated area of
2 each county and must be used for improvements to sustain the
3 structural, safety, and operational integrity of county arterials.
4 The county road administration board must adopt reasonable rules and
5 develop policies to implement this program and to assure that a
6 pavement management system is used. During the 2025-2027 fiscal
7 biennium, the county arterial preservation account may also be used
8 for staffing-related expenses of the board, contracting costs, and
9 grants associated with bridge ratings;

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

13 (3) The remaining net tax amount collected under RCW 82.38.030(2)
14 must be distributed to the transportation 2003 account (nickel
15 account).

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

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

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

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

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

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

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

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

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

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

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

1 (a) Two and one-half percent must be distributed to the
2 incorporated cities and towns of the state in accordance with RCW
3 46.68.110;

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

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

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

13 **PART II: RECREATIONAL VESSEL, PEER-TO-PEER, AND LUXURY VEHICLE SALES**
14 **TAXES**

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

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

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

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

23 (b) Digital goods, digital codes, and digital automated services,
24 if the sale is included within the RCW 82.04.050 definition of retail
25 sale;

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

28 (d) Extended warranties to consumers; and

29 (e) Anything else, the sale of which is included within the RCW
30 82.04.050 definition of retail sale.

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

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

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

1 (B) The revenue collected under ~~((a)–(f))~~ this subsection (2)(a)
2 must be deposited in the multimodal transportation account created in
3 RCW 47.66.070.

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

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

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

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

35 ~~((A))~~ (a) "Retail car rental" as defined in RCW 82.08.011; or
36 ~~((B))~~ (b) "Rental car" as defined in RCW 46.04.465 or
37 48.115.005.

38 ~~((3))~~ (4) There is levied and collected an additional tax of
39 five-tenths of one percent of the selling price on each retail sale
40 of a motor vehicle in this state, other than retail car rentals and

1 peer-to-peer car sharing transactions taxed under subsection (2) of
2 this section. The revenue collected under this subsection must be
3 deposited in the multimodal transportation account created in RCW
4 47.66.070.

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

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

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

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

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

21 ~~((5))~~ (6) For purposes of subsection ~~((3))~~ (4) of this
22 section, "motor vehicle" has the meaning provided in RCW 46.04.320,
23 but does not include:

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

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

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

29 (d) Snowmobiles as defined in RCW 46.04.546.

30 ~~((6))~~ (7) Beginning on December 8, 2005, 0.16 percent of the
31 taxes collected under subsection (1) of this section must be
32 dedicated to funding comprehensive performance audits required under
33 RCW 43.09.470. The revenue identified in this subsection must be
34 deposited in the performance audits of government account created in
35 RCW 43.09.475.

36 ~~((7))~~ (8) Beginning July 1, 2027, the portion of taxes
37 collected by the state under subsection (1) of this section equal to
38 0.1 percent of the selling price on each retail sale in this state
39 must be deposited in the multimodal transportation account created in
40 RCW 47.66.070.

1 (~~(8)~~) (9) The taxes imposed under this chapter apply to
2 successive retail sales of the same property.

3 (~~(9)~~) (10) The rates provided in this section apply to taxes
4 imposed under chapter 82.12 RCW as provided in RCW 82.12.020.

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

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

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

16 (b) Prewritten computer software, regardless of the method of
17 delivery, but excluding prewritten computer software that is either
18 provided free of charge or is provided for temporary use in viewing
19 information, or both;

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

23 (d) Extended warranty; or

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

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

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

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

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

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

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

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

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

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

23 (i) If the sale to, or the use by, the present user or his or her
24 bailor or donor has already been subjected to the tax under chapter
25 82.08 RCW or this chapter and the tax has been paid by the present
26 user or by his or her bailor or donor;

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

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

37 (iv) To the use of digital goods or digital automated services,
38 which were obtained through the use of a digital code, if the sale of
39 the digital code to, or the use of the digital code by, the present
40 user or the present user's bailor or donor has already been subjected

1 to the tax under chapter 82.08 RCW or this chapter and the tax has
2 been paid by the present user or by the present user's bailor or
3 donor.

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

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

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

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

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

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

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

32 **Motor Vehicle Luxury Tax**

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

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

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

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

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

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

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

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

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

22 (~~(a)~~) (i) A commercial motor vehicle, as defined in RCW
23 46.25.010; (~~or~~

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

27 (iii) Through December 31, 2026, a motor home, as defined in RCW
28 46.04.305.

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

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

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

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

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

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

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

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

6 (iv) Snowmobiles as defined in RCW 46.04.546.

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

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

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

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

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

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

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

37 (a) A commercial motor vehicle, as defined in RCW 46.25.010;
38 ~~((e))~~

1 (b) A motor vehicle that has a gross vehicle weight rating of
2 greater than 10,000 pounds other than motor homes, as defined in RCW
3 46.04.305; or

4 (c) Through December 31, 2026, a motor home, as defined in RCW
5 46.04.305.

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

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

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

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

16 (a) (i) The penalties and interest are imposed with respect to
17 additional motor vehicle taxes imposed under RCW 82.12.818 and
18 82.08.817; and (ii) the tax liability is directly attributable to a
19 failure to collect additional motor vehicle taxes as provided in
20 sections 203 and 204, chapter 417, Laws of 2025 for tax reporting
21 periods through June 30, 2026;

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

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

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

34 (e) The taxpayer must never have had an evasion penalty assessed
35 against the taxpayer by the department under RCW 82.32.090 or a
36 penalty assessed against the taxpayer by the department under RCW
37 82.32.291 for misusing a reseller permit or resale certificate.

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

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

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

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

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

19 **Alternative Fuel Vehicle Tax Exemption Reporting**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 (ii) Based on the purchase date or the date the lease agreement
18 was signed of the vehicle if the vehicle is a new vehicle at the time
19 of the purchase date or the date the lease agreement was signed:

20 (A) From the qualification period start date until July 31, 2021,
21 the maximum amount eligible under (b) (i) of this subsection is
22 \$25,000;

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

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

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

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

1 leased vehicle. This information must be provided in a form and
2 manner prescribed by the department.

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

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

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

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

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

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

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

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

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

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

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

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

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

16 (8) This section is supported by the revenues generated in RCW
17 46.17.324, and therefore takes effect only if RCW 46.17.324 is
18 enacted by June 30, 2019.

19 **PART III: MISCELLANEOUS**

20 **Tow Truck Impounds**

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

23 Sections 1307 through 1309 of this act take effect (~~February 1,~~
24 ~~2026~~) July 1, 2027.

25 **Tire Disposal Fee**

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

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

35 (2) The department of revenue shall incorporate into the agency's
36 regular audit cycle a reconciliation of the number of tires sold and

1 the amount of revenue collected by the businesses selling new
2 replacement vehicle tires at retail. The department of revenue shall
3 collect on the business excise tax return from the businesses selling
4 new replacement vehicle tires at retail:

5 (a) The number of tires sold; and

6 (b) The fee levied in this section.

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

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

13 **Account Transfer Timing**

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

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

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

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

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

36 (c) For fiscal year 2028 through fiscal year 2038, the state
37 treasurer must transfer from the public works assistance account to
38 the move ahead WA account created in RCW 46.68.510 \$57,000,000 each
39 fiscal year.

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

4 **Preserve Washington Account**

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

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

12 **Sec. 305.** RCW 43.84.092 and 2025 c 417 s 802, 2025 c 399 s 15,
13 2025 c 359 s 12, and 2025 c 299 s 21 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

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 ambulance transport fund,
15 the budget stabilization account, the capital vessel replacement
16 account, the capitol building construction account, the Central
17 Washington University capital projects account, the charitable,
18 educational, penal and reformatory institutions account, the Chehalis
19 basin account, the Chehalis basin taxable account, the clean fuels
20 credit account, the clean fuels transportation investment account,
21 the cleanup settlement account, the Columbia river basin water supply
22 development account, the Columbia river basin taxable bond water
23 supply development account, the Columbia river basin water supply
24 revenue recovery account, the common school construction fund, the
25 community forest trust account, the connecting Washington account,
26 the county arterial preservation account, the county criminal justice
27 assistance account, the covenant homeownership account, the deferred
28 compensation administrative account, the deferred compensation
29 principal account, the department of licensing services account, the
30 department of retirement systems expense account, the developmental
31 disabilities community services account, the diesel idle reduction
32 account, the opioid abatement settlement account, the drinking water
33 assistance account, the administrative subaccount of the drinking
34 water assistance account, the driver education safety improvement
35 account, the early learning facilities development account, the early
36 learning facilities revolving account, the Eastern Washington
37 University capital projects account, the education legacy trust
38 account, the election account, the electric vehicle account, the
39 energy freedom account, the energy recovery act account, the
40 essential rail assistance account, The Evergreen State College

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

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

1 school permanent fund, the permanent common school fund, the
2 scientific permanent fund, and the state university permanent fund
3 shall be allocated to their respective 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. 306.** RCW 43.84.092 and 2025 c 417 s 802, 2025 c 399 s 15,
14 and 2025 c 299 s 21 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 ambulance transport fund,
14 the budget stabilization account, the capital vessel replacement
15 account, the capitol building construction account, the Central
16 Washington University capital projects account, the charitable,
17 educational, penal and reformatory institutions account, the Chehalis
18 basin account, the Chehalis basin taxable account, the clean fuels
19 credit account, the clean fuels transportation investment account,
20 the cleanup settlement account, the Columbia river basin water supply
21 development account, the Columbia river basin taxable bond water
22 supply development account, the Columbia river basin water supply
23 revenue recovery account, the common school construction fund, the
24 community forest trust account, the connecting Washington account,
25 the county arterial preservation account, the county criminal justice
26 assistance account, the covenant homeownership account, the deferred
27 compensation administrative account, the deferred compensation
28 principal account, the department of licensing services account, the
29 department of retirement systems expense account, the developmental
30 disabilities community services account, the diesel idle reduction
31 account, the opioid abatement settlement account, the drinking water
32 assistance account, the administrative subaccount of the drinking
33 water assistance account, the driver education safety improvement
34 account, the early learning facilities development account, the early
35 learning facilities revolving account, the Eastern Washington
36 University capital projects account, the education legacy trust
37 account, the election account, the electric vehicle account, the
38 energy freedom account, the energy recovery act account, the
39 essential rail assistance account, The Evergreen State College
40 capital projects account, the fair start for kids account, the family

1 medicine workforce development account, the ferry bond retirement
2 fund, the fish, wildlife, and conservation account, the freight
3 mobility investment account, the freight mobility multimodal account,
4 the grade crossing protective fund, the higher education retirement
5 plan supplemental benefit fund, the Washington student loan account,
6 the highway bond retirement fund, the highway infrastructure account,
7 the highway safety fund, the hospital safety net assessment fund, the
8 Interstate 5 bridge replacement project account, the Interstate 5
9 bridge replacement project toll facility bond retirement account, the
10 Interstate 405 and state route number 167 express toll lanes account,
11 the judges' retirement account, the judicial retirement
12 administrative account, the judicial retirement principal account,
13 the limited fish and wildlife account, the local leasehold excise tax
14 account, the local real estate excise tax account, the local sales
15 and use tax account, the marine resources stewardship trust account,
16 the medical aid account, the money-purchase retirement savings
17 administrative account, the money-purchase retirement savings
18 principal account, the motor vehicle fund, the motorcycle safety
19 education account, the move ahead WA account, the move ahead WA
20 flexible account, the multimodal transportation account, the multiuse
21 roadway safety account, the municipal criminal justice assistance
22 account, the oyster reserve land account, the pension funding
23 stabilization account, the perpetual surveillance and maintenance
24 account, the pilotage account, the pollution liability insurance
25 agency underground storage tank revolving 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. 307.** RCW 43.84.092 and 2025 c 417 s 803, 2025 c 399 s 16,
13 2025 c 359 s 13, and 2025 c 299 s 22 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 Interstate 5 bridge
7 replacement project account, the Interstate 5 bridge replacement
8 project toll facility bond retirement account, the Interstate 405 and
9 state route number 167 express toll lanes account, the judges'
10 retirement account, the judicial retirement administrative account,
11 the judicial retirement principal account, the limited fish and
12 wildlife account, the local leasehold excise tax account, the local
13 real estate excise tax account, the local sales and use tax account,
14 the marine resources stewardship trust account, the medical aid
15 account, the money-purchase retirement savings administrative
16 account, the money-purchase retirement savings principal account, the
17 motor vehicle fund, the motorcycle safety education account, the move
18 ahead WA account, the move ahead WA flexible account, the multimodal
19 transportation account, the multiuse roadway safety account, the
20 municipal criminal justice assistance account, the oyster reserve
21 land account, the pension funding stabilization account, the
22 perpetual surveillance and maintenance account, the pilotage account,
23 the pollution liability insurance agency underground storage tank
24 revolving account, the medicaid access program account, the preserve
25 Washington account, the public employees' retirement system plan 1
26 account, the public employees' retirement system combined plan 2 and
27 plan 3 account, the public facilities construction loan revolving
28 account, the public health supplemental account, the public works
29 assistance account, the Puget Sound capital construction account, the
30 Puget Sound ferry operations account, the Puget Sound Gateway
31 facility account, the Puget Sound taxpayer accountability account,
32 the real estate appraiser commission account, the recreational
33 vehicle account, the regional mobility grant program account, the
34 reserve officers' relief and pension principal fund, the resource
35 management cost account, the rural arterial trust account, the rural
36 mobility grant program account, the rural Washington loan fund, the
37 Sandy Williams connecting communities program account, the second
38 injury fund, the sexual assault prevention and response account, the
39 site closure account, the skilled nursing facility safety net trust
40 fund, the small city pavement and sidewalk account, the special

1 category C account, the special wildlife account, the state hazard
2 mitigation revolving loan account, the state investment board expense
3 account, the state investment board commingled trust fund accounts,
4 the state patrol highway account, the state reclamation revolving
5 account, the state route number 520 civil penalties account, the
6 state route number 520 corridor account, the statewide broadband
7 account, the statewide tourism marketing account, the supplemental
8 pension account, the Tacoma Narrows toll bridge account, the
9 teachers' retirement system plan 1 account, the teachers' retirement
10 system combined plan 2 and plan 3 account, the tobacco prevention and
11 control account, the tobacco settlement account, the toll facility
12 bond retirement account, the transportation 2003 account (nickel
13 account), the transportation equipment fund, the JUDY transportation
14 future funding program account, the transportation improvement
15 account, the transportation improvement board bond retirement
16 account, the transportation infrastructure account, the
17 transportation partnership account, the traumatic brain injury
18 account, the tribal opioid prevention and treatment account, the
19 University of Washington bond retirement fund, the University of
20 Washington building account, the voluntary cleanup account, the
21 volunteer firefighters' relief and pension principal fund, the
22 volunteer firefighters' and reserve officers' administrative fund,
23 the vulnerable roadway user education account, the Washington
24 judicial retirement system account, the Washington law enforcement
25 officers' and firefighters' system plan 1 retirement account, the
26 Washington law enforcement officers' and firefighters' system plan 2
27 retirement account, the Washington public safety employees' plan 2
28 retirement account, the Washington school employees' retirement
29 system combined plan 2 and 3 account, the Washington state patrol
30 retirement account, the Washington State University building account,
31 the Washington State University bond retirement fund, the water
32 pollution control revolving administration account, the water
33 pollution control revolving fund, the Western Washington University
34 capital projects account, the Yakima integrated plan implementation
35 account, the Yakima integrated plan implementation revenue recovery
36 account, and the Yakima integrated plan implementation taxable bond
37 account. Earnings derived from investing balances of the agricultural
38 permanent fund, the normal school permanent fund, the permanent
39 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. 308.** RCW 43.84.092 and 2025 c 417 s 803, 2025 c 399 s 16,
13 and 2025 c 299 s 22 are each reenacted and amended to read as
14 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 Interstate 5 bridge
7 replacement project account, the Interstate 5 bridge replacement
8 project toll facility bond retirement account, the Interstate 405 and
9 state route number 167 express toll lanes account, the judges'
10 retirement account, the judicial retirement administrative account,
11 the judicial retirement principal account, the limited fish and
12 wildlife account, the local leasehold excise tax account, the local
13 real estate excise tax account, the local sales and use tax account,
14 the marine resources stewardship trust account, the medical aid
15 account, the money-purchase retirement savings administrative
16 account, the money-purchase retirement savings principal account, the
17 motor vehicle fund, the motorcycle safety education account, the move
18 ahead WA account, the move ahead WA flexible account, the multimodal
19 transportation account, the multiuse roadway safety account, the
20 municipal criminal justice assistance account, the oyster reserve
21 land account, the pension funding stabilization account, the
22 perpetual surveillance and maintenance account, the pilotage account,
23 the pollution liability insurance agency underground storage tank
24 revolving account, the preserve Washington account, the public
25 employees' retirement system plan 1 account, the public employees'
26 retirement system combined plan 2 and plan 3 account, the public
27 facilities construction loan revolving account, the public health
28 supplemental account, the public works assistance account, the Puget
29 Sound capital construction account, the Puget Sound ferry operations
30 account, the Puget Sound Gateway facility account, the Puget Sound
31 taxpayer accountability account, the real estate appraiser commission
32 account, the recreational vehicle account, the regional mobility
33 grant program account, the reserve officers' relief and pension
34 principal fund, the resource management cost account, the rural
35 arterial trust account, the rural mobility grant program account, the
36 rural Washington loan fund, the Sandy Williams connecting communities
37 program account, the second injury fund, the sexual assault
38 prevention and response account, the site closure account, the
39 skilled nursing facility safety net trust fund, the small city
40 pavement and sidewalk account, the special category C account, the

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

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

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

10 **Sec. 309.** RCW 43.84.092 and 2025 c 417 s 803, 2025 c 399 s 16,
11 2025 c 359 s 13, 2025 c 299 s 22, and 2025 c 228 s 15 are each
12 reenacted and amended to read as follows:

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

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

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

1 prior to distribution of earnings set forth in subsection (4) of this
2 section.

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

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

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

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

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

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

16 (3) Section 307 of this act expires the earlier of January 1,
17 2029, or when RCW 74.76.040 expires.

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

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

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

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

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

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

26 (1) 2025 c 417 s 501; and

27 (2) 2025 c 417 s 502.

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

30 (1) RCW 82.48A.010 (Luxury aircraft tax) and 2025 c 417 s 207;

31 (2) RCW 82.48A.020 (Use tax if value of aircraft exceeds \$500,000
32 —Exception) and 2025 c 417 s 208;

33 (3) RCW 82.48A.030 (Deposit for revenue collected) and 2025 c 417
34 s 209; and

35 (4) RCW 82.48A.040 (Administration) and 2025 c 417 s 210.

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

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

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