

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE HOUSE BILL 2711

69th Legislature
2026 Regular Session

Passed by the House March 11, 2026
Yeas 54 Nays 42

**Speaker of the House of
Representatives**

Passed by the Senate March 11, 2026
Yeas 33 Nays 15

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 2711** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE HOUSE BILL 2711

AS AMENDED BY THE SENATE

Passed Legislature - 2026 Regular Session

State of Washington 69th Legislature 2026 Regular Session

By House Transportation (originally sponsored by Representative Fey)

READ FIRST TIME 02/25/26.

1 AN ACT Relating to transportation resources; amending RCW
2 82.08.817, 82.12.818, 82.38.030, 82.32.145, 82.42.020, 82.42.090,
3 47.68.250, 47.68.250, 82.48.030, 82.48.080, 70A.205.405, 82.08.9999,
4 47.66.130, 46.63.160, 36.57A.145, and 47.60.860; amending 2025 c 417
5 s 1406 (uncodified); reenacting and amending RCW 82.08.020,
6 82.12.020, 46.68.090, 43.84.092, 43.84.092, 43.84.092, 43.84.092,
7 43.84.092, 43.84.092, 43.79A.040, and 43.79A.040; adding a new
8 section to chapter 82.32 RCW; adding a new section to chapter 43.31
9 RCW; adding a new section to chapter 46.20 RCW; creating a new
10 section; repealing RCW 82.48A.010, 82.48A.020, 82.48A.030, and
11 82.48A.040; providing effective dates; providing a contingent
12 effective date; providing expiration dates; providing contingent
13 expiration dates; and declaring an emergency.

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

15 NEW SECTION. **Sec. 1.** The legislature recognizes that with the
16 enactment of Engrossed Substitute Senate Bill No. 5801 during the
17 2025 legislative session, the legislature addressed the state
18 transportation system's pressing near, mid, and long-term needs that
19 necessitated reliance on reliable funding resources, as well as the
20 efficient use of those resources. Because the production,
21 maintenance, and utilization of transportation resources across the

1 state continues to be an inherently complex, multifaceted issue, the
2 legislature intends with this act to continue to address these
3 resource needs by addressing certain topics from Engrossed Substitute
4 Senate Bill No. 5801, and associated matters, that require additional
5 legislative work.

6 **PART I: SALES TAX PROVISIONS AND RECREATIONAL VESSEL TAX**

7 **Sec. 101.** RCW 82.08.020 and 2025 c 418 s 3 and 2025 c 417 s 201
8 are each reenacted and amended to read as follows:

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

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

14 (b) Digital goods, digital codes, and digital automated services,
15 if the sale is included within the RCW 82.04.050 definition of retail
16 sale;

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

19 (d) Extended warranties to consumers; and

20 (e) Anything else, the sale of which is included within the RCW
21 82.04.050 definition of retail sale.

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

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

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

29 (B) The revenue collected under (a) of this subsection must be
30 deposited in the multimodal transportation account created in RCW
31 47.66.070.

32 (b)(i) Beginning January 1, 2027, there is levied and collected
33 an additional tax on peer-to-peer car sharing transactions equal to
34 the selling price multiplied by the rate of tax imposed under (a) of
35 this subsection. This subsection (2)(b) applies only to peer-to-peer
36 car sharing transactions where the vehicle owner obtained the shared
37 vehicle as a vehicle for resale using a reseller permit or an
38 approved exemption certificate under RCW 82.04.470. The revenue

1 collected under this subsection (2)(b) must be deposited in the
2 multimodal transportation account created in RCW 47.66.070.

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

6 (A) "Retail car rental" as defined in RCW 82.08.011; or

7 (B) "Rental car" as defined in RCW 46.04.465 or 48.115.005.

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

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

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

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

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

28 (5) For purposes of subsection (3) of this section, "motor
29 vehicle" has the meaning provided in RCW 46.04.320, but does not
30 include:

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

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

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

36 (d) Snowmobiles as defined in RCW 46.04.546.

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

1 deposited in the performance audits of government account created in
2 RCW 43.09.475.

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

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

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

11 **Sec. 102.** RCW 82.12.020 and 2025 c 418 s 4 and 2025 c 417 s 202
12 are each reenacted and amended to read as follows:

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

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

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

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

29 (d) Extended warranty; or

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

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

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

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

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

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

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

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

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

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

29 (i) If the sale to, or the use by, the present user or his or her
30 bailor or donor has already been subjected to the tax under chapter
31 82.08 RCW or this chapter and the tax has been paid by the present
32 user or by his or her bailor or donor;

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

39 (iii) In respect to the use of any article of tangible personal
40 property acquired by bailment, if the property was acquired by a

1 previous bailee from the same bailor for use in the same general
2 activity and the original bailment was prior to June 9, 1961; or

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

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

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

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

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

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

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

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

38 **PART II: LUXURY VEHICLE TAX**

1 **Sec. 201.** RCW 82.08.817 and 2025 c 417 s 203 are each amended to
2 read as follows:

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

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

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

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

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

17 (ii) In the case of a lease requiring periodic payments, is the
18 (~~(fair market)~~) value of the motor vehicle in excess of the deduction
19 amount specified in subsection (2) of this (~~(subsection)~~) section, at
20 the inception of the lease, multiplied by eight percent.

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

25 (3)(a) In the case of a lease requiring periodic payments, the
26 total tax due under this section for a leased motor vehicle may be
27 collected and remitted proportionally with each lease payment over
28 the term of the lease. The proportional amount of tax due with each
29 lease payment must equal the total tax due divided by the number of
30 scheduled lease payments.

31 (b) If a lease described in this subsection terminates before the
32 end of the scheduled lease term, any unpaid portion of the tax
33 imposed under this section becomes immediately due and payable at the
34 time of lease termination. The department is authorized to adopt
35 rules to prescribe the specific requirements and timelines for the
36 collection, recording, and reporting of the tax due under this
37 subsection.

38 (c) The lessor is responsible for collecting and remitting the
39 tax imposed under this subsection.

1 (4) The taxes imposed under this section do not apply to the sale
2 or lease of:

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

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

8 (iii) From July 1, 2026, through December 31, 2026, a motor home,
9 as defined in RCW 46.04.305.

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

13 (~~(4)~~) (5) The revenue collected under this section must be
14 deposited in the multimodal transportation account created in RCW
15 47.66.070.

16 (~~(5)~~) (6) For the purposes of this section and RCW 82.12.818,
17 the following definitions apply:

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

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

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

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

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

27 (iv) Snowmobiles as defined in RCW 46.04.546.

28 (~~(b)~~) (c) "Value of the motor vehicle" means the fair market
29 value of the motor vehicle~~(. In the case of a leased motor vehicle~~
30 ~~in which the consumer is required to make periodic lease payments,~~
31 ~~"value of the motor vehicle" means the fair market value of the motor~~
32 ~~vehicle at the inception of the lease)) plus the value of trade-in~~
33 property of like kind.

34 **Sec. 202.** RCW 82.12.818 and 2025 c 417 s 204 are each amended to
35 read as follows:

36 (1) Except as provided in subsection (3) of this section, in
37 addition to the tax imposed under RCW 82.12.020, there is levied and
38 collected from every person in this state a tax for the privilege of

1 using within this state as a consumer any motor vehicle if the value
2 of the motor vehicle exceeds \$100,000.

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

7 (b) In the case of a seller required to collect use tax under
8 this section from the purchaser, the tax must be collected in an
9 amount equal to ~~((the amount of the purchase price that exceeds))~~
10 eight percent of the remainder that results when the amount specified
11 in (c) of this subsection ~~(, multiplied by eight percent)~~ is
12 deducted from the sum of the selling price and the value of trade-in
13 property of like kind.

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

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

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

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

25 (c) From July 1, 2026, through December 31, 2026, a motor home,
26 as defined in RCW 46.04.305.

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

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

31 NEW SECTION. Sec. 203. A new section is added to chapter 82.32
32 RCW to read as follows:

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

37 (a) (i) The penalties and interest are imposed with respect to
38 additional motor vehicle taxes imposed under RCW 82.12.818 and
39 82.08.817; and (ii) the tax liability is directly attributable to a

1 failure to collect additional motor vehicle taxes as provided in
2 sections 203 and 204, chapter 417, Laws of 2025 for tax reporting
3 periods through June 30, 2026;

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

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

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

16 (e) The taxpayer must never have had an evasion penalty assessed
17 against the taxpayer by the department under RCW 82.32.090 or a
18 penalty assessed against the taxpayer by the department under RCW
19 82.32.291 for misusing a reseller permit or resale certificate.

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

23 (b) Applications for a penalty and interest waiver under this
24 section must be submitted to the department on or before September
25 30, 2027.

26 (3) All tax liability reported and paid as required in subsection
27 (1) of this section is subject to verification by the department as
28 provided in RCW 82.32.050. This section does not preclude the
29 assessment of taxes, penalties, and interest with respect to any
30 amounts determined by the department to have been underpaid for any
31 tax period for which the taxpayer previously received penalty relief
32 under this section.

33 (4) This section does not apply to tax liabilities associated
34 with additional motor vehicle taxes imposed under RCW 82.12.818 and
35 82.08.817 for tax reporting periods beginning on or after July 1,
36 2026.

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

38 **PART III: FUEL TAX INFLATION DISTRIBUTION CLARIFICATION**

1 **Sec. 301.** RCW 82.38.030 and 2025 c 417 s 101 are each amended to
2 read as follows:

3 (1) There is levied and imposed upon fuel licensees a tax at the
4 rate of 23 cents per gallon of fuel.

5 (2) Beginning July 1, 2003, an additional and cumulative tax rate
6 of five cents per gallon of fuel is imposed on fuel licensees. This
7 subsection (2) expires when the bonds issued for transportation 2003
8 projects are retired.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 (b) Subtracting the sum of the fuel tax rates imposed under
4 subsections (1) through (9) of this section as of the current July
5 1st; and

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

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

11 (~~13~~) an additional and cumulative tax rate per gallon of
12 special fuel is imposed on fuel licensees. The tax rate imposed under
13 this subsection is calculated each July 1st by:

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

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

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

19 (b) Subtracting the sum of the fuel tax rates imposed under
20 subsections (1) through (12) of this section as of the current July
21 1st; and

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

23 (14) Taxes are imposed when:

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

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

31 (i) The removal is by bulk transfer and the refiner or the owner
32 of the fuel immediately before the removal is not a licensed
33 supplier; or

34 (ii) The removal is at the refinery rack unless the removal is to
35 a licensed supplier or distributor for direct delivery to a
36 destination outside of the state, or the removal is to a licensed
37 supplier for direct delivery to an international fuel tax agreement
38 licensee under RCW 82.38.320;

39 (c) Fuel enters into this state for sale, consumption, use, or
40 storage, unless the fuel enters this state for direct delivery to an

1 international fuel tax agreement licensee under RCW 82.38.320, if
2 either of the following applies:

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

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

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

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

11 (f) Blended fuel is removed or sold in this state by the blender
12 of the fuel. The number of gallons of blended fuel subject to tax is
13 the difference between the total number of gallons of blended fuel
14 removed or sold and the number of gallons of previously taxed fuel
15 used to produce the blended fuel;

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

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

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

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

25 **Sec. 302.** RCW 46.68.090 and 2025 c 417 s 103 and 2025 c 416 s
26 706 are each reenacted and amended to read as follows:

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

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

34 (b) For payment of amounts to be expended pursuant to
35 appropriations for the administrative expenses of the offices of
36 state treasurer, state auditor, and the department of licensing of
37 the state of Washington in the administration of the fuel tax, which
38 sums must be distributed monthly.

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

4 (a) For distribution to the motor vehicle fund an amount equal to
5 44.387 percent to be expended for highway purposes of the state as
6 defined in RCW 46.68.130;

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

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

15 (A) Accident experience;

16 (B) Fatal accident experience;

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

19 (D) Continuity of development of the highway transportation
20 network.

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

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

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

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

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

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

37 (h) For distribution to the counties from the motor vehicle fund
38 an amount equal to 19.2287 percent: (i) Out of which there must be
39 distributed from time to time, as directed by the department of
40 transportation, those sums as may be necessary to carry out the

1 provisions of RCW 47.56.725; and (ii) less any amounts appropriated
2 to the county road administration board to implement the provisions
3 of RCW 47.56.725(4), with the balance of such county share to be
4 distributed monthly as the same accrues for distribution in
5 accordance with RCW 46.68.120;

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

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

22 (3) The remaining net tax amount collected under RCW 82.38.030(2)
23 must be distributed to the transportation 2003 account (nickel
24 account).

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

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

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

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

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

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

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

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

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

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

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

9 (a) Two and one-half percent must be distributed to the
10 incorporated cities and towns of the state in accordance with RCW
11 46.68.110;

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

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

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

21 **PART IV: REPEAL OF LUXURY AIRCRAFT TAX, AIRCRAFT FUEL TAX INCREASE,**
22 **AND OTHER AIRCRAFT PROVISIONS**

23 **Sec. 401.** RCW 82.32.145 and 2025 c 417 s 205 are each amended to
24 read as follows:

25 (1) Whenever the department has issued a warrant under RCW
26 82.32.210 for the collection of unpaid trust fund taxes from a
27 limited liability business entity and that business entity has been
28 terminated, dissolved, or abandoned, or is insolvent, the department
29 may pursue collection of the entity's unpaid trust fund taxes,
30 including penalties and interest on those taxes, against any or all
31 of the responsible individuals. For purposes of this subsection,
32 "insolvent" means the condition that results when the sum of the
33 entity's debts exceeds the fair market value of its assets. The
34 department may presume that an entity is insolvent if the entity
35 refuses to disclose to the department the nature of its assets and
36 liabilities.

37 (2) Personal liability under this section may be imposed for
38 state and local trust fund taxes.

1 (3) (a) For a responsible individual who is the current or a
2 former chief executive or chief financial officer, liability under
3 this section applies regardless of fault or whether the individual
4 was or should have been aware of the unpaid trust fund tax liability
5 of the limited liability business entity.

6 (b) For any other responsible individual, liability under this
7 section applies only if he or she willfully fails to pay or to cause
8 to be paid to the department the trust fund taxes due from the
9 limited liability business entity.

10 (4) (a) Except as provided in this subsection (4) (a), a
11 responsible individual who is the current or a former chief executive
12 or chief financial officer is liable under this section only for
13 trust fund tax liability accrued during the period that he or she was
14 the chief executive or chief financial officer. However, if the
15 responsible individual had the responsibility or duty to remit
16 payment of the limited liability business entity's trust fund taxes
17 to the department during any period of time that the person was not
18 the chief executive or chief financial officer, that individual is
19 also liable for trust fund tax liability that became due during the
20 period that he or she had the duty to remit payment of the limited
21 liability business entity's taxes to the department but was not the
22 chief executive or chief financial officer.

23 (b) All other responsible individuals are liable under this
24 section only for trust fund tax liability that became due during the
25 period he or she had the responsibility or duty to remit payment of
26 the limited liability business entity's taxes to the department.

27 (5) Persons described in subsection (3) (b) of this section are
28 exempt from liability under this section in situations where
29 nonpayment of the limited liability business entity's trust fund
30 taxes is due to reasons beyond their control as determined by the
31 department by rule.

32 (6) Any person having been issued a notice of assessment under
33 this section is entitled to the appeal procedures under RCW
34 82.32.160, 82.32.170, 82.32.180, 82.32.190, and 82.32.200.

35 (7) This section does not relieve the limited liability business
36 entity of its trust fund tax liability or otherwise impair other tax
37 collection remedies afforded by law.

38 (8) Collection authority and procedures prescribed in this
39 chapter apply to collections under this section.

1 (9) The definitions in this subsection apply throughout this
2 section unless the context clearly requires otherwise.

3 (a) "Chief executive" means: The president of a corporation; or
4 for other entities or organizations other than corporations or if the
5 corporation does not have a president as one of its officers, the
6 highest ranking executive manager or administrator in charge of the
7 management of the company or organization.

8 (b) "Chief financial officer" means: The treasurer of a
9 corporation; or for entities or organizations other than corporations
10 or if a corporation does not have a treasurer as one of its officers,
11 the highest senior manager who is responsible for overseeing the
12 financial activities of the entire company or organization.

13 (c) "Limited liability business entity" means a type of business
14 entity that generally shields its owners from personal liability for
15 the debts, obligations, and liabilities of the entity, or a business
16 entity that is managed or owned in whole or in part by an entity that
17 generally shields its owners from personal liability for the debts,
18 obligations, and liabilities of the entity. Limited liability
19 business entities include corporations, limited liability companies,
20 limited liability partnerships, trusts, general partnerships and
21 joint ventures in which one or more of the partners or parties are
22 also limited liability business entities, and limited partnerships in
23 which one or more of the general partners are also limited liability
24 business entities.

25 (d) "Manager" has the same meaning as in RCW 25.15.006.

26 (e) "Member" has the same meaning as in RCW 25.15.006, except
27 that the term only includes members of member-managed limited
28 liability companies.

29 (f) "Officer" means any officer or assistant officer of a
30 corporation, including the president, vice president, secretary, and
31 treasurer.

32 (g) (i) "Responsible individual" includes any current or former
33 officer, manager, member, partner, or trustee of a limited liability
34 business entity with an unpaid tax warrant issued by the department.

35 (ii) "Responsible individual" also includes any current or former
36 employee or other individual, but only if the individual had the
37 responsibility or duty to remit payment of the limited liability
38 business entity's unpaid trust fund tax liability reflected in a tax
39 warrant issued by the department.

1 (iii) Whenever any taxpayer has one or more limited liability
2 business entities as a member, manager, or partner, "responsible
3 individual" also includes any current and former officers, members,
4 or managers of the limited liability business entity or entities or
5 of any other limited liability business entity involved directly in
6 the management of the taxpayer. For purposes of this subsection
7 (9)(g)(iii), "taxpayer" means a limited liability business entity
8 with an unpaid tax warrant issued against it by the department.

9 (h) "Trust fund taxes" means taxes collected from purchasers and
10 held in trust under RCW 82.08.050, including taxes imposed under RCW
11 82.08.020, 82.08.150, 82.08.817, 82.12.818, (~~82.48A.010,~~
12 ~~82.48A.020,~~) and 82.51.010.

13 (i) "Willfully fails to pay or to cause to be paid" means that
14 the failure was the result of an intentional, conscious, and
15 voluntary course of action.

16 **Sec. 402.** RCW 82.42.020 and 2022 c 182 s 201 are each amended to
17 read as follows:

18 There is levied upon every distributor of aircraft fuel, an
19 excise tax at the rate of (~~18~~) 25 cents on each gallon of aircraft
20 fuel sold, delivered, or used in this state. There must be collected
21 from every user of aircraft fuel either the use tax imposed by RCW
22 82.12.020 or the retail sales tax imposed by RCW 82.08.020. The taxes
23 imposed by this chapter must be collected and paid to the state but
24 once in respect to any aircraft fuel.

25 **Sec. 403.** RCW 82.42.090 and 2025 c 417 s 1304 are each amended
26 to read as follows:

27 (~~All moneys~~) (1) Seventy-two percent of the revenue collected
28 by the director from the aircraft fuel excise tax as provided in RCW
29 82.42.020 shall be transmitted to the state treasurer and shall be
30 credited to the aeronautics account hereby created in the state
31 treasury. Moneys in the account may be spent only after
32 appropriation. Expenditures from the account may be used only for
33 aviation-related purposes.

34 (2) Twenty-eight percent of the revenue collected by the director
35 from the aircraft fuel excise tax as provided in RCW 82.42.020 shall
36 be transmitted to the state treasurer and shall be credited to the
37 sustainable aviation fuel airport infrastructure account created in
38 section 409 of this act.

1 (3) Moneys collected from the consumer or user of aircraft fuel
2 from either the use tax imposed by RCW 82.12.020 or the retail sales
3 tax imposed by RCW 82.08.020 shall be transmitted to the state
4 treasurer and credited to the state general fund.

5 **Sec. 404.** RCW 47.68.250 and 2021 c 131 s 2 are each amended to
6 read as follows:

7 (1) (a) Every aircraft, inclusive of commercial unpiloted aircraft
8 systems, must be registered with the department for each calendar
9 year in which the aircraft is operated or is based within this state.
10 A fee of (~~fifteen dollars~~) \$30, to be adjusted annually as provided
11 in (b) of this subsection, is charged for each such registration and
12 each annual renewal thereof.

13 (b) Beginning January 1, 2028, the aircraft registration fee
14 required in (a) of this subsection must be adjusted annually by
15 increasing the fee by two percent and the result must be rounded to
16 the nearest whole dollar.

17 (2) The department must review the fee schedule based on the
18 number of unpiloted aircraft systems registered under any single
19 entity. Consideration should be given to the cost to administer the
20 program and the number of commercial aircraft registered in the
21 state. The department shall collaborate with the department of
22 commerce, the department of revenue, and industry representatives in
23 determining any recommendations to revise the initial fee. The report
24 is due to the transportation committees of the legislature by
25 December 1, 2022.

26 (3) Possession of the appropriate effective federal certificate,
27 permit, rating, or license relating to ownership and airworthiness of
28 the aircraft, and payment of the excise tax imposed by Title 82 RCW
29 for the privilege of using the aircraft within this state during the
30 year for which the registration is sought, and payment of the
31 registration fee required by this section are the only requisites for
32 registration of an aircraft under this section.

33 (4) The registration fee imposed by this section is payable to
34 and collected by the secretary. The fee for any calendar year must be
35 paid during the month of January, and collected by the secretary at
36 the time of the collection by him or her of the excise tax. If the
37 secretary is satisfied that the requirements for registration of the
38 aircraft have been met, he or she must issue to the owner of the
39 aircraft a certificate of registration therefor. The secretary must

1 pay to the state treasurer the registration fees collected under this
2 section (~~(, which registration fees must be credited to the~~
3 ~~aeronautics account)) with 50 percent deposited in the aeronautics
4 account created in RCW 82.42.090 and 50 percent deposited in the
5 sustainable aviation fuel account created in RCW 43.31.645.~~

6 (5) It is not necessary for the registrant to provide the
7 secretary with originals or copies of federal certificates, permits,
8 ratings, or licenses. The secretary must issue certificates of
9 registration, or such other evidences of registration or payment of
10 fees as he or she may deem proper; and in connection therewith may
11 prescribe requirements for the possession and exhibition of such
12 certificates or other evidences.

13 (6) The provisions of this section do not apply to:

14 (a) An aircraft owned by and used exclusively in the service of
15 any government or any political subdivision thereof, including the
16 government of the United States, any state, territory, or possession
17 of the United States, or the District of Columbia, which is not
18 engaged in carrying persons or property for commercial purposes;

19 (b) An aircraft registered under the laws of a foreign country;

20 (c) An aircraft that is owned by a nonresident if:

21 (i) The aircraft remains in this state or is based in this state,
22 or both, for a period less than (~~ninety~~) 90 days; or

23 (ii) The aircraft is a large private airplane as defined in RCW
24 82.08.215 and remains in this state for a period of (~~ninety~~) 90
25 days or longer, but only when:

26 (A) The airplane is in this state exclusively for the purpose of
27 repairs, alterations, or reconstruction, including any flight testing
28 related to the repairs, alterations, or reconstruction, or for the
29 purpose of continual storage of not less than one full calendar year;

30 (B) An employee of the facility providing these services is on
31 board the airplane during any flight testing; and

32 (C) Within (~~ninety~~) 90 days of the date the airplane first
33 arrived in this state during the calendar year, the nonresident files
34 a written statement with the department indicating that the airplane
35 is exempt from registration under this subsection (6)(c)(ii). The
36 written statement must be filed in a form and manner prescribed by
37 the department and must include such information as the department
38 requires. The department may require additional periodic verification
39 that the airplane remains exempt from registration under this

1 subsection (6)(c)(ii) and that written statements conform with the
2 provisions of chapter 5.50 RCW;

3 (d) A piloted aircraft engaged principally in commercial flying
4 constituting an act of interstate or foreign commerce;

5 (e) An aircraft owned by the commercial manufacturer thereof
6 while being operated for test or experimental purposes, or for the
7 purpose of training crews for purchasers of the aircraft;

8 (f) An aircraft being held for sale, exchange, delivery, test, or
9 demonstration purposes solely as stock in trade of an aircraft dealer
10 licensed under Title 14 RCW;

11 (g) An aircraft based within the state that is in an unairworthy
12 condition, is not operated within the registration period, and has
13 obtained a written exemption issued by the secretary; and

14 (h) Unpiloted aircraft systems used exclusively for hobby or
15 recreation.

16 (7) The secretary must be notified within (~~thirty~~) 30 days of
17 any change in ownership of a registered aircraft. The notification
18 must contain the N, NC, NR, NL, or NX number of the aircraft, the
19 full name and address of the former owner, and the full name and
20 address of the new owner. For failure to so notify the secretary, the
21 registration of that aircraft may be canceled by the secretary,
22 subject to reinstatement upon application and payment of a
23 reinstatement fee of (~~ten dollars~~) \$10 by the new owner.

24 (8) A municipality or port district that owns, operates, or
25 leases an airport, as defined in RCW 47.68.020, with the intent to
26 operate, must require from an aircraft owner proof of aircraft
27 registration as a condition of leasing or selling tiedown or hangar
28 space for an aircraft. It is the responsibility of the lessee or
29 purchaser to register the aircraft. Proof of registration must be
30 provided according to the following schedule:

31 (a) For the purchase of tiedown or hangar space, the municipality
32 or port district must allow the purchaser (~~thirty~~) 30 days from the
33 date of the application for purchase to produce proof of aircraft
34 registration.

35 (b) For the lease of tiedown or hangar space that extends
36 (~~thirty~~) 30 days or more, the municipality or port district must
37 allow the lessee (~~thirty~~) 30 days to produce proof of aircraft
38 registration from the date of the application for lease of tiedown or
39 hangar space.

1 (c) For the lease of tiedown or hangar space that extends less
2 than (~~thirty~~) 30 days, the municipality or port district must allow
3 the lessee to produce proof of aircraft registration at any point
4 prior to the final day of the lease.

5 (9) The airport must work with the aviation division to assist in
6 its efforts to register aircraft by providing information about based
7 aircraft on an annual basis as requested by the division.

8 (10) The department may adopt rules to implement this section.

9 **Sec. 405.** RCW 47.68.250 and 2021 c 131 s 3 are each amended to
10 read as follows:

11 (1) (a) Every aircraft, inclusive of commercial unpiloted aircraft
12 systems, must be registered with the department for each calendar
13 year in which the aircraft is operated or is based within this state.
14 A fee of (~~fifteen dollars~~) \$30, to be adjusted annually as provided
15 in (b) of this subsection, is charged for each such registration and
16 each annual renewal thereof.

17 (b) Beginning January 1, 2028, the aircraft registration fee
18 required in (a) of this subsection must be adjusted annually by
19 increasing the fee by two percent and the result must be rounded to
20 the nearest whole dollar.

21 (2) The department must review the fee schedule based on the
22 number of unpiloted aircraft systems registered under any single
23 entity. Consideration should be given to the cost to administer the
24 program and the number of commercial aircraft registered in the
25 state. The department shall collaborate with the department of
26 commerce, the department of revenue, and industry representatives in
27 determining any recommendations to revise the initial fee. The report
28 is due to the transportation committees of the legislature by
29 December 1, 2022.

30 (3) Possession of the appropriate effective federal certificate,
31 permit, rating, or license relating to ownership and airworthiness of
32 the aircraft, and payment of the excise tax imposed by Title 82 RCW
33 for the privilege of using the aircraft within this state during the
34 year for which the registration is sought, and payment of the
35 registration fee required by this section are the only requisites for
36 registration of an aircraft under this section.

37 (4) The registration fee imposed by this section is payable to
38 and collected by the secretary. The fee for any calendar year must be
39 paid during the month of January, and must be collected by the

1 secretary at the time of the collection by him or her of the excise
2 tax. If the secretary is satisfied that the requirements for
3 registration of the aircraft have been met, he or she must issue to
4 the owner of the aircraft a certificate of registration therefor. The
5 secretary must pay to the state treasurer the registration fees
6 collected under this section (~~(, which registration fees must be~~
7 ~~credited to the aeronautics account)~~) with 50 percent deposited in
8 the aeronautics account created in RCW 82.42.090 and 50 percent
9 deposited in the sustainable aviation fuel account created in RCW
10 43.31.645.

11 (5) It is not necessary for the registrant to provide the
12 secretary with originals or copies of federal certificates, permits,
13 ratings, or licenses. The secretary must issue certificates of
14 registration, or such other evidences of registration or payment of
15 fees as he or she may deem proper; and in connection therewith may
16 prescribe requirements for the possession and exhibition of such
17 certificates or other evidences.

18 (6) The provisions of this section do not apply to:

19 (a) An aircraft owned by and used exclusively in the service of
20 any government or any political subdivision thereof, including the
21 government of the United States, any state, territory, or possession
22 of the United States, or the District of Columbia, which is not
23 engaged in carrying persons or property for commercial purposes;

24 (b) An aircraft registered under the laws of a foreign country;

25 (c) An aircraft that is owned by a nonresident if:

26 (i) The aircraft remains in this state or is based in this state,
27 or both, for a period less than (~~(ninety))~~ 90 days; or

28 (ii) The aircraft is a large private airplane as defined in RCW
29 82.08.215 and remains in this state for a period of (~~(ninety))~~ 90
30 days or longer, but only when:

31 (A) The airplane is in this state exclusively for the purpose of
32 repairs, alterations, or reconstruction, including any flight testing
33 related to the repairs, alterations, or reconstruction, or for the
34 purpose of continual storage of not less than one full calendar year;

35 (B) An employee of the facility providing these services is on
36 board the airplane during any flight testing; and

37 (C) Within (~~(ninety))~~ 90 days of the date the airplane first
38 arrived in this state during the calendar year, the nonresident files
39 a written statement with the department indicating that the airplane
40 is exempt from registration under this subsection (6)(c)(ii). The

1 written statement must be filed in a form and manner prescribed by
2 the department and must include such information as the department
3 requires. The department may require additional periodic verification
4 that the airplane remains exempt from registration under this
5 subsection (6)(c)(ii) and that written statements conform with the
6 provisions of chapter 5.50 RCW;

7 (d) A piloted aircraft engaged principally in commercial flying
8 constituting an act of interstate or foreign commerce;

9 (e) An aircraft owned by the commercial manufacturer thereof
10 while being operated for test or experimental purposes, or for the
11 purpose of training crews for purchasers of the aircraft;

12 (f) An aircraft being held for sale, exchange, delivery, test, or
13 demonstration purposes solely as stock in trade of an aircraft dealer
14 licensed under Title 14 RCW;

15 (g) An aircraft based within the state that is in an unairworthy
16 condition, is not operated within the registration period, and has
17 obtained a written exemption issued by the secretary; and

18 (h) Unpiloted aircraft systems used exclusively for hobby or
19 recreation.

20 (7) The secretary must be notified within (~~(thirty)~~) 30 days of
21 any change in ownership of a registered aircraft. The notification
22 must contain the N, NC, NR, NL, or NX number of the aircraft, the
23 full name and address of the former owner, and the full name and
24 address of the new owner. For failure to so notify the secretary, the
25 registration of that aircraft may be canceled by the secretary,
26 subject to reinstatement upon application and payment of a
27 reinstatement fee of (~~(ten dollars)~~) \$10 by the new owner.

28 (8) A municipality or port district that owns, operates, or
29 leases an airport, as defined in RCW 47.68.020, with the intent to
30 operate, must require from an aircraft owner proof of aircraft
31 registration as a condition of leasing or selling tiedown or hangar
32 space for an aircraft. It is the responsibility of the lessee or
33 purchaser to register the aircraft. Proof of registration must be
34 provided according to the following schedule:

35 (a) For the purchase of tiedown or hangar space, the municipality
36 or port district must allow the purchaser (~~(thirty)~~) 30 days from the
37 date of the application for purchase to produce proof of aircraft
38 registration.

39 (b) For the lease of tiedown or hangar space that extends
40 (~~(thirty)~~) 30 days or more, the municipality or port district must

1 allow the lessee ((~~thirty~~)) 30 days to produce proof of aircraft
 2 registration from the date of the application for lease of tiedown or
 3 hangar space.

4 (c) For the lease of tiedown or hangar space that extends less
 5 than ((~~thirty~~)) 30 days, the municipality or port district must allow
 6 the lessee to produce proof of aircraft registration at any point
 7 prior to the final day of the lease.

8 (9) The airport must work with the aviation division to assist in
 9 its efforts to register aircraft by providing information about based
 10 aircraft on an annual basis as requested by the division.

11 (10) The department may adopt rules to implement this section.

12 **Sec. 406.** RCW 82.48.030 and 2013 c 56 s 3 are each amended to
 13 read as follows:

14 (1)(a) Except as otherwise provided in (b) of this subsection,
 15 and as adjusted annually as provided in (c) of this subsection, the
 16 amount of the tax imposed by this chapter for each calendar year is
 17 as follows:

((Type of aircraft	Registration fee
Single engine fixed wing	\$ 50
Small multi-engine fixed wing	65
Large multi-engine fixed wing	80
Turboprop multi-engine fixed wing	100
Turbojet multi-engine fixed wing	125
Helicopter	75
Sailplane	20
Lighter than air	20
Home built	20))

Registration Fee Schedule

<u>Type of aircraft</u>	<u>Part 1</u>	<u>Part 2</u>	<u>Total</u>
<u>Single engine fixed wing</u>	\$ 50	\$ 70	\$ 120
<u>Small multi-engine fixed wing</u>	65	155	220
<u>Large multi-engine fixed wing</u>	80	140	220
<u>Turboprop multi-engine fixed wing</u>	100	370	470
<u>Turbojet multi-engine fixed wing</u>	125	1095	1220

1	<u>Helicopter</u>	<u>75</u>	<u>145</u>	<u>220</u>
2	<u>Sailplane</u>	<u>20</u>	<u>100</u>	<u>120</u>
3	<u>Lighter than air</u>	<u>20</u>	<u>100</u>	<u>120</u>
4	<u>Home built</u>	<u>20</u>	<u>100</u>	<u>120</u>
5	<u>Commercial unpiloted aircraft systems</u>	<u>0</u>	<u>120</u>	<u>120</u>

6 (b) The amount of tax, adjusted annually as provided in (c) of
7 this subsection, imposed by this chapter for each calendar year with
8 respect to aircraft owned and operated by a commuter air carrier that
9 is not an airplane company as defined in RCW 84.12.200 is as follows:

10	((Gross maximum take-off	Registration fee
11	weight of the aircraft	
12	Less than 4,001 lbs.	\$500
13	4,001-6,000 lbs.	\$1,000
14	6,001-8,000 lbs.	\$2,000
15	8,001-9,000 lbs.	\$3,000
16	9,001-12,500 lbs.	\$4,000))

17 Registration Fee Schedule

18	<u>Gross maximum take-off weight of the aircraft</u>	<u>Part 1</u>	<u>Part 2</u>	<u>Total</u>
19				
20	<u>Less than 4,001 lbs.</u>	\$ <u>500</u>	\$ <u>500</u>	\$ <u>1000</u>
21	<u>4,001-6,000 lbs.</u>	<u>100</u>	<u>100</u>	<u>2000</u>
22		<u>0</u>	<u>0</u>	
23	<u>6,001-8,000 lbs.</u>	<u>200</u>	<u>200</u>	<u>4000</u>
24		<u>0</u>	<u>0</u>	
25	<u>8,001-9,000 lbs.</u>	<u>300</u>	<u>300</u>	<u>6000</u>
26		<u>0</u>	<u>0</u>	
27	<u>9,001-12,500 lbs.</u>	<u>400</u>	<u>400</u>	<u>8000</u>
28		<u>0</u>	<u>0</u>	

29 (c) Beginning January 1, 2028, the excise taxes required in (a)
30 and (b) of this subsection must be adjusted annually by increasing
31 the registration fee by two percent and the result must be rounded to
32 the nearest whole dollar.

33 (2) (a) The amount of tax imposed under subsection (1) of this
34 section for each calendar year must be divided into ((~~twelve~~)) 12

1 parts corresponding to the months of the calendar year and the excise
2 tax upon an aircraft registered for the first time in this state
3 after the last day of any month may only be levied for the remaining
4 months of the calendar year including the month in which the aircraft
5 is being registered. However, the minimum amount payable is (~~three~~
6 ~~dollars~~) \$3.

7 (b) An aircraft is deemed registered for the first time in this
8 state when such aircraft was not previously registered by this state
9 for the year immediately preceding the year in which application for
10 registration is made.

11 **Sec. 407.** RCW 82.48.080 and 2015 3rd sp.s. c 6 s 901 are each
12 amended to read as follows:

13 (1) The secretary must regularly pay to the state treasurer the
14 excise taxes collected under this chapter(~~(, which must be credited~~
15 ~~by the state treasurer)~~).

16 (2) All excise taxes collected under part 1 of the registration
17 fee schedule in RCW 82.48.030(1) (a) and (b) must be credited to the
18 aeronautics account for state grants to airports and the
19 administrative expenses associated with grant execution and the
20 collection of excise taxes under this chapter.

21 (3) All excise taxes collected under part 2 of the registration
22 fee schedule in RCW 82.48.030(1) (a) and (b) must be credited to the
23 sustainable aviation fuel account created in RCW 43.31.645.

24 NEW SECTION. **Sec. 408.** The following acts or parts of acts are
25 each repealed:

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

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

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

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

32 NEW SECTION. **Sec. 409.** A new section is added to chapter 43.31
33 RCW to read as follows:

34 The sustainable aviation fuel airport infrastructure account is
35 created in the state treasury. All receipts from section 403(2) of
36 this act must be deposited into the account. Moneys in the account
37 may be spent only after appropriation. Expenditures from the account

1 may be used only for activities at airports that support sustainable
2 aviation fuel infrastructure improvement projects and sustainable
3 aviation fuel infrastructure preservation projects.

4 **PART V: TIRE FEE SELLER RETENTION AMOUNT CLARIFICATION**

5 **Sec. 501.** RCW 70A.205.405 and 2025 c 417 s 301 are each amended
6 to read as follows:

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

14 (2) The department of revenue shall incorporate into the agency's
15 regular audit cycle a reconciliation of the number of tires sold and
16 the amount of revenue collected by the businesses selling new
17 replacement vehicle tires at retail. The department of revenue shall
18 collect on the business excise tax return from the businesses selling
19 new replacement vehicle tires at retail:

20 (a) The number of tires sold; and

21 (b) The fee levied in this section.

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

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

28 **PART VI: TOW TRUCK IMPOUNDS**

29 **Sec. 601.** 2025 c 417 s 1406 (uncodified) is amended to read as
30 follows:

31 Sections 1307 through 1309 of this act take effect (~~February 1,~~
32 ~~2026~~) July 1, 2027.

33 **PART VII: REMOVAL OF EXPIRED ALTERNATIVE FUEL VEHICLE TAX INCENTIVE**
34 **REPORTING REQUIREMENT**

1 **Sec. 701.** RCW 82.08.9999 and 2022 c 182 s 305 are each amended
2 to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

32 (B) The total lease payments made plus any additional selling
33 price of the leased vehicle if the original lessee purchases the
34 leased vehicle before the qualification period end date, for lease
35 agreements signed.

36 (ii) Based on the purchase date or the date the lease agreement
37 was signed of the vehicle if the vehicle is a new vehicle at the time
38 of the purchase date or the date the lease agreement was signed:

1 (A) From the qualification period start date until July 31, 2021,
2 the maximum amount eligible under (b)(i) of this subsection is
3 \$25,000;

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

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

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

11 (2) The seller must keep records necessary for the department to
12 verify eligibility under this section. A person claiming the
13 exemption must also submit itemized information to the department for
14 all vehicles for which an exemption is claimed that must include the
15 following: Vehicle make; vehicle model; model year; whether the
16 vehicle has been sold or leased; date of sale or start date of lease;
17 length of lease; sales price for purchased vehicles and fair market
18 value at the inception of the lease for leased vehicles; and the
19 total amount qualifying for the incentive claimed for each vehicle,
20 in addition to the future monthly amount to be claimed for each
21 leased vehicle. This information must be provided in a form and
22 manner prescribed by the department.

23 (3)(a) The department of licensing must maintain and publish a
24 list of all vehicle models qualifying for the tax exemptions under
25 this section or RCW 82.12.9999 until the expiration date of this
26 section, and is authorized to issue final rulings on vehicle model
27 qualification for these criteria. A seller is not responsible for
28 repayment of the tax exemption under this section and RCW 82.12.9999
29 for a vehicle if the department of licensing's published list of
30 qualifying vehicle models on the purchase date or the date the lease
31 agreement was signed includes the vehicle model and the department of
32 licensing subsequently removes the vehicle model from the published
33 list, and, if applicable, the vehicle meets the qualifying criterion
34 under subsection (1)(a)(iii)(B) of this section and RCW
35 82.12.9999(1)(a)(iii)(B).

36 (b) The department of revenue retains responsibility for
37 determining whether a vehicle meets the applicable qualifying
38 criterion under subsection (1)(a)(iii)(B) of this section and RCW
39 82.12.9999(1)(a)(iii)(B).

1 (4) By the last day of October 2019, and every six months
2 thereafter until (~~this section expires~~) October 31, 2025, based on
3 the best available data, the department must report the following
4 information to the transportation committees of the legislature: The
5 cumulative number of vehicles that qualified for the exemption under
6 this section and RCW 82.12.9999 by month of purchase or lease start
7 and vehicle make and model; the dollar amount of all state retail
8 sales and use taxes exempted on or after the qualification period
9 start date, under this section and RCW 82.12.9999; and estimates of
10 the future costs of leased vehicles that qualified for the exemption
11 under this section and RCW 82.12.9999.

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

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

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

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

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

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

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

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

30 (b) All leased vehicles that qualified for the exemption under
31 this section before the qualification period end date must continue
32 to receive the exemption as described under subsection (1)(b) of this
33 section on any lease payments due through the remainder of the lease
34 before August 1, 2028.

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

36 (8) This section is supported by the revenues generated in RCW
37 46.17.324, and therefore takes effect only if RCW 46.17.324 is
38 enacted by June 30, 2019.

1 **Sec. 801.** RCW 47.66.130 and 2022 c 182 s 416 are each amended to
2 read as follows:

3 (1) The department shall establish a bus and bus facilities grant
4 program. The purpose of this competitive grant program is to provide
5 grants to any transit authority for the replacement, expansion,
6 rehabilitation, and purchase of transit rolling stock; construction,
7 modification, or rehabilitation of transit facilities; safety or
8 security enhancements for transit rolling stock or transit
9 facilities; and funding to adapt to technological change or
10 innovation through the retrofitting of transit rolling stock and
11 facilities.

12 (2) (a) The department must incorporate environmental justice
13 principles into the grant selection process, with the goal of
14 increasing the distribution of funding to communities based on
15 addressing environmental harms and provide environmental benefits for
16 overburdened communities, as defined in RCW 70A.02.010, and
17 vulnerable populations.

18 (b) The department must incorporate geographic diversity into the
19 grant selection process.

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

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

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

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

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

31 (5) For the purposes of this section:

32 (a) "Transit authority" means a city transit system under RCW
33 35.58.2721 or chapter 35.95A RCW, a county public transportation
34 authority under chapter 36.57 RCW, a metropolitan municipal
35 corporation transit system under chapter 36.56 RCW, a public
36 transportation benefit area under chapter 36.57A RCW, an
37 unincorporated transportation benefit area under RCW 36.57.100, or
38 any special purpose district formed to operate a public
39 transportation system.

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

3 **PART IX: OLDER DRIVERS**

4 NEW SECTION. **Sec. 901.** A new section is added to chapter 46.20
5 RCW to read as follows:

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

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

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

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

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

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

18 (4) Older drivers eligible for the program qualify for the \$5
19 reduced fee identicard for one identicard issuance only.

20 (5) The department is authorized to adopt rules necessary to
21 implement the older driver reduced fee identicard program under this
22 section.

23 **PART X: TOLL COLLECTION**

24 **Sec. 1001.** RCW 46.63.160 and 2015 c 292 s 1 are each amended to
25 read as follows:

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

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

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

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

8 (5) (a) The department shall develop rules to allow an individual
9 who has been issued a notice of civil penalty to present evidence of
10 mitigating circumstances as to why a toll bill was not timely paid.
11 If an individual is able to present verifiable evidence to the
12 department that a civil penalty was incurred due to hospitalization,
13 military deployment, eviction, homelessness, death of the alleged
14 violator or of an alleged violator's immediate family member, failure
15 to receive the toll bill due to an incorrect email or physical
16 address that has since been corrected, a prepaid electronic toll
17 account error that has since been corrected, an error made by the
18 department or an agent of the department, or other mitigating
19 circumstances as determined by the department, the department may
20 dismiss or reduce the civil penalty and associated fees.

21 (b) (i) Consistent with chapter 34.05 RCW, the department of
22 transportation shall develop an administrative adjudication process
23 to review appeals of civil penalties issued by the department of
24 transportation for toll nonpayment detected through the use of a
25 photo toll system under this section. The department of
26 transportation shall submit to the transportation committees of the
27 legislature an annual report on the number of times adjudicators
28 reduce or dismiss the civil penalty as provided in (b) (ii) of this
29 subsection and the total amount of the civil penalties dismissed. The
30 report must be submitted by December 1st of each year.

31 (ii) During the adjudication process, the alleged violator must
32 have an opportunity to explain mitigating circumstances as to why the
33 toll bill was not timely paid. Hospitalization, a divorce decree or
34 legal separation agreement resulting in a transfer of the vehicle, an
35 active duty member of the military or national guard covered by the
36 federal service members civil relief act, 50 U.S.C. Sec. 501 et seq.,
37 or state service members' civil relief act, chapter 38.42 RCW,
38 eviction, homelessness, the death of the alleged violator or of an
39 immediate family member, being switched to a different method of toll
40 payment, if the alleged violator did not receive a toll charge bill

1 or notice of civil penalty, or other mitigating circumstances as
2 determined by the adjudicator are deemed valid mitigating
3 circumstances. All of the reasons that constitute mitigating
4 circumstances must have occurred within a reasonable time of the
5 alleged toll violation. In response to these circumstances, the
6 adjudicator may reduce or dismiss the civil penalty and associated
7 administrative fees.

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

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

13 (b) A notice of civil penalty must include with it a certificate
14 or facsimile thereof, based upon inspection of photographs,
15 microphotographs, videotape, or other recorded images produced by a
16 photo toll system, stating the facts supporting the notice of civil
17 penalty. This certificate or facsimile is prima facie evidence of the
18 facts contained in it and is admissible in a proceeding established
19 under subsection (5) of this section. The photographs, digital
20 photographs, microphotographs, videotape, or other recorded images
21 evidencing the toll nonpayment civil penalty must be available for
22 inspection and admission into evidence in a proceeding to adjudicate
23 the liability for the civil penalty.

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

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

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

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

1 (d) Notwithstanding any other provision of law, all photographs,
2 digital photographs, microphotographs, videotape, other recorded
3 images, or other records identifying a specific instance of travel
4 prepared under this section are for the exclusive use of the tolling
5 agency for toll collection and enforcement purposes and are not open
6 to the public and may not be used in a court in a pending action or
7 proceeding unless the action or proceeding relates to a civil penalty
8 under this section. No photograph, digital photograph,
9 microphotograph, videotape, other recorded image, or other record
10 identifying a specific instance of travel may be used for any purpose
11 other than toll collection or enforcement of civil penalties under
12 this section. Records identifying a specific instance of travel by a
13 specific person or vehicle must be retained only as required to
14 ensure payment and enforcement of tolls and to comply with state
15 records retention policies.

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

20 (f) Within existing resources, the department of transportation
21 shall conduct education and outreach efforts at least six months
22 prior to activating an all-electronic photo toll system. Methods of
23 outreach shall include a department presence at community meetings in
24 the vicinity of a toll facility, signage, and information published
25 in local media. Information provided shall include notice of when all
26 electronic photo tolling shall begin and methods of payment.
27 Additionally, the department shall provide quarterly reporting on
28 education and outreach efforts and other data related to the issuance
29 of civil penalties.

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

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

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

4 (9) Except as provided otherwise in this subsection, all civil
5 penalties, including the photo toll and associated fees, collected
6 under this section must be deposited into the toll facility account
7 of the facility on which the toll was assessed. However, through June
8 30, 2013, civil penalties deposited into the Tacoma Narrows toll
9 bridge account created under RCW 47.56.165 that are in excess of
10 amounts necessary to support the toll adjudication process applicable
11 to toll collection on the Tacoma Narrows bridge must first be
12 allocated toward repayment of operating loans and reserve payments
13 provided to the account from the motor vehicle (~~account~~~~[fund]~~)
14 fund under section 1005(15), chapter 518, Laws of 2007. Additionally,
15 all civil penalties, resulting from nonpayment of tolls on the state
16 route number 520 corridor, shall be deposited into the state route
17 number 520 civil penalties account created under section 4, chapter
18 248, Laws of 2010 but only if chapter 248, Laws of 2010 is enacted by
19 June 30, 2010.

20 (10) If the registered owner of the vehicle is a rental car
21 business, the department of transportation shall, before a toll bill
22 is issued, provide a written notice to the rental car business that a
23 toll bill may be issued to the rental car business if the rental car
24 business does not, within (~~thirty~~) 30 days of the mailing of the
25 written notice, provide to the issuing agency by return mail:

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

29 (b) A statement under oath that the business is unable to
30 determine who was driving or renting the vehicle at the time the toll
31 was assessed because the vehicle was stolen at the time the toll was
32 assessed. A statement provided under this subsection must be
33 accompanied by a copy of a filed police report regarding the vehicle
34 theft; or

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

37 Timely mailing of this statement to the issuing agency relieves a
38 rental car business of any liability under this section for the
39 payment of the toll.

1 (11) It is the intent of the legislature that the department
2 provide an educational opportunity when vehicle owners incur fees and
3 penalties associated with late payment of tolls for the first time.
4 As part of this educational opportunity, the department may waive
5 penalties and fees if the issue that resulted in the toll not being
6 timely paid has been resolved and the vehicle owner establishes an
7 electronic toll account, if practicable. To aid in collecting tolls
8 in a timely manner, the department may waive or reduce the
9 outstanding amounts of fees and penalties assessed when tolls are not
10 timely paid.

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

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

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

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

28 (a) Connect with the department of licensing's vehicle record
29 system so that a prepaid electronic toll account can be updated
30 automatically when a toll customer's vehicle record is updated, if
31 the customer has consented to such updates; and

32 (b) Document when any toll is assessed for a vehicle listed in a
33 prepaid electronic toll account in the monthly statement that is made
34 available to the electronic toll account holder regardless of whether
35 the method of payment for the toll is via pay-by-mail or prepaid
36 electronic toll account.

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

39 (15) For the purposes of this section:

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

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

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

11 **PART XI: PUBLIC TRANSPORTATION BENEFIT AREAS**

12 **Sec. 1101.** RCW 36.57A.145 and 2025 c 417 s 1001 are each amended
13 to read as follows:

14 (1) A public transportation benefit area authority as provided in
15 subsection (2) of this section may, pursuant to an interlocal
16 agreement, annex an adjacent city operating a transit system under
17 chapter 35.95 RCW within the county in which the public
18 transportation benefit area is located. This method of annexation is
19 an alternative method and is additional to all other methods provided
20 for in this chapter.

21 (2) An authority and the governing body of an adjacent city
22 described in subsection (1) of this section may jointly initiate an
23 annexation process for annexing the city into the public
24 transportation benefit area by adopting an interlocal agreement as
25 provided in chapter 39.34 RCW and under this subsection between the
26 authority and the city. The authority and the city shall jointly
27 agree on the annexation and its effective date. The interlocal
28 agreement must set a date for a public hearing on the agreement for
29 annexation.

30 (3) A public hearing must be held by each governing body,
31 separately or jointly, before the agreement is executed. Each
32 governing body holding a public hearing shall:

33 (a) Separately or jointly, publish a notice of availability of
34 the agreement at least once a week for four weeks before the date of
35 the hearing in one or more newspapers of general circulation within
36 the public transportation benefit area and one or more newspapers of
37 general circulation within the city; and

1 (b) If the governing body has the ability to do so, post the
2 notice of availability of the agreement on its website for the same
3 four weeks that the notice is published in the newspapers under (a)
4 of this subsection. The notice must describe where the public may
5 review the agreement.

6 (4) On the date set for hearing, the public must be afforded an
7 opportunity to be heard. Following the hearing, if the governing body
8 determines to undertake the annexation, it must do so by ordinance,
9 if a city's governing body, and by resolution, if a public
10 transportation benefit area's governing body. Upon the effective date
11 of the annexation the city annexed must (a) become part of the public
12 transportation benefit area, (b) be subject to all taxes and other
13 liabilities and obligations of the public transportation benefit
14 area, (c) cease imposing a sales and use tax under RCW 82.14.045, and
15 (~~must~~) (d) cease operating a transit system under chapter 35.95
16 RCW. Upon passage of the annexation ordinance and resolution a
17 certified copy of each must be filed with the legislative authority
18 of the county in which the city is located.

19 (5) After an annexation under this section occurs, the county
20 legislative authority of the county in which the public
21 transportation benefit area is located may by resolution annex
22 (~~the~~) county area under its jurisdiction into the public
23 transportation benefit area, which annexed area must then be subject
24 to all taxes and other liabilities and obligations of the public
25 transportation benefit area. This method of annexation is an
26 alternative method and is additional to all other methods provided
27 for in this chapter.

28 **PART XII: WASHINGTON STATE FERRIES DEBIT CARD FEES**

29 **Sec. 1201.** RCW 47.60.860 and 2025 c 417 s 405 are each amended
30 to read as follows:

31 The Washington state ferries shall implement cost recovery
32 mechanisms to recoup at least three percent in credit card, debit
33 card, and other financial transaction costs related to the collection
34 of ferry fares imposed under RCW 47.60.290 and 47.60.315. As part of
35 the cost recovery mechanisms, the Washington state ferries may
36 recover transaction fees incurred through credit card and debit card
37 transactions. The Washington state ferries must notify customers of
38 the fee at the point of sale and itemize the fee on customer

1 receipts. Costs recovered under this section may not be considered
2 revenue for the purposes of fare setting.

3 **PART XIII: ACCOUNT INTEREST EARNINGS**

4 **Sec. 1301.** RCW 43.84.092 and 2025 c 417 s 802, 2025 c 399 s 15,
5 2025 c 359 s 12, and 2025 c 299 s 21 are each reenacted and amended
6 to read as follows:

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

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

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

35 (4) Monthly, the state treasurer shall distribute the earnings
36 credited to the treasury income account. The state treasurer shall
37 credit the general fund with all the earnings credited to the
38 treasury income account except:

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

1 grade crossing protective fund, the higher education retirement plan
2 supplemental benefit fund, the Washington student loan account, the
3 highway bond retirement fund, the highway infrastructure account, the
4 highway safety fund, the hospital safety net assessment fund, the
5 ignition interlock device revolving account, the Interstate 5 bridge
6 replacement project account, the Interstate 5 bridge replacement
7 project toll facility bond retirement account, the Interstate 405 and
8 state route number 167 express toll lanes account, the judges'
9 retirement account, the judicial retirement administrative account,
10 the judicial retirement principal account, the license plate
11 technology 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 fuel tax
14 refund account, the marine resources stewardship trust account, the
15 medical aid account, the money-purchase retirement savings
16 administrative account, the money-purchase retirement savings
17 principal account, the motor vehicle fund, the motorcycle safety
18 education account, the move ahead WA account, the move ahead WA
19 flexible account, the multimodal transportation account, the multiuse
20 roadway safety account, the municipal criminal justice assistance
21 account, the oyster reserve land account, the pension funding
22 stabilization account, the perpetual surveillance and maintenance
23 account, the pilotage account, the pollution liability insurance
24 agency underground storage tank revolving account, the medicaid
25 access program account, the public employees' retirement system plan
26 1 account, the public employees' retirement system combined plan 2
27 and 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 recreation resource account, the regional
34 mobility grant program account, the reserve officers' relief and
35 pension principal fund, the resource management cost account, the
36 rural arterial trust account, the rural mobility grant program
37 account, the rural Washington loan fund, the Sandy Williams
38 connecting communities program account, the second injury fund, the
39 sexual assault prevention and response account, the site closure
40 account, the skilled nursing facility safety net trust fund, the

1 small city pavement and sidewalk account, the special category C
2 account, the special wildlife account, the state hazard mitigation
3 revolving loan account, the state investment board expense account,
4 the state investment board commingled trust fund accounts, the state
5 patrol highway account, the state reclamation revolving account, the
6 state route number 520 civil penalties account, the state route
7 number 520 corridor account, the statewide broadband account, the
8 statewide tourism marketing account, the supplemental pension
9 account, the sustainable aviation fuel account, the sustainable
10 aviation fuel airport infrastructure account, the Tacoma Narrows toll
11 bridge account, the teachers' retirement system plan 1 account, the
12 teachers' retirement system combined plan 2 and plan 3 account, the
13 tobacco prevention and control account, the tobacco settlement
14 account, the toll facility bond retirement account, the
15 transportation 2003 account (nickel account), the transportation
16 equipment fund, the JUDY transportation future funding program
17 account, the transportation improvement account, the transportation
18 improvement board bond retirement account, the transportation
19 infrastructure account, the transportation partnership account, the
20 traumatic brain injury account, the tribal opioid prevention and
21 treatment account, the University of Washington bond retirement fund,
22 the University of Washington building account, the voluntary cleanup
23 account, the volunteer firefighters' relief and pension principal
24 fund, the volunteer firefighters' and reserve officers'
25 administrative fund, the vulnerable roadway user education account,
26 the Washington judicial retirement system account, the Washington law
27 enforcement officers' and firefighters' system plan 1 retirement
28 account, the Washington law enforcement officers' and firefighters'
29 system plan 2 retirement account, the Washington public safety
30 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. 1302.** 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 agency
13 financial transaction account, the Alaskan Way viaduct replacement
14 project account, the ambulance transport fund, the budget
15 stabilization account, the capital vessel replacement account, the
16 capitol building construction account, the carbon emissions reduction
17 account, the Central Washington University capital projects account,
18 the charitable, educational, penal and reformatory institutions
19 account, the Chehalis basin account, the Chehalis basin taxable
20 account, the clean fuels credit account, the clean fuels
21 transportation investment account, the cleanup settlement account,
22 the climate commitment act transportation account, the Columbia river
23 basin water supply development account, the Columbia river basin
24 taxable bond water supply development account, the Columbia river
25 basin water supply revenue recovery account, the common school
26 construction fund, the community forest trust account, the complete
27 streets grant program account, the connecting Washington account, the
28 Cooper Jones active transportation safety account, the county
29 arterial preservation account, the county criminal justice assistance
30 account, the covenant homeownership account, the deferred
31 compensation administrative account, the deferred compensation
32 principal account, the department of licensing services account, the
33 department of retirement systems expense account, the developmental
34 disabilities community services account, the diesel idle reduction
35 account, the opioid abatement settlement account, the drinking water
36 assistance account, the administrative subaccount of the drinking
37 water assistance account, the driver education safety improvement
38 account, the driver licensing technology support account, the early
39 learning facilities development account, the early learning
40 facilities revolving account, the Eastern Washington University

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

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

1 retirement fund, the water pollution control revolving administration
2 account, the water pollution control revolving fund, the Western
3 Washington University capital projects account, the Yakima integrated
4 plan implementation account, the Yakima integrated plan
5 implementation revenue recovery account, and the Yakima integrated
6 plan implementation taxable bond account. Earnings derived from
7 investing balances of the agricultural permanent fund, the normal
8 school permanent fund, the permanent common school fund, the
9 scientific permanent fund, and the state university permanent fund
10 shall be allocated to their respective beneficiary accounts.

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

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

20 **Sec. 1303.** RCW 43.84.092 and 2025 c 417 s 803, 2025 c 399 s 16,
21 2025 c 359 s 13, and 2025 c 299 s 22 are each reenacted and amended
22 to read as follows:

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

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

1 distributions of earnings set forth in subsection (4) of this
2 section.

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

12 (4) Monthly, the state treasurer shall distribute the earnings
13 credited to the treasury income account. The state treasurer shall
14 credit the general fund with all the earnings credited to the
15 treasury income account except:

16 (a) The following accounts and funds shall receive their
17 proportionate share of earnings based upon each account's and fund's
18 average daily balance for the period: The abandoned recreational
19 vehicle disposal account, the aeronautics account, the agency
20 financial transaction account, the Alaskan Way viaduct replacement
21 project account, the budget stabilization account, the capital vessel
22 replacement account, the capitol building construction account, the
23 carbon emissions reduction account, the Central Washington University
24 capital projects account, the charitable, educational, penal and
25 reformatory institutions account, the Chehalis basin account, the
26 Chehalis basin taxable account, the clean fuels credit account, the
27 clean fuels transportation investment account, the cleanup settlement
28 account, the climate commitment act transportation account, the
29 Columbia river basin water supply development account, the Columbia
30 river basin taxable bond water supply development account, the
31 Columbia river basin water supply revenue recovery account, the
32 common school construction fund, the community forest trust account,
33 the complete streets grant program account, the connecting Washington
34 account, the Cooper Jones active transportation safety account, the
35 county arterial preservation account, the county criminal justice
36 assistance account, the covenant homeownership account, the deferred
37 compensation administrative account, the deferred compensation
38 principal account, the department of licensing services account, the
39 department of retirement systems expense account, the developmental
40 disabilities community services account, the diesel idle reduction

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

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

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

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

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

27 **Sec. 1304.** RCW 43.84.092 and 2025 c 417 s 803, 2025 c 399 s 16,
28 and 2025 c 299 s 22 are each reenacted and amended to read as
29 follows:

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

33 (2) The treasury income account shall be utilized to pay or
34 receive funds associated with federal programs as required by the
35 federal cash management improvement act of 1990. The treasury income
36 account is subject in all respects to chapter 43.88 RCW, but no
37 appropriation is required for refunds or allocations of interest
38 earnings required by the cash management improvement act. Refunds of
39 interest to the federal treasury required under the cash management

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

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

19 (4) Monthly, the state treasurer shall distribute the earnings
20 credited to the treasury income account. The state treasurer shall
21 credit the general fund with all the earnings credited to the
22 treasury income account except:

23 (a) The following accounts and funds shall receive their
24 proportionate share of earnings based upon each account's and fund's
25 average daily balance for the period: The abandoned recreational
26 vehicle disposal account, the aeronautics account, the agency
27 financial transaction account, the Alaskan Way viaduct replacement
28 project account, the budget stabilization account, the capital vessel
29 replacement account, the capitol building construction account, the
30 carbon emissions reduction account, the Central Washington University
31 capital projects account, the charitable, educational, penal and
32 reformatory institutions account, the Chehalis basin account, the
33 Chehalis basin taxable account, the clean fuels credit account, the
34 clean fuels transportation investment account, the cleanup settlement
35 account, the climate commitment act transportation account, the
36 Columbia river basin water supply development account, the Columbia
37 river basin taxable bond water supply development account, the
38 Columbia river basin water supply revenue recovery account, the
39 common school construction fund, the community forest trust account,
40 the complete streets grant program account, the connecting Washington

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

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

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

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

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

33 **Sec. 1305.** RCW 43.84.092 and 2025 c 417 s 803, 2025 c 399 s 16,
34 2025 c 359 s 13, 2025 c 299 s 22, and 2025 c 228 s 15 are each
35 reenacted and amended to read as follows:

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

1 (2) The treasury income account shall be utilized to pay or
2 receive funds associated with federal programs as required by the
3 federal cash management improvement act of 1990. The treasury income
4 account is subject in all respects to chapter 43.88 RCW, but no
5 appropriation is required for refunds or allocations of interest
6 earnings required by the cash management improvement act. Refunds of
7 interest to the federal treasury required under the cash management
8 improvement act fall under RCW 43.88.180 and shall not require
9 appropriation. The office of financial management shall determine the
10 amounts due to or from the federal government pursuant to the cash
11 management improvement act. The office of financial management may
12 direct transfers of funds between accounts as deemed necessary to
13 implement the provisions of the cash management improvement act, and
14 this subsection. Refunds or allocations shall occur prior to the
15 distributions of earnings set forth in subsection (4) of this
16 section.

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

26 (4) Monthly, the state treasurer shall distribute the earnings
27 credited to the treasury income account. The state treasurer shall
28 credit the general fund with all the earnings credited to the
29 treasury income account except:

30 (a) The following accounts and funds shall receive their
31 proportionate share of earnings based upon each account's and fund's
32 average daily balance for the period: The abandoned recreational
33 vehicle disposal account, the aeronautics account, the agency
34 financial transaction account, the Alaskan Way viaduct replacement
35 project account, the budget stabilization account, the capital vessel
36 replacement account, the capitol building construction account, the
37 carbon emissions reduction account, the Central Washington University
38 capital projects account, the charitable, educational, penal and
39 reformatory institutions account, the Chehalis basin account, the
40 Chehalis basin taxable account, the clean fuels credit account, the

1 clean fuels transportation investment account, the cleanup settlement
2 account, the climate commitment act transportation account, the
3 Columbia river basin water supply development account, the Columbia
4 river basin taxable bond water supply development account, the
5 Columbia river basin water supply revenue recovery account, the
6 common school construction fund, the community forest trust account,
7 the complete streets grant program account, the connecting Washington
8 account, the Cooper Jones active transportation safety account, the
9 county arterial preservation account, the county criminal justice
10 assistance account, the covenant homeownership account, the deferred
11 compensation administrative account, the deferred compensation
12 principal account, the department of licensing services account, the
13 department of retirement systems expense account, the developmental
14 disabilities community services account, the diesel idle reduction
15 account, the opioid abatement settlement account, the drinking water
16 assistance account, the administrative subaccount of the drinking
17 water assistance account, the driver education safety improvement
18 account, the driver licensing technology support account, the early
19 learning facilities development account, the early learning
20 facilities revolving account, the Eastern Washington University
21 capital projects account, the education legacy trust account, the
22 election account, the electric vehicle account, the energy freedom
23 account, the energy recovery act account, the essential rail
24 assistance account, The Evergreen State College capital projects
25 account, the fair start for kids account, the family medicine
26 workforce development account, the ferry bond retirement fund, the
27 fish, wildlife, and conservation account, the freight mobility
28 investment account, the freight mobility multimodal account, the
29 grade crossing protective fund, the higher education retirement plan
30 supplemental benefit fund, the Washington student loan account, the
31 highway bond retirement fund, the highway infrastructure account, the
32 highway safety fund, the hospital safety net assessment fund, the
33 ignition interlock device revolving account, the intelligent speed
34 assistance device revolving account, the Interstate 5 bridge
35 replacement project account, the Interstate 5 bridge replacement
36 project toll facility bond retirement account, the Interstate 405 and
37 state route number 167 express toll lanes account, the judges'
38 retirement account, the judicial retirement administrative account,
39 the judicial retirement principal account, the license plate
40 technology account, the limited fish and wildlife account, the local

1 leasehold excise tax account, the local real estate excise tax
2 account, the local sales and use tax account, the marine fuel tax
3 refund account, the marine resources stewardship trust account, the
4 medical aid account, the money-purchase retirement savings
5 administrative account, the money-purchase retirement savings
6 principal account, the motor vehicle fund, the motorcycle safety
7 education account, the move ahead WA account, the move ahead WA
8 flexible account, the multimodal transportation account, the multiuse
9 roadway safety account, the municipal criminal justice assistance
10 account, the oyster reserve land account, the pension funding
11 stabilization account, the perpetual surveillance and maintenance
12 account, the pilotage account, the pollution liability insurance
13 agency underground storage tank revolving account, the medicaid
14 access program account, the public employees' retirement system plan
15 1 account, the public employees' retirement system combined plan 2
16 and plan 3 account, the public facilities construction loan revolving
17 account, the public health supplemental account, the public works
18 assistance account, the Puget Sound capital construction account, the
19 Puget Sound ferry operations account, the Puget Sound Gateway
20 facility account, the Puget Sound taxpayer accountability account,
21 the real estate appraiser commission account, the recreational
22 vehicle account, the recreation resource account, the regional
23 mobility grant program account, the reserve officers' relief and
24 pension principal fund, the resource management cost account, the
25 rural arterial trust account, the rural mobility grant program
26 account, the rural Washington loan fund, the Sandy Williams
27 connecting communities program account, the second injury fund, the
28 sexual assault prevention and response account, the site closure
29 account, the skilled nursing facility safety net trust fund, the
30 small city pavement and sidewalk account, the special category C
31 account, the special wildlife account, the state hazard mitigation
32 revolving loan account, the state investment board expense account,
33 the state investment board commingled trust fund accounts, the state
34 patrol highway account, the state reclamation revolving account, the
35 state route number 520 civil penalties account, the state route
36 number 520 corridor account, the statewide broadband account, the
37 statewide tourism marketing account, the supplemental pension
38 account, the sustainable aviation fuel account, the sustainable
39 aviation fuel airport infrastructure account, the Tacoma Narrows toll
40 bridge account, the teachers' retirement system plan 1 account, the

1 teachers' retirement system combined plan 2 and plan 3 account, the
2 tobacco prevention and control account, the tobacco settlement
3 account, the toll facility bond retirement account, the
4 transportation 2003 account (nickel account), the transportation
5 equipment fund, the JUDY transportation future funding program
6 account, the transportation improvement account, the transportation
7 improvement board bond retirement account, the transportation
8 infrastructure account, the transportation partnership account, the
9 traumatic brain injury account, the tribal opioid prevention and
10 treatment account, the University of Washington bond retirement fund,
11 the University of Washington building account, the voluntary cleanup
12 account, the volunteer firefighters' relief and pension principal
13 fund, the volunteer firefighters' and reserve officers'
14 administrative fund, the vulnerable roadway user education account,
15 the Washington judicial retirement system account, the Washington law
16 enforcement officers' and firefighters' system plan 1 retirement
17 account, the Washington law enforcement officers' and firefighters'
18 system plan 2 retirement account, the Washington public safety
19 employees' plan 2 retirement account, the Washington school
20 employees' retirement system combined plan 2 and 3 account, the
21 Washington state patrol retirement account, the Washington State
22 University building account, the Washington State University bond
23 retirement fund, the water pollution control revolving administration
24 account, the water pollution control revolving fund, the Western
25 Washington University capital projects account, the Yakima integrated
26 plan implementation account, the Yakima integrated plan
27 implementation revenue recovery account, and the Yakima integrated
28 plan implementation taxable bond account. Earnings derived from
29 investing balances of the agricultural permanent fund, the normal
30 school permanent fund, the permanent common school fund, the
31 scientific permanent fund, and the state university permanent fund
32 shall be allocated to their respective beneficiary accounts.

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

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

4 **Sec. 1306.** RCW 43.84.092 and 2025 c 417 s 803, 2025 c 399 s 16,
5 2025 c 299 s 22, and 2025 c 228 s 15 are each reenacted and amended
6 to read as follows:

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

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

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

35 (4) Monthly, the state treasurer shall distribute the earnings
36 credited to the treasury income account. The state treasurer shall
37 credit the general fund with all the earnings credited to the
38 treasury income account except:

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

1 supplemental benefit fund, the Washington student loan account, the
2 highway bond retirement fund, the highway infrastructure account, the
3 highway safety fund, the hospital safety net assessment fund, the
4 ignition interlock device revolving account, the intelligent speed
5 assistance device revolving account, the Interstate 5 bridge
6 replacement project account, the Interstate 5 bridge replacement
7 project toll facility bond retirement account, the Interstate 405 and
8 state route number 167 express toll lanes account, the judges'
9 retirement account, the judicial retirement administrative account,
10 the judicial retirement principal account, the license plate
11 technology 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 fuel tax
14 refund account, the marine resources stewardship trust account, the
15 medical aid account, the money-purchase retirement savings
16 administrative account, the money-purchase retirement savings
17 principal account, the motor vehicle fund, the motorcycle safety
18 education account, the move ahead WA account, the move ahead WA
19 flexible account, the multimodal transportation account, the multiuse
20 roadway safety account, the municipal criminal justice assistance
21 account, the oyster reserve land account, the pension funding
22 stabilization account, the perpetual surveillance and maintenance
23 account, the pilotage account, the pollution liability insurance
24 agency underground storage tank revolving 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 recreation resource
33 account, the regional mobility grant program account, the reserve
34 officers' relief and pension principal fund, the resource management
35 cost account, the rural arterial trust account, the rural mobility
36 grant program account, the rural Washington loan fund, the Sandy
37 Williams connecting communities program account, the second injury
38 fund, the sexual assault prevention and response account, the site
39 closure account, the skilled nursing facility safety net trust fund,
40 the small city pavement and sidewalk account, the special category C

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

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

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

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

12 **Sec. 1307.** RCW 43.79A.040 and 2025 c 399 s 13 and 2025 c 190 s 3
13 are each reenacted and amended to read as follows:

14 (1) Money in the treasurer's trust fund may be deposited,
15 invested, and reinvested by the state treasurer in accordance with
16 RCW 43.84.080 in the same manner and to the same extent as if the
17 money were in the state treasury, and may be commingled with moneys
18 in the state treasury for cash management and cash balance purposes.

19 (2) All income received from investment of the treasurer's trust
20 fund must be set aside in an account in the treasury trust fund to be
21 known as the investment income account.

22 (3) The investment income account may be utilized for the payment
23 of purchased banking services on behalf of treasurer's trust funds
24 including, but not limited to, depository, safekeeping, and
25 disbursement functions for the state treasurer or affected state
26 agencies. The investment income account is subject in all respects to
27 chapter 43.88 RCW, but no appropriation is required for payments to
28 financial institutions. Payments must occur prior to distribution of
29 earnings set forth in subsection (4) of this section.

30 (4)(a) Monthly, the state treasurer must distribute the earnings
31 credited to the investment income account to the state general fund
32 except under (b), (c), and (d) of this subsection.

33 (b) The following accounts and funds must receive their
34 proportionate share of earnings based upon each account's or fund's
35 average daily balance for the period: The 24/7 sobriety account, the
36 Washington promise scholarship account, the Gina Grant Bull memorial
37 legislative page scholarship account, the Rosa Franklin legislative
38 internship program scholarship account, the Washington advanced
39 college tuition payment program account, the Washington college

1 savings program account, the accessible communities account, the
2 Washington achieving a better life experience program account, the
3 Washington career and college pathways innovation challenge program
4 account, the community and technical college innovation account, the
5 agricultural local fund, the American Indian scholarship endowment
6 fund, the behavioral health loan repayment and scholarship program
7 account, the Billy Frank Jr. national statuary hall collection fund,
8 the foster care scholarship endowment fund, the foster care endowed
9 scholarship trust fund, the contract harvesting revolving account,
10 the Washington state combined fund drive account, the county 911
11 excise tax account, the county road administration board emergency
12 loan account, the toll collection account, the developmental
13 disabilities endowment trust fund, the energy account, the energy
14 facility site evaluation council account, the fair fund, the family
15 and medical leave insurance account, the Fern Lodge maintenance
16 account, the fish and wildlife federal lands revolving account, the
17 natural resources federal lands revolving account, the food animal
18 veterinarian conditional scholarship account, the forest health
19 revolving account, the fruit and vegetable inspection account, the
20 educator conditional scholarship account, the game farm alternative
21 account, the GET ready for math and science scholarship account, the
22 Washington global health technologies and product development
23 account, the grain inspection revolving fund, the Washington history
24 day account, the industrial insurance rainy day fund, the law
25 enforcement officers' and firefighters' plan 2 expense fund, the
26 local tourism promotion account, the low-income home rehabilitation
27 account, the medication for people living with HIV rebate revenue
28 account, the homeowner recovery account, the multiagency permitting
29 team account, the northeast Washington wolf-livestock management
30 account, the pollution liability insurance program trust account, the
31 public use general aviation airport loan revolving account, the
32 regional transportation investment district account, the rural
33 rehabilitation account, the Washington sexual assault kit account,
34 the stadium and exhibition center account, the youth athletic
35 facility account, the self-insurance revolving fund, the children's
36 trust fund, the Washington horse racing commission Washington bred
37 owners' bonus fund and breeder awards account, the Washington horse
38 racing commission class C purse fund account, the individual
39 development account program account, the Washington horse racing
40 commission operating account, the life sciences discovery fund, the

1 Washington state library-archives building account, the reduced
2 cigarette ignition propensity account, the center for deaf and hard
3 of hearing youth account, the school for the blind account, the
4 public employees' and retirees' insurance reserve fund, the school
5 employees' benefits board insurance reserve fund, the public
6 employees' and retirees' insurance account, the school employees'
7 insurance account, the long-term services and supports trust account,
8 the radiation perpetual maintenance fund, the Indian health
9 improvement reinvestment account, the department of licensing tuition
10 recovery trust fund, the student achievement council tuition recovery
11 trust fund, the tuition recovery trust fund, the industrial insurance
12 premium refund account, the mobile home park relocation fund, the
13 natural resources deposit fund, the Washington state health insurance
14 pool account, the federal forest revolving account, the Washington
15 saves administrative trust account, the school zone safety account,
16 the impaired driving safety account, and the library operations
17 account.

18 (c) The following accounts and funds must receive 80 percent of
19 their proportionate share of earnings based upon each account's or
20 fund's average daily balance for the period: The advance right-of-way
21 revolving fund, the advanced environmental mitigation revolving
22 account, the federal narcotics asset forfeitures account, the high
23 occupancy vehicle account, the local rail service assistance account,
24 and the miscellaneous transportation programs account.

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

32 (5) In conformance with Article II, section 37 of the state
33 Constitution, no trust accounts or funds shall be allocated earnings
34 without the specific affirmative directive of this section.

35 **Sec. 1308.** RCW 43.79A.040 and 2025 c 399 s 14 and 2025 c 190 s 4
36 are each reenacted and amended to read as follows:

37 (1) Money in the treasurer's trust fund may be deposited,
38 invested, and reinvested by the state treasurer in accordance with
39 RCW 43.84.080 in the same manner and to the same extent as if the

1 money were in the state treasury, and may be commingled with moneys
2 in the state treasury for cash management and cash balance purposes.

3 (2) All income received from investment of the treasurer's trust
4 fund must be set aside in an account in the treasury trust fund to be
5 known as the investment income account.

6 (3) The investment income account may be utilized for the payment
7 of purchased banking services on behalf of treasurer's trust funds
8 including, but not limited to, depository, safekeeping, and
9 disbursement functions for the state treasurer or affected state
10 agencies. The investment income account is subject in all respects to
11 chapter 43.88 RCW, but no appropriation is required for payments to
12 financial institutions. Payments must occur prior to distribution of
13 earnings set forth in subsection (4) of this section.

14 (4)(a) Monthly, the state treasurer must distribute the earnings
15 credited to the investment income account to the state general fund
16 except under (b), (c), and (d) of this subsection.

17 (b) The following accounts and funds must receive their
18 proportionate share of earnings based upon each account's or fund's
19 average daily balance for the period: The 24/7 sobriety account, the
20 Washington promise scholarship account, the Gina Grant Bull memorial
21 legislative page scholarship account, the Rosa Franklin legislative
22 internship program scholarship account, the Washington advanced
23 college tuition payment program account, the Washington college
24 savings program account, the accessible communities account, the
25 Washington achieving a better life experience program account, the
26 Washington career and college pathways innovation challenge program
27 account, the community and technical college innovation account, the
28 agricultural local fund, the American Indian scholarship endowment
29 fund, the behavioral health loan repayment and scholarship program
30 account, the Billy Frank Jr. national statuary hall collection fund,
31 the foster care scholarship endowment fund, the foster care endowed
32 scholarship trust fund, the contract harvesting revolving account,
33 the Washington state combined fund drive account, the county 911
34 excise tax account, the county road administration board emergency
35 loan account, the toll collection account, the developmental
36 disabilities endowment trust fund, the energy account, the energy
37 facility site evaluation council account, the fair fund, the family
38 and medical leave insurance account, the Fern Lodge maintenance
39 account, the fish and wildlife federal lands revolving account, the
40 natural resources federal lands revolving account, the food animal

1 veterinarian conditional scholarship account, the forest health
2 revolving account, the fruit and vegetable inspection account, the
3 educator conditional scholarship account, the game farm alternative
4 account, the GET ready for math and science scholarship account, the
5 Washington global health technologies and product development
6 account, the grain inspection revolving fund, the Washington history
7 day account, the industrial insurance rainy day fund, the law
8 enforcement officers' and firefighters' plan 2 expense fund, the
9 local tourism promotion account, the low-income home rehabilitation
10 account, the medication for people living with HIV rebate revenue
11 account, the homeowner recovery account, the multiagency permitting
12 team account, the northeast Washington wolf-livestock management
13 account, the public use general aviation airport loan revolving
14 account, the regional transportation investment district account, the
15 rural rehabilitation account, the Washington sexual assault kit
16 account, the stadium and exhibition center account, the youth
17 athletic facility account, the self-insurance revolving fund, the
18 children's trust fund, the Washington horse racing commission
19 Washington bred owners' bonus fund and breeder awards account, the
20 Washington horse racing commission class C purse fund account, the
21 individual development account program account, the Washington horse
22 racing commission operating account, the life sciences discovery
23 fund, the Washington state library-archives building account, the
24 reduced cigarette ignition propensity account, the center for deaf
25 and hard of hearing youth account, the school for the blind account,
26 the public employees' and retirees' insurance reserve fund, the
27 school employees' benefits board insurance reserve fund, the public
28 employees' and retirees' insurance account, the school employees'
29 insurance account, the long-term services and supports trust account,
30 the radiation perpetual maintenance fund, the Indian health
31 improvement reinvestment account, the department of licensing tuition
32 recovery trust fund, the student achievement council tuition recovery
33 trust fund, the tuition recovery trust fund, the industrial insurance
34 premium refund account, the mobile home park relocation fund, the
35 natural resources deposit fund, the Washington state health insurance
36 pool account, the federal forest revolving account, the Washington
37 saves administrative trust account, the school zone safety account,
38 the impaired driving safety account, and the library operations
39 account.

1 (c) The following accounts and funds must receive 80 percent of
2 their proportionate share of earnings based upon each account's or
3 fund's average daily balance for the period: The advance right-of-way
4 revolving fund, the advanced environmental mitigation revolving
5 account, the federal narcotics asset forfeitures account, the high
6 occupancy vehicle account, the local rail service assistance account,
7 and the miscellaneous transportation programs account.

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

15 (5) In conformance with Article II, section 37 of the state
16 Constitution, no trust accounts or funds shall be allocated earnings
17 without the specific affirmative directive of this section.

18 **PART XIV: MISCELLANEOUS**

19 NEW SECTION. **Sec. 1401.** Sections 101, 102, 201 through 203,
20 301, and 302 of this act take effect July 1, 2026.

21 NEW SECTION. **Sec. 1402.** Sections 402 and 403 of this act take
22 effect November 1, 2026.

23 NEW SECTION. **Sec. 1403.** Sections 404, 406, and 407 of this act
24 take effect January 1, 2027.

25 NEW SECTION. **Sec. 1404.** (1) Section 1301 of this act expires
26 the earlier of July 1, 2028, or when RCW 74.76.040 expires.

27 (2) Section 1302 of this act expires July 1, 2028.

28 (3) Section 1303 of this act expires the earlier of January 1,
29 2029, or when RCW 74.76.040 expires.

30 (4) Section 1304 of this act expires January 1, 2029.

31 (5) Section 1305 of this act expires when RCW 74.76.040 expires.

32 NEW SECTION. **Sec. 1405.** (1) Section 1302 of this act takes
33 effect when RCW 74.76.040 expires.

34 (2) Sections 1303 and 1304 of this act take effect July 1, 2028.

1 (3) Sections 1305 and 1306 of this act take effect January 1,
2 2029.

3 NEW SECTION. **Sec. 1406.** (1) Section 1307 of this act expires
4 July 1, 2030.

5 (2) Section 404 of this act expires July 1, 2031.

6 NEW SECTION. **Sec. 1407.** (1) Section 1308 of this act takes
7 effect July 1, 2030.

8 (2) Section 405 of this act takes effect July 1, 2031.

9 NEW SECTION. **Sec. 1408.** If any provision of this act or its
10 application to any person or circumstance is held invalid, the
11 remainder of the act or the application of the provision to other
12 persons or circumstances is not affected.

13 NEW SECTION. **Sec. 1409.** Sections 401, 408, 601, and 1201 of
14 this act are necessary for the immediate preservation of the public
15 peace, health, or safety, or support of the state government and its
16 existing public institutions, and take effect immediately.

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