S-3812.1

SENATE BILL 6065

State of Washington 69th Legislature 2026 Regular Session

By Senators Dozier, Cortes, and J. Wilson

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AN ACT Relating to school district transportation vehicle funds; and amending RCW 28A.320.340 and 28A.160.130.

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

Sec. 1. RCW 28A.320.340 and 2025 c 384 s 1 are each amended to read as follows:

(1) A school district that is in binding conditions pursuant to RCW 28A.505.110 or under enhanced financial oversight pursuant to RCW 28A.315.221 may take a temporary interfund loan from its capital projects fund or transportation vehicle fund, subject to the following conditions:

(a) The borrowing fund must repay the full loan amount to the loaning ((~~capital projects~~)) fund within one calendar year;

(b) The loaning ((~~capital projects~~)) fund may not charge interest on the amounts loaned;

(c) The loan may not be made to the detriment of any function or project for which the loaning ((~~capital projects~~)) fund was established;

(d) The school district's financial reports, including monthly financial reports provided to the board of directors of the district, must specify all outstanding interfund loan balances.

(2)(a) The board of directors of a qualifying school district must adopt a resolution to approve a temporary interfund loan transaction. The resolution must contain the exact amount of the loan, the funds involved, the specific source of funds for repayment, and the schedule for repayment.

(b) If a school district is under enhanced financial oversight pursuant to RCW 28A.315.221, the temporary interfund loan transaction must additionally be approved by the special administrator appointed to oversee and carry out financial conditions imposed on the district as recommended by the financial oversight committee.

(3) The office of the superintendent of public instruction shall adopt rules as necessary to implement this section.

Sec. 2. RCW 28A.160.130 and 2022 c 200 s 1 are each amended to read as follows:

(1) There is created a fund on deposit with each county treasurer for each school district of the county, which shall be known as the transportation vehicle fund. Money to be deposited into the transportation vehicle fund shall include, but is not limited to, the following:

(a) The balance of accounts held in the general fund of each school district for the purchase of approved transportation equipment and for major transportation equipment repairs under RCW 28A.150.280. The amount transferred shall be the balance of the account as of September 1, 1982;

(b) Reimbursement payments provided for in RCW 28A.160.200 except those provided under RCW 28A.160.200(3) that are necessary for contracted payments to private carriers;

(c) Earnings from transportation vehicle fund investments as authorized in RCW 28A.320.300; and

(d) The district's share of the proceeds from the sale of transportation vehicles, as determined by the superintendent of public instruction.

(2) Funds in the transportation vehicle fund may be used for the following purposes:

(a) Purchase of pupil transportation vehicles pursuant to RCW 28A.160.200 and 28A.150.280;

(b) Payment of conditional sales contracts as authorized in RCW 28A.335.200 or payment of obligations authorized in RCW 28A.530.080,

entered into or issued for the purpose of pupil transportation vehicles;

(c) Major repairs to pupil transportation vehicles;

(d) To complete a feasibility plan to transition from gas or diesel pupil transportation vehicles to electric or zero emission pupil transportation vehicles;

(e) Purchase, installation, and repair of electric pupil transportation vehicle charging stations and other zero emission pupil transportation vehicle fueling stations and for other costs necessary for station installation; and

(f) Converting or repowering existing gas or diesel pupil transportation vehicles to electric or zero emission pupil transportation vehicles.

(3) A school district that is in binding conditions pursuant to RCW 28A.505.110 or under enhanced financial oversight pursuant to RCW 28A.315.221 may petition the superintendent of public instruction to transfer money from its transportation vehicle fund to another school fund. If a school district has taken a temporary interfund loan from its transportation vehicle fund under RCW 28A.320.340, the petition may include a request to convert the temporary interfund loan to a permanent transfer of funds with no requirement for repayment. The office of the superintendent of public instruction may only approve the petition if the transfer is not detrimental to any function or project for which the transportation vehicle fund was established.

(4) The superintendent of public instruction shall adopt rules which shall establish the standards, conditions, and procedures governing the establishment and use of the transportation vehicle fund. The rules shall not permit the transfer of funds or temporary interfund loans from the transportation vehicle fund to any other fund of the district except as authorized under this section and RCW 28A.320.340.

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