CERTIFICATION OF ENROLLMENT

ENGROSSED SUBSTITUTE HOUSE BILL 1878

Chapter 299, Laws of 2025

69th Legislature
2025 Regular Session

YOUNG DRIVERS—EDUCATION—VARIOUS PROVISIONS

EFFECTIVE DATE: July 27, 2025—Except for section 4, which takes effect May 1, 2026; section 6, which takes effect January 1, 2031; sections 17 and 18, which take effect January 1, 2026; and section 22, which takes effect July 1, 2028.

Passed by the House April 21, 2025
Yeas 71 Nays 26

LAURIE JINKINS

Speaker of the House of Representatives

Passed by the Senate April 10, 2025
Yeas 38 Nays 11

DENNY HECK

President of the Senate

Approved May 17, 2025 11:19 AM

BOB FERGUSON

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 1878** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

Chief Clerk

FILED

May 19, 2025

Secretary of State
State of Washington

ENGROSSED SUBSTITUTE HOUSE BILL 1878

AS AMENDED BY THE SENATE

Passed Legislature - 2025 Regular Session

State of Washington 69th Legislature 2025 Regular Session

By House Transportation (originally sponsored by Representatives Donaghy, Berry, Doglio, Tharinger, Santos, Fitzgibbon, and Ramel)

READ FIRST TIME 02/28/25.

AN ACT Relating to improving young driver safety; amending RCW 46.20.100, 46.20.075, 46.20.181, 46.82.420, 46.82.280, 46.20.120, 46.20.055, 46.68.041, 46.17.025, 46.68.220, and 46.63.200; reenacting and amending RCW 28A.220.020, 43.84.092, and 43.84.092; adding new sections to chapter 46.20 RCW; adding new sections to chapter 46.82 RCW; adding a new section to chapter 42.56 RCW; creating a new section; providing effective dates; and providing expiration dates.

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

NEW SECTION. **Sec. 1.** The legislature finds that young adults under the age of 25 who obtain their initial driver's license after turning 18 years of age and are therefore not required to complete some form of driver training education are statistically more likely to be involved in or cause serious injury or fatal crashes than their peers who completed driver training education before the age of 18. The legislature also finds that the demographic of young drivers 18 to 24 years of age are more likely to engage in unsafe driving practices through a combination of inexperience and high-risk behaviors. The legislature intends with this act to require young adults under the age of 25 to complete driver training education before obtaining an initial driver's license, when appropriate, and

implement other driver training courses when necessary to ensure they become better drivers and ensure our roads are safer for everyone.

NEW SECTION. **Sec. 2.** A new section is added to chapter 46.20 RCW to read as follows:

(1)(a) To obtain an initial driver's license under this section, except as provided in subsection (4) of this section, the following persons must, in addition to other skills and examination requirements as prescribed by the department, satisfactorily complete a driver training education course as defined in RCW 28A.220.020 or a driver training education course as defined by the department and offered by a driver training school licensed under chapter 46.82 RCW:

(i) A person at least 18 years of age but under 19 years of age, beginning January 1, 2027;

(ii) A person at least 18 years of age but under 20 years of age, beginning January 1, 2028;

(iii) A person at least 18 years of age but under 21 years of age, beginning January 1, 2029;

(iv) A person at least 18 years of age but under 22 years of age, beginning January 1, 2030.

(b) The course offered by a school district or an approved private school must be part of a traffic safety education program authorized by the office of the superintendent of public instruction and certified under chapter 28A.220 RCW. The course offered by a driver training school must meet the standards established by the department under chapter 46.82 RCW. A school district, approved private school, or driver training school may offer the behind-the-wheel instruction portion for up to four hours in a single day in cases of hardship, such as a student needing to travel a great distance to receive the behind-the-wheel instruction.

(c) Driver training schools licensed under chapter 46.82 RCW are encouraged to include a self-paced online course, or components of a self-paced online course, in the classroom instruction portion of driver training education courses, as authorized and certified by the department, to the extent feasible, and to focus teaching resources on the behind-the-wheel portion of driver training education.

(d) Eligibility to enroll in a driver training education course as defined in RCW 28A.220.020 under this section is limited to students who are enrolled in a public school, as defined in RCW 28A.150.010; enrolled in an approved private school under RCW

28A.305.130; or receiving home-based instruction in accordance with chapter 28A.200 RCW.

(2) To meet the traffic safety education requirement for a motorcycle endorsement under this section, the applicant must successfully complete a motorcycle safety education course that meets the standards established by the department.

(3) Beginning May 1, 2026, until January 1, 2031, an applicant for an initial driver's license under the age of 25 must pass an online course approved by the department on driver work zone and first responder safety. The department may waive the requirement in this subsection if the department finds the online course is not available at the time of application. The department must contract with a provider of an online driver work zone and first responder safety course to host an online course that satisfies the requirement in this subsection to be made available at no cost to initial driver's license applicants under the age of 25.

(4) An applicant who was licensed to drive a motor vehicle or motorcycle from a reciprocal jurisdiction outside this state is exempt from the driver training education requirements under subsections (1) and (2) of this section.

(5)(a) The department may waive the driver training education course requirement for a driver's license under subsection (1) of this section if the applicant demonstrates to the department's satisfaction that:

(i) The applicant was unable to take or complete a driver training education course;

(ii) A need exists for the applicant to operate a motor vehicle; and

(iii) The applicant has the ability to operate a motor vehicle in such a manner as not to jeopardize the safety of persons or property.

(b) The department may adopt rules to implement this subsection (5) in coordination with the supervisor of the traffic safety education section of the office of the superintendent of public instruction.

(6) The department may waive the driver training education course requirement under subsection (1) of this section if the applicant provides proof that they have had education, from a reciprocal jurisdiction, equivalent to that required under subsection (1) of this section.

(7) Beginning by January 1, 2026, and annually thereafter until January 1, 2031, the department must report on the implementation of the driver's education requirement under subsection (1) of this section, including the readiness of the driver education school system to accommodate additional growth, to the transportation committees of the legislature.

(8) The department may, by rule, pause or delay the requirements under subsection (1) of this section if, upon an internal review, the department finds that there is an insufficient number of driver education and traffic safety education courses or instructors available for the pending age cohort under subsection (1) of this section.

(9)(a) Beginning January 1, 2027, any initial driver's license holder who is at least 18 years of age but under 22 years of age, and who has been found to have committed a traffic infraction for a moving violation on two occasions, must complete a safe driving course. If such person does not complete a safe driving course within 180 days of notice from the department, the department must suspend the person's driver's license until the safe driving course is completed.

(b)(i) Beginning January 1, 2027, until January 1, 2031, any initial driver's license holder who is at least 22 years of age but under 25 years of age, and who has been found to have committed a traffic infraction for a moving violation on two occasions, must complete a safe driving course. If such person does not complete a safe driving course within 180 days of notice from the department, the department must suspend the person's driver's license until the safe driving course is completed.

(ii) Beginning January 1, 2031, any initial driver's license holder who is at least 22 years of age but under 25 years of age, and who has been found to have committed a traffic infraction for a moving violation on two occasions, must complete a condensed traffic safety education course, as determined by the department in rule. If such person does not complete the condensed traffic safety education course within 180 days of notice from the department, the department must suspend the person's driver's license until the condensed traffic safety education course is completed.

(c) For purposes of this subsection (9), multiple traffic infractions issued during or as the result of a single traffic stop constitute one occasion.

(10) Beginning January 1, 2031, every initial driver's license for a person under the age of 21 expires on the latter of the licensee's 21st birthdate following issuance of the license or the licensee's second birthdate after the license issuance date. A person may not renew the person's driver's license under this subsection until satisfactorily completing a driver training education refresher course, as determined by the department in rule.

(11) For purposes of subsections (3), (9), and (10) of this section, "initial driver's license" means a driver's license issued to a driver who has not previously been issued a driver's license in this state.

Sec. 3. RCW 46.20.100 and 2024 c 162 s 2 are each amended to read as follows:

(1) **Application.** The application of a person under the age of 18 years for a driver's license or a motorcycle endorsement must be signed by a parent, guardian, employer, or responsible adult as defined in RCW 46.20.075.

(2) **Traffic safety education requirement.** For a person under the age of 18 years to obtain a driver's license, ((~~he or she~~)) the person must meet the traffic safety education requirements of this subsection.

(a) To meet the traffic safety education requirement for a driver's license((~~, the~~)):

(i) The applicant must satisfactorily complete a driver training education course as defined in RCW 28A.220.020 for a course offered by a school district or approved private school, or a driver training education course as defined by the department of licensing for a course offered by a driver training school licensed under chapter 46.82 RCW. The course offered by a school district or an approved private school must be part of a traffic safety education program authorized by the office of the superintendent of public instruction and certified under chapter 28A.220 RCW. The course offered by a driver training school must meet the standards established by the department of licensing under chapter 46.82 RCW. A school district, approved private school, or driver training school may offer the behind-the-wheel instruction portion for up to four hours in a single day in cases of hardship, such as a student needing to travel a great distance to receive the behind-the-wheel instruction. The driver training education course may be provided by:

((~~(i)~~)) (A) A secondary school within a school district or approved private school that establishes and maintains an approved and certified traffic safety education program under chapter 28A.220 RCW; or

((~~(ii)~~)) (B) A driver training school licensed under chapter 46.82 RCW that is annually approved by the department of licensing; and

(ii) Beginning May 1, 2026, until January 1, 2031, the applicant must satisfactorily complete the applicable driver work zone and first responder safety course required under section 2(3) of this act.

(b) Driver training schools licensed under chapter 46.82 RCW are encouraged to include a self-paced online course, or components of a self-paced online course, in the classroom instruction portion of driver training education courses, as authorized and certified by the department, to the extent feasible, and to focus teaching resources on the behind-the-wheel portion of driver training education.

(c) To meet the traffic safety education requirement for a motorcycle endorsement, the applicant must successfully complete a motorcycle safety education course that meets the standards established by the department of licensing.

((~~(c)~~)) (d) The department may waive the driver training education course requirement for a driver's license if the applicant demonstrates to the department's satisfaction that:

(i) ((~~He or she~~)) The applicant was unable to take or complete a driver training education course;

(ii) A need exists for the applicant to operate a motor vehicle; and

(iii) ((~~He or she~~)) The applicant has the ability to operate a motor vehicle in such a manner as not to jeopardize the safety of persons or property. The department may adopt rules to implement this subsection (2)((~~(c)~~)) (d) in ((~~concert~~)) collaboration with the supervisor of the traffic safety education section of the office of the superintendent of public instruction.

((~~(d)~~)) (e) The department may waive the driver training education course requirement if the applicant was licensed to drive a motor vehicle or motorcycle from a reciprocal jurisdiction outside this state ((~~and~~)) or provides proof that he or she has had education equivalent, from a reciprocal jurisdiction, to that required under this subsection.

Sec. 4. RCW 46.20.075 and 2024 c 162 s 1 are each amended to read as follows:

(1) An intermediate license authorizes the holder to drive a motor vehicle under the conditions specified in this section. An applicant for an intermediate license must be at least 16 years of age and:

(a) Have possessed a valid instruction permit for a period of not less than six months;

(b) Have passed a driver licensing examination administered by the department;

(c) Have passed a course of driver's education in accordance with the standards established in RCW 46.20.100;

(d) Until January 1, 2031, have met the applicable driver work zone and first responder safety course requirement under section 2(3) of this act;

(e) Present certification by his or her parent, guardian, employer, or responsible adult to the department stating (i) that the applicant has had at least 50 hours of driving experience, 10 of which were at night, during which the driver was supervised by a person at least 21 years of age who has had a valid driver's license for at least three years, and (ii) that the applicant has not been issued a notice of traffic infraction or cited for a traffic violation that is pending at the time of the application for the intermediate license;

((~~(e)~~)) (f) Not have been convicted of or found to have committed a traffic violation within the last six months before the application for the intermediate license; and

((~~(f)~~)) (g) Not have been adjudicated for an offense involving the use of alcohol or drugs during the period the applicant held an instruction permit.

(2) For the first six months after the issuance of an intermediate license or until the holder reaches 18 years of age, whichever occurs first, the holder of the license may not operate a motor vehicle that is carrying any passengers under the age of 20 who are not members of the holder's immediate family. For the remaining period of the intermediate license, the holder may not operate a motor vehicle that is carrying more than three passengers who are under the age of 20 who are not members of the holder's immediate family.

(3) The holder of an intermediate license may not operate a motor vehicle between the hours of 1 a.m. and 5 a.m. except (a) when the holder is accompanied by a licensed driver who is at least 25 years of age, or (b) for school, religious, or employment activities for the holder or a member of the holder's immediate family as defined in this section.

(4) The holder of an intermediate license may not operate a moving motor vehicle while using a wireless communications device unless the holder is using the device to report illegal activity, summon medical or other emergency help, or prevent injury to a person or property.

(5) It is a traffic infraction for the holder of an intermediate license to operate a motor vehicle in violation of the restrictions imposed under this section.

(6) Except for a violation of subsection (4) of this section, enforcement of this section by law enforcement officers may be accomplished only as a secondary action when a driver of a motor vehicle has been detained for a suspected violation of this title or an equivalent local ordinance or some other offense.

(7) An intermediate licensee may drive at any hour without restrictions on the number of passengers in the vehicle if necessary for agricultural purposes.

(8) An intermediate licensee may drive at any hour without restrictions on the number of passengers in the vehicle if, for the 12-month period following the issuance of the intermediate license, he or she:

(a) Has not been involved in an accident involving only one motor vehicle;

(b) Has not been involved in an accident where he or she was cited in connection with the accident or was found to have caused the accident;

(c) Has not been involved in an accident where no one was cited or was found to have caused the accident; and

(d) Has not been convicted of or found to have committed a traffic offense described in chapter 46.61 RCW or violated restrictions placed on an intermediate licensee under this section.

(9) For the purposes of this section, the following definitions apply:

(a) "Immediate family" means an individual's spouse or domestic partner, child, stepchild, grandchild, parent, stepparent,

grandparent, brother, half-brother, sister, or half-sister of the individual, including foster children living in the household, and the spouse or the domestic partner of any such person, and a child, stepchild, grandchild, parent, stepparent, grandparent, brother, half-brother, sister, or half-sister of the individual's spouse or domestic partner, and the spouse or the domestic partner of any such person.

(b) "Responsible adult" means a person specifically authorized by the department who is over the age of 21 and:

(i) Has a familial, kinship, or caretaker relationship to a minor;

(ii) Is an educational, medical, legal, social service, or Washington state licensed mental health professional who provides support directly to a minor in a professional capacity; or

(iii) Is an employee of a government entity and provides support to a minor in a professional capacity.

Sec. 5. RCW 46.20.181 and 2021 c 158 s 8 are each amended to read as follows:

(1) Except as provided in subsection (4) or (5) of this section or section 2(10) of this act, every driver's license expires on the eighth anniversary of the licensee's birthdate following the issuance of the license.

(2) A person may renew a license on or before the expiration date by submitting an application as prescribed by the department and paying a fee of ((~~seventy-two dollars~~)) $72. This fee includes the fee for the required photograph.

(3) A person renewing a driver's license more than ((~~sixty~~)) 60 days after the license has expired shall pay a penalty fee of ((~~ten dollars~~)) $10 in addition to the renewal fee, unless the license expired when:

(a) The person was outside the state and the licensee renews the license within ((~~sixty~~)) 60 days after returning to this state; or

(b) The person was incapacitated and the licensee renews the license within ((~~sixty~~)) 60 days after the termination of the incapacity.

(4) The department may issue or renew a driver's license for a period other than eight years, or may extend by mail or electronic commerce a license that has already been issued. The fee for a driver's license issued or renewed for a period other than eight

years, or that has been extended by mail or electronic commerce, is nine dollars for each year that the license is issued, renewed, or extended. The department must offer the option to issue or renew a driver's license for six years in addition to the eight year issuance. The department may adopt any rules as are necessary to carry out this subsection.

(5) A driver's license that includes a hazardous materials endorsement under chapter 46.25 RCW may expire on an anniversary of the licensee's birthdate other than the eighth year following issuance or renewal of the license in order to match, as nearly as possible, the validity of certification from the federal transportation security administration that the licensee has been determined not to pose a security risk. The fee for a driver's license issued or renewed for a period other than eight years is ((~~nine dollars~~)) $9 for each year that the license is issued or renewed, not including any endorsement fees. The department may adjust the expiration date of a driver's license that has previously been issued to conform to the provisions of this subsection if a hazardous materials endorsement is added to the license subsequent to its issuance. If the validity of the driver's license is extended, the licensee must pay a fee of ((~~nine dollars~~)) $9 for each year that the license is extended.

(6) The department may adopt any rules as are necessary to carry out this section.

Sec. 6. RCW 46.82.420 and 2023 c 32 s 1 are each amended to read as follows:

(1) The department and the office of the superintendent of public instruction shall jointly develop and maintain a required curriculum as specified in RCW 28A.220.035. The department shall furnish to each qualifying applicant for an instructor's license or a driver training school license a copy of such curriculum.

(2) In addition to information on the safe, lawful, and responsible operation of motor vehicles on the state's highways, the required curriculum shall include information on:

(a) Intermediate driver's license issuance, passenger and driving restrictions and sanctions for violating the restrictions, and the effect of traffic violations and collisions on the driving privileges;

(b) The effects of alcohol and drug use on motor vehicle operators, including information on drug and alcohol related traffic injury and mortality rates in the state of Washington and the current penalties for driving under the influence of drugs or alcohol;

(c) Motorcycle awareness, approved by the director, to ensure new operators of motor vehicles have been instructed in the importance of safely sharing the road with motorcyclists;

(d) Bicycle safety, to ensure that operators of motor vehicles have been instructed in the importance of safely sharing the road with bicyclists;

(e) Pedestrian safety, to ensure that operators of motor vehicles have been instructed in the importance of safely sharing the road with pedestrians; ((~~and~~))

(f) Commercial vehicle, bus, and other large vehicle awareness, to ensure new operators of motor vehicles have been instructed in the importance of sharing the road with large vehicles; and

(g) Work zone and first responder safety awareness, to ensure new operators of motor vehicles have been instructed in the importance of sharing the road with workers in roadway work zones and first responder vehicles and personnel.

(3) Should the director be presented with acceptable proof that any licensed instructor or driver training school is not showing proper diligence in teaching the required curriculum, the instructor or school shall be required to appear before the director and show cause why the license of the instructor or school should not be revoked for such negligence. If the director does not accept such reasons as may be offered, the director may revoke the license of the instructor or school, or both.

NEW SECTION. **Sec. 7.** A new section is added to chapter 46.20 RCW to read as follows:

The department may approve the use of electronic translation devices to support the driver's license application and issuance process, including for: Driver training education purposes, including for behind-the-wheel instruction; driver's license examination purposes; and assessment purposes.

Sec. 8. RCW 46.82.280 and 2023 c 445 s 3 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Behind-the-wheel instruction" means instruction in an approved driver training school instruction vehicle according to and inclusive of the required curriculum. Behind-the-wheel instruction is characterized by driving experience.

(2) "Classroom" means a space dedicated to and used exclusively by a driver training instructor for the instruction of students. With prior department approval, a branch office classroom may be located within alternative facilities, such as a public or private library, school, community college, college or university, or a business training facility.

(3) "Classroom instruction" means that portion of a traffic safety education course that is characterized by in-person classroom-based student instruction or virtual classroom-based student instruction with a live instructor using the required curriculum conducted by or under the direct supervision of a licensed instructor or licensed instructors. Classroom instruction may include a self-paced((~~,~~)) online course, or components of a self-paced online course, as authorized and certified by the department of licensing.

(4) "Condensed traffic safety education course" means a course of instruction in traffic safety education approved and licensed by the department that consists of at least eight hours of classroom instruction and three hours of behind-the-wheel instruction that follows the approved curriculum as determined in rule.

(5) "Director" means the director of the department of licensing of the state of Washington.

((~~(5)~~)) (6) "Driver training education course" means a course of instruction in traffic safety education approved and licensed by the department of licensing that consists of classroom and behind-the-wheel instruction that follows the approved curriculum.

((~~(6)~~)) (7) "Driver training education refresher course" means a course of instruction in traffic safety education approved and licensed by the department that follows the approved curriculum as determined in rule and includes, but is not limited to, a focus on driver risk management and hazard perception.

(8) "Driver training school" means a commercial driver training school engaged in the business of giving instruction, for a fee, in the operation of automobiles.

((~~(7)~~)) (9) "Enrollment" means the collecting of a fee or the signing of a contract for a driver training education course. "Enrollment" does not include the collecting of names and contact information for enrolling students once a driver training school is licensed to instruct.

((~~(8)~~)) (10) "Fraudulent practices" means any conduct or representation on the part of a driver training school owner or instructor including:

(a) Inducing anyone to believe, or to give the impression, that a license to operate a motor vehicle or any other license granted by the director may be obtained by any means other than those prescribed by law, or furnishing or obtaining the same by illegal or improper means, or requesting, accepting, or collecting money for such purposes;

(b) Operating a driver training school without a license, providing instruction without an instructor's license, verifying enrollment prior to being licensed, misleading or false statements on applications for a commercial driver training school license or instructor's license or on any required records or supporting documentation;

(c) Failing to fully document and maintain all required driver training school records of instruction, school operation, and instructor training;

(d) Issuing a driver training course certificate without requiring completion of the necessary behind-the-wheel and classroom instruction.

((~~(9)~~)) (11) "Instructor" means any person employed by or otherwise associated with a driver training school to instruct persons in the operation of an automobile.

((~~(10)~~)) (12) "Owner" means an individual, partnership, corporation, association, or other person or group that holds a substantial interest in a driver training school.

((~~(11)~~)) (13) "Person" means any individual, firm, corporation, partnership, or association.

((~~(12)~~)) (14) "Place of business" means a designated location at which the business of a driver training school is transacted or its records are kept.

((~~(13)~~)) (15) "Student" means any person enrolled in an approved driver training course.

((~~(14)~~)) (16) "Substantial interest holder" means a person who has actual or potential influence over the management or operation of any driver training school. Evidence of substantial interest includes, but is not limited to, one or more of the following:

(a) Directly or indirectly owning, operating, managing, or controlling a driver training school or any part of a driver training school;

(b) Directly or indirectly profiting from or assuming liability for debts of a driver training school;

(c) Is an officer or director of a driver training school;

(d) Owning 10 percent or more of any class of stock in a privately or closely held corporate driver training school, or five percent or more of any class of stock in a publicly traded corporate driver training school;

(e) Furnishing 10 percent or more of the capital, whether in cash, goods, or services, for the operation of a driver training school during any calendar year; or

(f) Directly or indirectly receiving a salary, commission, royalties, or other form of compensation from the activity in which a driver training school is or seeks to be engaged.

Sec. 9. RCW 28A.220.020 and 2017 c 197 s 2 are each reenacted and amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Appropriate course delivery standards" means the classroom and behind-the-wheel student learning experiences considered acceptable to the superintendent of public instruction under RCW 28A.220.030 that must be satisfactorily accomplished by the student in order to successfully complete the driver training education course.

(2) "Approved private school" means a private school approved by the board of education under chapter 28A.195 RCW.

(3) "Director" means the director of the department of licensing.

(4) "Driver training education course" means a course of instruction in traffic safety education (a) offered as part of a traffic safety education program authorized by the superintendent of public instruction and certified by the department of licensing and (b) taught by a qualified teacher of driver training education that consists of classroom and behind-the-wheel instruction using

curriculum that meets joint superintendent of public instruction and department of licensing standards and the course requirements established by the superintendent of public instruction under RCW 28A.220.030. Behind-the-wheel instruction is characterized by driving experience. Classroom instruction is characterized by in-person classroom-based student instruction or virtual classroom-based student instruction with a live instructor.

(5) "Qualified teacher of driver training education" means an instructor who:

(a) Is certificated under chapter 28A.410 RCW and has obtained a traffic safety endorsement or a letter of approval to teach traffic safety education from the superintendent of public instruction or is certificated by the superintendent of public instruction to teach a driver training education course; or

(b) Is an instructor provided by a driver training school that has contracted with a school district's or districts' board of directors under RCW 28A.220.030(3) to teach driver education for the school district.

(6) "Superintendent" or "state superintendent" means the superintendent of public instruction.

(7) "Traffic safety education program" means the administration and provision of driver training education courses offered by secondary schools of a school district or vocational-technical schools that are conducted by such schools in a like manner to their other regular courses.

NEW SECTION. **Sec. 10.** A new section is added to chapter 46.82 RCW to read as follows:

(1) Subject to the availability of amounts appropriated in the omnibus transportation appropriations act for this specific purpose, the department must establish a program to expand education opportunities for driver training school instructors, specifically certification training programs.

(2) As part of the program, the department must:

(a) Implement a comprehensive traffic safety education program to train driver training school instructors;

(b) Establish mentorship programs and offer specialized grant programs or financial incentives to encourage diversity within the driver training school industry;

(c) Collaborate with the office of the superintendent of public instruction to align instructor requirements under the department and office of the superintendent of public instruction rules to streamline the process of obtaining a driver training school instructor certification; and

(d) Facilitate partnerships between private driver training schools and high schools, vocational-technical schools, colleges, or universities to enable private driver training school instructors to teach driver training education courses in school facilities. Such courses are not eligible for school credit.

(3) The department must submit an annual report to the appropriate committees of the legislature every July 1st, beginning July 1, 2026, detailing program activities. The report due July 1, 2030, must also provide a programmatic and funding needs assessment and any recommendations to support the program.

NEW SECTION. **Sec. 11.** A new section is added to chapter 46.82 RCW to read as follows:

(1) Beginning January 1, 2027, and subject to the availability of funds appropriated in the omnibus transportation appropriations act for this specific purpose, the department must establish a program to provide vouchers for individuals at least 15 years of age but under 25 years of age to cover up to the average cost of driver training education courses for drivers who reside in low-income households, with the goal of assisting as many people as possible with the greatest need, measured both by income and mobility needs otherwise unserved, to access driver training education. A voucher may be applied to the cost of a course offered by a school district or an approved private school under chapter 28A.220 RCW, the cost of a course offered by a driver training school under this chapter, the cost of a driver training education refresher course, the cost of a safe driving course if required under section 2(9) of this act, or the cost of a condensed traffic safety education course. A voucher may not be provided more than once for any of the eligible courses under this subsection.

(2) In consultation with the Washington traffic safety commission, the department shall adopt rules establishing eligibility criteria and application and award procedures, and any other necessary rules, for implementing this section.

(3) An applicant who has previously received financial support to complete a driver training program under RCW 74.13.338(2)(b) or 49.04.290 is deemed ineligible for a voucher under this section.

(4) Driver training education course costs or fees may not be inflated to offset any voucher amounts provided by applicants. The department may evaluate such course pricing to determine if costs or fees have been inflated for this purpose.

(5) By December 1, 2025, the department, in consultation with the Washington traffic safety commission and the department of social and health services, shall provide to the appropriate committees of the legislature a policy framework and guidelines for the voucher program, to include the following considerations:

(a) Targeted demographics, including individuals or families who are cost burdened or eligible to receive funds under economic and community services programs;

(b) Consideration of the need for a vehicle by geography, taking into account mobility needs and other mobility options available in a community;

(c) An approach to reach young adults over the age of 18, especially for those enrolled in community or technical colleges; and

(d) Recommended voucher funding levels for projected or anticipated eligible individuals.

(6) Beginning January 1, 2028, the department shall annually report to the transportation committees of the legislature the following:

(a) The income criteria used to determine voucher awards for driver training education courses;

(b) The number of applicants for driver training education vouchers annually by county;

(c) The number of vouchers awarded annually by county;

(d) The number of vouchers redeemed annually by county;

(e) The dollar amount of vouchers redeemed annually by county;

(f) The community average income of voucher recipients during the reporting period; and

(g) The number of eligible applicants who did not receive or could not use a voucher.

(7) This section does not create an entitlement to receive voucher program funds.

NEW SECTION. **Sec. 12.** A new section is added to chapter 42.56 RCW to read as follows:

Any recipient income data collected by the department of licensing as part of the driver training education course voucher program established under section 11 of this act is exempt from disclosure under this chapter.

NEW SECTION. **Sec. 13.** A new section is added to chapter 46.82 RCW to read as follows:

(1) Beginning July 1, 2026, and subject to the availability of funds appropriated in the omnibus transportation appropriations act for this specific purpose, the department must establish a program to partner with tribal governments to provide young driver education and training in tribal communities.

(2) By January 1, 2026, the department must provide to the appropriate committees of the legislature an implementation plan for the program. On a biennial basis beginning July 1, 2027, the department must report to the appropriate committees of the legislature on program activities.

Sec. 14. RCW 46.20.120 and 2021 c 158 s 6 are each amended to read as follows:

An applicant for a new or renewed driver's license must successfully pass a driver licensing examination to qualify for a driver's license. The department must ensure that examinations are given at places and times reasonably available to the people of this state. If the department does not administer driver licensing examinations as a routine part of its licensing services within a department region because adequate testing sites are provided by driver training schools or school districts within that region, the department shall, at a minimum, administer driver licensing examinations by appointment to applicants ((~~eighteen~~)) 18 years of age and older in at least one licensing office within that region.

(1) **Waiver**. The department may waive:

(a) All or any part of the examination of any person applying for the renewal of a driver's license unless the department determines that the applicant is not qualified to hold a driver's license under this title; or

(b) All or any part of the examination involving operating a motor vehicle if the applicant:

(i) Surrenders a valid driver's license issued by the person's previous home state; or

(ii) Provides for verification a valid driver's license issued by a foreign driver licensing jurisdiction with which the department has an informal agreement under RCW 46.20.125; and

(iii) Is otherwise qualified to be licensed.

(2) **Fee**. ((~~Each~~)) Prior to January 1, 2026, each applicant for a new license must pay an ((~~examination~~)) application fee of ((~~thirty-five dollars~~)) $35. On or after January 1, 2026, each applicant for a new license must pay an application fee of $50.

(a) The ((~~examination~~)) application fee is in addition to the fee charged for issuance of the license.

(b) "New license" means a license issued to a driver:

(i) Who has not been previously licensed in this state; or

(ii) Whose last previous Washington license has been expired for more than eight years.

(3) An application for driver's license renewal may be submitted by means of:

(a) Personal appearance before the department;

(b) Mail or electronic commerce, if permitted by rule of the department and if the applicant did not renew the license by mail or by electronic commerce when it last expired; or

(c) From January 1, 2022, to June 30, 2024, electronic commerce, if permitted by rule of the department.

(4) A person whose license expired or will expire while the licensee is living outside the state, may:

(a) Apply to the department to extend the validity of the license for no more than ((~~twelve~~)) 12 months. If the person establishes to the department's satisfaction that the licensee is unable to return to Washington before the date the license expires, the department shall extend the person's license. The department may grant consecutive extensions, but in no event may the cumulative total of extensions exceed ((~~twelve~~)) 12 months. An extension granted under this section does not change the expiration date of the license for purposes of RCW 46.20.181. The department shall charge a fee of ((~~five dollars~~)) $5 for each license extension;

(b) Apply to the department to renew the license by mail or, if permitted by rule of the department, by electronic commerce even if subsection (3)(b) of this section would not otherwise allow renewal by that means. If the person establishes to the department's

satisfaction that the licensee is unable to return to Washington within ((~~twelve~~)) 12 months of the date that the license expires, the department shall renew the person's license by mail or, if permitted by rule of the department, by electronic commerce.

(5)(a) If a qualified person submits an application for renewal under subsection (3)(b) or (c) or (4)(b) of this section, the applicant is not required to pass an examination and only needs to provide an updated photograph:

(i) At least every 16 years, except that persons under 30 must provide an updated photograph every eight years; and

(ii) Beginning January 1, 2023, persons renewing through electronic commerce must provide an updated photograph in a form and manner approved by the department with each renewal unless they are unable to provide a photograph that meets the department's requirements and the most recent photograph on file with the department is not more than 10 years old at the time of renewal.

(b) A license renewed by mail or by electronic commerce that does not include a photograph of the licensee must be labeled "not valid for identification purposes."

(6) Driver training schools licensed by the department under chapter 46.82 RCW may administer the portions of the driver licensing examination that test the applicant's knowledge of traffic laws and ability to safely operate a motor vehicle.

(7) School districts that offer a traffic safety education program under chapter 28A.220 RCW may administer the portions of the driver licensing examination that test the applicant's knowledge of traffic laws and ability to safely operate a motor vehicle.

Sec. 15. RCW 46.20.055 and 2021 c 158 s 3 are each amended to read as follows:

(1) **Driver's instruction permit.** The department may issue a driver's instruction permit online or in person with or without a photograph to an applicant who has successfully passed all parts of the examination other than the driving test, provided the information required by RCW 46.20.091, paid an application fee of ((~~twenty-five dollars~~)) $25 prior to January 1, 2026, and $35 on or after January 1, 2026, and meets the following requirements:

(a) Is at least ((~~fifteen and one-half~~)) 15.5 years of age; or

(b) Is at least ((~~fifteen~~)) 15 years of age and:

(i) Has submitted a proper application; and

(ii) Is enrolled in a driver training education course offered as part of a traffic safety education program authorized by the office of the superintendent of public instruction and certified under chapter 28A.220 RCW or offered by a driver training school licensed and inspected by the department of licensing under chapter 46.82 RCW, that includes practice driving.

(2) **Waiver of written examination for instruction permit.** The department may waive the written examination, if, at the time of application, an applicant is enrolled in a driver training education course as defined in RCW 46.82.280 or 28A.220.020.

The department may require proof of registration in such a course as it deems necessary.

(3) **Effect of instruction permit.** A person holding a driver's instruction permit may drive a motor vehicle, other than a motorcycle, upon the public highways if:

(a) The person has immediate possession of the permit;

(b) The person is not using a wireless communications device, unless the person is using the device to report illegal activity, summon medical or other emergency help, or prevent injury to a person or property; and

(c) A driver training education course instructor who meets the qualifications of chapter 46.82 or 28A.220 RCW, or a licensed driver with at least five years of driving experience, occupies the seat beside the driver.

(4) **Term of instruction permit.** A driver's instruction permit is valid for one year from the date of issue.

(a) The department may issue one additional one-year permit.

(b) The department may issue a third driver's instruction permit if it finds after an investigation that the permittee is diligently seeking to improve driving proficiency.

(c) A person applying for an additional instruction permit must submit the application to the department and pay an application fee of ((~~twenty-five dollars~~)) $25 for each issuance.

Sec. 16. RCW 46.68.041 and 2022 c 182 s 210 are each amended to read as follows:

(1) Except as provided in subsections (2) ((~~and (3)~~)) through (4) of this section, the department must forward all funds accruing under the provisions of chapter 46.20 RCW together with a proper

identifying, detailed report to the state treasurer who must deposit such moneys to the credit of the highway safety fund.

(2) Fifty-six percent of each fee collected by the department under RCW 46.20.311 (1)(e)(ii), (2)(b)(ii), and (3)(b) must be deposited in the impaired driving safety account.

(3) Fifty percent of the revenue from the fees imposed under RCW 46.20.200(2) must be deposited in the move ahead WA flexible account created in RCW 46.68.520.

(4)(a) Beginning January 1, 2026, $15 of the driver's application fee imposed under RCW 46.20.120(2) must be deposited into the driver education safety improvement account created in section 20 of this act.

(b) Beginning January 1, 2026, $10 of the driver's instruction permit application fee imposed under RCW 46.20.055(1) must be deposited into the driver education safety improvement account created in section 20 of this act.

Sec. 17. RCW 46.17.025 and 2023 c 431 s 3 are each amended to read as follows:

(1) A person who applies for a vehicle registration or for any other right to operate a vehicle on the highways of this state shall pay a ((~~50~~)) 75 cent license service fee in addition to any other fees and taxes required by law. ((~~The~~)) Except as provided in subsection (3) of this section, the license service fee must be distributed under RCW 46.68.220.

(2) A vehicle registered under RCW 46.16A.455 or 46.17.330 is not subject to the license service fee, except for a vehicle subject to the fee under RCW 46.17.355.

(3) ((~~The~~)) (a) Two-thirds of the revenue generated from subsection (2) of this section must be deposited in the move ahead WA account created in RCW 46.68.510.

(b) One-third of the revenue generated from subsections (1) and (2) of this section must be deposited into the driver education safety improvement account created in section 20 of this act.

Sec. 18. RCW 46.68.220 and 2011 c 367 s 719 are each amended to read as follows:

The department of licensing services account is created in the motor vehicle fund. ((~~All~~)) Except as provided in RCW 46.17.025, all receipts from service fees received under RCW 46.17.025 must be

deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for:

(1) Information and service delivery systems for the department;

(2) Reimbursement of county licensing activities; and

(3) County auditor or other agent and subagent support including, but not limited to, the replacement of department-owned equipment in the possession of county auditors or other agents and subagents appointed by the director. ((~~During the 2011-2013 fiscal biennium, the legislature may transfer from the department of licensing services account such amounts as reflect the excess fund balance of the account.~~))

Sec. 19. RCW 46.63.200 and 2024 c 308 s 4 are each amended to read as follows:

(1) This section applies to the use of speed safety camera systems in state highway work zones.

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

(3)(a) The department of transportation is responsible for all actions related to the operation and administration of speed safety camera systems in state highway work zones including, but not limited to, the procurement and administration of contracts necessary for the implementation of speed safety camera systems, the mailing of notices of infraction, and the development and maintenance of a public-facing website for the purpose of educating the traveling public about the use of speed safety camera systems in state highway work zones. Prior to the use of a speed safety camera system to capture a violation established in this section for enforcement purposes, the department of transportation, in consultation with the Washington state patrol, department of licensing, office of administrative hearings, Washington traffic safety commission, and other organizations committed to protecting civil rights, must adopt rules addressing such actions and take all necessary steps to implement this section.

(b) The Washington state patrol is responsible for all actions related to the enforcement and adjudication of speed violations under this section including, but not limited to, notice of infraction verification and issuance authorization, and determining which types

of emergency vehicles are exempt from being issued notices of infraction under this section. Prior to the use of a speed safety camera system to capture a violation established in this section for enforcement purposes, the Washington state patrol, in consultation with the department of transportation, department of licensing, office of administrative hearings, Washington traffic safety commission, and other organizations committed to protecting civil rights, must adopt rules addressing such actions and take all necessary steps to implement this section.

(c) When establishing rules under this subsection (3), the department of transportation and the Washington state patrol may also consult with other public and private agencies that have an interest in the use of speed safety camera systems in state highway work zones.

(4)(a) No person may drive a vehicle in a state highway work zone at a speed greater than that allowed by traffic control devices.

(b) A notice of infraction may only be issued under this section if a speed safety camera system captures a speed violation in a state highway work zone when workers are present.

(5) The penalty for a speed safety camera system violation is: (a) $0 for the first violation; and (b) $248 for the second violation, and for each violation thereafter.

(6) During the 30-day period after the first speed safety camera system is put in place, the department is required to conduct a public awareness campaign to inform the public of the use of speed safety camera systems in state highway work zones.

(7)(a) A notice of infraction issued under this section may be mailed to the registered owner of the vehicle within 30 days of the violation, or to the renter of a vehicle within 30 days of establishing the renter's name and address. The law enforcement officer issuing the notice of infraction shall include with it a certificate or facsimile thereof, based upon inspection of photographs, microphotographs, or electronic images produced by a speed safety camera stating the facts supporting the notice of infraction. This certificate or facsimile is prima facie evidence of the facts contained in it and is admissible in a proceeding charging a violation under this section. The photographs, microphotographs, or electronic images evidencing the violation must be available for inspection and admission into evidence in a proceeding to adjudicate the liability for the violation.

(b) A notice of infraction represents a determination that an infraction has been committed, and the determination will be final unless contested as provided under this section.

(c) A person receiving a notice of infraction based on evidence detected by a speed safety camera system must, within 30 days of receiving the notice of infraction: (i) Except for a first violation under subsection (5)(a) of this section, remit payment in the amount of the penalty assessed for the violation; (ii) contest the determination that the infraction occurred by following the instructions on the notice of infraction; or (iii) admit to the infraction but request a hearing to explain mitigating circumstances surrounding the infraction.

(d) If a person fails to respond to a notice of infraction, a final order shall be entered finding that the person committed the infraction and assessing monetary penalties required under subsection (5)(b) of this section.

(e) If a person contests the determination that the infraction occurred or requests a mitigation hearing, the notice of infraction shall be referred to the office of administrative hearings for adjudication consistent with chapter 34.05 RCW.

(f) At a hearing to contest an infraction, the agency issuing the infraction has the burden of proving, by a preponderance of the evidence, that the infraction was committed.

(g) A person may request a payment plan at any time for the payment of any penalty or other monetary obligation associated with an infraction under this section. The agency issuing the infraction shall provide information about how to submit evidence of inability to pay, how to obtain a payment plan, and that failure to pay or enter into a payment plan may result in collection action or nonrenewal of the vehicle registration. The office of administrative hearings may authorize a payment plan if it determines that a person is not able to pay the monetary obligation, and it may modify a payment plan at any time.

(8)(a) Speed safety camera systems may only take photographs, microphotographs, or electronic images of the vehicle and vehicle license plate and only while a speed violation is occurring. The photograph, microphotograph, or electronic image must not reveal the face of the driver or any passengers in the vehicle. The department of transportation shall consider installing speed safety camera

systems in a manner that minimizes the impact of camera flash on drivers.

(b) The registered owner of a vehicle is responsible for a traffic infraction under RCW 46.63.030 unless the registered owner overcomes the presumption in RCW 46.63.075 or, in the case of a rental car business, satisfies the conditions under (f) of this subsection. If appropriate under the circumstances, a renter identified under (f)(i) of this subsection is responsible for the traffic infraction.

(c) Notwithstanding any other provision of law, all photographs, microphotographs, or electronic images, or any other personally identifying data prepared under this section are for the exclusive use of the Washington state patrol and department of transportation in the discharge of duties under this section and are not open to the public and may not be used in court in a pending action or proceeding unless the action or proceeding relates to a speed violation under this section. This data may be used in administrative appeal proceedings relative to a violation under this section.

(d) All locations where speed safety camera systems are used must be clearly marked before activation of the camera system by placing signs in locations that clearly indicate to a driver that they are entering a state highway work zone where posted speed limits are monitored by a speed safety camera system. Additionally, where feasible and constructive, radar speed feedback signs will be placed in advance of the speed safety camera system to assist drivers in complying with posted speed limits. Signs placed in these locations must follow the specifications and guidelines under the manual of uniform traffic control devices for streets and highways as adopted by the department of transportation under chapter 47.36 RCW.

(e) Imposition of a penalty for a speed violation detected through the use of speed safety camera systems shall not be deemed a conviction as defined in RCW 46.25.010, and shall not be part of the registered owner's driving record under RCW 46.52.101 and 46.52.120. Additionally, infractions generated by the use of speed safety camera systems under this section shall be processed in the same manner as parking infractions, including for the purposes of RCW 46.16A.120 and 46.20.270(2).

(f) If the registered owner of the vehicle is a rental car business, the department of transportation shall, before a notice of infraction may be issued under this section, provide a written notice

to the rental car business that a notice of infraction may be issued to the rental car business if the rental car business does not, within 30 days of receiving the written notice, provide to the issuing agency by return mail:

(i)(A) A statement under oath stating the name and known mailing address of the individual driving or renting the vehicle when the speed violation occurred;

(B) A statement under oath that the business is unable to determine who was driving or renting the vehicle at the time the speed violation occurred because the vehicle was stolen at the time of the violation. A statement provided under this subsection (8)(f)(i)(B) must be accompanied by a copy of a filed police report regarding the vehicle theft; or

(C) In lieu of identifying the vehicle operator, payment of the applicable penalty.

(ii) Timely mailing of a statement to the department of transportation relieves a rental car business of any liability under this chapter for the notice of infraction.

(9) Revenue generated from the deployment of speed safety camera systems must be deposited into the highway safety fund and first used exclusively for the operating and administrative costs under this section. The operation of speed safety camera systems is intended to increase safety in state highway work zones by changing driver behavior. ((~~Consequently, any~~)) Any revenue generated that exceeds the operating and administrative costs under this section must be ((~~distributed for the purpose of traffic safety including, but not limited to, driver training education and local DUI emphasis patrols~~)) transferred to the driver education safety improvement account created in section 20 of this act as designated in the omnibus transportation appropriations act.

(10) The Washington state patrol and department of transportation, in collaboration with the Washington traffic safety commission, must report to the transportation committees of the legislature by July 1, 2025, and biennially thereafter, on the data and efficacy of speed safety camera system use in state highway work zones. The final report due on July 1, 2029, must include a recommendation on whether or not to continue such speed safety camera system use beyond June 30, 2030.

(11) For the purposes of this section:

(a) "Speed safety camera system" means employing the use of speed measuring devices and cameras synchronized to automatically record one or more sequenced photographs, microphotographs, or other electronic images of a motor vehicle that exceeds a posted state highway work zone speed limit as detected by the speed measuring devices.

(b) "State highway work zone" means an area of any highway with construction, maintenance, utility work, or incident response activities authorized by the department of transportation. A state highway work zone is identified by the placement of temporary traffic control devices that may include signs, channelizing devices, barriers, pavement markings, and/or work vehicles with warning lights. It extends from the first warning sign or high intensity rotating, flashing, oscillating, or strobe lights on a vehicle to the end road work sign or the last temporary traffic control device or vehicle.

(12) This section expires June 30, 2030.

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

The driver education safety improvement account is created in the state treasury. The portion of the driver's application fee prescribed under RCW 46.68.041(4)(a), the portion of the driver's instruction permit application fee prescribed under RCW 46.68.041(4)(b), and the portion of the license service fee prescribed under RCW 46.17.025 must be deposited in the account. The account may also receive a portion of the revenue from traffic infraction fines as described under RCW 46.63.200(9). Moneys in the account may be spent only after appropriation. Expenditures from the account may only be used for expanding and improving driver's education programs and activities including, but not limited to, the online work zone and first responder safety course under section 2(3) of this act, the driver training school instructor education opportunities program established in section 10 of this act, the driver training education course voucher program established in section 11 of this act, and the tribal partnership program established in section 13 of this act.

Sec. 21. RCW 43.84.092 and 2024 c 210 s 4 and 2024 c 168 s 12 are each reenacted and amended to read as follows:

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

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

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

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

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The abandoned recreational vehicle disposal account, the aeronautics account, the Alaskan Way viaduct replacement project account, the ambulance transport fund, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Central Washington University capital projects account, the charitable,

educational, penal and reformatory institutions account, the Chehalis basin account, the Chehalis basin taxable account, the clean fuels credit account, the clean fuels transportation investment account, the cleanup settlement account, the climate active transportation account, the climate transit programs account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the common school construction fund, the community forest trust account, the connecting Washington account, the county arterial preservation account, the county criminal justice assistance account, the covenant homeownership account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community services account, the diesel idle reduction account, the opioid abatement settlement account, the drinking water assistance account, the administrative subaccount of the drinking water assistance account, the driver education safety improvement account, the early learning facilities development account, the early learning facilities revolving account, the Eastern Washington University capital projects account, the education construction fund, the education legacy trust account, the election account, the electric vehicle account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the fair start for kids account, the family medicine workforce development account, the ferry bond retirement fund, the fish, wildlife, and conservation account, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the higher education retirement plan supplemental benefit fund, the Washington student loan account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the hospital safety net assessment fund, the Interstate 5 bridge replacement project account, the Interstate 405 and state route number 167 express toll lanes account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the limited fish and wildlife account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid

account, the money-purchase retirement savings administrative account, the money-purchase retirement savings principal account, the motor vehicle fund, the motorcycle safety education account, the move ahead WA account, the move ahead WA flexible account, the multimodal transportation account, the multiuse roadway safety account, the municipal criminal justice assistance account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the pilotage account, the pollution liability insurance agency underground storage tank revolving account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account, the public health supplemental account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puget Sound Gateway facility account, the Puget Sound taxpayer accountability account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the reserve officers' relief and pension principal fund, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the second injury fund, the sexual assault prevention and response account, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state hazard mitigation revolving loan account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state reclamation revolving account, the state route number 520 civil penalties account, the state route number 520 corridor account, the statewide broadband account, the statewide tourism marketing account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the toll facility bond retirement account, the transportation 2003 account (nickel account), the transportation equipment fund, the JUDY transportation future funding program account, the transportation improvement account, the transportation improvement board bond retirement account, the transportation

infrastructure account, the transportation partnership account, the traumatic brain injury account, the tribal opioid prevention and treatment account, the University of Washington bond retirement fund, the University of Washington building account, the voluntary cleanup account, the volunteer firefighters' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the vulnerable roadway user education account, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, the water pollution control revolving fund, the Western Washington University capital projects account, the Yakima integrated plan implementation account, the Yakima integrated plan implementation revenue recovery account, and the Yakima integrated plan implementation taxable bond account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, and the state university permanent fund shall be allocated to their respective beneficiary accounts.

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

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

Sec. 22. RCW 43.84.092 and 2024 c 210 s 5 and 2024 c 168 s 13 are each reenacted and amended to read as follows:

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

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

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

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

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The abandoned recreational vehicle disposal account, the aeronautics account, the Alaskan Way viaduct replacement project account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the Chehalis basin account, the Chehalis basin taxable account, the clean fuels credit account, the clean fuels transportation investment account, the cleanup settlement account,

the climate active transportation account, the climate transit programs account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the common school construction fund, the community forest trust account, the connecting Washington account, the county arterial preservation account, the county criminal justice assistance account, the covenant homeownership account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community services account, the diesel idle reduction account, the opioid abatement settlement account, the drinking water assistance account, the administrative subaccount of the drinking water assistance account, the driver education safety improvement account, the early learning facilities development account, the early learning facilities revolving account, the Eastern Washington University capital projects account, the education construction fund, the education legacy trust account, the election account, the electric vehicle account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the fair start for kids account, the family medicine workforce development account, the ferry bond retirement fund, the fish, wildlife, and conservation account, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the higher education retirement plan supplemental benefit fund, the Washington student loan account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the hospital safety net assessment fund, the Interstate 5 bridge replacement project account, the Interstate 405 and state route number 167 express toll lanes account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the limited fish and wildlife account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the money-purchase retirement savings administrative account, the money-purchase retirement savings principal account, the motor vehicle fund, the motorcycle safety education account, the move ahead WA

account, the move ahead WA flexible account, the multimodal transportation account, the multiuse roadway safety account, the municipal criminal justice assistance account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the pilotage account, the pollution liability insurance agency underground storage tank revolving account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account, the public health supplemental account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puget Sound Gateway facility account, the Puget Sound taxpayer accountability account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the reserve officers' relief and pension principal fund, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the second injury fund, the sexual assault prevention and response account, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state hazard mitigation revolving loan account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state reclamation revolving account, the state route number 520 civil penalties account, the state route number 520 corridor account, the statewide broadband account, the statewide tourism marketing account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the toll facility bond retirement account, the transportation 2003 account (nickel account), the transportation equipment fund, the JUDY transportation future funding program account, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tribal opioid prevention and treatment account, the University of Washington bond retirement fund,

the University of Washington building account, the voluntary cleanup account, the volunteer firefighters' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the vulnerable roadway user education account, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, the water pollution control revolving fund, the Western Washington University capital projects account, the Yakima integrated plan implementation account, the Yakima integrated plan implementation revenue recovery account, and the Yakima integrated plan implementation taxable bond account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, and the state university permanent fund shall be allocated to their respective beneficiary accounts.

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

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

NEW SECTION. **Sec. 23.** Section 4 of this act takes effect May 1, 2026.

NEW SECTION. **Sec. 24.** Sections 17 and 18 of this act take effect January 1, 2026.

NEW SECTION. **Sec. 25.** Section 6 of this act takes effect January 1, 2031.

NEW SECTION. **Sec. 26.** Section 21 of this act expires July 1, 2028.

NEW SECTION. **Sec. 27.** Section 22 of this act takes effect July 1, 2028.

Passed by the House April 21, 2025.
Passed by the Senate April 10, 2025.
Approved by the Governor May 17, 2025.
Filed in Office of Secretary of State May 19, 2025.

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