
SENATE BILL 6352

State of Washington**69th Legislature****2026 Regular Session****By** Senators Lias and King

1 AN ACT Relating to transportation resources; amending RCW
2 46.20.202, 46.20.037, 46.20.1201, 47.66.130, 47.04.390, 77.55.181,
3 70A.65.240, 47.47.020, 46.63.075, 46.63.220, 82.08.9999, 46.17.323,
4 46.17.324, 46.63.160, 82.38.030, 70A.205.405, 82.32.145, 82.42.020,
5 82.42.090, 47.68.250, 47.68.250, 82.48.030, and 82.48.080; amending
6 2025 c 417 s 1406 (uncodified); reenacting and amending RCW
7 46.20.161, 46.20.117, 47.04.010, 43.84.092, 43.84.092, 43.84.092,
8 43.84.092, 43.84.092, 43.84.092, 82.08.020, 82.12.020, and 46.68.090;
9 adding new sections to chapter 46.04 RCW; adding a new section to
10 chapter 1.80 RCW; adding new sections to chapter 46.20 RCW; adding a
11 new section to chapter 46.22 RCW; adding a new section to chapter
12 47.44 RCW; adding a new section to chapter 47.04 RCW; adding a new
13 section to chapter 43.59 RCW; creating new sections; repealing RCW
14 82.48A.010, 82.48A.020, 82.48A.030, and 82.48A.040; prescribing
15 penalties; providing effective dates; providing a contingent
16 effective date; providing expiration dates; providing contingent
17 expiration dates; and declaring an emergency.

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

19 NEW SECTION. **Sec. 1.** The legislature recognizes that with the
20 enactment of Engrossed Substitute Senate Bill No. 5801 during the
21 2025 legislative session, the legislature addressed the state

1 transportation system's pressing near, mid, and long-term needs that
2 necessitated reliance on reliable funding resources, as well as the
3 efficient use of those resources. Because the production,
4 maintenance, and utilization of transportation resources across the
5 state continues to be an inherently complex, multifaceted issue, the
6 legislature intends with this act to continue to address these
7 resource needs by addressing certain topics from Engrossed Substitute
8 Senate Bill No. 5801, and associated matters, that require additional
9 legislative work.

10 **PART I: MOBILE DRIVER'S LICENSE AND IDENTICARD AND \$1 DRIVER'S**
11 **LICENSE/IDENTICARD FEE INCREASE**

12 NEW SECTION. **Sec. 101.** A new section is added to chapter 46.04
13 RCW to read as follows:

14 "Mobile credential" is the electronic extension of the
15 department's normally issued physical version that conveys identity,
16 driving privilege, or both, that resides on a mobile device or
17 requires a mobile device as part of the process to gain access to the
18 related information.

19 NEW SECTION. **Sec. 102.** A new section is added to chapter 46.04
20 RCW to read as follows:

21 "Relying party" is any federal, state, local, or private entity
22 where a mobile credential may be presented for verification purposes.
23 Relying parties shall authenticate an electronic credential in
24 accordance with applicable American association of motor vehicle
25 administrators and international organization for standardization
26 standards prior to acceptance of the electronic credential.

27 NEW SECTION. **Sec. 103.** A new section is added to chapter 1.80
28 RCW to read as follows:

29 (1) If a law requires a person to provide proof of
30 identification, the requirement may be satisfied with a mobile
31 credential so long as the mobile credential is electronically
32 verified. Each governmental agency of the state shall determine
33 whether, and the extent to which, a governmental agency will accept a
34 mobile credential. However, as required under RCW 46.20.017, a
35 licensee must have the licensee's physical credential on the
36 licensee's person while operating a motor vehicle.

1 (2) Relying parties shall only retain data from a mobile
2 credential for which the relying party explicitly obtained consent
3 from the credential holder. Relying parties must inform the
4 credential holder of the use and retention period of the mobile
5 credential data.

6 NEW SECTION. **Sec. 104.** A new section is added to chapter 46.20
7 RCW to read as follows:

8 (1) By July 1, 2028, the department must establish a program that
9 allows every qualifying applicant for a driver's license or
10 identicard the ability to acquire a mobile credential in addition to
11 the physical version of these documents.

12 (2) By January 1, 2028, the department must adopt rules to
13 implement subsection (1) of this section, which include, but are not
14 limited to, issuance and verification requirements, expiration date,
15 security and privacy protections, and the uses associated with the
16 mobile credential.

17 **Sec. 105.** RCW 46.20.161 and 2025 c 417 s 305 and 2025 c 217 s 3
18 are each reenacted and amended to read as follows:

19 (1)(a) The department, upon receipt of a fee as specified in (b)
20 of this subsection, shall issue to every qualifying applicant a
21 driver's license. A driver's license issued to a person under the age
22 of 18 is an intermediate license, subject to the restrictions imposed
23 under RCW 46.20.075, until the person reaches the age of 18.

24 (b)(i) The driver's license fee shall be \$10 for each year that
25 the license is issued, which includes the fee for the required
26 photograph.

27 (ii) Beginning July 1, 2028, and on July 1st every three years
28 thereafter, the fee under (b)(i) of this subsection must be increased
29 by \$1 for each year that the license is issued.

30 (2) The license must include:

31 (a) A distinguishing number assigned to the licensee;

32 (b) The name of record;

33 (c) Date of birth;

34 (d) Washington residence address;

35 (e) Photograph;

36 (f) A brief description of the licensee;

1 (g) Either a facsimile of the signature of the licensee or a
2 space upon which the licensee shall write the licensees' usual
3 signature with pen and ink immediately upon receipt of the license;

4 (h) If applicable, the person's status as a veteran as provided
5 in subsection (4) of this section;

6 (i) If applicable, a medical alert designation as provided in
7 subsection (5) of this section; and

8 (j) At the option of the licensee, the inclusion of the
9 licensee's blood type, provided that the licensee presents
10 documentation verifying the blood type from a licensed physician,
11 medical facility, or blood donation organization.

12 (3) No license is valid until it has been signed by the licensee.

13 (4)(a) A veteran, as defined in RCW 41.04.007, may apply to the
14 department to obtain a veteran designation on a driver's license
15 issued under this section by providing:

16 (i) A United States department of veterans affairs identification
17 card or proof of service letter;

18 (ii) A United States department of defense discharge document, DD
19 Form 214 or DD Form 215, as it exists on June 7, 2018, or such
20 subsequent date as may be provided by the department by rule,
21 consistent with the purposes of this section, or equivalent or
22 successor discharge paperwork, that establishes the person's service
23 in the armed forces of the United States and qualifying discharge as
24 defined in RCW 73.04.005;

25 (iii) A national guard state-issued report of separation and
26 military service, NGB Form 22, as it exists on June 7, 2018, or such
27 subsequent date as may be provided by the department by rule,
28 consistent with the purposes of this section, or equivalent or
29 successor discharge paperwork, that establishes the person's active
30 duty or reserve service in the national guard and qualifying
31 discharge as defined in RCW 73.04.005; or

32 (iv) A United States uniformed services identification card, DD
33 Form 2, that displays on its face that it has been issued to a
34 retired member of any of the armed forces of the United States,
35 including the national guard and armed forces reserves.

36 (b) The department may permit a veteran, as defined in RCW
37 41.04.007, to submit alternate forms of documentation to apply to
38 obtain a veteran designation on a driver's license.

39 (5) Any person may apply to the department to obtain a medical
40 alert designation, a developmental disability designation, or a

1 deafness designation on a driver's license issued under this chapter
2 by providing:

3 (a) Self-attestation that the individual:

4 (i) Has a medical condition that could affect communication or
5 account for a driver health emergency;

6 (ii) Is deaf or hard of hearing; or

7 (iii) Has a developmental disability as defined in RCW
8 71A.10.020;

9 (b) A statement from the person that they have voluntarily
10 provided the self-attestation and other information verifying the
11 condition; and

12 (c) For persons under 18 years of age or who have a developmental
13 disability, the signature of a parent or legal guardian.

14 (6) A self-attestation or data contained in a self-attestation
15 provided under this section:

16 (a) Shall not be disclosed;

17 (b) Is for the confidential use of the director, the chief of the
18 Washington state patrol, and law enforcement and emergency medical
19 service providers as designated by law; and

20 (c) Is subject to the privacy protections of the driver's privacy
21 protection act, 18 U.S.C. Sec. 2725.

22 (7) By July 1, 2028, the department must establish a program that
23 allows every qualifying applicant for a driver's license issued under
24 this section the ability to acquire a mobile credential in addition
25 to the physical version of this document.

26 **Sec. 106.** RCW 46.20.117 and 2025 c 417 s 307 and 2025 c 217 s 2
27 are each reenacted and amended to read as follows:

28 (1) **Issuance.** The department shall issue an identicard,
29 containing a picture, if the applicant:

30 (a) Does not hold a valid Washington driver's license;

31 (b) Proves the applicant's identity as required by RCW 46.20.035;
32 and

33 (c) Pays the required fee as specified in subsection (7) of this
34 section, unless an applicant is:

35 (i) A recipient of continuing public assistance grants under
36 Title 74 RCW, or a participant in the Washington women, infants, and
37 children program. Any applicant under this subsection must be
38 verified by documentation sufficient to demonstrate eligibility;

1 (ii) Under the age of 25 and does not have a permanent residence
2 address as determined by the department by rule; or

3 (iii) An individual who is scheduled to be released from an
4 institution as defined in RCW 13.40.020, a community facility as
5 defined in RCW 72.05.020, a correctional facility as defined in RCW
6 72.09.015, or other juvenile rehabilitation facility operated by the
7 department of social and health services or the department of
8 children, youth, and families; or an individual who has been released
9 from such an institution or facility within 30 calendar days before
10 the date of the application.

11 For those persons under (c)(i) through (iii) of this subsection,
12 the fee must be the actual cost of production of the identicard.

13 (2)(a) **Design and term.** The identicard must:

14 (i) Be distinctly designed so that it will not be confused with
15 the official driver's license; and

16 (ii) Except as provided in subsection (7) of this section, expire
17 on the eighth anniversary of the applicant's birthdate after
18 issuance.

19 (b) The identicard may include the person's status as a veteran,
20 consistent with RCW 46.20.161(4).

21 (c) If applicable, the identicard may include a medical alert
22 designation as provided in subsection (5) of this section.

23 (d) If applicable, the identicard may include an optional blood
24 type designation consistent with RCW 46.20.161(2)(j).

25 (3) **Renewal.** An application for identicard renewal may be
26 submitted by means of:

27 (a) Personal appearance before the department;

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

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

33 An identicard may not be renewed by mail or by electronic
34 commerce unless the renewal issued by the department includes a
35 photograph of the identicard holder.

36 (4) **Cancellation.** The department may cancel an identicard if the
37 holder of the identicard used the card or allowed others to use the
38 card in violation of RCW 46.20.0921.

39 (5) Any person may apply to the department to obtain a medical
40 alert designation, a developmental disability designation, or a

1 deafness designation on an identicard issued under this chapter by
2 providing:

3 (a) Self-attestation that the individual:

4 (i) Has a medical condition that could affect communication or
5 account for a health emergency;

6 (ii) Is deaf or hard of hearing; or

7 (iii) Has a developmental disability as defined in RCW
8 71A.10.020;

9 (b) A statement from the person that they have voluntarily
10 provided the self-attestation and other information verifying the
11 condition; and

12 (c) For persons under 18 years of age or who have a developmental
13 disability, the signature of a parent or legal guardian.

14 (6) A self-attestation or data contained in a self-attestation
15 provided under this section:

16 (a) Shall not be disclosed; and

17 (b) Is for the confidential use of the director, the chief of the
18 Washington state patrol, and law enforcement and emergency medical
19 service providers as designated by law.

20 (7) **Alternative issuance/renewal/extension.**

21 (a) Except as allowed under this subsection, the department must
22 issue or renew an identicard for eight years. The department may
23 issue or renew an identicard for a period other than eight years, or
24 may extend by mail or electronic commerce an identicard that has
25 already been issued. The fee for an identicard issued or renewed, or
26 that has been extended by mail or electronic commerce, is \$10 for
27 each year that the identicard is issued, renewed, or extended. The
28 department must offer the option to issue or renew an identicard for
29 six years in addition to the eight year issuance. The department may
30 adopt any rules as are necessary to carry out this subsection.

31 (b) Beginning July 1, 2028, and on July 1st every three years
32 thereafter, the fee under (a) of this subsection must be increased by
33 \$1 for each year that the identicard is issued, renewed, or extended.

34 (8) Identicard photos must be updated in the same manner as
35 driver's license photos under RCW 46.20.120(5).

36 (9) By July 1, 2028, the department must establish a program that
37 allows every qualifying applicant for an identicard issued under this
38 section the ability to acquire a mobile credential in addition to the
39 physical version of this document.

1 **Sec. 107.** RCW 46.20.202 and 2022 c 182 s 205 are each amended to
2 read as follows:

3 (1) The department may enter into a memorandum of understanding
4 with any federal agency for the purposes of facilitating the crossing
5 of the border between the state of Washington and the Canadian
6 province of British Columbia.

7 (2) The department may enter into an agreement with the Canadian
8 province of British Columbia for the purposes of implementing a
9 border-crossing initiative.

10 (3)(a) The department may issue an enhanced driver's license or
11 identicard for the purposes of crossing the border between the state
12 of Washington and the Canadian province of British Columbia to an
13 applicant who provides the department with proof of: United States
14 citizenship, identity, and state residency. The department shall
15 continue to offer a standard driver's license and identicard. If the
16 department chooses to issue an enhanced driver's license, the
17 department must allow each applicant to choose between a standard
18 driver's license or identicard, or an enhanced driver's license or
19 identicard.

20 (b) The department shall implement a one-to-many biometric
21 matching system for the enhanced driver's license or identicard. An
22 applicant for an enhanced driver's license or identicard shall submit
23 a biometric identifier as designated by the department. The biometric
24 identifier must be used solely for the purpose of verifying the
25 identity of the holders and for any purpose set out in RCW 46.20.037.
26 Applicants are required to sign a declaration acknowledging their
27 understanding of the one-to-many biometric match.

28 (c) The enhanced driver's license or identicard must include
29 reasonable security measures to protect the privacy of Washington
30 state residents, including reasonable safeguards to protect against
31 unauthorized disclosure of data about Washington state residents. If
32 the enhanced driver's license or identicard includes a radio
33 frequency identification chip, or similar technology, the department
34 shall ensure that the technology is encrypted or otherwise secure
35 from unauthorized data access.

36 (d) The requirements of this subsection are in addition to the
37 requirements otherwise imposed on applicants for a driver's license
38 or identicard. The department shall adopt such rules as necessary to
39 meet the requirements of this subsection. From time to time the
40 department shall review technological innovations related to the

1 security of identity cards and amend the rules related to enhanced
2 driver's licenses and identicards as the director deems consistent
3 with this section and appropriate to protect the privacy of
4 Washington state residents.

5 (e) Notwithstanding RCW 46.20.118, the department may make images
6 associated with enhanced drivers' licenses or identicards from the
7 negative file available to United States customs and border agents
8 for the purposes of verifying identity.

9 (4) Beginning October 1, 2022, the fee for an enhanced driver's
10 license or enhanced identicard is \$56, which is in addition to the
11 fees for any regular driver's license or identicard. If the enhanced
12 driver's license or enhanced identicard is issued, renewed, or
13 extended for a period other than eight years, the fee for each class
14 is \$7 for each year that the enhanced driver's license or enhanced
15 identicard is issued, renewed, or extended.

16 (5) (a) The first \$4 per year of issuance, to a maximum of \$32 of
17 the enhanced driver's license and enhanced identicard fee under this
18 section must be deposited into the highway safety fund unless prior
19 to July 1, 2023, the actions described in (a) (i) or (ii) of this
20 subsection occur, in which case the portion of the revenue that is
21 the result of the fee increased in section 209, chapter 44, Laws of
22 2015 3rd sp. sess. must be distributed to the connecting Washington
23 account created under RCW 46.68.395.

24 (i) Any state agency files a notice of rule making under chapter
25 34.05 RCW, absent explicit legislative authorization enacted
26 subsequent to July 1, 2015, for a rule regarding a fuel standard
27 based upon or defined by the carbon intensity of fuel, including a
28 low carbon fuel standard or clean fuel standard.

29 (ii) Any state agency otherwise enacts, adopts, orders, or in any
30 way implements a fuel standard based upon or defined by the carbon
31 intensity of fuel, including a low carbon fuel standard or clean fuel
32 standard, without explicit legislative authorization enacted
33 subsequent to July 1, 2015.

34 (iii) Nothing in this subsection acknowledges, establishes, or
35 creates legal authority for the department of ecology or any other
36 state agency to enact, adopt, order, or in any way implement a fuel
37 standard based upon or defined by the carbon intensity of fuel,
38 including a low carbon fuel standard or clean fuel standard.

39 (b) \$24 of the enhanced driver's license and enhanced identicard
40 fee under this section must be deposited into the move ahead WA

1 flexible account created in RCW 46.68.520. If the enhanced driver's
2 license or enhanced identicard is issued, renewed, or extended for a
3 period other than eight years, the amount deposited into the move
4 ahead WA flexible account created in RCW 46.68.520 is \$3 for each
5 year that the enhanced driver's license or enhanced identicard is
6 issued, renewed, or extended.

7 (6) By July 1, 2028, the department must establish a program that
8 allows every qualifying applicant for an enhanced driver's license or
9 enhanced identicard issued under this section the ability to acquire
10 a mobile credential in addition to the physical version of this
11 document.

12 **Sec. 108.** RCW 46.20.037 and 2024 c 54 s 56 are each amended to
13 read as follows:

14 (1) The department may implement a facial recognition matching
15 system for drivers' licenses, permits, and identicards. Any facial
16 recognition matching system selected by the department must be used
17 only to verify ~~((the))~~:

18 (a) The identity of an applicant for or holder of a driver's
19 license, permit, or identicard to determine whether the person has
20 been issued a driver's license, permit, or identicard under a
21 different name or names; and

22 (b) The identity of an applicant for purposes of application and
23 issuance for a mobile credential of the documents under (a) of this
24 subsection.

25 (2) Any facial recognition matching system selected by the
26 department must be capable of highly accurate matching, and must be
27 compliant with appropriate standards established by the American
28 association of motor vehicle administrators that exist on June 7,
29 2012, or such subsequent date as may be provided by the department by
30 rule, consistent with the purposes of this section.

31 (3) The department shall post notices in conspicuous locations at
32 all department driver licensing offices, make written information
33 available to all applicants at department driver licensing offices,
34 and provide information on the department's website regarding the
35 facial recognition matching system. The notices, written information,
36 and information on the website must address how the facial
37 recognition matching system works, all ways in which the department
38 may use results from the facial recognition matching system, how an
39 investigation based on results from the facial recognition matching

1 system would be conducted, and a person's right to appeal any
2 determinations made under this chapter.

3 (4) Results from the facial recognition matching system:

4 (a) Are not available for public inspection and copying under
5 chapter 42.56 RCW;

6 (b) May only be disclosed when authorized by a court order;

7 (c) May only be disclosed to a federal government agency if
8 specifically required under federal law; and

9 (d) May only be disclosed by the department to a government
10 agency, including a court or law enforcement agency, for use in
11 carrying out its functions if the department has determined that
12 person has committed one of the prohibited practices listed in RCW
13 46.20.0921 and this determination has been confirmed by a hearings
14 examiner under this chapter or the person declined a hearing or did
15 not attend a scheduled hearing.

16 (5) All personally identifying information derived from the
17 facial recognition matching system must be stored with appropriate
18 security safeguards. Washington technology solutions shall develop
19 the appropriate security standards for the department's use of the
20 facial recognition matching system, subject to approval and oversight
21 by the technology services board.

22 (6) The department shall develop procedures to handle instances
23 in which the facial recognition matching system fails to verify the
24 identity of an applicant for a renewal or duplicate driver's license,
25 permit, or identicard. These procedures must allow an applicant to
26 prove identity without using the facial recognition matching system.

27 NEW SECTION. **Sec. 109.** A new section is added to chapter 46.22
28 RCW to read as follows:

29 Any data collected by the department and displayed on a mobile
30 credential, will be handled the same as data collected for the
31 issuance of a physical credential and protected and shared in
32 accordance with this chapter, chapter 42.56 RCW, and RCW 43.17.425
33 and 7.115.020.

34 **Sec. 110.** RCW 46.20.1201 and 2021 c 240 s 13 are each amended to
35 read as follows:

36 (1) An additional \$1 fee shall be imposed on each application for
37 an original or renewal of a regular driver's license, regular
38 identicard, enhanced driver's license, or enhanced identicard. The

1 entire amount of the fee shall be used to pay for processing costs
2 for driver's license issuance and reinstatements, and information
3 technology upgrades and the ongoing costs to maintain the driver's
4 license and identicard record and issuance system.

5 (2) An additional \$1 mobile driver's license and identicard fee
6 shall be imposed on each application for an original or renewal of a
7 regular driver's license, regular identicard, enhanced driver's
8 license, or enhanced identicard. The entire amount of the fee shall
9 be used to pay for costs associated with providing an optional mobile
10 credential in addition to the physical version of a driver's license
11 or identicard to qualifying applicants.

12 (3) The department shall forward all funds accruing under this
13 section to the state treasurer who shall deposit the moneys to the
14 credit of the highway safety fund.

15 PART II: TRANSIT GRANTS

16 **Sec. 201.** RCW 47.66.130 and 2022 c 182 s 416 are each amended to
17 read as follows:

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

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

33 (b) The department must incorporate geographic diversity into the
34 grant selection process.

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

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

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

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

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

9 (5) For the purposes of this section:

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

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

20 **PART III: BICYCLE EDUCATION GRANT PROGRAM**

21 **Sec. 301.** RCW 47.04.390 and 2025 c 417 s 711 are each amended to
22 read as follows:

23 (1)(a) The department shall establish a statewide school-based
24 bicycle education grant program. The grant will support two programs:
25 One for grades three through eight; and one for grades six through 12
26 aged youth to develop the skills and street safety knowledge to be
27 more confident bicyclists for transportation and/or recreation. In
28 development of the grant program, the department is encouraged to
29 consult with the environmental justice council and the office of
30 equity.

31 (b) Youth participating in the school-based bicycle education
32 grant program shall have an opportunity to receive a bike, lock,
33 helmet, and lights, and maintenance supplies free of cost.

34 (2) For the grades (~~through~~) three through eight and grades six
35 through 12 programs, the department shall contract with a nonprofit
36 organization with relevant reach and experience, including a
37 statewide footprint and demonstrable experience deploying bicycling
38 and road safety education curriculum via a train the trainer model in

1 schools. The selected nonprofit shall identify partner schools and
2 partner organizations that serve target populations, based on the
3 criteria in subsection (4) of this section. Partner schools shall
4 receive from the nonprofit: In-school bike and pedestrian safety
5 education curriculum, materials, equipment guidance and consultation,
6 and physical education teacher training. Selected school districts
7 shall receive and maintain a fleet of bicycles for the youth in the
8 program.

9 (3) For the grades six through 12 program, the department shall
10 contract with a nonprofit organization with relevant reach and
11 experience, including a statewide footprint; demonstrable experience
12 developing and managing youth-based programming serving youth of
13 color in an after-school and/or community setting; and deploying
14 bicycling and road safety education curriculum via a train the
15 trainer model. The selected nonprofit shall use the equity-based
16 criteria in subsection (4) of this section to identify target
17 populations and partner organizations including, but not limited to,
18 schools, community-based organizations, housing authorities, and
19 parks and recreation departments, that work with the eligible
20 populations of youth. Partner organizations shall receive from the
21 nonprofit: Education curriculum, materials, equipment including, but
22 not limited to, bicycles, helmets, locks, and lights, guidance and
23 consultation, and initial instructor/volunteer training, as well as
24 ongoing support.

25 (4) In selecting schools and partner organizations for the
26 school-based bicycle education grant program, the department and
27 nonprofit must consider, at a minimum, the following criteria:

28 (a) Population impacted by poverty, as measured by free and
29 reduced lunch population or 200 percent federal poverty level;

30 (b) People of color;

31 (c) People of Hispanic heritage;

32 (d) People with disabilities;

33 (e) Environmental health disparities, such as those indicated by
34 the diesel pollution burden portion of the Washington environmental
35 health disparities map developed by the department of health, or
36 other similar indicators;

37 (f) Location on or adjacent to an Indian reservation;

38 (g) Geographic location throughout the state;

39 (h) Crash experience involving pedestrians and bicyclists;

40 (i) Access to a community facility or commercial center; and

1 (j) Identified need in the state active transportation plan or a
2 regional, county, or community plan.

3 (5) The department shall submit a report for both programs to the
4 transportation committees of the legislature by December 1, 2022, and
5 each December 1st thereafter identifying the selected programs and
6 school districts for funding by the legislature. The report must also
7 include the status of previously funded programs.

8 (6) The statewide school-based bicycle education grant program
9 account is created in the state treasury. Moneys in the account may
10 be spent only after appropriation. Expenditures from the account may
11 be used only for the program activities described in this section.

12 (7) Beginning September 2029, by the last day of September,
13 December, March, and June of each year, the state treasurer shall
14 transfer \$3,375,000 from the multimodal transportation account
15 created in RCW 47.66.070 to the statewide school-based bicycle
16 education grant program account created in this section.

17 **PART IV: FISH PASSAGE BARRIER CORRECTION PROJECTS**

18 **Sec. 401.** RCW 77.55.181 and 2021 c 289 s 1 are each amended to
19 read as follows:

20 (1)(a) In order to receive the permit review and approval process
21 created in this section, a fish habitat enhancement project must meet
22 the criteria under this section and must be a project to accomplish
23 one or more of the following tasks:

24 (i) Elimination of human-made or caused fish passage barriers,
25 including:

26 (A) Culvert repair and replacement; (~~and~~)

27 (B) Fish passage barrier removal projects that comply with the
28 forest practices rules, as the term "forest practices rules" is
29 defined in RCW 76.09.020; and

30 (C) Department of transportation fish passage barrier correction
31 projects involving structures extending onto adjoining properties
32 owned by others, where the department eliminates any portion of its
33 barrier even if adjacent segments of such structures, including
34 necessary transition segments to be constructed as part of the
35 project, are determined to be a barrier to fish passage;

36 (ii) Restoration of an eroded or unstable stream bank employing
37 the principle of bioengineering, including limited use of rock as a
38 stabilization only at the toe of the bank, and with primary emphasis

1 on using native vegetation to control the erosive forces of flowing
2 water;

3 (iii) Placement of woody debris or other instream structures that
4 benefit naturally reproducing fish stocks; or

5 (iv) Restoration of native kelp and eelgrass beds and restoring
6 native oysters.

7 (b) The department shall develop size or scale threshold tests to
8 determine if projects accomplishing any of these tasks should be
9 evaluated under the process created in this section or under other
10 project review and approval processes. A project proposal shall not
11 be reviewed under the process created in this section if the
12 department determines that the scale of the project raises concerns
13 regarding public health and safety.

14 (c) A fish habitat enhancement project must be approved in one of
15 the following ways in order to receive the permit review and approval
16 process created in this section:

17 (i) By the department pursuant to chapter 77.95 or 77.100 RCW;

18 (ii) By the sponsor of a watershed restoration plan as provided
19 in chapter 89.08 RCW;

20 (iii) By the department as a department-sponsored fish habitat
21 enhancement or restoration project;

22 (iv) Through the review and approval process for the jobs for the
23 environment program;

24 (v) By conservation districts as conservation district-sponsored
25 fish habitat enhancement or restoration projects;

26 (vi) Through a formal grant program established by the
27 legislature or the department for fish habitat enhancement or
28 restoration;

29 (vii) By federally recognized tribes as tribally sponsored fish
30 habitat enhancement projects or restoration projects;

31 (viii) Through the department of transportation's environmental
32 retrofit program as a stand-alone fish passage barrier correction
33 project, or the fish passage barrier correction portion of a larger
34 transportation project;

35 (ix) Through a local, state, or federally approved fish barrier
36 removal grant program designed to assist local governments in
37 implementing stand-alone fish passage barrier corrections;

38 (x) By a city or county for a stand-alone fish passage barrier
39 correction project funded by the city or county;

1 (xi) Through the approval process established for forest
2 practices hydraulic projects in chapter 76.09 RCW; or

3 (xii) Through other formal review and approval processes
4 established by the legislature.

5 (2) Fish habitat enhancement projects meeting the criteria of
6 subsection (1) of this section are expected to result in beneficial
7 impacts to the environment. Decisions pertaining to fish habitat
8 enhancement projects meeting the criteria of subsection (1) of this
9 section and being reviewed and approved according to the provisions
10 of this section are not subject to the requirements of RCW
11 43.21C.030(2)(c).

12 (3)(a) A permit is required for projects that meet the criteria
13 of subsection (1) of this section and are being reviewed and approved
14 under this section. An applicant shall use a joint aquatic resource
15 permit application form developed by the office of regulatory
16 assistance to apply for approval under this chapter. The department
17 of transportation shall use the department's online permit
18 application system or a joint aquatic resource permit application
19 form developed by the office of regulatory assistance to apply for
20 approval under this chapter. On the same day, the applicant shall
21 provide copies of the completed application form to the department
22 and to each appropriate local government. Applicants for a forest
23 practices hydraulic project that are not otherwise required to submit
24 a joint aquatic resource permit application must submit a copy of
25 their forest practices application to the appropriate local
26 government on the same day that they submit the forest practices
27 application to the department of natural resources.

28 (b) Local governments shall accept the application identified in
29 this section as notice of the proposed project. A local government
30 shall be provided with a 15-day comment period during which it may
31 transmit comments regarding environmental impacts to the department
32 or, for forest practices hydraulic projects, to the department of
33 natural resources.

34 (c)(i) Except for forest practices hydraulic projects, the
35 department shall, within 45 days, either issue a permit, with or
36 without conditions, deny approval, or make a determination that the
37 review and approval process created by this section is not
38 appropriate for the proposed project. The department shall base this
39 determination on identification during the comment period of adverse
40 impacts that cannot be mitigated by the conditioning of a permit.

1 Permitting decisions over forest practices hydraulic approvals must
2 be made consistent with chapter 76.09 RCW.

3 (ii) For department of transportation fish passage barrier
4 correction projects, the department of fish and wildlife shall,
5 within 30 days, either issue a permit, with or without conditions,
6 deny approval, or make a determination that the review and approval
7 process created by this section is not appropriate for the proposed
8 project.

9 (d) If the department determines that the review and approval
10 process created by this section is not appropriate for the proposed
11 project, the department shall notify the applicant and the
12 appropriate local governments of its determination. The applicant may
13 reapply for approval of the project under other review and approval
14 processes.

15 (e) Any person aggrieved by the approval, denial, conditioning,
16 or modification of a permit other than a forest practices hydraulic
17 project under this section may appeal the decision as provided in RCW
18 77.55.021(8). Appeals of a forest practices hydraulic project may be
19 made as provided in chapter 76.09 RCW.

20 (4) No local government may require permits or charge fees for
21 fish habitat enhancement projects that meet the criteria of
22 subsection (1) of this section and that are reviewed and approved
23 according to the provisions of this section, except that, pursuant to
24 chapter 86.16 RCW, a local government may impose such requirements,
25 or charge such fees, or both, only as may be necessary in order for
26 the local government to administer the national flood insurance
27 program regulation requirements.

28 (5) No civil liability may be imposed by any court on the state
29 or its officers and employees for any adverse impacts resulting from
30 a fish enhancement project permitted by the department or the
31 department of natural resources under the criteria of this section
32 except upon proof of gross negligence or willful or wanton
33 misconduct.

34 **PART V: CLEAN ENERGY FACILITIES**

35 **Sec. 501.** RCW 47.04.010 and 2023 c 431 s 11 are each reenacted
36 and amended to read as follows:

37 The following words and phrases, wherever used in this title,
38 shall have the meaning as in this section ascribed to them, unless

1 where used the context thereof shall clearly indicate to the contrary
2 or unless otherwise defined in the chapter of which they are a part:

3 (1) "Active transportation" includes forms of pedestrian mobility
4 including walking or running, the use of a mobility assistive device
5 such as a wheelchair, bicycling and cycling irrespective of the
6 number of wheels, and the use of small personal devices such as foot
7 scooters or skateboards. Active transportation includes both
8 traditional and electric-assisted bicycles and other devices.
9 Planning for active transportation must consider and address
10 accommodation pursuant to the Americans with disabilities act and the
11 distinct needs of each form of active transportation;

12 (2) "Alley." A highway within the ordinary meaning of alley not
13 designated for general travel and primarily used as a means of access
14 to the rear of residences and business establishments;

15 (3) "Arterial highway." Every highway, as herein defined, or
16 portion thereof designated as such by proper authority;

17 (4) "Business district." The territory contiguous to and
18 including a highway, as herein defined, when within any 600 feet
19 along such highway there are buildings in use for business or
20 industrial purposes including, but not limited to, hotels, banks, or
21 office buildings, railroad stations, and public buildings which
22 occupy at least 300 feet of frontage on one side or 300 feet
23 collectively on both sides of the highway;

24 (5) "Center line." The line, marked or unmarked parallel to and
25 equidistant from the sides of a two-way traffic roadway of a highway
26 except where otherwise indicated by painted lines or markers;

27 (6) "Center of intersection." The point of intersection of the
28 center lines of the roadways of intersecting highways;

29 (7) "City street." Every highway as herein defined, or part
30 thereof located within the limits of incorporated cities and towns,
31 except alleys;

32 (8) "Clean energy facility" means any facility identified in RCW
33 43.21F.100(1);

34 (9) "Combination of vehicles." Every combination of motor vehicle
35 and motor vehicle, motor vehicle and trailer, or motor vehicle and
36 semitrailer;

37 ~~((+9))~~ (10) "Commercial vehicle." Any vehicle the principal use
38 of which is the transportation of commodities, merchandise, produce,
39 freight, animals, or passengers for hire;

1 (~~(10)~~) (11) "Complete streets" means an approach to planning,
2 designing, building, operating, and maintaining streets that enable
3 safe access along and across the street for all people, including
4 pedestrians, bicyclists, motorists, and transit riders of all ages
5 and abilities. It incorporates principles of a safe system approach;

6 (~~(11)~~) (12) "County road." Every highway as herein defined, or
7 part thereof, outside the limits of incorporated cities and towns and
8 which has not been designated as a state highway, or branch thereof;

9 (~~(12)~~) (13) "Crosswalk." The portion of the roadway between the
10 intersection area and a prolongation or connection of the farthest
11 sidewalk line or in the event there are no sidewalks then between the
12 intersection area and a line ten feet therefrom, except as modified
13 by a marked crosswalk;

14 (~~(13)~~) (14) "Highway." Every way, lane, road, street,
15 boulevard, and every way or place in the state of Washington open as
16 a matter of right to public vehicular travel both inside and outside
17 the limits of incorporated cities and towns;

18 (~~(14)~~) (15) "Intersection area." (a) The area embraced within
19 the prolongation or connection of the lateral curb lines, or, if
20 none, then the lateral boundary lines of the roadways of two or more
21 highways which join one another at, or approximately at, right
22 angles, or the area within which vehicles traveling upon different
23 highways joining at any other angle may come in conflict;

24 (b) Where a highway includes two roadways 30 feet or more apart,
25 then every crossing of each roadway of such divided highway by an
26 intersecting highway shall be regarded as a separate intersection. In
27 the event such intersecting highway also includes two roadways 30
28 feet or more apart, then every crossing of two roadways of such
29 highways shall be regarded as a separate intersection;

30 (c) The junction of an alley with a street or highway shall not
31 constitute an intersection;

32 (~~(15)~~) (16) "Intersection control area." The intersection area
33 as herein defined, together with such modification of the adjacent
34 roadway area as results from the arc or curb corners and together
35 with any marked or unmarked crosswalks adjacent to the intersection;

36 (~~(16)~~) (17) "Laned highway." A highway the roadway of which is
37 divided into clearly marked lanes for vehicular traffic;

38 (~~(17)~~) (18) "Local authorities." Every county, municipal, or
39 other local public board or body having authority to adopt local
40 police regulations under the Constitution and laws of this state;

1 ~~((18))~~ (19) "Marked crosswalk." Any portion of a roadway
2 distinctly indicated for pedestrian crossing by lines or other
3 markings on the surface thereof;

4 ~~((19))~~ (20) "Metal tire." Every tire, the bearing surface of
5 which in contact with the highway is wholly or partly of metal or
6 other hard, nonresilient material;

7 ~~((20))~~ (21) "Motor truck." Any motor vehicle, as herein
8 defined, designed or used for the transportation of commodities,
9 merchandise, produce, freight, or animals;

10 ~~((21))~~ (22) "Motor vehicle." Every vehicle, as herein defined,
11 which is in itself a self-propelled unit;

12 ~~((22))~~ (23) "Multiple lane highway." Any highway the roadway of
13 which is of sufficient width to reasonably accommodate two or more
14 separate lanes of vehicular traffic in the same direction, each lane
15 of which shall be not less than the maximum legal vehicle width, and
16 whether or not such lanes are marked;

17 ~~((23))~~ (24) "Operator." Every person who drives or is in actual
18 physical control of a vehicle as herein defined;

19 ~~((24))~~ (25) "Peace officer." Any officer authorized by law to
20 execute criminal process or to make arrests for the violation of the
21 statutes generally or of any particular statute or statutes relative
22 to the highways of this state;

23 ~~((25))~~ (26) "Pedestrian." Any person afoot or who is using a
24 wheelchair, power wheelchair as defined in RCW 46.04.415, or a means
25 of conveyance propelled by human power other than a bicycle;

26 ~~((26))~~ (27) "Person." Every natural person, firm,
27 copartnership, corporation, association, or organization;

28 ~~((27))~~ (28) "Personal wireless service." Any federally licensed
29 personal wireless service;

30 ~~((28))~~ (29) "Personal wireless service facilities." Unstaffed
31 facilities that are used for the transmission or reception, or both,
32 of personal wireless services including, but not necessarily limited
33 to, antenna arrays, transmission cables, equipment shelters, and
34 support structures;

35 ~~((29))~~ (30) "Pneumatic tires." Every tire of rubber or other
36 resilient material designed to be inflated with compressed air to
37 support the load thereon;

38 ~~((30))~~ (31) "Population center" includes incorporated cities
39 and towns, including their urban growth areas, and census-designated
40 places;

1 ~~((31))~~ (32) "Private road or driveway." Every way or place in
2 private ownership and used for travel of vehicles by the owner or
3 those having express or implied permission from the owner, but not by
4 other persons;

5 ~~((32))~~ (33) "Railroad." A carrier of persons or property upon
6 vehicles, other than streetcars, operated upon stationary rails, the
7 route of which is principally outside incorporated cities and towns;

8 ~~((33))~~ (34) "Railroad sign or signal." Any sign, signal, or
9 device erected by authority of a public body or official or by a
10 railroad and intended to give notice of the presence of railroad
11 tracks or the approach of a railroad train;

12 ~~((34))~~ (35) "Residence district." The territory contiguous to
13 and including the highway, as herein defined, not comprising a
14 business district, as herein defined, when the property on such
15 highway for a continuous distance of 300 feet or more on either side
16 thereof is in the main improved with residences or residences and
17 buildings in use for business;

18 ~~((35))~~ (36) "Roadway." The paved, improved, or proper driving
19 portion of a highway designed, or ordinarily used for vehicular
20 travel;

21 ~~((36))~~ (37) "Safe system approach" means an internationally
22 recognized holistic and proactive approach to road safety intended to
23 systematically reduce fatal and serious injury crash potential; as
24 described by the federal highway administration, the approach is
25 based on the following elements: Safe roads, safe speeds, safe
26 vehicles, safe road users, and postcrash care. The safe system
27 approach is incorporated through policies and practices of state
28 agencies and local governments with appropriate jurisdiction;

29 ~~((37))~~ (38) "Safety zone." The area or space officially set
30 apart within a roadway for the exclusive use of pedestrians and which
31 is protected or is marked or indicated by painted marks, signs,
32 buttons, standards, or otherwise so as to be plainly discernible;

33 ~~((38))~~ (39) "Shared-use path," also known as a "multiuse path,"
34 means a facility designed for active transportation use and
35 physically separated from motorized vehicular traffic within the
36 highway right-of-way or on an exclusive right-of-way with minimal
37 crossflow by motor vehicles. Shared-use paths are primarily used by
38 pedestrians and people using bicycles or micromobility devices,
39 including those who use nonmotorized or motorized wheeled mobility or

1 assistive devices. With appropriate design considerations,
2 equestrians may also be accommodated by a shared-use path facility;

3 ~~((39))~~ (40) "Sidewalk." That property between the curb lines or
4 the lateral lines of a roadway, as herein defined, and the adjacent
5 property, set aside and intended for the use of pedestrians or such
6 portion of private property parallel and in proximity to a highway
7 and dedicated to use by pedestrians;

8 ~~((40))~~ (41) "Solid tire." Every tire of rubber or other
9 resilient material which does not depend upon inflation with
10 compressed air for the support of the load thereon;

11 ~~((41))~~ (42) "State highway." Every highway as herein defined,
12 or part thereof, which has been designated as a state highway, or
13 branch thereof, by legislative enactment;

14 ~~((42))~~ (43) "Streetcar." A vehicle other than a train, as
15 herein defined, for the transporting of persons or property and
16 operated upon stationary rails principally within incorporated cities
17 and towns;

18 ~~((43))~~ (44) "Structurally deficient." A state bridge that is
19 classified as in poor condition under the state bridge condition
20 rating system and is reported by the state to the national bridge
21 inventory as having a deck, superstructure, or substructure rating of
22 four or below. Structurally deficient bridges are characterized by
23 deteriorated conditions of significant bridge elements and
24 potentially reduced load carrying capacity. Bridges deemed
25 structurally deficient typically require significant maintenance and
26 repair to remain in service, and require major rehabilitation or
27 replacement to address the underlying deficiency;

28 ~~((44))~~ (45) "Traffic." Pedestrians, ridden or herded animals,
29 vehicles, streetcars, and other conveyances either singly or together
30 while using any highways for purposes of travel;

31 ~~((45))~~ (46) "Traffic control signal." Any traffic device, as
32 herein defined, whether manually, electrically, or mechanically
33 operated, by which traffic alternately is directed to stop or proceed
34 or otherwise controlled;

35 ~~((46))~~ (47) "Traffic devices." All signs, signals, markings,
36 and devices not inconsistent with this title placed or erected by
37 authority of a public body or official having jurisdiction, for the
38 purpose of regulating, warning, or guiding traffic;

1 (~~(47)~~) (48) "Train." A vehicle propelled by steam, electricity,
2 or other motive power with or without cars coupled thereto, operated
3 upon stationary rails, except streetcars;

4 (~~(48)~~) (49) "Vehicle." Every device capable of being moved upon
5 a highway and in, upon, or by which any person or property is or may
6 be transported or drawn upon a highway, excepting power wheelchairs,
7 as defined in RCW 46.04.415, or devices moved by human or animal
8 power or used exclusively upon stationary rails or tracks.

9 Words and phrases used herein in the past, present, or future
10 tense shall include the past, present, and future tenses; words and
11 phrases used herein in the masculine, feminine, or neuter gender
12 shall include the masculine, feminine, and neuter genders; and words
13 and phrases used herein in the singular or plural shall include the
14 singular and plural; unless the context thereof shall indicate to the
15 contrary.

16 NEW SECTION. **Sec. 502.** A new section is added to chapter 47.44
17 RCW to read as follows:

18 This chapter does not apply to leases issued for the deployment
19 of clean energy facilities as provided in section 503 of this act.

20 NEW SECTION. **Sec. 503.** A new section is added to chapter 47.04
21 RCW to read as follows:

22 (1) The department shall establish a process for issuing a lease
23 for the use of the right-of-way by a clean energy facility developer.
24 Consistent with federal highway administration approval, the lease
25 must include the right of direct ingress and egress from the highway
26 for construction and maintenance of the clean energy facility during
27 nonpeak hours if public safety is not adversely affected. Direct
28 ingress and egress may be allowed at any time for the construction of
29 the facility if public safety is not adversely affected and if
30 construction will not substantially interfere with traffic flow
31 during peak traffic periods. The lease may specify an indirect
32 ingress and egress to the facility if it is reasonable and available
33 for the particular location.

34 (2) The cost of the lease must be limited to the fair market
35 value of the portion of the right-of-way being used by the clean
36 energy facility developer and the direct administrative expenses
37 incurred by the department in processing the lease application.

1 If the department and the clean energy facility developer are
2 unable to agree on the cost of the lease, the clean energy facility
3 developer may submit the cost of the lease to binding arbitration by
4 serving written notice on the department. Within 30 days of receiving
5 the notice, each party shall furnish a list of acceptable
6 arbitrators. The parties shall select an arbitrator; failing to agree
7 on an arbitrator, each party shall select one arbitrator and the two
8 arbitrators shall select a third arbitrator for an arbitration panel.
9 The arbitrator or panel shall determine the cost of the lease based
10 on comparable siting agreements. Costs of the arbitration, including
11 compensation for the arbitrator's services, must be borne equally by
12 the parties participating in the arbitration and each party shall
13 bear its own costs and expenses, including legal fees and witness
14 expenses, in connection with the arbitration proceeding.

15 (3) The department shall act on an application for a lease within
16 60 days of receiving a completed application, unless a clean energy
17 facility developer consents to a different time period.

18 (4) The reasons for a denial of a lease application must be
19 supported by substantial evidence contained in a written record.

20 (5) The department may adopt rules to implement this section.

21 (6) All lease money paid to the department under this section
22 shall be deposited in the motor vehicle fund created in RCW
23 46.68.070.

24 (7) This section does not apply when a clean energy facility is
25 procured for delivery under chapter 47.47 RCW or when the clean
26 energy facility developer is the department or contracted by the
27 department.

28 (8) For the purposes of this section:

29 (a) "Right-of-way" means all state-owned land within a state
30 highway corridor and any other land under the jurisdiction of the
31 department.

32 (b) "Clean energy facility developer" means every corporation,
33 company, association, joint stock association, firm, partnership, or
34 person that constructs, owns, operates, or manages any clean energy
35 facility. "Clean energy facility developer" includes a service
36 provider's contractors, subcontractors, and legal successors.

37 **Sec. 504.** RCW 70A.65.240 and 2022 c 182 s 101 are each amended
38 to read as follows:

1 (1) The carbon emissions reduction account is created in the
2 state treasury. Moneys in the account may be spent only after
3 appropriation. Expenditures from the account are intended to affect
4 reductions in transportation sector carbon emissions through a
5 variety of carbon reducing investments. These can include, but are
6 not limited to: Transportation alternatives to single occupancy
7 passenger vehicles; reductions in single occupancy passenger vehicle
8 miles traveled; reductions in per mile emissions in vehicles,
9 including through the funding of alternative fuel infrastructure and
10 incentive programs; and emission reduction programs for freight
11 transportation, including motor vehicles and rail, as well as for
12 ferries and other maritime and port activities. Expenditures from the
13 account may only be made for transportation carbon emission reducing
14 purposes and may not be made for highway purposes authorized under
15 the 18th Amendment of the Washington state Constitution, other than
16 specified in this section, and shall be made in accordance with
17 subsection (2) of this section. It is the legislature's intent that
18 expenditures from the account used to reduce carbon emissions be made
19 with the goal of achieving equity for communities that historically
20 have been omitted or adversely impacted by past transportation
21 policies and practices.

22 (2) Appropriations in an omnibus transportation appropriations
23 act from the carbon emissions reduction account shall be made
24 exclusively to fund the following activities:

- 25 (a) Active transportation;
26 (b) Transit programs and projects;
27 (c) Alternative fuel and electrification;
28 (d) Clean energy facilities located in or on right-of-way or
29 property under the jurisdiction of the department of transportation;
30 (e) Ferries; and
31 (~~(e)~~) (f) Rail.

32 **Sec. 505.** RCW 47.47.020 and 2025 c 417 s 1202 are each amended
33 to read as follows:

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

- 36 (1) "Commission" means the transportation commission.
37 (2) "Department" means the department of transportation.
38 (3) "Eligible transportation project" means any project that is
39 not a rail project and meets the criteria to be evaluated for

1 delivery in RCW 47.47.060, whether capital or operating, where the
2 state's purpose for the project is to preserve or facilitate the safe
3 transport of people or goods via any mode of travel or to establish,
4 operate, or maintain a clean energy facility in or on right-of-way or
5 property under the jurisdiction of the department.

6 (4) "Private sector partner" and "private partner" means a
7 person, entity, or organization that is not the federal government, a
8 state, or a political subdivision of a state.

9 (5) "Public funds" means all moneys derived from taxes, fees,
10 charges, tolls, or other levies of money from the public.

11 (6) "Public sector partner" and "public partner" means any
12 federal or state unit of government, bistrate transportation
13 organization, or any other political subdivision of any state.

14 (7) "State finance committee" means the entity created in chapter
15 43.33 RCW.

16 (8) "Unit of government" means any department or agency of the
17 federal government, any state or agency, office, or department of a
18 state, any city, county, district, commission, authority, entity,
19 port, or other public corporation organized and existing under
20 statutory law or under a voter-approved charter or initiative, and
21 any intergovernmental entity created under chapter 39.34 RCW or this
22 chapter.

23 NEW SECTION. **Sec. 506.** The process for issuing leases required
24 in section 503 of this act must be established by July 1, 2026.

25 NEW SECTION. **Sec. 507.** The department of transportation shall
26 report to the appropriate committees of the legislature on the
27 implementation of the lease process by December 1, 2026. The
28 department must submit this report to the office of financial
29 management and the transportation committees of the legislature.

30 **PART VI: OLDER DRIVERS**

31 NEW SECTION. **Sec. 601.** A new section is added to chapter 43.59
32 RCW to read as follows:

33 Subject to the availability of funds appropriated for this
34 specific purpose, the Washington traffic safety commission, in
35 consultation with the department of licensing, must create an older

1 driver traffic safety awareness program that consists of, but is not
2 limited to, the following:

3 (1) A public education campaign that produces and disseminates
4 through all possible media informational and educational materials
5 explaining how aging can affect driving;

6 (2) A comprehensive website that includes, but is not limited to:

7 (a) Informational resources on aging and driving;

8 (b) Guidance for family and caregivers, including warning signs,
9 with concerns about older drivers;

10 (c) Access to an online self-assessment tool for older drivers;
11 and

12 (d) Information on when and how to report a medically at-risk
13 driver and how to get around without a vehicle; and

14 (3) A designated older driver safety awareness week highlighting
15 resources for older road users, including tips, tools, and any
16 additional guidance to assist older drivers.

17 NEW SECTION. **Sec. 602.** A new section is added to chapter 46.20
18 RCW to read as follows:

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

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

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

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

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

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

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

34 **PART VII: TRAFFIC SAFETY CAMERA ENFORCEMENT AND REVENUE**

35 **Sec. 701.** RCW 46.63.075 and 2024 c 307 s 10 are each amended to
36 read as follows:

1 (1) In a traffic infraction case involving an infraction detected
2 through the use of an automated traffic safety camera under RCW
3 46.63.220 through 46.63.260, detected through the use of a speed
4 safety camera system under RCW 46.63.200, or detected through the use
5 of an automated school bus safety camera under RCW 46.63.180, proof
6 that the particular vehicle described in the notice of traffic
7 infraction was in violation of any such provision of RCW 46.63.220
8 through 46.63.260 or RCW 46.63.200 and 46.63.180, together with proof
9 that the person named in the notice of traffic infraction was at the
10 time of the violation the registered owner of the vehicle,
11 constitutes in evidence a prima facie presumption that the registered
12 owner of the vehicle was the person in control of the vehicle at the
13 point where, and for the time during which, the violation occurred.

14 (2) ~~((This))~~ The presumption under subsection (1) of this section
15 may be overcome only if the registered owner states, under oath, in a
16 written statement to the court or in testimony before the court that
17 the vehicle involved was, at the time, stolen or in the care,
18 custody, or control of some person other than the registered owner.
19 For a second or subsequent infraction under subsection (1) of this
20 section committed within one year of an initial infraction, the
21 presumption may be overcome only if the registered owner:

22 (a) Provides a copy of a filed police report to the court
23 indicating that the vehicle was reported stolen at the time the
24 violation occurred;

25 (b) Provides evidence to the court that a report of sale was
26 filed with the department pursuant to RCW 46.12.650 prior to the date
27 and time of the violation; or

28 (c) States, under oath, in testimony before the court the full
29 name and current address of the person who was in the care, custody,
30 or control of the vehicle at the time of the violation.

31 **Sec. 702.** RCW 46.63.220 and 2025 c 417 s 906 are each amended to
32 read as follows:

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

37 (2) Any city or county may authorize the use of automated traffic
38 safety cameras and must adopt an ordinance authorizing such use
39 through its local legislative authority.

1 (3) The local legislative authority must prepare an analysis of
2 the locations within the jurisdiction where automated traffic safety
3 cameras are proposed to be located before adding traffic safety
4 cameras to a new location or relocating any existing camera to a new
5 location within the jurisdiction. The analysis must include equity
6 considerations including the impact of the camera placement on
7 livability, accessibility, economics, education, and environmental
8 health when identifying where to locate an automated traffic safety
9 camera. The analysis must also show a demonstrated need for traffic
10 cameras based on one or more of the following in the vicinity of the
11 proposed camera location: Travel by vulnerable road users, evidence
12 of vehicles speeding, rates of collision, reports showing near
13 collisions, and anticipated or actual ineffectiveness or
14 infeasibility of other mitigation measures.

15 (4) Automated traffic safety cameras may not be used on an on-
16 ramp to a limited access facility as defined in RCW 47.52.010.

17 (5) A city may use automated traffic safety cameras to enforce
18 traffic ordinances in this section on state highways that are also
19 classified as city streets under chapter 47.24 RCW. A city government
20 must notify the department of transportation when it installs an
21 automated traffic safety camera to enforce traffic ordinances as
22 authorized in this subsection.

23 (6) (a) At a minimum, a local ordinance adopted pursuant to this
24 section must contain the restrictions described in this section and
25 provisions for public notice and signage. Cities and counties must
26 also post such restrictions and other automated traffic safety camera
27 policies on the city's or county's website. Cities and counties using
28 automated traffic safety cameras before July 24, 2005, are subject to
29 the restrictions described in this section, but are not required to
30 adopt an authorizing ordinance.

31 (b) (i) Cities and counties using automated traffic safety cameras
32 must post an annual report on the city's or county's website of the
33 number of traffic crashes that occurred at each location where an
34 automated traffic safety camera is located, as well as the number of
35 notices of infraction issued for each camera. Beginning January 1,
36 2026, the annual report must include the percentage of revenues
37 received from fines issued from automated traffic safety camera
38 infractions that were used to pay for the costs of the automated
39 traffic safety camera program and must describe the uses of revenues

1 that exceeded the costs of operation and administration of the
2 automated traffic safety camera program by the city or county.

3 (ii) The Washington traffic safety commission must provide an
4 annual report to the transportation committees of the legislature,
5 and post the report to its website for public access, beginning July
6 1, 2026, that includes aggregated information on the use of automated
7 traffic safety cameras in the state that includes an assessment of
8 the impact of their use, information required in city and county
9 annual reports under (b)(i) of this subsection, and information on
10 the number of automated traffic safety cameras in use by type and
11 location, with an analysis of camera placement in the context of area
12 demographics and household incomes. To the extent practicable, the
13 commission must also provide in its annual report the number of
14 traffic accidents, speeding violations, single vehicle accidents,
15 pedestrian accidents, and driving under the influence violations that
16 occurred at each location where an automated traffic safety camera is
17 located in the five years before each camera's authorization and
18 after each camera's authorization. Cities and counties using
19 automated traffic safety cameras must provide the commission with the
20 data it requests for the report required under this subsection in a
21 form and manner specified by the commission.

22 (7) All locations where an automated traffic safety camera is
23 used on roadways or intersections must be clearly marked by placing
24 signs at least 30 days prior to activation of the camera in locations
25 that clearly indicate to a driver either that: (a) The driver is
26 within an area where automated traffic safety cameras are authorized;
27 or (b) the driver is entering an area where violations are enforced
28 by an automated traffic safety camera. The signs must be readily
29 visible to a driver approaching an automated traffic safety camera.
30 Signs placed in automated traffic safety camera locations after June
31 7, 2012, must follow the specifications and guidelines under the
32 manual of uniform traffic control devices for streets and highways as
33 adopted by the department of transportation under chapter 47.36 RCW.
34 All public transportation vehicles utilizing a vehicle-mounted system
35 must post a sign on the rear of the vehicle indicating to drivers
36 that the vehicle is equipped with an automated traffic safety camera
37 to enforce bus stop zone violations and public transportation only
38 lane violations.

39 (8) Automated traffic safety cameras may only record images of
40 the vehicle and vehicle license plate and only while an infraction is

1 occurring. The image must not reveal the face of the driver or of
2 passengers in the vehicle. The primary purpose of camera placement is
3 to record images of the vehicle and vehicle license plate when an
4 infraction is occurring. Cities and counties must consider installing
5 automated traffic safety cameras in a manner that minimizes the
6 impact of camera flash on drivers.

7 (9) A notice of infraction must be mailed to the registered owner
8 of the vehicle within 14 days of the violation, or to the renter of a
9 vehicle within 14 days of establishing the renter's name and address
10 under subsection (17) of this section. The notice of infraction must
11 include with it a certificate or facsimile thereof, based upon
12 inspection of photographs, microphotographs, or electronic images
13 produced by an automated traffic safety camera, stating the facts
14 supporting the notice of infraction. This certificate or facsimile is
15 prima facie evidence of the facts contained in it and is admissible
16 in a proceeding charging a violation under this chapter. The
17 photographs, microphotographs, or electronic images evidencing the
18 violation must be available for inspection and admission into
19 evidence in a proceeding to adjudicate the liability for the
20 infraction. A person receiving a notice of infraction based on
21 evidence detected by an automated traffic safety camera may respond
22 to the notice by mail.

23 (10) The registered owner of a vehicle is responsible for an
24 infraction under RCW 46.63.030(1)(d) unless the registered owner
25 overcomes the presumption in RCW 46.63.075, or, in the case of a
26 rental car business, satisfies the conditions under subsection (17)
27 of this section. If appropriate under the circumstances, a renter
28 identified under subsection (17)(a) of this section is responsible
29 for an infraction.

30 (11) Notwithstanding any other provision of law, all photographs,
31 microphotographs, or electronic images, or any other personally
32 identifying data prepared under this section are for the exclusive
33 use of authorized city or county employees, as specified in RCW
34 46.63.030(1)(d), in the discharge of duties under this section and
35 are not open to the public and may not be used in a court in a
36 pending action or proceeding unless the action or proceeding relates
37 to a violation under this section. No photograph, microphotograph, or
38 electronic image, or any other personally identifying data may be
39 used for any purpose other than enforcement of violations under this
40 section nor retained longer than necessary to enforce this section.

1 Transit authorities must provide to the appropriate local
2 jurisdiction that has authorized traffic safety camera use under RCW
3 46.63.260(3) any images or evidence collected establishing that a
4 violation of stopping, standing, or parking in a bus stop zone or
5 traveling, stopping, standing, or parking in a public transportation
6 only lane has occurred for infraction processing purposes consistent
7 with this section.

8 (12) If a county or city has established an automated traffic
9 safety camera program as authorized under this section, the
10 compensation paid to the manufacturer or vendor of the equipment used
11 must be based only upon the value of the equipment and services
12 provided or rendered in support of the system and may not be based
13 upon a portion of the fine or civil penalty imposed or the revenue
14 generated by the equipment. If the contract between the city or
15 county and manufacturer or vendor of the equipment does not provide
16 for performance or quality control measures regarding camera images,
17 the city or county must perform a performance audit of the
18 manufacturer or vendor of the equipment every three years to review
19 and ensure that images produced from automated traffic safety cameras
20 are sufficient for evidentiary purposes as described in subsection
21 (9) of this section.

22 (13)(a) Except as provided in (d) of this subsection, a county or
23 a city may only use revenue generated by an automated traffic safety
24 camera program as authorized under this section for:

25 (i) Traffic safety activities related to construction and
26 preservation projects and maintenance and operations purposes
27 including, but not limited to, projects designed to implement the
28 complete streets approach as defined in RCW 47.04.010, changes in
29 physical infrastructure to reduce speeds through road design, and
30 changes to improve safety for active transportation users, including
31 improvements to access and safety for road users with mobility,
32 sight, or other disabilities; and

33 (ii) The cost to administer, install, operate, and maintain the
34 automated traffic safety cameras, including the cost of processing
35 infractions.

36 (b) Except as provided in (d) of this subsection:

37 (i) The automated traffic safety camera program revenue used by a
38 county or city with a population of 10,000 or more for purposes
39 described in (a)(i) of this subsection must include the use of
40 revenue in census tracts of the city or county that have household

1 incomes in the lowest quartile determined by the most currently
2 available census data and areas that experience rates of injury
3 crashes that are above average for the city or county. Funding
4 contributed from traffic safety program revenue must be, at a
5 minimum, proportionate to the share of the population of the county
6 or city who are residents of these low-income communities and
7 communities experiencing high injury crash rates. This share must be
8 directed to investments that provide direct and meaningful traffic
9 safety benefits to these communities. Revenue used to administer,
10 install, operate, and maintain automated traffic safety cameras,
11 including the cost of processing infractions, are excluded from
12 determination of the proportionate share of revenues under this
13 subsection (13) (b); and

14 (ii) The automated traffic safety camera program revenue used by
15 a city or county with a population under 10,000 for traffic safety
16 activities under (a) (i) of this subsection must be informed by the
17 department of health's environmental health disparities map.

18 (c) Except as provided in (d) of this subsection, beginning
19 (~~four years after an automated traffic safety camera authorized~~
20 ~~under this section is initially placed and in use after June 6, 2024,~~
21 ~~25~~) July 1, 2028, 10 percent of the noninterest money received for
22 infractions issued by (~~such cameras in excess of the cost to~~
23 ~~administer, install, operate, and maintain the cameras, including the~~
24 ~~cost of processing infractions,~~) automated traffic safety cameras
25 authorized under this section must be deposited into the Cooper Jones
26 active transportation safety account created in RCW 46.68.480.

27 (d) (i) (A) Jurisdictions with an automated traffic safety camera
28 program in effect before January 1, 2024, may continue to allocate
29 revenue generated from automated traffic safety cameras authorized
30 under RCW 46.63.230 and 46.63.250(2) (c) as determined by the
31 jurisdiction, as well as for the purposes established in (a) through
32 (c) of this subsection, by:

33 (I) Up to a 10 percent increase in the number of traffic safety
34 camera locations authorized to detect violations for automated
35 traffic safety cameras authorized under RCW 46.63.230; and

36 (II) Up to a 10 percent increase in the number of traffic safety
37 camera locations authorized to detect violations for automated
38 traffic safety cameras authorized under RCW 46.63.250(2) (c).

39 (B) (I) Any automated traffic safety camera program in effect
40 before January 1, 2024, with fewer than 10 traffic safety camera

1 locations for automated traffic safety cameras authorized under RCW
2 46.63.230, which adds automated traffic safety cameras to one
3 additional location for the use of cameras authorized under RCW
4 46.63.230, may continue to allocate revenue generated from automated
5 traffic safety cameras authorized under RCW 46.63.230 as determined
6 by the jurisdiction, as well as for the purposes established in (a)
7 through (c) of this subsection.

8 (II) Any automated traffic safety camera program in effect before
9 January 1, 2024, with fewer than 10 traffic safety camera locations
10 for automated traffic safety cameras authorized under RCW
11 46.63.250(2)(c) as of January 1, 2024, which adds automated traffic
12 safety cameras to one additional location for the use of cameras
13 authorized under RCW 46.63.250(2)(c), may continue to allocate
14 revenue generated from automated traffic safety cameras authorized
15 under RCW 46.63.250(2)(c) as determined by the jurisdiction, as well
16 as for the purposes established in (a) through (c) of this
17 subsection.

18 (C) For the purposes of this subsection (13)(d)(i), a location
19 is:

20 (I) An intersection for automated traffic safety cameras
21 authorized under RCW 46.63.230 where cameras authorized under RCW
22 46.63.230 are in use; and

23 (II) A school speed zone for automated traffic safety cameras
24 authorized under RCW 46.63.250(2)(c) where cameras authorized under
25 RCW 46.63.250(2)(c) are in use.

26 (ii) The revenue distribution requirements under (a) through
27 (d)(i) of this subsection do not apply to automated traffic safety
28 camera programs in effect before January 1, 2024, for which an
29 ordinance in effect as of January 1, 2024, directs the manner in
30 which revenue generated from automated traffic safety cameras
31 authorized under RCW 46.63.230 or 46.63.250(2)(c) must be used.

32 (14) A county or city may adopt the use of an online ability-to-
33 pay calculator to process and grant requests for reduced fines or
34 reduced civil penalties for automated traffic safety camera
35 violations.

36 (15) Except as provided in this subsection, registered owners of
37 vehicles who receive notices of infraction for automated traffic
38 safety camera-enforced infractions and are recipients of public
39 assistance under Title 74 RCW or participants in the Washington
40 women, infants, and children program, and who request reduced

1 penalties for infractions detected through the use of automated
2 traffic safety camera violations, must be granted reduced penalty
3 amounts of 50 percent of what would otherwise be assessed for a first
4 automated traffic safety camera violation and for subsequent
5 automated traffic safety camera violations issued within 21 days of
6 issuance of the first automated traffic safety camera violation.
7 Eligibility for medicaid under RCW 74.09.510 is not a qualifying
8 criterion under this subsection. Registered owners of vehicles who
9 receive notices of infraction must be provided with information on
10 their eligibility and the opportunity to apply for a reduction in
11 penalty amounts through the mail or internet.

12 (16) Infractions detected through the use of automated traffic
13 safety cameras are not part of the registered owner's driving record
14 under RCW 46.52.101 and 46.52.120. Additionally, infractions
15 generated by the use of automated traffic safety cameras under this
16 section must be processed in the same manner as parking infractions,
17 including for the purposes of RCW 3.50.100, 35.20.220, 46.16A.120,
18 and 46.20.270(2). The amount of the fine issued for an infraction
19 generated through the use of an automated traffic safety camera may
20 not exceed \$145, as adjusted for inflation by the office of financial
21 management every five years, beginning January 1, 2029, based upon
22 changes in the consumer price index during that time period, but may
23 be doubled for a school speed zone infraction generated through the
24 use of an automated traffic safety camera.

25 (17) If the registered owner of the vehicle is a rental car
26 business, the issuing agency must, before a notice of infraction
27 being issued under this section, provide a written notice to the
28 rental car business that a notice of infraction may be issued to the
29 rental car business if the rental car business does not, within 18
30 days of receiving the written notice, provide to the issuing agency
31 by return mail:

32 (a) A statement under oath stating the name and known mailing
33 address of the individual driving or renting the vehicle when the
34 infraction occurred; or

35 (b) A statement under oath that the business is unable to
36 determine who was driving or renting the vehicle at the time the
37 infraction occurred because the vehicle was stolen at the time of the
38 infraction. A statement provided under this subsection must be
39 accompanied by a copy of a filed police report regarding the vehicle
40 theft; or

1 (c) In lieu of identifying the vehicle operator, the rental car
2 business may pay the applicable penalty. Timely mailing of this
3 statement to the issuing agency relieves a rental car business of any
4 liability under this chapter for the notice of infraction.

5 **PART VIII: REMOVAL OF EXPIRED ALTERNATIVE FUEL VEHICLE TAX INCENTIVE**
6 **REPORTING REQUIREMENT**

7 **Sec. 801.** RCW 82.08.9999 and 2022 c 182 s 305 are each amended
8 to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

1 (B) The total lease payments made plus any additional selling
2 price of the leased vehicle if the original lessee purchases the
3 leased vehicle before the qualification period end date, for lease
4 agreements signed.

5 (ii) Based on the purchase date or the date the lease agreement
6 was signed of the vehicle if the vehicle is a new vehicle at the time
7 of the purchase date or the date the lease agreement was signed:

8 (A) From the qualification period start date until July 31, 2021,
9 the maximum amount eligible under (b)(i) of this subsection is
10 \$25,000;

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

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

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

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

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

1 under subsection (1)(a)(iii)(B) of this section and RCW
2 82.12.9999(1)(a)(iii)(B).

3 (b) The department of revenue retains responsibility for
4 determining whether a vehicle meets the applicable qualifying
5 criterion under subsection (1)(a)(iii)(B) of this section and RCW
6 82.12.9999(1)(a)(iii)(B).

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

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

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

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

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

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

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

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

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

36 (b) All leased vehicles that qualified for the exemption under
37 this section before the qualification period end date must continue
38 to receive the exemption as described under subsection (1)(b) of this
39 section on any lease payments due through the remainder of the lease
40 before August 1, 2028.

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

2 (8) This section is supported by the revenues generated in RCW
3 46.17.324, and therefore takes effect only if RCW 46.17.324 is
4 enacted by June 30, 2019.

5 **PART IX: RENAMING CERTAIN ELECTRIC VEHICLE FEES AS "FIX OUR ROADS"**
6 **FEES**

7 **Sec. 901.** RCW 46.17.323 and 2022 c 149 s 1 are each amended to
8 read as follows:

9 (1) Before accepting an application for an annual vehicle
10 registration renewal for a vehicle that both (a) uses at least one
11 method of propulsion that is capable of being reenergized by an
12 external source of electricity and (b) is capable of traveling at
13 least 30 miles using only battery power, except for electric
14 motorcycles, the department, county auditor or other agent, or
15 subagent appointed by the director must require the applicant to pay
16 a \$100 "fix our roads" (2012) electric vehicle fee in addition to any
17 other fees and taxes required by law. The \$100 fee is due only at the
18 time of annual registration renewal.

19 (2) This section only applies to a vehicle that is designed to
20 have the capability to drive at a speed of more than 35 miles per
21 hour.

22 (3) (a) The fee under this section is imposed to provide funds to
23 mitigate the impact of vehicles on state roads and highways and for
24 the purpose of evaluating the feasibility of transitioning from a
25 revenue collection system based on fuel taxes to a road user
26 assessment system, and is separate and distinct from other vehicle
27 license fees. Proceeds from the fee must be used for highway
28 purposes, and must be deposited in the motor vehicle fund created in
29 RCW 46.68.070, subject to (b) of this subsection.

30 (b) If in any year the amount of proceeds from the fee collected
31 under this section exceeds \$1,000,000, the excess amount over
32 \$1,000,000 must be deposited as follows:

33 (i) Seventy percent to the motor vehicle fund created in RCW
34 46.68.070;

35 (ii) Fifteen percent to the transportation improvement account
36 created in RCW 47.26.084; and

37 (iii) Fifteen percent to the rural arterial trust account created
38 in RCW 36.79.020.

1 (4) (a) In addition to the fee established in subsection (1) of
2 this section, before accepting an application for an annual vehicle
3 registration renewal for a vehicle that both (i) uses at least one
4 method of propulsion that is capable of being reenergized by an
5 external source of electricity and (ii) is capable of traveling at
6 least 30 miles using only battery power, except for electric
7 motorcycles, the department, county auditor or other agent, or
8 subagent appointed by the director must require the applicant to pay
9 a \$50 "fix our roads" (2015) electric vehicle fee.

10 (b) The fee required under (a) of this subsection must be
11 distributed as follows:

12 (i) The first \$1,000,000 raised by the fee must be deposited into
13 the multimodal transportation account created in RCW 47.66.070; and

14 (ii) Any remaining amounts must be deposited into the motor
15 vehicle fund created in RCW 46.68.070.

16 (5) Beginning November 1, 2022, before accepting an application
17 for an annual vehicle registration renewal for an electric motorcycle
18 that uses propulsion units powered solely by electricity, the
19 department, county auditor or other agent, or subagent appointed by
20 the director must require the applicant to pay a \$30 "fix our roads"
21 electric motorcycle fee in addition to any other fees and taxes
22 required by law. The \$30 fee is due only at the time of annual
23 registration renewal.

24 (6) The fees collected pursuant to subsection (5) of this section
25 shall be deposited into the motor vehicle fund created in RCW
26 46.68.070.

27 (7) This section applies to annual vehicle registration renewals
28 until the effective date of enacted legislation that imposes a
29 vehicle miles traveled fee or tax.

30 **Sec. 902.** RCW 46.17.324 and 2019 c 287 s 23 are each amended to
31 read as follows:

32 ~~((To realize the environmental benefits of electrification of the
33 transportation system it is necessary to support the adoption of
34 electric vehicles and other electric technology in the state by
35 incentivizing the purchase of these vehicles, building out the
36 charging infrastructure, developing greener transit options, and
37 supporting clean alternative fuel infrastructure. Therefore, it is
38 the intent of the legislature to support these activities through the~~

1 ~~imposition of new transportation electrification fees in this~~
2 ~~section.)~~)

3 (1) A vehicle that both (a) uses at least one method of
4 propulsion that is capable of being reenergized by an external source
5 of electricity and (b) is capable of traveling at least (~~(thirty)~~) 30
6 miles using only battery power, is subject to an annual (~~(seventy-~~
7 ~~five-dollar transportation electrification)~~) \$75 "fix our roads"
8 (2019) electric vehicle fee to be collected by the department, county
9 auditor, or other agent or subagent appointed by the director, in
10 addition to any other fees and taxes required by law. For
11 administrative efficiencies, the transportation electrification fee
12 must be collected at the same time as vehicle registration renewals
13 and may only be collected for vehicles that are renewing an annual
14 vehicle registration.

15 (2) Beginning October 1, 2019, in lieu of the fee in subsection
16 (1) of this section for a hybrid or alternative fuel vehicle that is
17 not required to pay the fees established in RCW 46.17.323 (1) and
18 (4), the department, county auditor, or other agent or subagent
19 appointed by the director must require that the applicant for the
20 annual vehicle registration renewal of such hybrid or alternative
21 fuel vehicle pay a (~~(seventy-five-dollar)~~) \$75 "fix our roads" hybrid
22 vehicle (~~(transportation electrification)~~) fee, in addition to any
23 other fees and taxes required by law.

24 (3) The fees required under this section must be deposited in the
25 electric vehicle account created in RCW 82.44.200, until July 1,
26 2025, when the fee must be deposited in the motor vehicle (~~(account~~
27 ~~{fund})~~) fund.

28 (4) This section only applies to a vehicle that is designed to
29 have the capability to drive at a speed of more than (~~(thirty-five)~~)
30 35 miles per hour.

31 **PART X: ACCOUNT INTEREST EARNINGS**

32 **Sec. 1001.** RCW 43.84.092 and 2025 c 417 s 802, 2025 c 399 s 15,
33 2025 c 359 s 12, and 2025 c 299 s 21 are each reenacted and amended
34 to read as follows:

35 (1) All earnings of investments of surplus balances in the state
36 treasury shall be deposited to the treasury income account, which
37 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 Alaskan Way
34 viaduct replacement project account, the ambulance transport fund,
35 the budget stabilization account, the capital vessel replacement
36 account, the capitol building construction account, the Central
37 Washington University capital projects account, the charitable,
38 educational, penal and reformatory institutions account, the Chehalis
39 basin account, the Chehalis basin taxable account, the clean fuels
40 credit account, the clean fuels transportation investment account,

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

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

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

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

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

34 **Sec. 1002.** RCW 43.84.092 and 2025 c 417 s 802, 2025 c 399 s 15,
35 and 2025 c 299 s 21 are each reenacted and amended to read as
36 follows:

37 (1) All earnings of investments of surplus balances in the state
38 treasury shall be deposited to the treasury income account, which
39 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 Alaskan Way
34 viaduct replacement project account, the ambulance transport fund,
35 the budget stabilization account, the capital vessel replacement
36 account, the capitol building construction account, the Central
37 Washington University capital projects account, the charitable,
38 educational, penal and reformatory institutions account, the Chehalis
39 basin account, the Chehalis basin taxable account, the clean fuels
40 credit account, the clean fuels transportation investment account,

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

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

1 prevention and treatment account, the University of Washington bond
2 retirement fund, the University of Washington building account, the
3 voluntary cleanup account, the volunteer firefighters' relief and
4 pension principal fund, the volunteer firefighters' and reserve
5 officers' administrative fund, the vulnerable roadway user education
6 account, the Washington judicial retirement system account, the
7 Washington law enforcement officers' and firefighters' system plan 1
8 retirement account, the Washington law enforcement officers' and
9 firefighters' system plan 2 retirement account, the Washington public
10 safety 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. 1003.** RCW 43.84.092 and 2025 c 417 s 803, 2025 c 399 s 16,
34 2025 c 359 s 13, and 2025 c 299 s 22 are each reenacted and amended
35 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 Alaskan Way
34 viaduct replacement project account, the budget stabilization
35 account, the capital vessel replacement account, the capitol building
36 construction account, the Central Washington University capital
37 projects account, the charitable, educational, penal and reformatory
38 institutions account, the Chehalis basin account, the Chehalis basin
39 taxable account, the clean fuels credit account, the clean fuels
40 transportation investment account, the cleanup settlement account,

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

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

1 prevention and treatment account, the University of Washington bond
2 retirement fund, the University of Washington building account, the
3 voluntary cleanup account, the volunteer firefighters' relief and
4 pension principal fund, the volunteer firefighters' and reserve
5 officers' administrative fund, the vulnerable roadway user education
6 account, the Washington judicial retirement system account, the
7 Washington law enforcement officers' and firefighters' system plan 1
8 retirement account, the Washington law enforcement officers' and
9 firefighters' system plan 2 retirement account, the Washington public
10 safety 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. 1004.** RCW 43.84.092 and 2025 c 417 s 803, 2025 c 399 s 16,
34 and 2025 c 299 s 22 are each reenacted and amended to read as
35 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 Alaskan Way
34 viaduct replacement project account, the budget stabilization
35 account, the capital vessel replacement account, the capitol building
36 construction account, the Central Washington University capital
37 projects account, the charitable, educational, penal and reformatory
38 institutions account, the Chehalis basin account, the Chehalis basin
39 taxable account, the clean fuels credit account, the clean fuels
40 transportation investment account, the cleanup settlement account,

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

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

1 University of Washington bond retirement fund, the University of
2 Washington building account, the voluntary cleanup account, the
3 volunteer firefighters' relief and pension principal fund, the
4 volunteer firefighters' and reserve officers' administrative fund,
5 the vulnerable roadway user education account, the Washington
6 judicial retirement system account, the Washington law enforcement
7 officers' and firefighters' system plan 1 retirement account, the
8 Washington law enforcement officers' and firefighters' system plan 2
9 retirement account, the Washington public safety employees' plan 2
10 retirement account, the Washington school employees' retirement
11 system combined plan 2 and 3 account, the Washington state patrol
12 retirement account, the Washington State University building account,
13 the Washington State University bond retirement fund, the water
14 pollution control revolving administration account, the water
15 pollution control revolving fund, the Western Washington University
16 capital projects account, the Yakima integrated plan implementation
17 account, the Yakima integrated plan implementation revenue recovery
18 account, and the Yakima integrated plan implementation taxable bond
19 account. Earnings derived from investing balances of the agricultural
20 permanent fund, the normal school permanent fund, the permanent
21 common school fund, the scientific permanent fund, and the state
22 university permanent fund shall be allocated to their respective
23 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. 1005.** 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 Alaskan Way
34 viaduct replacement project account, the budget stabilization
35 account, the capital vessel replacement account, the capitol building
36 construction account, the Central Washington University capital
37 projects account, the charitable, educational, penal and reformatory
38 institutions account, the Chehalis basin account, the Chehalis basin
39 taxable account, the clean fuels credit account, the clean fuels
40 transportation investment account, the cleanup settlement account,

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

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

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

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

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

34 **Sec. 1006.** RCW 43.84.092 and 2025 c 417 s 803, 2025 c 399 s 16,
35 2025 c 299 s 22, and 2025 c 228 s 15 are each reenacted and amended
36 to read as follows:

37 (1) All earnings of investments of surplus balances in the state
38 treasury shall be deposited to the treasury income account, which
39 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 Alaskan Way
34 viaduct replacement project account, the budget stabilization
35 account, the capital vessel replacement account, the capitol building
36 construction account, the Central Washington University capital
37 projects account, the charitable, educational, penal and reformatory
38 institutions account, the Chehalis basin account, the Chehalis basin
39 taxable account, the clean fuels credit account, the clean fuels
40 transportation investment account, the cleanup settlement account,

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

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

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

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

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

34 **PART XI: TOLL COLLECTION**

35 **Sec. 1101.** RCW 46.63.160 and 2015 c 292 s 1 are each amended to
36 read as follows:

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

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

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

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

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

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

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

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

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

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

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

38 (A) Send an ((~~electronic mail~~)) email notice to the email address
39 provided in the prepaid electronic toll account of unpaid pay-by-mail
40 toll bills at least ((~~ten~~)) 10 days prior to a notice of civil

1 penalty being issued for the associated pay-by-mail toll. The notice
2 must be separate from any regular notice sent by the department; and

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

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

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

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

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

39 (g) The envelope or electronic message containing a toll charge
40 bill or related notice issued pursuant to RCW 47.46.105 or 47.56.795,

1 or a notice of civil penalty issued under this section, must
2 prominently indicate that the contents are time sensitive and related
3 to a toll violation.

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

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

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

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

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

36 (b) A statement under oath that the business is unable to
37 determine who was driving or renting the vehicle at the time the toll
38 was assessed because the vehicle was stolen at the time the toll was
39 assessed. A statement provided under this subsection must be

1 accompanied by a copy of a filed police report regarding the vehicle
2 theft; or

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

5 Timely mailing of this statement to the issuing agency relieves a
6 rental car business of any liability under this section for the
7 payment of the toll.

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

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

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

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

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

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

39 (b) Document when any toll is assessed for a vehicle listed in a
40 prepaid electronic toll account in the monthly statement that is made

1 available to the electronic toll account holder regardless of whether
2 the method of payment for the toll is via pay-by-mail or prepaid
3 electronic toll account.

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

6 (15) For the purposes of this section:

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

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

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

17 **PART XII: SALES TAX PROVISIONS**

18 **Sec. 1201.** RCW 82.08.020 and 2025 c 418 s 3 and 2025 c 417 s 201
19 are each reenacted and amended to read as follows:

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

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

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

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

30 (d) Extended warranties to consumers; and

31 (e) Anything else, the sale of which is included within the RCW
32 82.04.050 definition of retail sale.

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

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

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

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

6 (b)~~((+i))~~ Beginning January 1, 2027, there is levied and
7 collected an additional tax on peer-to-peer car sharing transactions
8 equal to the selling price multiplied by the rate of tax imposed
9 under (a) of this subsection. This subsection (2)(b) applies only to
10 peer-to-peer car sharing transactions where the vehicle owner
11 obtained the shared vehicle as a vehicle for resale using a reseller
12 permit or an approved exemption certificate under RCW 82.04.470. The
13 vehicle owner must submit documentation in a form and manner
14 prescribed by the department to the business facilitating peer-to-
15 peer car sharing transactions indicating whether the shared vehicle
16 owner paid state sales tax or use tax on the shared vehicle at the
17 time the vehicle was obtained. Businesses facilitating peer-to-peer
18 car sharing transactions must retain copies of this documentation for
19 the period required in RCW 82.32.070. The revenue collected under
20 this subsection (2)(b) must be deposited in the multimodal
21 transportation account created in RCW 47.66.070.

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

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

26 ~~((+B))~~ (b) "Rental car" as defined in RCW 46.04.465 or
27 48.115.005.

28 ~~((+3))~~ (4) There is levied and collected an additional tax of
29 five-tenths of one percent of the selling price on each retail sale
30 of a motor vehicle in this state, other than retail car rentals and
31 peer-to-peer car sharing transactions taxed under subsection (2) of
32 this section. The revenue collected under this subsection must be
33 deposited in the multimodal transportation account created in RCW
34 47.66.070.

35 ~~((+4))~~ (5)(a) Beginning July 1, 2026, in addition to taxes
36 required under this chapter and chapters 82.12 and 82.49 RCW, there
37 is levied and collected an additional tax of five-tenths of one
38 percent on the selling price, plus trade-in property of like kind,
39 for purchased recreational vessels.

1 (b) In the case of a lease requiring periodic payments, the tax
2 is imposed on the fair market value of the recreational vessel at the
3 inception of the lease.

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

6 (d) For purposes of this subsection, "recreational vessel" means
7 a vessel as defined in RCW 88.02.310 that is subject to watercraft
8 excise tax under chapter 82.49 RCW.

9 ~~((5))~~ (6) For purposes of subsection ~~((3))~~ (4) of this
10 section, "motor vehicle" has the meaning provided in RCW 46.04.320,
11 but does not include:

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

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

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

17 (d) Snowmobiles as defined in RCW 46.04.546.

18 ~~((6))~~ (7) Beginning on December 8, 2005, 0.16 percent of the
19 taxes collected under subsection (1) of this section must be
20 dedicated to funding comprehensive performance audits required under
21 RCW 43.09.470. The revenue identified in this subsection must be
22 deposited in the performance audits of government account created in
23 RCW 43.09.475.

24 ~~((7))~~ (8) Beginning July 1, 2027, the portion of taxes
25 collected by the state under subsection (1) of this section equal to
26 0.1 percent of the selling price on each retail sale in this state
27 must be deposited ~~((in the multimodal transportation account created
28 in RCW 47.66.070))~~ as follows: (a) 50 percent in the Puget Sound
29 ferry operations account created in RCW 47.60.530; (b) 25 percent in
30 the Puget Sound capital construction account created in RCW
31 47.60.505; and (c) 25 percent in the multimodal transportation
32 account created in RCW 47.66.070.

33 ~~((8))~~ (9) The taxes imposed under this chapter apply to
34 successive retail sales of the same property.

35 ~~((9))~~ (10) The rates provided in this section apply to taxes
36 imposed under chapter 82.12 RCW as provided in RCW 82.12.020.

37 **Sec. 1202.** RCW 82.12.020 and 2025 c 418 s 4 and 2025 c 417 s 202
38 are each reenacted and amended to read as follows:

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

4 (a) Article of tangible personal property acquired by the user in
5 any manner, including tangible personal property acquired at a casual
6 or isolated sale, and including by-products used by the manufacturer
7 thereof, except as otherwise provided in this chapter, irrespective
8 of whether the article or similar articles are manufactured or are
9 available for purchase within this state;

10 (b) Prewritten computer software, regardless of the method of
11 delivery, but excluding prewritten computer software that is either
12 provided free of charge or is provided for temporary use in viewing
13 information, or both;

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

17 (d) Extended warranty; or

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

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

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

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

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

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

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

38 (2) The provisions of this chapter do not apply in respect to the
39 use of any article of tangible personal property, extended warranty,
40 digital good, digital code, digital automated service, or service

1 taxable under RCW 82.04.050 (2) (a) or (g) or (6) ~~((e))~~ (b), if the
2 sale to, or the use by, the present user or the present user's bailor
3 or donor has already been subjected to the tax under chapter 82.08
4 RCW or this chapter and the tax has been paid by the present user or
5 by the present user's bailor or donor.

6 (3) (a) Except as provided in this section, payment of the tax
7 imposed by this chapter or chapter 82.08 RCW by one purchaser or user
8 of tangible personal property, extended warranty, digital good,
9 digital code, digital automated service, or other service does not
10 have the effect of exempting any other purchaser or user of the same
11 property, extended warranty, digital good, digital code, digital
12 automated service, or other service from the taxes imposed by such
13 chapters.

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

15 (i) If the sale to, or the use by, the present user or his or her
16 bailor or donor has already been subjected to the tax under chapter
17 82.08 RCW or this chapter and the tax has been paid by the present
18 user or by his or her bailor or donor;

19 (ii) In respect to the use of any article of tangible personal
20 property acquired by bailment and the tax has once been paid based on
21 reasonable rental as determined by RCW 82.12.060 measured by the
22 value of the article at time of first use multiplied by the tax rate
23 imposed by chapter 82.08 RCW or this chapter as of the time of first
24 use;

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

29 (iv) To the use of digital goods or digital automated services,
30 which were obtained through the use of a digital code, if the sale of
31 the digital code to, or the use of the digital code by, the present
32 user or the present user's bailor or donor has already been subjected
33 to the tax under chapter 82.08 RCW or this chapter and the tax has
34 been paid by the present user or by the present user's bailor or
35 donor.

36 (4) (a) Except as provided in (b) of this subsection (4), the tax
37 is levied and must be collected in an amount equal to the value of
38 the article used, value of the digital good or digital code used,
39 value of the extended warranty used, or value of the service used by

1 the taxpayer, multiplied by the applicable rates in effect for the
2 retail sales tax under RCW 82.08.020.

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

7 (5) Beginning July 1, 2027, the portion of taxes collected by the
8 state under subsection (1) of this section equal to 0.1 percent of
9 the value of the article used, value of the digital good or digital
10 code used, value of the extended warranty used, or value of the
11 service used by the taxpayer, must be deposited (~~in the multimodal~~
12 ~~transportation account created in RCW 47.66.070~~) as follows: (a) 50
13 percent in the Puget Sound ferry operations account created in RCW
14 47.60.530; (b) 25 percent in the Puget Sound capital construction
15 account created in RCW 47.60.505; and (c) 25 percent in the
16 multimodal transportation account created in RCW 47.66.070.

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

20 (7) (a) Beginning July 1, 2026, the tax imposed in this section at
21 the rate provided in RCW 82.08.020(~~(+4)~~) (5) applies to the use of a
22 recreational vessel at the time that it is first used in this state
23 by the consumer.

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

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

29 **PART XIII: FUEL TAX INFLATION DISTRIBUTION CLARIFICATION**

30 **Sec. 1301.** RCW 82.38.030 and 2025 c 417 s 101 are each amended
31 to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15 (14) Taxes are imposed when:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 **Sec. 1302.** RCW 46.68.090 and 2025 c 417 s 103 and 2025 c 416 s
18 706 are each reenacted and amended to read as follows:

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

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

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

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

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

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

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

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

6 (A) Accident experience;

7 (B) Fatal accident experience;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13 **PART XIV: TIRE FEE SELLER RETENTION AMOUNT CLARIFICATION**

14 **Sec. 1401.** RCW 70A.205.405 and 2025 c 417 s 301 are each amended
15 to read as follows:

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

23 (2) The department of revenue shall incorporate into the agency's
24 regular audit cycle a reconciliation of the number of tires sold and
25 the amount of revenue collected by the businesses selling new
26 replacement vehicle tires at retail. The department of revenue shall
27 collect on the business excise tax return from the businesses selling
28 new replacement vehicle tires at retail:

29 (a) The number of tires sold; and

30 (b) The fee levied in this section.

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

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

1 liability business entity's taxes to the department but was not the
2 chief executive or chief financial officer.

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

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

12 (6) Any person having been issued a notice of assessment under
13 this section is entitled to the appeal procedures under RCW
14 82.32.160, 82.32.170, 82.32.180, 82.32.190, and 82.32.200.

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

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

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

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

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

32 (c) "Limited liability business entity" means a type of business
33 entity that generally shields its owners from personal liability for
34 the debts, obligations, and liabilities of the entity, or a business
35 entity that is managed or owned in whole or in part by an entity that
36 generally shields its owners from personal liability for the debts,
37 obligations, and liabilities of the entity. Limited liability
38 business entities include corporations, limited liability companies,
39 limited liability partnerships, trusts, general partnerships and
40 joint ventures in which one or more of the partners or parties are

1 also limited liability business entities, and limited partnerships in
2 which one or more of the general partners are also limited liability
3 business entities.

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

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

8 (f) "Officer" means any officer or assistant officer of a
9 corporation, including the president, vice president, secretary, and
10 treasurer.

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

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

19 (iii) Whenever any taxpayer has one or more limited liability
20 business entities as a member, manager, or partner, "responsible
21 individual" also includes any current and former officers, members,
22 or managers of the limited liability business entity or entities or
23 of any other limited liability business entity involved directly in
24 the management of the taxpayer. For purposes of this subsection
25 (9)(g)(iii), "taxpayer" means a limited liability business entity
26 with an unpaid tax warrant issued against it by the department.

27 (h) "Trust fund taxes" means taxes collected from purchasers and
28 held in trust under RCW 82.08.050, including taxes imposed under RCW
29 82.08.020, 82.08.150, 82.08.817, 82.12.818, (~~82.48A.010,~~
30 ~~82.48A.020,~~) and 82.51.010.

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

34 **Sec. 1502.** RCW 82.42.020 and 2022 c 182 s 201 are each amended
35 to read as follows:

36 There is levied upon every distributor of aircraft fuel, an
37 excise tax at the rate of (~~18~~) 25 cents on each gallon of aircraft
38 fuel sold, delivered, or used in this state. There must be collected
39 from every user of aircraft fuel either the use tax imposed by RCW

1 82.12.020 or the retail sales tax imposed by RCW 82.08.020. The taxes
2 imposed by this chapter must be collected and paid to the state but
3 once in respect to any aircraft fuel.

4 **Sec. 1503.** RCW 82.42.090 and 2025 c 417 s 1304 are each amended
5 to read as follows:

6 ~~((All moneys))~~ (1) Seventy-two percent of the revenue collected
7 by the director from the aircraft fuel excise tax as provided in RCW
8 82.42.020 shall be transmitted to the state treasurer and shall be
9 credited to the aeronautics account hereby created in the state
10 treasury. Moneys in the account may be spent only after
11 appropriation. Expenditures from the account may be used only for
12 aviation-related purposes.

13 (2) Twenty-eight percent of the revenue collected by the director
14 from the aircraft fuel excise tax as provided in RCW 82.42.020 shall
15 be transmitted to the state treasurer and shall be credited to the
16 sustainable aviation fuel account created in RCW 43.31.645.

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

21 **Sec. 1504.** RCW 47.68.250 and 2021 c 131 s 2 are each amended to
22 read as follows:

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

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

33 (2) The department must review the fee schedule based on the
34 number of unpiloted aircraft systems registered under any single
35 entity. Consideration should be given to the cost to administer the
36 program and the number of commercial aircraft registered in the
37 state. The department shall collaborate with the department of
38 commerce, the department of revenue, and industry representatives in

1 determining any recommendations to revise the initial fee. The report
2 is due to the transportation committees of the legislature by
3 December 1, 2022.

4 (3) Possession of the appropriate effective federal certificate,
5 permit, rating, or license relating to ownership and airworthiness of
6 the aircraft, and payment of the excise tax imposed by Title 82 RCW
7 for the privilege of using the aircraft within this state during the
8 year for which the registration is sought, and payment of the
9 registration fee required by this section are the only requisites for
10 registration of an aircraft under this section.

11 (4) The registration fee imposed by this section is payable to
12 and collected by the secretary. The fee for any calendar year must be
13 paid during the month of January, and collected by the secretary at
14 the time of the collection by him or her of the excise tax. If the
15 secretary is satisfied that the requirements for registration of the
16 aircraft have been met, he or she must issue to the owner of the
17 aircraft a certificate of registration therefor. The secretary must
18 pay to the state treasurer the registration fees collected under this
19 section(~~(, which registration fees must be credited to the~~
20 ~~aeronautics account)) with 50 percent deposited in the aeronautics
21 account created in RCW 82.42.090 and 50 percent deposited in the
22 sustainable aviation fuel account created in RCW 43.31.645.~~

23 (5) It is not necessary for the registrant to provide the
24 secretary with originals or copies of federal certificates, permits,
25 ratings, or licenses. The secretary must issue certificates of
26 registration, or such other evidences of registration or payment of
27 fees as he or she may deem proper; and in connection therewith may
28 prescribe requirements for the possession and exhibition of such
29 certificates or other evidences.

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

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

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

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

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

1 (ii) The aircraft is a large private airplane as defined in RCW
2 82.08.215 and remains in this state for a period of (~~ninety~~) 90
3 days or longer, but only when:

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

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

10 (C) Within (~~ninety~~) 90 days of the date the airplane first
11 arrived in this state during the calendar year, the nonresident files
12 a written statement with the department indicating that the airplane
13 is exempt from registration under this subsection (6)(c)(ii). The
14 written statement must be filed in a form and manner prescribed by
15 the department and must include such information as the department
16 requires. The department may require additional periodic verification
17 that the airplane remains exempt from registration under this
18 subsection (6)(c)(ii) and that written statements conform with the
19 provisions of chapter 5.50 RCW;

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

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

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

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

31 (h) Unpiloted aircraft systems used exclusively for hobby or
32 recreation.

33 (7) The secretary must be notified within (~~thirty~~) 30 days of
34 any change in ownership of a registered aircraft. The notification
35 must contain the N, NC, NR, NL, or NX number of the aircraft, the
36 full name and address of the former owner, and the full name and
37 address of the new owner. For failure to so notify the secretary, the
38 registration of that aircraft may be canceled by the secretary,
39 subject to reinstatement upon application and payment of a
40 reinstatement fee of (~~ten dollars~~) \$10 by the new owner.

1 (8) A municipality or port district that owns, operates, or
2 leases an airport, as defined in RCW 47.68.020, with the intent to
3 operate, must require from an aircraft owner proof of aircraft
4 registration as a condition of leasing or selling tiedown or hangar
5 space for an aircraft. It is the responsibility of the lessee or
6 purchaser to register the aircraft. Proof of registration must be
7 provided according to the following schedule:

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

12 (b) For the lease of tiedown or hangar space that extends
13 (~~(thirty)~~) 30 days or more, the municipality or port district must
14 allow the lessee (~~(thirty)~~) 30 days to produce proof of aircraft
15 registration from the date of the application for lease of tiedown or
16 hangar space.

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

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

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

25 **Sec. 1505.** RCW 47.68.250 and 2021 c 131 s 3 are each amended to
26 read as follows:

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

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

37 (2) The department must review the fee schedule based on the
38 number of unpiloted aircraft systems registered under any single
39 entity. Consideration should be given to the cost to administer the

1 program and the number of commercial aircraft registered in the
2 state. The department shall collaborate with the department of
3 commerce, the department of revenue, and industry representatives in
4 determining any recommendations to revise the initial fee. The report
5 is due to the transportation committees of the legislature by
6 December 1, 2022.

7 (3) Possession of the appropriate effective federal certificate,
8 permit, rating, or license relating to ownership and airworthiness of
9 the aircraft, and payment of the excise tax imposed by Title 82 RCW
10 for the privilege of using the aircraft within this state during the
11 year for which the registration is sought, and payment of the
12 registration fee required by this section are the only requisites for
13 registration of an aircraft under this section.

14 (4) The registration fee imposed by this section is payable to
15 and collected by the secretary. The fee for any calendar year must be
16 paid during the month of January, and must be collected by the
17 secretary at the time of the collection by him or her of the excise
18 tax. If the secretary is satisfied that the requirements for
19 registration of the aircraft have been met, he or she must issue to
20 the owner of the aircraft a certificate of registration therefor. The
21 secretary must pay to the state treasurer the registration fees
22 collected under this section(~~(, which registration fees must be~~
23 ~~credited to the aeronautics account)) with 50 percent deposited in
24 the aeronautics account created in RCW 82.42.090 and 50 percent
25 deposited in the sustainable aviation fuel account created in RCW
26 43.31.645.~~

27 (5) It is not necessary for the registrant to provide the
28 secretary with originals or copies of federal certificates, permits,
29 ratings, or licenses. The secretary must issue certificates of
30 registration, or such other evidences of registration or payment of
31 fees as he or she may deem proper; and in connection therewith may
32 prescribe requirements for the possession and exhibition of such
33 certificates or other evidences.

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

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

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

1 (c) An aircraft that is owned by a nonresident if:
2 (i) The aircraft remains in this state or is based in this state,
3 or both, for a period less than (~~ninety~~) 90 days; or
4 (ii) The aircraft is a large private airplane as defined in RCW
5 82.08.215 and remains in this state for a period of (~~ninety~~) 90
6 days or longer, but only when:
7 (A) The airplane is in this state exclusively for the purpose of
8 repairs, alterations, or reconstruction, including any flight testing
9 related to the repairs, alterations, or reconstruction, or for the
10 purpose of continual storage of not less than one full calendar year;
11 (B) An employee of the facility providing these services is on
12 board the airplane during any flight testing; and
13 (C) Within (~~ninety~~) 90 days of the date the airplane first
14 arrived in this state during the calendar year, the nonresident files
15 a written statement with the department indicating that the airplane
16 is exempt from registration under this subsection (6)(c)(ii). The
17 written statement must be filed in a form and manner prescribed by
18 the department and must include such information as the department
19 requires. The department may require additional periodic verification
20 that the airplane remains exempt from registration under this
21 subsection (6)(c)(ii) and that written statements conform with the
22 provisions of chapter 5.50 RCW;
23 (d) A piloted aircraft engaged principally in commercial flying
24 constituting an act of interstate or foreign commerce;
25 (e) An aircraft owned by the commercial manufacturer thereof
26 while being operated for test or experimental purposes, or for the
27 purpose of training crews for purchasers of the aircraft;
28 (f) An aircraft being held for sale, exchange, delivery, test, or
29 demonstration purposes solely as stock in trade of an aircraft dealer
30 licensed under Title 14 RCW;
31 (g) An aircraft based within the state that is in an unairworthy
32 condition, is not operated within the registration period, and has
33 obtained a written exemption issued by the secretary; and
34 (h) Unpiloted aircraft systems used exclusively for hobby or
35 recreation.
36 (7) The secretary must be notified within (~~thirty~~) 30 days of
37 any change in ownership of a registered aircraft. The notification
38 must contain the N, NC, NR, NL, or NX number of the aircraft, the
39 full name and address of the former owner, and the full name and
40 address of the new owner. For failure to so notify the secretary, the

1 registration of that aircraft may be canceled by the secretary,
2 subject to reinstatement upon application and payment of a
3 reinstatement fee of (~~ten dollars~~) \$10 by the new owner.

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

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

15 (b) For the lease of tiedown or hangar space that extends
16 (~~thirty~~) 30 days or more, the municipality or port district must
17 allow the lessee (~~thirty~~) 30 days to produce proof of aircraft
18 registration from the date of the application for lease of tiedown or
19 hangar space.

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

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

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

28 **Sec. 1506.** RCW 82.48.030 and 2013 c 56 s 3 are each amended to
29 read as follows:

30 (1)(a) Except as otherwise provided in (b) of this subsection,
31 and as adjusted annually as provided in (c) of this subsection, the
32 amount of the tax imposed by this chapter for each calendar year is
33 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

1	Turbojet multi-engine fixed wing	125
2	Helicopter	75
3	Sailplane	20
4	Lighter than air	20
5	Home built	20))

Registration Fee Schedule

7	<u>Type of aircraft</u>	<u>Part 1</u>	<u>Part 2</u>	<u>Total</u>
8				
9	<u>Single engine fixed wing</u>	\$ 50	\$ 70	\$ 120
10	<u>Small multi-engine fixed wing</u>	65	155	220
11	<u>Large multi-engine fixed wing</u>	80	140	220
12	<u>Turboprop multi-engine fixed wing</u>	100	370	470
13	<u>Turbojet multi-engine fixed wing</u>	125	1095	1220
14	<u>Helicopter</u>	75	145	220
15	<u>Sailplane</u>	20	100	120
16	<u>Lighter than air</u>	20	100	120
17	<u>Home built</u>	20	100	120
18	<u>Commercial unpiloted aircraft systems</u>	0	120	120

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

23	((Gross maximum take-off Registration fee
24	weight of the aircraft
25	Less than 4,001 lbs. \$500
26	4,001-6,000 lbs. \$1,000
27	6,001-8,000 lbs. \$2,000
28	8,001-9,000 lbs. \$3,000
29	9,001-12,500 lbs. \$4,000))

Registration Fee Schedule

31	<u>Gross maximum take-off weight of the aircraft</u>	<u>Part 1</u>	<u>Part 2</u>	<u>Total</u>
32				
33	<u>Less than 4,001 lbs.</u>	\$ 500	\$ 500	\$ 1000

1	<u>4,001-6,000 lbs.</u>	<u>1000</u>	<u>1000</u>	<u>2000</u>
2	<u>6,001-8,000 lbs.</u>	<u>2000</u>	<u>2000</u>	<u>4000</u>
3	<u>8,001-9,000 lbs.</u>	<u>3000</u>	<u>3000</u>	<u>6000</u>
4	<u>9,001-12,500 lbs.</u>	<u>4000</u>	<u>4000</u>	<u>8000</u>

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

9 (2) (a) The amount of tax imposed under subsection (1) of this
10 section for each calendar year must be divided into ~~((twelve))~~ 12
11 parts corresponding to the months of the calendar year and the excise
12 tax upon an aircraft registered for the first time in this state
13 after the last day of any month may only be levied for the remaining
14 months of the calendar year including the month in which the aircraft
15 is being registered. However, the minimum amount payable is ~~((three~~
16 ~~dollars))~~ \$3.

17 (b) An aircraft is deemed registered for the first time in this
18 state when such aircraft was not previously registered by this state
19 for the year immediately preceding the year in which application for
20 registration is made.

21 **Sec. 1507.** RCW 82.48.080 and 2015 3rd sp.s. c 6 s 901 are each
22 amended to read as follows:

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

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

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

34 NEW SECTION. **Sec. 1508.** The following acts or parts of acts are
35 each repealed:

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

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

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

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

6 **PART XVI: TOW TRUCK IMPOUNDS**

7 **Sec. 1601.** 2025 c 417 s 1406 (uncodified) is amended to read as
8 follows:

9 Sections 1307 through 1309 of this act take effect (~~February 1,~~
10 ~~2026~~) July 1, 2027.

11 **PART XVII: MISCELLANEOUS**

12 NEW SECTION. **Sec. 1701.** Sections 1001, 1201, 1202, 1301, 1302,
13 and 1401 of this act take effect July 1, 2026.

14 NEW SECTION. **Sec. 1702.** Sections 110, 901, and 902 of this act
15 take effect October 1, 2026.

16 NEW SECTION. **Sec. 1703.** Sections 1502 and 1503 of this act take
17 effect November 1, 2026.

18 NEW SECTION. **Sec. 1704.** Sections 1504, 1506, and 1507 of this
19 act take effect January 1, 2027.

20 NEW SECTION. **Sec. 1705.** (1) Section 1001 of this act expires
21 the earlier of July 1, 2028, or when RCW 74.76.040 expires.

22 (2) Section 1002 of this act expires July 1, 2028.

23 (3) Section 1003 of this act expires the earlier of January 1,
24 2029, or when RCW 74.76.040 expires.

25 (4) Section 1004 of this act expires January 1, 2029.

26 (5) Section 1005 of this act expires when RCW 74.76.040 expires.

27 NEW SECTION. **Sec. 1706.** (1) Section 1002 of this act takes
28 effect when RCW 74.76.040 expires.

29 (2) Sections 1003 and 1004 of this act take effect July 1, 2028.

30 (3) Sections 1005 and 1006 of this act take effect January 1,
31 2029.

1 NEW SECTION. **Sec. 1707.** Section 1504 of this act expires July
2 1, 2031.

3 NEW SECTION. **Sec. 1708.** Section 1505 of this act takes effect
4 July 1, 2031.

5 NEW SECTION. **Sec. 1709.** Sections 1501, 1508, and 1601 of this
6 act are necessary for the immediate preservation of the public peace,
7 health, or safety, or support of the state government and its
8 existing public institutions, and take effect immediately.

--- END ---