
ENGROSSED SUBSTITUTE HOUSE BILL 1878

State of Washington

69th Legislature

2025 Regular Session

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

READ FIRST TIME 02/28/25.

1 AN ACT Relating to improving young driver safety; amending RCW
2 46.20.100, 46.20.181, 46.82.420, 46.82.280, 46.20.120, 46.20.055,
3 46.68.041, 46.17.025, 46.68.220, and 46.63.200; reenacting and
4 amending RCW 43.84.092 and 43.84.092; adding new sections to chapter
5 46.20 RCW; adding new sections to chapter 46.82 RCW; adding a new
6 section to chapter 42.56 RCW; providing effective dates; and
7 providing an expiration date.

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

9 NEW SECTION. **Sec. 1.** A new section is added to chapter 46.20
10 RCW to read as follows:

11 (1)(a) To obtain an initial driver's license under this section,
12 except as provided in subsection (3) of this section, the following
13 persons must, in addition to other skills and examination
14 requirements as prescribed by the department, satisfactorily complete
15 a driver training education course as defined in RCW 28A.220.020 or a
16 driver training education course as defined by the department and
17 offered by a driver training school licensed under chapter 46.82 RCW:

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

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

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

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

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

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

21 (d) Eligibility to enroll in a driver training education course
22 as defined in RCW 28A.220.020 under this section is limited to
23 students who are enrolled in a public school, as defined in RCW
24 28A.150.010; enrolled in an approved private school under RCW
25 28A.305.130; or receiving home-based instruction in accordance with
26 chapter 28A.200 RCW.

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

31 (3) An applicant who was licensed to drive a motor vehicle or
32 motorcycle from a reciprocal jurisdiction outside this state is
33 exempt from the driver training education requirements of this
34 section.

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

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

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

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

(b) The department may adopt rules to implement this subsection (4) in coordination with the supervisor of the traffic safety education section of the office of the superintendent of public instruction.

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

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

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

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

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

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

(a) To meet the traffic safety education requirement for a driver's license, the applicant must satisfactorily complete a driver training education course as defined in RCW 28A.220.020 for a course offered by a school district or approved private school, or a driver training education course as defined by the department of licensing

1 for a course offered by a driver training school licensed under
2 chapter 46.82 RCW. The course offered by a school district or an
3 approved private school must be part of a traffic safety education
4 program authorized by the office of the superintendent of public
5 instruction and certified under chapter 28A.220 RCW. The course
6 offered by a driver training school must meet the standards
7 established by the department of licensing under chapter 46.82 RCW. A
8 school district, approved private school, or driver training school
9 may offer the behind-the-wheel instruction portion for up to four
10 hours in a single day in cases of hardship, such as a student needing
11 to travel a great distance to receive the behind-the-wheel
12 instruction. The driver training education course may be provided by:

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

17 (ii) A driver training school licensed under chapter 46.82 RCW
18 that is annually approved by the department of licensing.

19 (b) Driver training schools licensed under chapter 46.82 RCW are
20 encouraged to include online driver training education course modules
21 in driver training education courses to the extent feasible, and to
22 focus teaching resources on the behind-the-wheel portion of driver
23 training education. Online driver training education course modules
24 must meet the standards established by the department under chapter
25 46.82 RCW.

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

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

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

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

37 (iii) ~~((He or she))~~ The applicant has the ability to operate a
38 motor vehicle in such a manner as not to jeopardize the safety of
39 persons or property. The department may adopt rules to implement this
40 subsection (2) ~~((+e))~~ (d) in ~~((concert))~~ collaboration with the

1 supervisor of the traffic safety education section of the office of
2 the superintendent of public instruction.

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

9 **Sec. 3.** RCW 46.20.181 and 2021 c 158 s 8 are each amended to
10 read as follows:

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

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

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

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

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

27 (4) The department may issue or renew a driver's license for a
28 period other than eight years, or may extend by mail or electronic
29 commerce a license that has already been issued. The fee for a
30 driver's license issued or renewed for a period other than eight
31 years, or that has been extended by mail or electronic commerce, is
32 nine dollars for each year that the license is issued, renewed, or
33 extended. The department must offer the option to issue or renew a
34 driver's license for six years in addition to the eight year
35 issuance. The department may adopt any rules as are necessary to
36 carry out this subsection.

37 (5) A driver's license that includes a hazardous materials
38 endorsement under chapter 46.25 RCW may expire on an anniversary of
39 the licensee's birthdate other than the eighth year following

1 issuance or renewal of the license in order to match, as nearly as
2 possible, the validity of certification from the federal
3 transportation security administration that the licensee has been
4 determined not to pose a security risk. The fee for a driver's
5 license issued or renewed for a period other than eight years is
6 ((~~nine dollars~~)) \$9 for each year that the license is issued or
7 renewed, not including any endorsement fees. The department may
8 adjust the expiration date of a driver's license that has previously
9 been issued to conform to the provisions of this subsection if a
10 hazardous materials endorsement is added to the license subsequent to
11 its issuance. If the validity of the driver's license is extended,
12 the licensee must pay a fee of ((~~nine dollars~~)) \$9 for each year that
13 the license is extended.

14 (6) The department may require any person who has obtained a
15 driver's license pursuant to section 1 of this act, and who has been
16 found to have committed a traffic infraction or who was operating a
17 motor vehicle in a significant vehicle collision that involved
18 failure of the driver to adequately manage risk or hazards, to
19 complete a driver education refresher course, as determined by the
20 department in rule, at the time of the person's first driver's
21 license renewal pursuant to this section. For purposes of this
22 subsection, "refresher course" includes, but is not limited to, a
23 focus on driver risk management and hazard perception.

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

26 **Sec. 4.** RCW 46.82.420 and 2023 c 32 s 1 are each amended to read
27 as follows:

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

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

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

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

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

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

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

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

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

25 (4) The department may approve the use of electronic translation
26 devices for behind-the-wheel training purposes.

27 **Sec. 5.** RCW 46.82.280 and 2023 c 445 s 3 are each amended to
28 read as follows:

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

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

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

1 school, community college, college or university, or a business
2 training facility.

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

11 (4) "Director" means the director of the department of licensing
12 of the state of Washington.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 NEW SECTION. **Sec. 6.** A new section is added to chapter 46.82
2 RCW to read as follows:

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

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

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

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

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

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

24 (3) The department must submit an annual report to the
25 appropriate committees of the legislature every July 1st, beginning
26 July 1, 2026, detailing program activities. The report due July 1,
27 2030, must also provide a programmatic and funding needs assessment
28 and any recommendations to support the program.

29 NEW SECTION. **Sec. 7.** A new section is added to chapter 46.82
30 RCW to read as follows:

31 (1) Beginning January 1, 2027, and subject to the availability of
32 funds appropriated in the omnibus transportation appropriations act
33 for this specific purpose, the department must establish a program to
34 provide vouchers for individuals between the ages of 15 and 21 to
35 cover up to the average cost of driver training education courses for
36 novice drivers who reside in low-income households, with the goal of
37 assisting as many people as possible with the greatest need, measured
38 both by income and mobility needs otherwise unserved, to access
39 driver training education. A voucher may be applied to the cost of a

1 course offered by a school district or an approved private school
2 under chapter 28A.220 RCW or the cost of a course offered by a driver
3 training school under this chapter.

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

8 (3) An applicant who has previously received financial support to
9 complete a driver training program under RCW 74.13.338(2)(b) or
10 49.04.290 is deemed ineligible for a voucher under this section.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 (8) For the purposes of this section, "novice driver" means a
8 person who has not previously obtained a license to drive a motor
9 vehicle.

10 NEW SECTION. **Sec. 8.** A new section is added to chapter 42.56
11 RCW to read as follows:

12 Any recipient income data collected by the department of
13 licensing as part of the driver training education course voucher
14 program established under section 7 of this act is exempt from
15 disclosure under this chapter.

16 NEW SECTION. **Sec. 9.** A new section is added to chapter 46.82
17 RCW to read as follows:

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

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

28 **Sec. 10.** RCW 46.20.120 and 2021 c 158 s 6 are each amended to
29 read as follows:

30 An applicant for a new or renewed driver's license must
31 successfully pass a driver licensing examination to qualify for a
32 driver's license. The department must ensure that examinations are
33 given at places and times reasonably available to the people of this
34 state. The department may approve the use of electronic translation
35 devices for examination purposes. If the department does not
36 administer driver licensing examinations as a routine part of its
37 licensing services within a department region because adequate

1 testing sites are provided by driver training schools or school
2 districts within that region, the department shall, at a minimum,
3 administer driver licensing examinations by appointment to applicants
4 ~~((eighteen))~~ 18 years of age and older in at least one licensing
5 office within that region.

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

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

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

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

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

18 (iii) Is otherwise qualified to be licensed.

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

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

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

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

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

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

31 (a) Personal appearance before the department;

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

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

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

39 (a) Apply to the department to extend the validity of the license
40 for no more than ~~((twelve))~~ 12 months. If the person establishes to

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

9 (b) Apply to the department to renew the license by mail or, if
10 permitted by rule of the department, by electronic commerce even if
11 subsection (3)(b) of this section would not otherwise allow renewal
12 by that means. If the person establishes to the department's
13 satisfaction that the licensee is unable to return to Washington
14 within ~~((twelve))~~ 12 months of the date that the license expires, the
15 department shall renew the person's license by mail or, if permitted
16 by rule of the department, by electronic commerce.

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

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

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

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

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

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

1 **Sec. 11.** RCW 46.20.055 and 2021 c 158 s 3 are each amended to
2 read as follows:

3 (1) **Driver's instruction permit.** The department may issue a
4 driver's instruction permit online or in person with or without a
5 photograph to an applicant who has successfully passed all parts of
6 the examination other than the driving test, provided the information
7 required by RCW 46.20.091, paid an application fee of (~~twenty-five~~
8 ~~dollars~~) \$25 prior to January 1, 2026, and \$35 on or after January
9 1, 2026, and meets the following requirements:

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

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

12 (i) Has submitted a proper application; and

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

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

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

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

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

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

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

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

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

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

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

7 **Sec. 12.** RCW 46.68.041 and 2022 c 182 s 210 are each amended to
8 read as follows:

9 (1) Except as provided in subsections (2) ~~((and (3)))~~ through (4)
10 of this section, the department must forward all funds accruing under
11 the provisions of chapter 46.20 RCW together with a proper
12 identifying, detailed report to the state treasurer who must deposit
13 such moneys to the credit of the highway safety fund.

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

17 (3) Fifty percent of the revenue from the fees imposed under RCW
18 46.20.200(2) must be deposited in the move ahead WA flexible account
19 created in RCW 46.68.520.

20 (4)(a) Beginning January 1, 2026, \$15 of the driver's application
21 fee imposed under RCW 46.20.120(2) must be deposited into the driver
22 education safety improvement account created in section 16 of this
23 act.

24 (b) Beginning January 1, 2026, \$10 of the driver's instruction
25 permit application fee imposed under RCW 46.20.055(1) must be
26 deposited into the driver education safety improvement account
27 created in section 16 of this act.

28 **Sec. 13.** RCW 46.17.025 and 2023 c 431 s 3 are each amended to
29 read as follows:

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

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

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

4 (b) One-third of the revenue generated from subsections (1) and
5 (2) of this section must be deposited into the driver education
6 safety improvement account created in section 16 of this act.

7 **Sec. 14.** RCW 46.68.220 and 2011 c 367 s 719 are each amended to
8 read as follows:

9 The department of licensing services account is created in the
10 motor vehicle fund. ~~((All))~~ Except as provided in RCW 46.17.025, all
11 receipts from service fees received under RCW 46.17.025 must be
12 deposited into the account. Moneys in the account may be spent only
13 after appropriation. Expenditures from the account may be used only
14 for:

- 15 (1) Information and service delivery systems for the department;
16 (2) Reimbursement of county licensing activities; and
17 (3) County auditor or other agent and subagent support including,
18 but not limited to, the replacement of department-owned equipment in
19 the possession of county auditors or other agents and subagents
20 appointed by the director. ~~((During the 2011-2013 fiscal biennium,~~
21 ~~the legislature may transfer from the department of licensing~~
22 ~~services account such amounts as reflect the excess fund balance of~~
23 ~~the account.))~~

24 **Sec. 15.** RCW 46.63.200 and 2024 c 308 s 4 are each amended to
25 read as follows:

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

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

32 (3)(a) The department of transportation is responsible for all
33 actions related to the operation and administration of speed safety
34 camera systems in state highway work zones including, but not limited
35 to, the procurement and administration of contracts necessary for the
36 implementation of speed safety camera systems, the mailing of notices
37 of infraction, and the development and maintenance of a public-facing
38 website for the purpose of educating the traveling public about the

1 use of speed safety camera systems in state highway work zones. Prior
2 to the use of a speed safety camera system to capture a violation
3 established in this section for enforcement purposes, the department
4 of transportation, in consultation with the Washington state patrol,
5 department of licensing, office of administrative hearings,
6 Washington traffic safety commission, and other organizations
7 committed to protecting civil rights, must adopt rules addressing
8 such actions and take all necessary steps to implement this section.

9 (b) The Washington state patrol is responsible for all actions
10 related to the enforcement and adjudication of speed violations under
11 this section including, but not limited to, notice of infraction
12 verification and issuance authorization, and determining which types
13 of emergency vehicles are exempt from being issued notices of
14 infraction under this section. Prior to the use of a speed safety
15 camera system to capture a violation established in this section for
16 enforcement purposes, the Washington state patrol, in consultation
17 with the department of transportation, department of licensing,
18 office of administrative hearings, Washington traffic safety
19 commission, and other organizations committed to protecting civil
20 rights, must adopt rules addressing such actions and take all
21 necessary steps to implement this section.

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

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

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

32 (5) The penalty for a speed safety camera system violation is:

33 (a) \$0 for the first violation; and (b) \$248 for the second
34 violation, and for each violation thereafter.

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

39 (7)(a) A notice of infraction issued under this section may be
40 mailed to the registered owner of the vehicle within 30 days of the

1 violation, or to the renter of a vehicle within 30 days of
2 establishing the renter's name and address. The law enforcement
3 officer issuing the notice of infraction shall include with it a
4 certificate or facsimile thereof, based upon inspection of
5 photographs, microphotographs, or electronic images produced by a
6 speed safety camera stating the facts supporting the notice of
7 infraction. This certificate or facsimile is prima facie evidence of
8 the facts contained in it and is admissible in a proceeding charging
9 a violation under this section. The photographs, microphotographs, or
10 electronic images evidencing the violation must be available for
11 inspection and admission into evidence in a proceeding to adjudicate
12 the liability for the violation.

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

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

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

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

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

36 (g) A person may request a payment plan at any time for the
37 payment of any penalty or other monetary obligation associated with
38 an infraction under this section. The agency issuing the infraction
39 shall provide information about how to submit evidence of inability
40 to pay, how to obtain a payment plan, and that failure to pay or

1 enter into a payment plan may result in collection action or
2 nonrenewal of the vehicle registration. The office of administrative
3 hearings may authorize a payment plan if it determines that a person
4 is not able to pay the monetary obligation, and it may modify a
5 payment plan at any time.

6 (8)(a) Speed safety camera systems may only take photographs,
7 microphotographs, or electronic images of the vehicle and vehicle
8 license plate and only while a speed violation is occurring. The
9 photograph, microphotograph, or electronic image must not reveal the
10 face of the driver or any passengers in the vehicle. The department
11 of transportation shall consider installing speed safety camera
12 systems in a manner that minimizes the impact of camera flash on
13 drivers.

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

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

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

1 (e) Imposition of a penalty for a speed violation detected
2 through the use of speed safety camera systems shall not be deemed a
3 conviction as defined in RCW 46.25.010, and shall not be part of the
4 registered owner's driving record under RCW 46.52.101 and 46.52.120.
5 Additionally, infractions generated by the use of speed safety camera
6 systems under this section shall be processed in the same manner as
7 parking infractions, including for the purposes of RCW 46.16A.120 and
8 46.20.270(2).

9 (f) If the registered owner of the vehicle is a rental car
10 business, the department of transportation shall, before a notice of
11 infraction may be issued under this section, provide a written notice
12 to the rental car business that a notice of infraction may be issued
13 to the rental car business if the rental car business does not,
14 within 30 days of receiving the written notice, provide to the
15 issuing agency by return mail:

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

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

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

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

30 (9) Revenue generated from the deployment of speed safety camera
31 systems must be deposited into the highway safety fund and first used
32 exclusively for the operating and administrative costs under this
33 section. The operation of speed safety camera systems is intended to
34 increase safety in state highway work zones by changing driver
35 behavior. ~~((Consequently, any))~~ Any revenue generated that exceeds
36 the operating and administrative costs under this section must be
37 ~~((distributed for the purpose of traffic safety including, but not
38 limited to, driver training education and local DUI emphasis
39 patrols))~~ transferred to the driver education safety improvement

1 account created in section 16 of this act as designated in the
2 omnibus transportation appropriations act.

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

11 (11) For the purposes of this section:

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

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

28 (12) This section expires June 30, 2030.

29 NEW SECTION. **Sec. 16.** A new section is added to chapter 46.20
30 RCW to read as follows:

31 The driver education safety improvement account is created in the
32 state treasury. The portion of the driver's application fee
33 prescribed under RCW 46.68.041(4)(a), the portion of the driver's
34 instruction permit application fee prescribed under RCW
35 46.68.041(4)(b), and the portion of the license service fee
36 prescribed under RCW 46.17.025 must be deposited in the account. The
37 account may also receive a portion of the revenue from traffic
38 infraction fines as described under RCW 46.63.200(9). Moneys in the
39 account may be spent only after appropriation. Expenditures from the

1 account may only be used for expanding and improving driver's
2 education programs and activities including, but not limited to, the
3 driver training school instructor education opportunities program
4 established in section 6 of this act, the driver training education
5 course voucher program established in section 7 of this act, and the
6 tribal partnership program established in section 9 of this act.

7 **Sec. 17.** RCW 43.84.092 and 2024 c 210 s 4 and 2024 c 168 s 12
8 are each reenacted and amended to read as follows:

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

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

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

37 (4) Monthly, the state treasurer shall distribute the earnings
38 credited to the treasury income account. The state treasurer shall

1 credit the general fund with all the earnings credited to the
2 treasury income account except:

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

1 plan supplemental benefit fund, the Washington student loan account,
2 the highway bond retirement fund, the highway infrastructure account,
3 the highway safety fund, the hospital safety net assessment fund, the
4 Interstate 5 bridge replacement project account, the Interstate 405
5 and state route number 167 express toll lanes account, the judges'
6 retirement account, the judicial retirement administrative account,
7 the judicial retirement principal account, the limited fish and
8 wildlife account, the local leasehold excise tax account, the local
9 real estate excise tax account, the local sales and use tax account,
10 the marine resources stewardship trust account, the medical aid
11 account, the money-purchase retirement savings administrative
12 account, the money-purchase retirement savings principal account, the
13 motor vehicle fund, the motorcycle safety education account, the move
14 ahead WA account, the move ahead WA flexible account, the multimodal
15 transportation account, the multiuse roadway safety account, the
16 municipal criminal justice assistance account, the oyster reserve
17 land account, the pension funding stabilization account, the
18 perpetual surveillance and maintenance account, the pilotage account,
19 the pollution liability insurance agency underground storage tank
20 revolving account, the public employees' retirement system plan 1
21 account, the public employees' retirement system combined plan 2 and
22 plan 3 account, the public facilities construction loan revolving
23 account, the public health supplemental account, the public works
24 assistance account, the Puget Sound capital construction account, the
25 Puget Sound ferry operations account, the Puget Sound Gateway
26 facility account, the Puget Sound taxpayer accountability account,
27 the real estate appraiser commission account, the recreational
28 vehicle account, the regional mobility grant program account, the
29 reserve officers' relief and pension principal fund, the resource
30 management cost account, the rural arterial trust account, the rural
31 mobility grant program account, the rural Washington loan fund, the
32 second injury fund, the sexual assault prevention and response
33 account, the site closure account, the skilled nursing facility
34 safety net trust fund, the small city pavement and sidewalk account,
35 the special category C account, the special wildlife account, the
36 state hazard mitigation revolving loan account, the state investment
37 board expense account, the state investment board commingled trust
38 fund accounts, the state patrol highway account, the state
39 reclamation revolving account, the state route number 520 civil
40 penalties account, the state route number 520 corridor account, the

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

36 (b) Any state agency that has independent authority over accounts
37 or funds not statutorily required to be held in the state treasury
38 that deposits funds into a fund or account in the state treasury
39 pursuant to an agreement with the office of the state treasurer shall

1 receive its proportionate share of earnings based upon each account's
2 or fund's average daily balance for the period.

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

6 **Sec. 18.** RCW 43.84.092 and 2024 c 210 s 5 and 2024 c 168 s 13
7 are each reenacted and amended to read as follows:

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

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

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

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

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The abandoned recreational vehicle disposal account, the aeronautics account, the Alaskan Way viaduct replacement project account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the Chehalis basin account, the Chehalis basin taxable account, the clean fuels credit account, the clean fuels transportation investment account, the cleanup settlement account, the climate active transportation account, the climate transit programs account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the common school construction fund, the community forest trust account, the connecting Washington account, the county arterial preservation account, the county criminal justice assistance account, the covenant homeownership account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community services account, the diesel idle reduction account, the opioid abatement settlement account, the drinking water assistance account, the administrative subaccount of the drinking water assistance account, the driver education safety improvement account, the early learning facilities development account, the early learning facilities revolving account, the Eastern Washington University capital projects account, the education construction fund, the education legacy trust account, the election account, the electric vehicle account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the fair start for kids account, the family medicine workforce development account, the ferry bond retirement fund, the fish, wildlife, and conservation account, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the higher education retirement plan supplemental benefit fund, the Washington student loan account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the

1 hospital safety net assessment fund, the Interstate 5 bridge
2 replacement project account, the Interstate 405 and state route
3 number 167 express toll lanes account, the judges' retirement
4 account, the judicial retirement administrative account, the judicial
5 retirement principal account, the limited fish and wildlife account,
6 the local leasehold excise tax account, the local real estate excise
7 tax account, the local sales and use tax account, the marine
8 resources stewardship trust account, the medical aid account, the
9 money-purchase retirement savings administrative account, the money-
10 purchase retirement savings principal account, the motor vehicle
11 fund, the motorcycle safety education account, the move ahead WA
12 account, the move ahead WA flexible account, the multimodal
13 transportation account, the multiuse roadway safety account, the
14 municipal criminal justice assistance account, the oyster reserve
15 land account, the pension funding stabilization account, the
16 perpetual surveillance and maintenance account, the pilotage account,
17 the pollution liability insurance agency underground storage tank
18 revolving account, the public employees' retirement system plan 1
19 account, the public employees' retirement system combined plan 2 and
20 plan 3 account, the public facilities construction loan revolving
21 account, the public health supplemental account, the public works
22 assistance account, the Puget Sound capital construction account, the
23 Puget Sound ferry operations account, the Puget Sound Gateway
24 facility account, the Puget Sound taxpayer accountability account,
25 the real estate appraiser commission account, the recreational
26 vehicle account, the regional mobility grant program account, the
27 reserve officers' relief and pension principal fund, the resource
28 management cost account, the rural arterial trust account, the rural
29 mobility grant program account, the rural Washington loan fund, the
30 second injury fund, the sexual assault prevention and response
31 account, the site closure account, the skilled nursing facility
32 safety net trust fund, the small city pavement and sidewalk account,
33 the special category C account, the special wildlife account, the
34 state hazard mitigation revolving loan account, the state investment
35 board expense account, the state investment board commingled trust
36 fund accounts, the state patrol highway account, the state
37 reclamation revolving account, the state route number 520 civil
38 penalties account, the state route number 520 corridor account, the
39 statewide broadband account, the statewide tourism marketing account,
40 the supplemental pension account, the Tacoma Narrows toll bridge

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

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

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

4 NEW SECTION. **Sec. 19.** Sections 13 and 14 of this act take
5 effect January 1, 2026.

6 NEW SECTION. **Sec. 20.** Section 17 of this act expires July 1,
7 2028.

8 NEW SECTION. **Sec. 21.** Section 18 of this act takes effect July
9 1, 2028.

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