

1 AN ACT Relating to the Washington sustainable transformative  
2 recovery opportunities for the next generation act; amending RCW  
3 70A.15.1030 and 70A.15.3000; adding a new chapter to Title 82 RCW;  
4 and declaring an emergency.

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

6 NEW SECTION. **Sec. 1.** FINDINGS AND INTENT. (1) The emissions of  
7 greenhouse gases, such as carbon dioxide, is a significant  
8 contributor to anthropogenic climate change, and has devastating  
9 adverse impacts on Washington's economy, environment, natural  
10 resources, and communities. Our state is already experiencing rising  
11 sea levels, depleting snowpack, increased flooding, acidifying  
12 oceans, and more frequent and severe wildfires. These impacts impair  
13 our prosperity and impose burdensome costs on our businesses and  
14 communities.

15 (2) Climate risk is economic risk and it is imperative that  
16 Washington act now to safeguard the state's communities and  
17 industries against future shocks and disasters by putting a price on  
18 practices that increase the state's exposure to risk and investing in  
19 those that increase resilience. From farmers whose business is  
20 directly threatened by the climate crisis, to coastal communities at  
21 risk of outright displacement, the state must act now by investing

1 locally at the scale needed to move all Washingtonians toward a  
2 future of shared prosperity as we build the clean economy here in  
3 Washington state.

4 (3) Washington state is home to some of the world's most  
5 innovative companies, a highly skilled workforce, unique biodiversity  
6 and natural areas, valuable natural resource land, and important  
7 industries. As our state transitions away from a fossil fuel-based  
8 economy, we must do so in a way that protects these assets and allows  
9 our businesses to thrive. By launching a comprehensive fiscal program  
10 that incentivizes and invests in resilient infrastructure and  
11 climate-smart investments across all areas of development, we can  
12 reduce our state's carbon dioxide emissions while preparing our  
13 economy for the future.

14 (4) The legislature recognizes that rural areas are home to the  
15 state's working and natural lands, including forests and farms, and  
16 have both climate-related challenges and opportunities that differ  
17 from urban areas. Rural workers have further distances to travel to  
18 their jobs and the state must provide assistance in the transition to  
19 lower-carbon transportation options. Rural areas may also have  
20 greater vulnerability to flooding, wildfires, and other events whose  
21 harm and frequency is increased by climate change, and state  
22 assistance should be directed toward increasing community resilience  
23 to these harms. Programs to reduce carbon pollution and to sequester  
24 carbon in the state's forests and farming soils also provide an  
25 opportunity to benefit the state's farmers and forestland owners.

26 (5) More than half of Washington is forested with 22,000,000  
27 acres of forests covering the state, including natural and working  
28 lands, private lands, and state trust lands. Maintaining natural and  
29 working forestlands of all types is important to support both carbon  
30 sequestration and a major sector of Washington's economy. The private  
31 and state lands represent the foundation of a forest products  
32 industry. The legislature determined in RCW 70A.45.005 that  
33 maintaining and enhancing the state's ability to continue to  
34 sequester carbon through natural and working lands and forest  
35 products should be continued. These working forests are one of the  
36 state's greatest natural assets in combating global greenhouse gas  
37 emissions. A statewide carbon policy must support and maintain the  
38 ecosystem values provided by the forest products industry. Healthy,  
39 sustainable, working forests maximize the forests' ability to absorb  
40 carbon dioxide with lumber and other forest products continuing to

1 sequester that carbon dioxide in their useful life. For these  
2 reasons, this chapter exempts certain timber-related uses of fuels  
3 subject to the carbon pollution tax imposed under this chapter, and  
4 also creates a voluntary incentive program to increase carbon  
5 sequestration on both state and private lands.

6 (6) Washington is also home to one of the most productive and  
7 innovative agricultural sectors in the world. Agriculture is not only  
8 critical to our economy, but it is integral to our culture. With  
9 farmers and farmworkers on the front lines of climate-related  
10 disruption such as wildfire, flooding, drought, pests, and other  
11 threats to the land, labor, and the business of farming, investing in  
12 practices that increase the natural and economic resilience of and  
13 decrease the greenhouse gas emissions from Washington agriculture is  
14 critical. Farmers have been leading the way on land stewardship and  
15 soil health for decades, while operating in a highly trade-exposed  
16 and price-constrained industry that imposes singular economic  
17 challenges. For these reasons, this chapter exempts certain  
18 agricultural uses of fuels subject to the carbon pollution tax  
19 imposed under this chapter.

20 (7) Washington is leading the transition to a clean energy  
21 economy and in 2019 adopted chapter 19.405 RCW, the clean energy  
22 transformation act, to eliminate coal-fired electricity, transition  
23 the state's electricity supply to 100 percent greenhouse gas neutral  
24 by 2030, 100 percent nonemitting and renewable resources by 2045, and  
25 established strong compliance mechanisms and significant penalties  
26 within chapter 19.405 RCW if a utility fails to meet the mandates.  
27 Because of the laws created in 2019 to transition the electricity  
28 sector to 100 percent carbon free, emissions from fossil fuels  
29 consumed in the electricity sector is not included in the  
30 requirements of this chapter.

31 (8) The legislature recognizes the concern from imposing the  
32 requirements of this chapter on energy-intensive, trade-exposed  
33 industries in our state and the possibility that it might provide a  
34 comparative advantage to producers in unregulated states or  
35 countries, leading to a migration of manufacturing to unregulated  
36 states or countries and generating a corresponding increase in  
37 greenhouse gas emissions that would undermine the efforts of this  
38 chapter. Because of the concern of leakage, the department of ecology  
39 must provide a report to the legislature by July 30, 2026, with  
40 recommendations on imposing the requirements of this chapter on

1 energy-intensive, trade-exposed entities identified by North American  
2 industry classification system code. The recommendations must include  
3 input from individual energy-intensive, trade-exposed industries  
4 stakeholders, allow for growth, recognize and provide credit for  
5 early actions, recognize the limits of best available control  
6 technology, allow for either internal or external benchmarking, and  
7 include an analysis of alternative fuels available that could be  
8 feasibly used in lieu of fossil fuels.

9 (9) Fossil fuel combustion is also responsible for other  
10 pollutants, such as nitrous oxide, carbon monoxide, benzene,  
11 particulate matter, and others that contribute to respiratory  
12 diseases like asthma and lung cancer, which compromise public health,  
13 shorten life expectancy, and strain our public health system. This  
14 pollution affects all Washingtonians, but falls disproportionately on  
15 low-income communities, communities of color, and the most vulnerable  
16 of our population. While reducing our reliance on fossil fuels will  
17 contribute to improved air quality and improved public health  
18 outcomes, it is the intent of this chapter to further advance the  
19 state's ability to reduce these other pollutants by prioritizing air  
20 pollution reduction investments and regulatory measures in these  
21 overburdened communities.

22 (10) The legislature recognizes and finds that the public  
23 interest includes, but is not limited to: The equitable distribution  
24 of energy benefits and reduction of environmental harm to  
25 overburdened communities and vulnerable populations; long-term and  
26 short-term public health, economic, and environmental benefits and  
27 the reduction of costs and risks; and energy security and resiliency.  
28 It is the intent of the legislature that in achieving this policy for  
29 Washington, there should not be an increase in environmental health  
30 impacts to overburdened communities and vulnerable populations.

31 (11) This chapter establishes a carbon pollution tax to account  
32 for a significant share of the economic and environmental impacts of  
33 greenhouse gas emissions. The revenue from the tax will facilitate  
34 the transition from fossil fuels to clean energy and fund investments  
35 that will benefit our businesses, our families, and our communities.

36 (12) Furthermore, this chapter establishes a 10-year climate  
37 finance program that provides much needed additional capacity to  
38 invest in a just transition that protects our communities and our  
39 economy from future disasters and builds the low-carbon future here  
40 in Washington state. This finance program mandates that investment

1 decisions are made in a manner that provides accountability in  
2 government spending through a fiscally responsible bond program that  
3 invests at scale in climate priorities and delivers maximum returns  
4 in the form of both economic activity and carbon pollution reduction.  
5 These investments will not only save Washington taxpayers billions of  
6 dollars in avoidable future costs, but also foster growth and  
7 stability for rural and urban communities alike, across diverse  
8 economic sectors.

9 NEW SECTION. **Sec. 2.** DEFINITIONS. The definitions in this  
10 section apply throughout this chapter unless the context clearly  
11 requires otherwise.

12 (1) "Aircraft fuel" has the same meaning as provided in RCW  
13 82.42.010.

14 (2) "Carbon calculation" means a calculation made by the  
15 department of ecology, in consultation with the department of  
16 commerce, for purposes of determining the carbon dioxide emissions  
17 from the complete combustion or oxidation of fossil fuels for use in  
18 calculating the carbon pollution tax pursuant to section 3 of this  
19 act. The carbon calculation also includes the life-cycle analysis of  
20 emissions associated with these fuels determined under section 3 of  
21 this act.

22 (3) "Carbon dioxide equivalent" means a metric measure used to  
23 compare the emissions from various greenhouse gases based on their  
24 global warming potential.

25 (4) "Carbon pollution tax" means the tax created in section 3 of  
26 this act.

27 (5) "Coal" means a readily combustible rock of carbonaceous  
28 material, including anthracite coal, bituminous coal, subbituminous  
29 coal, lignite, waste coal, syncopal, and coke of any kind.

30 (6) "Cumulative environmental health impact" means the combined,  
31 multiple environmental harms and health impacts on a vulnerable  
32 population or overburdened community.

33 (7) "Department" means the department of revenue.

34 (8) "Direct access gas customer" means a person who purchases  
35 natural gas for consumption from any seller other than a seller  
36 registered with the department for purposes of paying taxes due under  
37 chapter 82.04 or 82.16 RCW.

38 (9) "Emission," "emission standard," and "emission limitation,"  
39 as applied to greenhouse gases as defined in RCW 70A.45.010, include

1 indirect emissions of greenhouse gases resulting from production or  
2 distribution of petroleum products, natural gas, or other products,  
3 where the release of air contaminants into the ambient air occurs  
4 during the consumption, use, combustion, or oxidation of the  
5 products.

6 (10) "Environmental harm" means the individual or cumulative  
7 impacts and risks to communities caused by historic, current, and  
8 projected:

9 (a) Exposure to conventional toxic hazards in the air, water, and  
10 land;

11 (b) Adverse environmental effects, which are environmental  
12 conditions caused or made worse by contamination or pollution or that  
13 create vulnerabilities to climate impacts; and

14 (c) Impacts from climate change.

15 (11) "Environmental justice" means the fair treatment and  
16 meaningful involvement of all people regardless of race, color,  
17 national origin, or income with respect to the development,  
18 implementation, and enforcement of environmental laws, regulations,  
19 and policies. This includes using an intersectional lens to address  
20 disproportionate environmental and health impacts in all laws,  
21 regulations, and policies with environmental impacts by prioritizing  
22 vulnerable populations and overburdened communities, equitably  
23 distributing resources and benefits, and eliminating harm.

24 (12) "Facility" means any physical property, plant, building,  
25 structure, source, or stationary equipment located on one or more  
26 contiguous or adjacent properties in actual physical contact or  
27 separated solely by a public roadway or other public right-of-way and  
28 under common ownership or common control, that emits or may emit any  
29 greenhouse gas.

30 (13) "Fossil fuel" means motor vehicle fuel, special fuel, dyed  
31 special fuel, aircraft fuel, natural gas, coal, and any form of  
32 solid, liquid, or gaseous fuel derived from natural gas, coal,  
33 petroleum, or crude oil, including without limitation still gas,  
34 propane, and petroleum residuals including bunker fuel.

35 (14) "Gas distribution business" has the same meaning as provided  
36 in RCW 82.16.010.

37 (15) "Greenhouse gas" means carbon dioxide, methane, nitrogen  
38 trifluoride, nitrous oxide, sulfur hexafluoride, hydrofluorocarbons,  
39 perfluorocarbons, and other fluorinated greenhouse gases.

1 (16) "Highly impacted community" has the same meaning as defined  
2 in RCW 19.405.020.

3 (17) "Motor vehicle fuel" has the same meaning as provided in RCW  
4 82.38.020.

5 (18) "Natural gas" means naturally occurring mixtures of  
6 hydrocarbon gases and vapors consisting principally of methane,  
7 whether in gaseous or liquid form, including methane clathrate.

8 (19) "Overburdened community" means a geographic area where  
9 vulnerable populations face combined, multiple environmental harms  
10 and health impacts, and includes, but is not limited to, highly  
11 impacted communities as defined in RCW 19.405.020.

12 (20) "Person" has the same meaning as provided in RCW 82.04.030.

13 (21) "Sale" has the same meaning as provided in RCW 82.04.040.

14 (22) "Special fuel" has the same meaning as provided in RCW  
15 82.38.020.

16 (23) "Taxpayer" means a person subject to the carbon pollution  
17 tax created in section 3 of this act.

18 (24) "Tribal lands" has the same meaning as "Indian country" as  
19 provided in 18 U.S.C. Sec. 1151, and also includes sacred sites,  
20 traditional cultural properties, burial grounds, and other tribal  
21 sites protected by federal or state law.

22 (25)(a) "Use," "used," "using," or "put to use" means, with  
23 respect to any fossil fuel other than natural gas, the consumption in  
24 this state of the fossil fuel by the taxpayer or the possession or  
25 storage in this state of the fossil fuel by the taxpayer preparatory  
26 to subsequent consumption of the fossil fuel within this state by the  
27 taxpayer.

28 (b) "Use," "used," "using," or "put to use" means, with respect  
29 to natural gas, the consumption in this state of the fossil fuel by  
30 the taxpayer.

31 (c) For the purposes of this subsection, "possession" means the  
32 control of fossil fuel located within this state and includes either  
33 actual or constructive possession, or both. "Actual possession"  
34 occurs when the person with control has physical possession.  
35 "Constructive possession" occurs when the person with control does  
36 not have physical possession. "Control" means the power to sell or  
37 use a fossil fuel or to authorize the sale or use by another.

38 (26)(a) "Vulnerable populations" means population groups that may  
39 be more likely to have adverse health outcomes in response to  
40 environmental harms, due to: (i) Adverse socioeconomic factors, such

1 as unemployment, high housing and transportation costs relative to  
2 income, limited access to nutritious food and adequate health care,  
3 linguistic isolation, and other factors that negatively affect health  
4 outcomes and increase vulnerability to the effects of environmental  
5 harms; and (ii) sensitivity factors, such as low birth weight and  
6 higher rates of hospitalization.

7 (b) "Vulnerable populations" includes racial or ethnic minority,  
8 low-income, tribal, or indigenous populations, and populations of  
9 workers experiencing environmental risks.

10 (27) "Year" means the 12-month period commencing January 1st and  
11 ending December 31st unless otherwise specified.

12 NEW SECTION. **Sec. 3.** ESTABLISHING A CARBON POLLUTION TAX.

13 (1)(a) Beginning January 1, 2022, a carbon pollution tax is imposed  
14 on the sale or use within this state of all fossil fuels, except  
15 fossil fuels used to generate electricity.

16 (b) The measure of the carbon pollution tax is the carbon dioxide  
17 equivalent emissions:

18 (i) Resulting from the complete combustion or oxidation of fossil  
19 fuels sold or used by the taxpayer within this state; and

20 (ii) For the purposes of measuring the tax rate under subsection  
21 (2) of this section only, from the entire life cycle of the fossil  
22 fuel.

23 (2) The tax rate as of January 1, 2022, is equal to \$25.00 per  
24 metric ton of greenhouse gas emissions. The tax rate automatically  
25 increases annually each July 1st thereafter by five percent each year  
26 and is adjusted for inflation using the consumer price index.

27 (3) By January 1, 2026, the department of ecology shall make a  
28 determination of whether the sources of emissions covered by this tax  
29 are predicted to achieve their combined share of the emissions  
30 reductions necessary for the state to achieve the emissions limits  
31 established in RCW 70A.45.020. By January 1, 2026, the department of  
32 ecology must provide the legislature with a report detailing its  
33 determination with recommendations, pursuant to the tax and covered  
34 sources, for achieving the emissions limits established in RCW  
35 70A.45.020.

36 (4) For the purposes of this chapter, the carbon pollution tax is  
37 imposed:

38 (a) Only once with respect to the same unit of fossil fuel;



1 (b) At the time and place of the first event within this state in  
2 which the tax is applicable, except as otherwise provided in this  
3 section, occurring on or after the effective date of this section,  
4 regardless of whether the fossil fuel was previously sold, used, or  
5 consumed within this state before the effective date of this section;  
6 and

7 (c) Upon the first person within this state upon which the tax  
8 would be applicable, except as otherwise provided in this section.  
9 Such a person includes:

10 (i) A person required to be registered with the department under  
11 RCW 82.32.030(1);

12 (ii) The state, its political subdivisions, and municipal  
13 corporations; and

14 (iii) A person who maintains a place of business in this state  
15 but who is not required to be registered with the department under  
16 RCW 82.32.030(1).

17 (5) As provided in this section, the carbon pollution tax on the  
18 sale or use of fossil fuels is imposed on the seller or user of the  
19 fossil fuel.

20 (6) The carbon pollution tax on the sale or use of natural gas is  
21 imposed as follows:

22 (a) Natural gas transported through the state that is not  
23 produced or delivered in the state is exempt from the carbon  
24 pollution tax imposed by this section. Natural gas possessed or  
25 stored in this state is exempt from the carbon pollution tax imposed  
26 by this section unless the tax is otherwise applicable under (b) or  
27 (c) of this subsection;

28 (b) For natural gas sold by a gas distribution business to a  
29 retail customer in the state, the carbon pollution tax is imposed on  
30 the gas distribution business upon the sale of such natural gas to  
31 the retail customer; and

32 (c) For natural gas sold to a direct access gas customer in the  
33 state, the carbon pollution tax is imposed on the direct access gas  
34 customer upon the consumption of such natural gas by the direct  
35 access gas customer.

36 (7) For motor vehicle fuel and special fuel, the carbon pollution  
37 tax is imposed on the seller or user of the fuel at the points of  
38 taxation specified in RCW 82.38.030(9).

1 (8) (a) The carbon pollution tax may not be applied to the sale or  
2 use of any fossil fuels or consumption of electricity upon which the  
3 tax under this chapter has been previously imposed.

4 (b) A sale of fossil fuel takes place in this state when the  
5 fossil fuel is delivered in this state to the purchaser or a person  
6 designated by the purchaser, notwithstanding any contract terms  
7 designating a location outside of this state as the place of sale.

8 (c) All sales subject to the tax within this state of a fossil  
9 fuel must document the amount of carbon pollution tax paid in  
10 accordance with rules adopted by the department.

11 (9) For the purposes of determining the carbon pollution tax due  
12 under this chapter:

13 (a) The department must use a carbon calculation for all fossil  
14 fuels sold or used within the state, that incorporates the life-cycle  
15 emissions associated with the consumption in the state of fossil  
16 fuels;

17 (b) For fossil fuels, the department of ecology, in consultation  
18 with the department of commerce, must adopt by rule criteria for  
19 making the carbon calculation;

20 (c) The department of ecology may require additional information  
21 from sources as necessary, in consultation with the department of  
22 commerce, for determining the carbon calculation under this chapter.

23 (10) For taxpayers who are also subject to any of the taxes  
24 imposed under chapter 82.04, 82.08, 82.12, or 82.16 RCW, the  
25 frequency of reporting and payment of the carbon pollution tax must,  
26 to the extent practicable, coincide with a taxpayer's reporting  
27 periods for the taxes imposed under chapter 82.04, 82.08, 82.12, or  
28 82.16 RCW.

29 (11) The department must develop and make available worksheets,  
30 tax tables, and guidance documents it deems necessary to calculate  
31 the carbon dioxide emissions of fossil fuels.

32 (12) The department may require persons who produce or distribute  
33 fossil fuels or other products that emit greenhouse gases in  
34 Washington to comply with air quality standards, emission standards,  
35 or emission limitations on emissions of greenhouse gases.

36 (13) The carbon pollution tax created under this section is  
37 levied solely for the purposes of funding projects, activities, and  
38 programs that reduce greenhouse gas emissions and mitigate the  
39 environmental impacts of greenhouse gas emissions, associated  
40 copollutants, and climate change and to reduce economic transition

1 impacts associated with the tax on communities, household incomes  
2 with lower incomes, and fossil fuel workers. Eighty-five percent of  
3 receipts from the carbon pollution tax created under this section  
4 must be deposited in the climate finance account created in section 8  
5 of this act and 15 percent of receipts from the carbon pollution tax  
6 created under this section must be deposited in the just transition  
7 assistance account created in section 9 of this act.

8 NEW SECTION. **Sec. 4.** EXEMPTIONS. (1) The carbon pollution tax  
9 in section 3 of this act does not apply to:

10 (a) Fossil fuels brought into this state by means of the primary  
11 fuel supply tank of a motor vehicle, vessel, locomotive, or aircraft,  
12 actively supplying fuel for combustion upon entry into the state;

13 (b) Fossil fuels that the state is prohibited from imposing a tax  
14 under the state Constitution or the Constitution or laws of the  
15 United States;

16 (c) (i) Fossil fuels exported from this state. Export to Indian  
17 country located within the boundaries of this state is not considered  
18 export from this state. For purposes of this subsection, "Indian  
19 country" has the same meaning as provided in RCW 37.12.160.

20 (ii) An exporter of fossil fuels upon which another person  
21 previously paid the carbon pollution tax is entitled to a credit or  
22 refund of the tax paid, if the exporter can establish to the  
23 department's satisfaction that the tax under this chapter was  
24 previously paid on the exported fossil fuels. The person who paid the  
25 carbon pollution tax is not entitled to an exemption under this  
26 subsection (1)(c) when any other person is entitled to a refund or  
27 credit under this subsection (1)(c)(ii). For purposes of this  
28 subsection, "exporter" means a person who exports fossil fuels or  
29 electricity from this state;

30 (d) The sale or use of coal transition power as defined in RCW  
31 80.80.010;

32 (e) Diesel fuel, biodiesel fuel, aircraft fuel, or any other  
33 special fuel when these fuels are used solely for agricultural  
34 purposes by a farm fuel user, as defined in RCW 82.08.865;

35 (f) Biogas, which includes renewable liquid natural gas or liquid  
36 compressed natural gas made from biogas, landfill gas, biodiesel,  
37 renewable diesel, and cellulosic ethanol;

38 (g) Aircraft fuel as defined in RCW 82.42.010;

1 (h) The portion of fossil fuels purchased in the state and  
2 combusted outside the state by interstate motor carriers and vessels  
3 used primarily in interstate or foreign commerce. The department must  
4 provide a methodology by rule to apportion fossil fuels consumed  
5 inside the state of Washington by interstate motor carriers and  
6 vessels used primarily in interstate or foreign commerce;

7 (i) Activities or property of Indian tribes and individual  
8 Indians that are exempt from state imposition of a tax as a matter of  
9 federal law or state law, whether by statute, rule, or compact;

10 (j) Motor vehicle fuel that is used exclusively for agricultural  
11 purposes by a farm fuel user. This exemption is available only if a  
12 buyer of motor vehicle fuel provides the seller with an exemption  
13 certificate in a form and manner prescribed by the department. For  
14 the purposes of this subsection (1)(j), "agricultural purposes" and  
15 "farm fuel user" have the same meanings as provided in RCW 82.08.865;  
16 the department shall determine a method for expanding this exemption  
17 to include fuels used for the purpose of transporting agricultural  
18 goods on public highways; the department shall maintain this expanded  
19 exemption for a period of five years, in order to provide the  
20 agricultural sector with a feasible transition period; and

21 (k)(i) Motor vehicle fuel or special fuel that is used by the  
22 following: (A) Log transportation businesses; and (B) persons in the  
23 business of extracting timber. This exemption is available only if a  
24 buyer of motor vehicle fuel or special fuel provides the seller with  
25 an exemption certificate in a form and manner prescribed by the  
26 department; the department shall determine a method for expanding  
27 this exemption to include fuels used for the purpose of transporting  
28 timber on public highways; the department shall maintain this  
29 expanded exemption for a period of five years, in order to provide  
30 the timber sector with a feasible transition period.

31 (ii) For the purposes of this subsection (1)(k), the following  
32 definitions apply: (A) "Log transportation business" has the same  
33 meaning as provided in RCW 82.16.010; and (B) "timber" means forest  
34 trees, standing or down, on privately owned or publicly owned land,  
35 and does not include Christmas trees that are cultivated by  
36 agricultural methods or short-rotation hardwoods as defined in RCW  
37 84.33.035.

38 (2)(a) The carbon pollution tax in section 3 of this act does not  
39 apply to any fossil fuels consumed by an energy-intensive, trade-  
40 exposed business in a sector designated by the department by rule. By

1 January 1, 2024, the department must adopt by rule objective criteria  
2 for both emissions' intensity and trade exposure for the purpose of  
3 identifying energy-intensive, trade-exposed manufacturing businesses.  
4 A manufacturing business that can demonstrate to the department that  
5 it meets this criteria, whether or not it is listed in subsection  
6 (1)(a) through (i) of this section, is eligible for treatment as an  
7 energy-intensive, trade-exposed industry.

8 (b) By July 30, 2026, the department of ecology must provide a  
9 report to the appropriate committees of the senate and house of  
10 representatives on whether to restrict or eliminate the exemption  
11 identified in (a) of this subsection. In developing the report, the  
12 department of ecology must solicit input and data from industry  
13 sectors and other interested persons. The report must include  
14 recommendations for alternatives that will minimize leakage, promote  
15 the growth of Washington industries and highly skilled workforce,  
16 capitalize on the state's competitive advantage in the production of  
17 low-carbon goods and advanced clean energy technologies, recognize  
18 and provide credit for early actions to reduce emissions,  
19 availability of alternative fuels, and incorporate performance  
20 benchmarking of emissions intensity in production processes.

21 NEW SECTION. **Sec. 5.** RULE MAKING. (1) The provisions of chapter  
22 82.32 RCW apply to this chapter.

23 (2) The department, the department of ecology, the department of  
24 licensing, the department of transportation, the employment security  
25 department, and the department of commerce may adopt rules as they  
26 deem necessary to administer this chapter.

27 NEW SECTION. **Sec. 6.** REPORT TO THE LEGISLATURE. (1) On or  
28 before December 31, 2024, and on or before December 31st of each  
29 even-numbered year thereafter, and in compliance with RCW 43.01.036,  
30 the department of commerce, with support from the department, must  
31 submit a report as required by this subsection. The initial report  
32 must include recommendations for establishing a process to audit uses  
33 of the accounts created in sections 17 and 18 of this act. The report  
34 must contain recommendations for modifications or improvements to  
35 this chapter to ensure the goals of this act are being met in  
36 addition to (a) through (d) of this subsection with respect to the  
37 implementation of this chapter for the period since the last report:

1 (a) The total carbon pollution taxes collected during the  
2 reporting period and a list of the taxpayers and the amount of carbon  
3 pollution tax paid by those taxpayers. The department must provide  
4 the information required under this subsection (1)(a), which is not  
5 confidential information under RCW 82.32.330;

6 (b) Estimated costs incurred by the department, the department of  
7 commerce, and the department of ecology, directly associated with  
8 administration of the carbon pollution tax, shown both in dollar  
9 amounts and as a percentage of the total amount of carbon pollution  
10 tax revenues collected;

11 (c) The impact on the economic health of Washington state,  
12 including verifiable data on emissions leakage and any job losses  
13 since the implementation of the carbon pollution tax implemented in  
14 section 3 of this act; and

15 (d) A summary of the investments made through the department of  
16 commerce's administration of the greenhouse gas emissions reduction  
17 account created in section 17 of this act, the natural climate  
18 solutions account created in section 18 of this act, and the climate  
19 bond proceeds account created in section 13 of this act. The summary  
20 must include amounts invested in each program area, project  
21 descriptions, names of grant recipients, an estimate of the  
22 greenhouse gas emissions reductions achieved or anticipated via the  
23 investments, and other pertinent information or information as  
24 periodically requested by the legislature.

25 (2) The department of ecology must provide a report to the  
26 legislature by July 30, 2026, with recommendations on imposing the  
27 requirements of this chapter on emissions in the agricultural sector.  
28 The recommendations must include input from individual agricultural  
29 stakeholders, allow for growth, recognize and provide credit for  
30 early actions, recognize the limits of best available control  
31 technology, allow for either internal or external benchmarking, and  
32 include an analysis of alternative fuels available that could be  
33 feasibly used in lieu of fossil fuels.

34 (3) The department of ecology must provide a report to the  
35 legislature by July 30, 2026, with recommendations on imposing the  
36 requirements of this chapter on emissions in the log transportation  
37 and extraction of timber sector. The recommendations must include  
38 input from individual timber stakeholders, allow for growth,  
39 recognize and provide credit for early actions, recognize the limits  
40 of best available control technology, allow for either internal or

1 external benchmarking, and include an analysis of alternative fuels  
2 available that could be feasibly used in lieu of fossil fuels.

3 (4) The department of commerce must provide information on its  
4 website regarding the impacts of the carbon pollution tax under this  
5 chapter on the price of natural gas and vehicle fuels by sector.

6 (5) The department of commerce, supported by the department and  
7 the department of health, must provide an environmental justice  
8 analysis that reports on environmental, health, and economic impacts  
9 on highly impacted communities and vulnerable populations from  
10 climate impacts and state measures taken to meet Washington's  
11 greenhouse gas emissions limits, including the tax and investments  
12 authorized by this chapter.

13 (6) The department of commerce must consult with the  
14 environmental justice and economic equity panel established in  
15 section 19 of this act in the development of this report.

16 NEW SECTION. **Sec. 7.** TECHNICAL ASSISTANCE. (1) Upon request of  
17 the department, the department of commerce, the department of  
18 ecology, and the Washington State University extension energy program  
19 must provide technical assistance to the department as may be  
20 necessary for the department to effectively administer this chapter.

21 (2) The department of commerce may contract with the Washington  
22 academy of sciences established under chapter 70A.40 RCW for  
23 independent expertise in establishing the criteria for programs,  
24 projects, and activities funded by this chapter that must be based on  
25 greenhouse gas emissions reduction and other sustainable,  
26 environmental, resiliency, and environmental justice considerations.

27 NEW SECTION. **Sec. 8.** CLIMATE FINANCE ACCOUNT. The climate  
28 finance account is created in the state treasury. Eighty-five percent  
29 of all receipts from the carbon pollution tax created in section 3 of  
30 this act must be deposited into the account. Moneys in the account  
31 may be spent only after appropriation.

32 (1) Moneys in the account must be used first and foremost for the  
33 payment of principal and interest on bonds authorized in section 10  
34 of this act. The state finance committee shall, on or before June  
35 30th of each year, certify to the state treasurer the amount needed  
36 in the ensuing 12 months to meet the bond retirement and interest  
37 requirements on the bonds authorized under section 10 of this act.  
38 The state finance committee may provide that special subaccounts be

1 created in the account to facilitate payment of the principal and  
2 interest on the bonds.

3 (2) On July 1st of each year, the state treasurer shall transfer  
4 from the climate finance account to the climate bond retirement  
5 account an amount equal to the amount certified by the state finance  
6 committee in this section.

7 (3)(a) Moneys remaining in the climate finance account after the  
8 transfer made pursuant to subsection (2) of this section may be used  
9 only for projects and programs that achieve the purposes of the  
10 carbon pollution tax as expressed in section 3 of this act. Moneys in  
11 the account as described in this subsection (3) must first be  
12 appropriated for the administration of the requirements of this  
13 chapter, in an amount not to exceed five percent of the total receipt  
14 of funds from the carbon pollution tax imposed under section 3 of  
15 this act. Beginning July 1, 2023, and annually thereafter, the state  
16 treasurer shall distribute funds remaining in the account after the  
17 transfer required in subsection (2) of this section as follows:

18 (i) Seventy-five percent of the moneys to the greenhouse gas  
19 emissions reduction account created in section 17 of this act; and

20 (ii) Twenty-five percent of the moneys to the natural climate  
21 solutions account created in section 18 of this act.

22 (b) The allocations specified in (a)(i) and (ii) of this  
23 subsection must be reviewed by the legislature on a biennial basis  
24 based on the changing needs of the state in meeting its clean economy  
25 and greenhouse gas reduction goals in a timely, economically  
26 advantageous, and equitable manner.

27 NEW SECTION. **Sec. 9.** JUST TRANSITION ASSISTANCE ACCOUNT. (1)

28 The just transition assistance account is created in the state  
29 treasury. Fifteen percent of all receipts from the carbon pollution  
30 tax created in section 3 of this act must be deposited into the  
31 account. Moneys in the account may be spent only after appropriation.

32 (2) Moneys in the account must be used for the following  
33 purposes:

34 (a) Reducing the energy burden of lower-income Washington  
35 residents;

36 (b) Supporting dislocated fossil fuel workers and any other  
37 worker who loses their employment due to the transition away from  
38 fossil fuels;



1 (c) Economic support for communities with workers eligible in (b)  
2 of this subsection;

3 (d) Supporting of vulnerable populations and highly impacted  
4 communities in facilitating public participation and developing  
5 projects eligible for the accounts created in sections 17 and 18 of  
6 this act; and

7 (e) To cover the costs and support and administer the work  
8 associated with the environmental justice and economic equity panel  
9 established in section 19 of this act.

10 (3) There must be sufficient investments made from this account  
11 to prevent or eliminate the increased energy burden of people with  
12 lower incomes as a result of actions to reduce pollution, including  
13 the carbon pollution tax collected from large emitters under this  
14 chapter.

15 (4) The environmental justice and economic equity panel in  
16 consultation with representatives from affected lower-income  
17 households, workers, and communities affected by the tax  
18 representatives of workers, shall provide recommendations for the  
19 expenditure of these funds, including ensuring consumers of taxable  
20 carbon are those receiving assistance under subsection (2)(a) and (b)  
21 of this section defining the benefits and duration of said benefits  
22 available to workers under subsection (2)(b) of this section and  
23 communities identified in subsection (2)(c) of this section.

24 (5) Worker support may include, but is not limited to: Full wage  
25 replacement, health benefits, and pension contributions for every  
26 worker within five years of retirement; full wage replacement, health  
27 benefits, and pension contributions for every worker with at least  
28 one year of service for each year of service up to five years of  
29 service; wage insurance for up to five years for workers reemployed  
30 who have more than five years of service; up to two years of  
31 retraining costs, including tuition and related costs, based on in-  
32 state community and technical college costs; peer counseling services  
33 during transition; employment placement services, prioritizing  
34 employment in the clean energy sector; relocation expenses; and any  
35 other services deemed necessary by the environmental justice and  
36 economic equity panel.

37 (6) The department of commerce shall administer this account in  
38 consultation with the employment security department.

1           NEW SECTION.     **Sec. 10.**     SPECIAL OBLIGATION TAX BONDS. (1) The

2 state finance committee is authorized to issue special tax obligation  
3 bonds of the state of Washington in amounts not to exceed the sum of  
4 \$4,943,000,000, or as much thereof as may be required, payable from  
5 receipts from the carbon pollution tax created in section 3 of this  
6 act deposited in the climate finance account created in section 8 of  
7 this act, to finance project categories as described under sections  
8 17 and 18 of this act, and all costs incidental thereto.

9           (2) Bonds authorized in this section may be sold at such price as  
10 the state finance committee shall determine. No bonds authorized in  
11 this section may be offered for sale without prior legislative  
12 appropriation of the net proceeds of the sale of the bonds.

13           (3) The state finance committee may determine and include in any  
14 resolution authorizing the issuance of any bonds authorized by this  
15 chapter such terms, provisions, covenants, and conditions as it may  
16 deem appropriate in order to assist with the marketing and sale of  
17 the bonds, confer rights upon the owners of bonds, and safeguard  
18 rights of the owners of bonds including, among other things:

19           (a) Provisions that the bonds shall be payable solely from and  
20 secured solely by the carbon pollution tax revenues received in the  
21 climate finance account created in section 8 of this act;

22           (b) The conditions that must be satisfied prior to the issuance  
23 of any additional bonds that are to be payable from and secured by  
24 the carbon pollution tax revenues received in the climate finance  
25 account created in section 8 of this act on equal basis with  
26 previously issued and outstanding bonds payable from carbon pollution  
27 tax revenues received in the climate finance account created in  
28 section 8 of this act;

29           (c) Provisions regarding reserves and credit enhancements;

30           (d) Whether bonds may be issued as tax-exempt bonds or must be  
31 issued as taxable bonds under the applicable provisions of the  
32 federal internal revenue code; and

33           (e) Whether the state will pursue third-party certification of  
34 bonds authorized by this chapter as green bonds, climate bonds, or  
35 any other appropriate certification that the state finance committee  
36 determines will increase marketability or minimize the cost of the  
37 bonds. Regardless of whether the state pursues third-party  
38 certification, bond proceeds must be used for projects that produce  
39 measurable climate mitigation or adaptation benefits.

1        NEW SECTION.    **Sec. 11.**    BOND ISSUANCE PERIOD. (1) The special tax  
2 obligation bonds authorized by this chapter may be issued for a  
3 period not to exceed 10 years. The authorization to issue bonds  
4 provided under section 10 of this act does not expire until the full  
5 authorization has been issued and dispersed, or until the end of the  
6 10-year period, whichever occurs first. The state finance committee  
7 may choose to decrease the period of issuance based on updated  
8 forecasts and fiscal needs, but any increase in the period of  
9 issuance beyond the 10-year period authorized under this section  
10 requires the approval of the legislature.

11        (2) On a quarterly basis, and in compliance with RCW 43.01.036,  
12 the state treasurer may submit a report to the legislature that  
13 provides recommendations on the level of issuances over the 10-year  
14 period based on updated revenue forecasts, market factors, and fiscal  
15 needs. No bond issuance may be structured such that debt service  
16 obligations remain past December 31, 2050.

17        NEW SECTION.    **Sec. 12.**    DEDICATED REVENUE. Bonds authorized under  
18 this chapter are not a general obligation of the state and the full  
19 faith, credit, and taxing powers of the state are not pledged for  
20 their payment. Each bond issued under the authority of this chapter  
21 shall distinctly state that payment or redemption of the bond and  
22 payment of the interest and any premium thereon is payable solely  
23 from and secured solely by a pledge of the carbon pollution tax  
24 revenues received in the climate finance account created in section 8  
25 of this act, and is not a general obligation of the state. The  
26 legislature pledges to appropriate the carbon pollution tax revenues  
27 pledged to the payment of the bonds issued under this chapter. The  
28 state finance committee shall include this pledge and agreement of  
29 the state to owners of any bonds issued under this chapter. The owner  
30 of any bond or the trustee of the owner of any of the bonds may by  
31 mandamus or other appropriate proceeding require the transfer and  
32 payment of pledged funds as directed in this section.

33        NEW SECTION.    **Sec. 13.**    CLIMATE BOND PROCEEDS ACCOUNT. The  
34 climate bond proceeds account is created in the state treasury.  
35 Proceeds from the sale of bonds authorized in section 10 of this act  
36 must be deposited in the account. Moneys in the account may be spent  
37 only after appropriations and only for project categories as  
38 described under sections 17 and 18 of this act and for the payment of

1 expenses incurred in the issuance and sale of the bonds. If the state  
2 finance committee deems it necessary to issue the bonds authorized in  
3 section 10 of this act as taxable bonds in order to comply with  
4 federal internal revenue service rules and regulations pertaining to  
5 the use of nontaxable bond proceeds, the proceeds of such taxable  
6 bonds must be deposited into the climate bond proceeds account. The  
7 state treasurer shall submit written notice to the director of  
8 financial management if it is determined that any such transfer to  
9 the climate bond proceeds account is necessary.

10 NEW SECTION. **Sec. 14.** CLIMATE BOND RETIREMENT ACCOUNT. The  
11 climate bond retirement account is created in the state treasury.  
12 Moneys in the account must be used only for the payment of principal  
13 and interest on bonds authorized in section 10 of this act. The state  
14 finance committee may provide that special subaccounts be created in  
15 the account to facilitate payment of the principal and interest on  
16 the bonds. The state finance committee shall, on or before June 30th  
17 of each year, certify to the state treasurer the amount needed in the  
18 ensuing 12 months to meet the bond retirement and interest  
19 requirements on the bonds authorized in section 10 of this act.

20 NEW SECTION. **Sec. 15.** BOND REDEMPTION. The state finance  
21 committee may issue bonds to refund outstanding bonds issued under  
22 this chapter, including the payment of any redemption premiums on the  
23 bonds and any interest accrued to or to accrue to the first  
24 redemption date after delivery of the refunding bonds. The proceeds  
25 of the refunding bonds may, at the discretion of the committee, be  
26 applied to the purchases or payment at maturity of the bonds to be  
27 refunded, or the redemption of the outstanding bonds on the first  
28 redemption date after delivery of the refunding bonds and may, until  
29 so used, be placed in escrow to be applied to the purchase,  
30 retirement, or redemption. Refunding bonds issued under this section  
31 must be issued and secured in the manner provided by the state  
32 finance committee.

33 NEW SECTION. **Sec. 16.** INVESTMENT GOALS. (1) Each year the total  
34 investments made through the climate bond proceeds account created in  
35 section 13 of this act, the greenhouse gas emissions reduction  
36 account created in section 17 of this act, and the natural climate  
37 solutions account created in section 18 of this act must reduce

1 greenhouse gas emissions and achieve the following, measured on a  
2 biennial basis:

3 (a) At least 35 percent of total investments authorized under  
4 this chapter must provide direct and meaningful benefits to  
5 vulnerable populations within the boundaries of highly impacted  
6 communities, as designated by the department of health under RCW  
7 19.405.140;

8 (b) At least 25 percent of total investments authorized under  
9 this chapter must be for the benefit of projects located in rural  
10 areas of the state. For the purposes of this subsection (1)(b),  
11 "rural counties" has the same meaning as in RCW 82.14.370; or

12 (c) At least 10 percent of the total investments authorized under  
13 this chapter must be used for programs, activities, or projects  
14 formally supported by a resolution of an Indian tribe, with priority  
15 given to otherwise qualifying projects directly administered or  
16 proposed by an Indian tribe. An investment that meets the  
17 requirements of this subsection (1)(c) and (b) of this subsection may  
18 count toward the requisite minimum percentage for this subsection.

19 (2) The expenditure of moneys under this chapter must be  
20 consistent with applicable federal, state, and local laws, and treaty  
21 rights including, but not limited to, prohibitions on uses of funds  
22 imposed by the state Constitution.

23 (3) For the purposes of this section, "benefits" means  
24 investments or activities that:

25 (a) Reduce vulnerable population characteristics, environmental  
26 burdens, or associated risks that contribute significantly to the  
27 cumulative impact designation of overburdened communities;

28 (b) Meaningfully protect an overburdened community and vulnerable  
29 populations from, or support community response to, the impacts of  
30 air pollution or climate change; or

31 (c) Meet a community need identified by vulnerable members of the  
32 community that is consistent with the intent of this chapter aligned  
33 with guidance or the evaluation of the environmental justice and  
34 economic equity panel.

35 (4) Programs, activities, or projects that meet more than one of  
36 the criteria as expressed in subsection (1)(a), (b), and (c) of this  
37 section must receive greater priority for funds as determined by the  
38 department of commerce.

39 (5) If the environmental justice and economic equity panel  
40 determines that an adequate number of suitable applications for

1 categories of projects specified in subsection (1)(a), (b), and (c)  
2 of this section during any given funding cycle were not received, the  
3 department may allocate unused moneys for projects in other areas of  
4 the state.

5 NEW SECTION. **Sec. 17.** GREENHOUSE GAS EMISSIONS REDUCTION  
6 ACCOUNT. (1) The greenhouse gas emissions reduction account is  
7 created in the state treasury. The account must receive moneys  
8 distributed to the account from the climate finance account created  
9 in section 8 of this act. Moneys in the account may be spent only  
10 after appropriation. Moneys in the account must be used by the  
11 department of commerce for projects and incentive programs that are  
12 physically located in Washington state and that yield verifiable  
13 reductions in greenhouse gas emissions in excess of baseline  
14 practices, for community engagement to support decision making for  
15 priority investments, and with high priority placed upon funding  
16 projects that directly benefit economically distressed areas as  
17 defined in RCW 43.168.020.

18 (2) Twenty-five percent of the funds must be invested in projects  
19 and programs that include, but are not limited to, the following:

20 (a) Supplementing the growth management planning and  
21 environmental review fund established in RCW 36.70A.490 for the  
22 purpose of making grants or loans to local governments for the  
23 purposes set forth in RCW 43.21C.240, 43.21C.031, 36.70A.500, or  
24 36.70A.600, for costs associated with RCW 36.70A.610, and to cover  
25 costs associated with the adoption of optional elements of  
26 comprehensive plans consistent with RCW 43.21C.420 and transportation  
27 improvement plans consistent with RCW 35.77.010 for cities and RCW  
28 36.81.121 for counties;

29 (b)(i) Programs, activities, or projects that deploy renewable  
30 energy resources, such as energy conservation, solar and wind power,  
31 renewable hydrogen, geothermal, and projects to deploy distributed  
32 generation, energy storage, demand side technologies and strategies,  
33 and other grid modernization projects;

34 (ii) Programs, activities, or projects within the department of  
35 commerce's clean energy fund;

36 (c) Programs, activities, or projects that increase the energy  
37 efficiency or reduce greenhouse gas emissions of industrial  
38 facilities including, but not limited to, proposals to implement  
39 combined heat and power, district energy, or on-site renewables, such

1 as solar and wind power, to upgrade the energy efficiency of existing  
2 equipment, to reduce process emissions, and to switch to less  
3 emissions intensive fuel sources;

4 (d) Programs, activities, or projects that: (i) Achieve energy  
5 efficiency or emissions reductions in the agricultural sector  
6 including fertilizer management, soil management, bioenergy, and  
7 biofuels; and (ii) preserve or increase carbon sequestration and  
8 storage benefits in agricultural soils, and other terrestrial and  
9 aquatic areas, forests, and forest products consistent with RCW  
10 70A.45.090, including funding the sustainable farms and fields grant  
11 program established under RCW 89.08.615 to assist participants with  
12 increasing the quantity of organic carbon in soils and reducing or  
13 avoiding carbon dioxide equivalent emissions in or from soils;

14 (e)(i) Programs, activities, or projects that increase energy  
15 efficiency in new and existing buildings including weatherization and  
16 other retrofits and rehabilitations, or that promote low-carbon  
17 architecture, including use of newly emerging alternative building  
18 materials that result in a lower carbon footprint in the built  
19 environment over the life cycle of the building and component  
20 building materials;

21 (ii) Programs, activities, or projects within the department of  
22 commerce's weatherization plus health initiative consistent with RCW  
23 70A.35.010;

24 (f) Programs, activities, or projects that promote the  
25 electrification and decarbonization of new and existing buildings,  
26 including residential, commercial, and industrial buildings;

27 (g) Programs, activities, or projects that improve energy  
28 efficiency, including district energy, and investments in market  
29 transformation of energy efficiency products; and

30 (h) Incentives and technical assistance to stationary sources to  
31 reduce greenhouse gas emissions and copollutants.

32 (3) Seventy-five percent of the funds must be invested in  
33 programs, activities, or projects that reduce greenhouse gas  
34 emissions or mitigate the impact of greenhouse gas emissions from the  
35 transportation sector including, but not limited to, the following:

36 (a) Reduce vehicle miles traveled, including transportation  
37 demand management, nonmotorized transportation such as pedestrian and  
38 bike program grants and safe routes to school projects, affordable  
39 transit-oriented housing, and high-speed rural broadband to

1 facilitate telecommuting options such as telemedicine or online job  
2 training;

3 (b) Increase public transportation services, including investing  
4 in public transit;

5 (c) The deployment of clean alternative fuel vehicle charging and  
6 refueling infrastructure with a strong emphasis on underserved  
7 communities and low to moderate-income members of the workforce not  
8 readily served by transit, or located in transportation corridors  
9 with emissions that exceed federal or state emissions standards;

10 (d) The support of clean alternative fuel car sharing programs to  
11 provide clean alternative fuel vehicle use opportunities to  
12 underserved communities and low to moderate-income members of the  
13 workforce not readily served by transit, or located in transportation  
14 corridors with emissions that exceed federal or state emissions  
15 standards;

16 (e) The provision of financing assistance to facilitate the  
17 purchase of battery and fuel cell electric vehicles by lower-income  
18 residents of the state;

19 (f) The provision of grants to transit authorities in the state  
20 to fund cost-effective capital projects that reduce the carbon  
21 intensity of the Washington transportation system including, but not  
22 limited to, electrification of vehicle fleets, modification or  
23 replacement of capital facilities in order to facilitate fleet  
24 electrification or renewable hydrogen refueling, upgrades to  
25 electrical transmission and distribution systems, and construction of  
26 charging and fueling stations;

27 (g) The provision of support to small trucking firms in  
28 conversion of vehicles to cleaner alternative fuels and acquisition  
29 and access to necessary fueling infrastructure, and assistance in  
30 mitigating the costs of the transition to cleaner fuel vehicles;

31 (h) The electrification and decarbonization of the state's  
32 vehicle and passenger ferry fleet;

33 (i) The conversion to clean alternative fuel fleets for the  
34 state, counties, cities, and public transit agencies;

35 (j) Investments focused on reducing or mitigating the impacts of  
36 copollutant emissions in overburdened communities or vulnerable  
37 populations including the expansion of monitoring networks for  
38 copollutants across the state managed by communities or agencies;

39 (k) Reducing emissions from vessels and onshore equipment and  
40 vehicles, including provision of shore power to vessels, reducing



1 vehicle congestion and excessive idling, and installation of clean  
2 fuel infrastructure;

3 (l) Investment in rail and high-speed rail with the incremental  
4 installation of rail electrification integrated with local power  
5 generation; and

6 (m) The provision of support to the agricultural sector in  
7 conversion of farm vehicles to cleaner alternative fuels, acquisition  
8 of and access to necessary fueling infrastructure, and assistance in  
9 mitigating the costs of the transition to cleaner fuel vehicles.

10 (4) Public entities including, but not limited to, state  
11 agencies, municipal corporations, and federally recognized Indian  
12 tribes, as well as private entities, both not for profit and for  
13 profit, subject to constitutional limitations, are eligible to  
14 receive greenhouse gas emissions reduction account funds authorized  
15 by this section.

16 (5) Projects, activities, and programs must meet criteria that  
17 reduce greenhouse gas emissions to be established by the department  
18 of commerce. In developing criteria, the department of commerce must  
19 consult with the environmental justice and economic equity panel and  
20 provide processes and funding for meaningful consultation with  
21 vulnerable populations.

22 (6) Projects or activities funded under this section that meet  
23 high labor standards will be prioritized. These include but are not  
24 limited to: Prevailing wage rates determined by local collective  
25 bargaining and apprenticeship and preapprenticeship utilization and  
26 preferred entry standards; community workforce agreements with  
27 priority local hire; procurement from women, veteran, and minority-  
28 owned businesses; procurement from and contracts with entities that  
29 have a history of complying with federal and state wage and hour laws  
30 and regulations plus other related labor and worker safety standards;  
31 including family level wages and providing benefits including health  
32 care and pensions, access to career development opportunities, and  
33 maximize access to economic benefits from such projects for local  
34 workers and diverse businesses.

35 (7) Funding may be provided for incremental greenhouse gas  
36 emissions reductions from projects that have already secured funding,  
37 but which can achieve more emissions reductions with additional  
38 resources.

39 (8) Recipients of funding for projects must submit to the  
40 department of commerce a progress report at a date or dates to be

1 determined by the department of commerce. The progress report must  
2 provide information as may be required by the department of commerce  
3 by rule.

4 (9) The department of commerce must design project funding  
5 contracts, monitor project implementation, and track contract  
6 performance, to actively assist the project proponent in securing the  
7 expected project outcomes. The department of commerce may suspend or  
8 terminate funding when projects do not achieve projected reductions  
9 as provided in the funding agreement and, in cases of gross misuse of  
10 funds, may require a return of grant funding.

11 (10) The department of commerce must develop an electronic  
12 database available to the public to track projects and incentive  
13 programs receiving funding under this section. Projects must be  
14 ranked and sortable based on quantitative performance metrics,  
15 including the avoided cost of a ton of carbon dioxide equivalents.

16 (11) The department of commerce must apply recommendations from  
17 the environmental justice and economic equity panel in the  
18 development of policies and procedures for the allocation of funding  
19 under this section, as well as the implementation plan required by  
20 subsection (12) of this section.

21 (12) The department of commerce must develop an implementation  
22 plan for providing funding under this section. The implementation  
23 plan must be provided to the governor and the appropriate committees  
24 of the legislature by December 31, 2022.

25 NEW SECTION. **Sec. 18.** NATURAL CLIMATE SOLUTIONS ACCOUNT. (1)  
26 The natural climate solutions account is created in the state  
27 treasury. All moneys directed to the account from the climate finance  
28 account created in section 8 of this act must be deposited in the  
29 account. Moneys in the account may be spent only after appropriation.  
30 Moneys in the account are intended to increase the resilience of the  
31 state's waters, forests, and other vital ecosystems to the impacts of  
32 climate change, conserve critical lands at risk of conversion, as  
33 well as increase their carbon pollution reduction capacity through  
34 sequestration, storage, and overall ecosystem integrity. Moneys in  
35 the account must be spent in a manner that is consistent with  
36 existing and future assessments of climate risks and resilience and  
37 the role of natural and working lands in mitigating climate change  
38 through maintaining and increasing carbon sequestration from the  
39 scientific community and expressed concerns of and impacts to

1 overburdened communities, as designated by the department of health  
2 under RCW 19.405.140.

3 (2) Moneys in the account may be allocated for the following  
4 purposes, but is not limited to:

5 (a) Investments in wildfire response, forest restoration, and  
6 community preparedness including:

7 (i) Fire preparedness activities consistent with the goals  
8 contained in the state's wildland fire protection 10-year strategic  
9 plan including, but not limited to, funding for firefighting capacity  
10 and investments in ground and aerial firefighting resources,  
11 equipment, and technology;

12 (ii) Fire prevention activities to restore and improve forest  
13 health and reduce vulnerability to drought, insect infestation,  
14 disease, and other threats to healthy forests including, but not  
15 limited to, silvicultural treatments, seedling development, thinning  
16 and prescribed fire, and postfire recovery activities to stabilize  
17 and prevent unacceptable degradation to natural and cultural  
18 resources and minimize threats to life and property resulting from  
19 the effects of a wildfire. Funding priority under this subsection  
20 must be given to programs, activities, or projects aligned with the  
21 20-year forest health strategic plan, the wildland fire protection  
22 10-year strategic plan, and the forest action plan across any  
23 combination of local, state, federal, tribal, and private ownerships;

24 (iii) Fire protection activities for homes, properties,  
25 communities, and values at risk including, but not limited to:  
26 Potential control lines or strategic fuel breaks in forests,  
27 rangelands, and communities; improved warning and communications  
28 systems to prepare for wildfires; increased engagement with non-  
29 English-speaking communities in their home language for community  
30 preparedness; and the national fire protection association's fire  
31 wise USA and the fire-adapted communities network programs to help  
32 communities take action before wildfires;

33 (b) Clean water investments that improve resilience from climate  
34 impacts. Funding under this subsection must be used to:

35 (i) Restore and protect estuaries, fisheries, freshwater and  
36 other marine shoreline habitats, and prepare for sea level rise  
37 including, but not limited to, making fish passage correction  
38 investments such as those identified in the cost-share barrier  
39 removal program for small forest landowners created in RCW 76.13.150

1 and those that are considered by the fish passage barrier removal  
2 board created in RCW 77.95.160;

3 (ii) Increase the ability to remediate and adapt to the impacts  
4 of ocean acidification;

5 (iii) Reduce flood risk and restore natural floodplain ecological  
6 function;

7 (iv) Increase the sustainable supply of water and improve aquatic  
8 habitat, including groundwater mapping and modeling; or

9 (v) Improve infrastructure treating stormwater from previously  
10 developed areas within an urban growth boundary designated under  
11 chapter 36.70A RCW, with a preference given to projects that use  
12 green stormwater infrastructure;

13 (c) Healthy forest investments to improve resilience from climate  
14 impacts. Funding under this subsection must be used for projects and  
15 activities that will assist forestland owners in the protection of  
16 riparian and other sensitive aquatic areas by providing compensation  
17 for easements under the program created in chapter 76.13 RCW;

18 (d) Conserve or protect natural and working lands when doing so  
19 supports critical habitat protection and benefits aquatic and  
20 terrestrial wildlife, including salmon. Funding under this subsection  
21 must be used for projects, programs, and activities that will:

22 (i) Create new conservation lands, community forests, or other  
23 protected forestlands; and

24 (ii) Maintain natural or working lands through transfer of  
25 development rights; and

26 (e) Other projects and services that reduce vulnerability and  
27 improve resilience in highly impacted communities or among vulnerable  
28 populations.

29 (3) Moneys in the account may not be used for projects that would  
30 violate tribal treaty rights or result in significant long-term  
31 damage to critical habitat or ecological functions. Investments from  
32 this account must result in long-term environmental benefit and  
33 increased resilience to the impacts of climate change.

34 NEW SECTION. **Sec. 19.** ENVIRONMENTAL JUSTICE AND ECONOMIC EQUITY  
35 PANEL. (1) An environmental justice and economic equity panel is  
36 established to provide guidance and recommendations to the department  
37 of commerce to which must be applied in the development and  
38 implementation of the programs, projects, and activities on  
39 greenhouse gas emissions reduction, just transition assistance

1 account, and natural climate solutions authorized under this chapter.  
2 The departments of commerce, ecology, health, and transportation, the  
3 office of equity, and if established by chapter . . . (Second  
4 Substitute Senate Bill No. 5141), Laws of 2021, the environmental  
5 justice council and interagency work group, as well as other state  
6 agencies as the governor may determine must coordinate and assist the  
7 panel.

8 (2) The governor must appoint the members of the environmental  
9 justice and economic equity panel, which must be cochaired by at  
10 least one tribal leader and one person that is a representative of  
11 the interests of overburdened communities identified by the  
12 department of health in its health disparities map. The membership of  
13 the panel must consist of at least 10 persons, based on the  
14 nomination of statewide organizations that represent the following  
15 interests:

16 (a) Five members, including at least one tribal leader,  
17 representing the interests of vulnerable populations residing in  
18 overburdened communities in different geographic areas of the state  
19 and from rural as well as urban areas;

20 (b) Two members representing union labor with expertise in  
21 economic dislocation, clean energy economy, or energy-intensive,  
22 trade-exposed facilities;

23 (c) A member in addition to at least one tribal leader in (a) of  
24 this subsection to represent tribal governments; and

25 (d) Two members representing low-income and community advocacy  
26 organizations.

27 (3) The governor may fill any position designated under  
28 subsection (2) of this section with a person who also serves upon the  
29 environmental justice council created in chapter . . . (Second  
30 Substitute Senate Bill No. 5141), Laws of 2021, provided that such a  
31 person also meets the representative requirements of subsection (2)  
32 of this section.

33 (4) The purpose of the panel is to:

34 (a) Provide recommendations to which must be applied in the  
35 development of investment plans and funding proposals for greenhouse  
36 gas emissions reduction, and natural climate solutions authorized  
37 under this chapter;

38 (b) Provide a forum to analyze policies adopted under this  
39 chapter to determine if the policies lead to improvements within  
40 overburdened communities and among vulnerable populations;

1 (c) Recommend procedures and criteria for evaluating programs,  
2 activities, or projects for funding consideration under this act that  
3 ensure broad access and avoid competition between communities;

4 (d) Evaluate the level of funding provided to assist vulnerable  
5 populations, low-income individuals, and displaced workers and their  
6 communities, and the funding of projects and activities located  
7 within or benefiting overburdened communities and among vulnerable  
8 populations;

9 (e) Provide recommendations to implementation agencies for  
10 meaningful consultation with vulnerable populations; and

11 (f) Periodically conduct an evaluation of the economic impacts on  
12 and outcomes for low and middle-income households and vulnerable  
13 populations, including communities of color and Indian tribal  
14 communities, of the emissions reduction policies required in this  
15 chapter and the financial assistance provided under this chapter.

16 (5) The environmental justice and economic equity panel  
17 constitutes a class one group under RCW 43.03.220. Expenses for this  
18 group must be included in costs to support and administer the program  
19 and are an allowable expense under section 9(2)(e) of this act.

20 (6) Nongovernmental members of the council must be compensated  
21 and reimbursed in accordance with RCW 43.03.050, 43.03.060, and  
22 43.03.250.

23 NEW SECTION. **Sec. 20.** TRIBAL CONSULTATION. (1) In order to  
24 achieve the goals set forth in this chapter, any state agency  
25 receiving funding from the accounts created in this chapter must  
26 consult with Indian tribes on all decisions that may affect Indian  
27 tribes' rights and interests in their tribal lands. The consultation  
28 must occur pursuant to chapter 43.376 RCW and must be independent of  
29 any public participation process required by state law, or by a state  
30 agency, and regardless of whether the agency receives a request for  
31 consultation from an Indian tribe. A consultation framework must be  
32 developed in coordination with tribal governments that includes best  
33 practices, protocols for communication, and collaboration with Indian  
34 tribes.

35 (2) No project that impacts tribal lands may be funded prior to  
36 meaningful consultation with affected Indian tribes. For projects  
37 that directly impact tribal lands, the goal of the consultation  
38 process is to obtain free, prior, and informed consent for the  
39 project, and at the end of such consultation, the project may not be

1 funded unless the state agency first receives a written resolution  
2 providing consent or withholding consent. If any project that impacts  
3 tribal lands is funded under this chapter without consultation with  
4 Indian tribes, an affected Indian tribe may request that all further  
5 action on the project cease until consultation with any directly  
6 impacted Indian tribe is completed.

7 NEW SECTION. **Sec. 21.** WASHINGTON STRONG ACT. This chapter may  
8 be known and cited as the Washington sustainable transformative  
9 recovery opportunities for the next generation act.

10 NEW SECTION. **Sec. 22.** CODIFICATION DIRECTIVE. Sections 1  
11 through 21, 25, and 27 of this act constitute a new chapter in Title  
12 82 RCW.

13 **Sec. 23.** RCW 70A.15.1030 and 2020 c 20 s 1081 are each amended  
14 to read as follows:

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

17 (1) "Air contaminant" means dust, fumes, mist, smoke, other  
18 particulate matter, vapor, gas, odorous substance, or any combination  
19 thereof.

20 (2) "Air pollution" is presence in the outdoor atmosphere of one  
21 or more air contaminants in sufficient quantities and of such  
22 characteristics and duration as is, or is likely to be, injurious to  
23 human health, plant or animal life, or property, or which  
24 unreasonably interfere with enjoyment of life and property. For the  
25 purpose of this chapter, air pollution shall not include air  
26 contaminants emitted in compliance with chapter 17.21 RCW.

27 (3) "Air quality standard" means an established concentration,  
28 exposure time, and frequency of occurrence of an air contaminant or  
29 multiple contaminants in the ambient air which shall not be exceeded.

30 (4) "Ambient air" means the surrounding outside air.

31 (5) "Authority" means any air pollution control agency whose  
32 jurisdictional boundaries are coextensive with the boundaries of one  
33 or more counties.

34 (6) "Best available control technology" (BACT) means an emission  
35 limitation based on the maximum degree of reduction for each air  
36 pollutant subject to regulation under this chapter emitted from or  
37 that results from any new or modified stationary source, that the

1 permitting authority, on a case-by-case basis, taking into account  
2 energy, environmental, and economic impacts and other costs,  
3 determines is achievable for such a source or modification through  
4 application of production processes and available methods, systems,  
5 and techniques, including fuel cleaning, clean fuels, or treatment or  
6 innovative fuel combustion techniques for control of each such a  
7 pollutant. In no event shall application of "best available control  
8 technology" result in emissions of any pollutants that will exceed  
9 the emissions allowed by any applicable standard under 40 C.F.R. Part  
10 60 and Part 61, as they exist on July 25, 1993, or their later  
11 enactments as adopted by reference by the director by rule. Emissions  
12 from any source utilizing clean fuels, or any other means, to comply  
13 with this subsection shall not be allowed to increase above levels  
14 that would have been required under the definition of BACT as it  
15 existed prior to enactment of the federal clean air act amendments of  
16 1990.

17 (7) "Best available retrofit technology" (BART) means an emission  
18 limitation based on the degree of reduction achievable through the  
19 application of the best system of continuous emission reduction for  
20 each pollutant that is emitted by an existing stationary facility.  
21 The emission limitation must be established, on a case-by-case basis,  
22 taking into consideration the technology available, the costs of  
23 compliance, the energy and nonair quality environmental impacts of  
24 compliance, any pollution control equipment in use or in existence at  
25 the source, the remaining useful life of the source, and the degree  
26 of improvement in visibility that might reasonably be anticipated to  
27 result from the use of the technology.

28 (8) "Board" means the board of directors of an authority.

29 (9) "Control officer" means the air pollution control officer of  
30 any authority.

31 (10) "Department" or "ecology" means the department of ecology.

32 (11) "Emission" means a release of air contaminants into the  
33 ambient air.

34 (12) "Emission," "emission standard," and "emission limitation,"  
35 as applied to greenhouse gases as defined in RCW 70A.45.010, include  
36 indirect emissions of greenhouse gases resulting from production or  
37 distribution of petroleum products, natural gas, or other products,  
38 where the release of air contaminants into the ambient air occurs  
39 during the consumption, use, combustion, or oxidation of the  
40 products.



1        (13) "Emission standard" and "emission limitation" mean a  
2 requirement established under the federal clean air act or this  
3 chapter that limits the quantity, rate, or concentration of emissions  
4 of air contaminants on a continuous basis, including any requirement  
5 relating to the operation or maintenance of a source to assure  
6 continuous emission reduction, and any design, equipment, work  
7 practice, or operational standard adopted under the federal clean air  
8 act or this chapter.

9        ~~((13))~~ (14) "Fine particulate" means particulates with a  
10 diameter of two and one-half microns and smaller.

11        ~~((14))~~ (15) "Lowest achievable emission rate" (LAER) means for  
12 any source that rate of emissions that reflects:

13        (a) The most stringent emission limitation that is contained in  
14 the implementation plan of any state for such class or category of  
15 source, unless the owner or operator of the proposed source  
16 demonstrates that such limitations are not achievable; or

17        (b) The most stringent emission limitation that is achieved in  
18 practice by such class or category of source, whichever is more  
19 stringent.

20        In no event shall the application of this term permit a proposed  
21 new or modified source to emit any pollutant in excess of the amount  
22 allowable under applicable new source performance standards.

23        ~~((15))~~ (16) "Modification" means any physical change in, or  
24 change in the method of operation of, a stationary source that  
25 increases the amount of any air contaminant emitted by such source or  
26 that results in the emission of any air contaminant not previously  
27 emitted. The term modification shall be construed consistent with the  
28 definition of modification in Section 7411, Title 42, United States  
29 Code, and with rules implementing that section.

30        ~~((16))~~ (17) "Multicounty authority" means an authority which  
31 consists of two or more counties.

32        ~~((17))~~ (18) "New source" means (a) the construction or  
33 modification of a stationary source that increases the amount of any  
34 air contaminant emitted by such source or that results in the  
35 emission of any air contaminant not previously emitted, and (b) any  
36 other project that constitutes a new source under the federal clean  
37 air act.

38        ~~((18))~~ (19) "Permit program source" means a source required to  
39 apply for or to maintain an operating permit under RCW 70A.15.2260.

1        ~~((19))~~ (20) "Person" means an individual, firm, public or  
2 private corporation, association, partnership, political subdivision  
3 of the state, municipality, or governmental agency.

4        ~~((20))~~ (21) "Reasonably available control technology" (RACT)  
5 means the lowest emission limit that a particular source or source  
6 category is capable of meeting by the application of control  
7 technology that is reasonably available considering technological and  
8 economic feasibility. RACT is determined on a case-by-case basis for  
9 an individual source or source category taking into account the  
10 impact of the source upon air quality, the availability of additional  
11 controls, the emission reduction to be achieved by additional  
12 controls, the impact of additional controls on air quality, and the  
13 capital and operating costs of the additional controls. RACT  
14 requirements for a source or source category shall be adopted only  
15 after notice and opportunity for comment are afforded.

16        ~~((21))~~ (22) "Silvicultural burning" means burning of wood fiber  
17 on forestland consistent with the provisions of RCW 70A.15.5120.

18        ~~((22))~~ (23) "Source" means all of the emissions units including  
19 quantifiable fugitive emissions, that are located on one or more  
20 contiguous or adjacent properties, and are under the control of the  
21 same person, or persons under common control, whose activities are  
22 ancillary to the production of a single product or functionally  
23 related group of products.

24        ~~((23))~~ (24) "Stationary source" means any building, structure,  
25 facility, or installation that emits or may emit any air contaminant.

26        ~~((24))~~ (25) "Trigger level" means the ambient level of fine  
27 particulates, measured in micrograms per cubic meter, that must be  
28 detected prior to initiating a first or second stage of impaired air  
29 quality under RCW 70A.15.3580.

30        **Sec. 24.** RCW 70A.15.3000 and 2020 c 20 s 1103 are each amended  
31 to read as follows:

32        (1) The department shall have all the powers as provided in RCW  
33 70A.15.2040.

34        (2) The department, in addition to any other powers vested in it  
35 by law after consideration at a public hearing held in accordance  
36 with chapters 42.30 and 34.05 RCW shall:

37        (a) Adopt rules establishing air quality objectives and air  
38 quality standards;

1 (b) Adopt emission standards which shall constitute minimum  
2 emission standards throughout the state. An authority may enact more  
3 stringent emission standards, except for emission performance  
4 standards for new woodstoves and opacity levels for residential solid  
5 fuel burning devices which shall be statewide, but in no event may  
6 less stringent standards be enacted by an authority without the prior  
7 approval of the department after public hearing and due notice to  
8 interested parties;

9 (c) Adopt by rule air quality standards and emission standards  
10 for the control or prohibition of emissions to the outdoor atmosphere  
11 of radionuclides, dust, fumes, mist, smoke, other particulate matter,  
12 vapor, gas, odorous substances, or any combination thereof. Such  
13 requirements may be based upon a system of classification by types of  
14 emissions or types of sources of emissions, or combinations thereof,  
15 which it determines most feasible for the purposes of this chapter.  
16 The department may require persons who produce or distribute fossil  
17 fuels or other products that emit greenhouse gases in Washington to  
18 comply with air quality standards, emission standards, or emission  
19 limitations on emissions of greenhouse gases. If the program review  
20 in section 25 of this act finds that greenhouse gases and criteria  
21 pollutants are not being reduced in communities identified as highly  
22 impacted by the department of health's environmental health  
23 disparities map then, as a means of ensuring that the investments  
24 identified in sections 17 and 18 of this act achieve reductions in  
25 greenhouse gas emissions and other criteria pollutants in  
26 overburdened communities highly impacted by pollution, the department  
27 shall prioritize the adoption of air quality standards, emission  
28 standards, or emission limitations on fuel suppliers or covered  
29 entities located in those areas. However, an industry, or the air  
30 pollution control authority having jurisdiction, can choose, subject  
31 to the submittal of appropriate data that the industry has  
32 quantified, to have any limit on the opacity of emissions from a  
33 source whose emission standard is stated in terms of a weight of  
34 particulate per unit volume of air (e.g., grains per dry standard  
35 cubic foot) be based on the applicable particulate emission standard  
36 for that source, such that any violation of the opacity limit  
37 accurately indicates a violation of the applicable particulate  
38 emission standard. Any alternative opacity limit provided by this  
39 section that would result in increasing air contaminants emissions in  
40 any nonattainment area shall only be granted if equal or greater

1 emission reductions are provided for by the same source obtaining the  
2 revised opacity limit. A reasonable fee may be assessed to the  
3 industry to which the alternate opacity standard would apply. The fee  
4 shall cover only those costs to the air pollution control authority  
5 which are directly related to the determination on the acceptability  
6 of the alternate opacity standard, including testing, oversight and  
7 review of data.

8 (3) The air quality standards and emission standards may be for  
9 the state as a whole or may vary from area to area or source to  
10 source, except that emission performance standards for new woodstoves  
11 and opacity levels for residential solid fuel burning devices shall  
12 be statewide, as may be appropriate to facilitate the accomplishment  
13 of the objectives of this chapter and to take necessary or desirable  
14 account of varying local conditions of population concentration, the  
15 existence of actual or reasonably foreseeable air pollution,  
16 topographic and meteorologic conditions and other pertinent  
17 variables.

18 (4) The department is directed to cooperate with the appropriate  
19 agencies of the United States or other states or any interstate  
20 agencies or international agencies with respect to the control of air  
21 pollution and air contamination, or for the formulation for the  
22 submission to the legislature of interstate air pollution control  
23 compacts or agreements.

24 (5) The department is directed to conduct or cause to be  
25 conducted a continuous surveillance program to monitor the quality of  
26 the ambient atmosphere as to concentrations and movements of air  
27 contaminants and conduct or cause to be conducted a program to  
28 determine the quantity of emissions to the atmosphere.

29 (6) The department shall enforce the air quality standards and  
30 emission standards throughout the state except where a local  
31 authority is enforcing the state regulations or its own regulations  
32 which are more stringent than those of the state.

33 (7) The department shall encourage local units of government to  
34 handle air pollution problems within their respective jurisdictions;  
35 and, on a cooperative basis provide technical and consultative  
36 assistance therefor.

37 (8) The department shall have the power to require the addition  
38 to or deletion of a county or counties from an existing authority in  
39 order to carry out the purposes of this chapter. No such addition or  
40 deletion shall be made without the concurrence of any existing

1 authority involved. Such action shall only be taken after a public  
2 hearing held pursuant to the provisions of chapter 34.05 RCW.

3 (9) The department shall establish rules requiring sources or  
4 source categories to apply reasonable and available control methods.  
5 Such rules shall apply to those sources or source categories that  
6 individually or collectively contribute the majority of statewide air  
7 emissions of each regulated pollutant. The department shall review,  
8 and if necessary, update its rules every five years to ensure  
9 consistency with current reasonable and available control methods.  
10 The department shall have adopted rules required under this  
11 subsection for all sources by July 1, 1996.

12 For the purposes of this section, "reasonable and available  
13 control methods" shall include but not be limited to, changes in  
14 technology, processes, or other control strategies.

15 NEW SECTION. **Sec. 25.** (1) By October 30, 2025, the department  
16 of ecology shall determine whether the sources of emissions covered  
17 by the tax imposed under section 3 of this act is likely to achieve  
18 the proportionate share of the emissions reductions by entities  
19 subject to the tax that is necessary for the state to achieve the  
20 emissions limits established in RCW 70A.45.020. The department of  
21 ecology may exercise this authority prior to this determination.  
22 Nothing in this chapter limits authority under chapter 70A.15 RCW. If  
23 the department of ecology determines that such reductions are not  
24 likely to meet these limits, the department of ecology shall exercise  
25 the authority provided in RCW 70A.15.3000 to adopt emissions  
26 limitations upon such entities sufficient to meet such limits.

27 (2) By January 1, 2026, the department of ecology must provide  
28 the legislature with a report detailing its determination with  
29 recommendations, pursuant to the tax and covered sources, for  
30 achieving the emissions limits established in RCW 70A.45.020.

31 NEW SECTION. **Sec. 26.** SEVERABILITY CLAUSE. If any provision of  
32 this act or its application to any person or circumstance is held  
33 invalid, the remainder of the act or the application of the provision  
34 to other persons or circumstances is not affected.

35 NEW SECTION. **Sec. 27.** EMERGENCY CLAUSE. This act is necessary  
36 for the immediate preservation of the public peace, health, or

1 safety, or support of the state government and its existing public  
2 institutions, and takes effect immediately.

--- **END** ---