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HOUSE BILL 3125

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State of Washington                      61st Legislature                      2010 Regular Session

By Representatives Linville and Ericks; by request of State Treasurer

Read first time 01/26/10. Referred to Committee on Ways & Means.

1            AN ACT Relating to allocation rates for certain state agencies  
2            depositing funds in the treasury or in the custody of the treasurer;  
3            amending RCW 43.08.190 and 43.79A.040; and reenacting and amending RCW  
4            43.84.092.

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

6            **Sec. 1.** RCW 43.08.190 and 2009 c 564 s 926 are each amended to  
7            read as follows:

8            There is hereby created a fund within the state treasury to be  
9            known as the "state treasurer's service fund." Such fund shall be used  
10           solely for the payment of costs and expenses incurred in the operation  
11           and administration of the state treasurer's office.

12           Moneys shall be allocated monthly and placed in the state  
13           treasurer's service fund equivalent to a maximum of one percent of the  
14           trust and treasury average daily cash balances from the earnings  
15           generated under the authority of RCW 43.79A.040 and 43.84.080 other  
16           than earnings generated from investment of balances in funds and  
17           accounts specified in RCW 43.79A.040 (~~(or 43.84.092(4))~~) (4)(c). The  
18           allocation shall precede the distribution of the remaining earnings as  
19           prescribed under RCW 43.79A.040 and 43.84.092. The state treasurer

1 shall establish a uniform allocation rate (~~(based on the appropriations~~  
2 ~~for the treasurer's office))~~ for all funds and accounts; except that  
3 the state treasurer may negotiate a different allocation rate with any  
4 state agency that has independent authority over funds not statutorily  
5 required to be held in the state treasury or in the custody of the  
6 state treasurer. In no event shall the rate be less than the actual  
7 costs incurred by the state treasurer's office. If no rate is  
8 separately negotiated, the default rate for any funds held shall be the  
9 rate set for funds held pursuant to statute.

10 During the 2009-2011 fiscal biennium, the legislature may transfer  
11 from the state treasurer's service fund to the state general fund such  
12 amounts as reflect the excess fund balance of the fund.

13 **Sec. 2.** RCW 43.79A.040 and 2009 c 87 s 4 are each amended to read  
14 as follows:

15 (1) Money in the treasurer's trust fund may be deposited, invested,  
16 and reinvested by the state treasurer in accordance with RCW 43.84.080  
17 in the same manner and to the same extent as if the money were in the  
18 state treasury.

19 (2) All income received from investment of the treasurer's trust  
20 fund shall be set aside in an account in the treasury trust fund to be  
21 known as the investment income account.

22 (3) The investment income account may be utilized for the payment  
23 of purchased banking services on behalf of treasurer's trust funds  
24 including, but not limited to, depository, safekeeping, and  
25 disbursement functions for the state treasurer or affected state  
26 agencies. The investment income account is subject in all respects to  
27 chapter 43.88 RCW, but no appropriation is required for payments to  
28 financial institutions. Payments shall occur prior to distribution of  
29 earnings set forth in subsection (4) of this section.

30 (4)(a) Monthly, the state treasurer shall distribute the earnings  
31 credited to the investment income account to the state general fund  
32 except under (b) (~~and~~), (c), and (d) of this subsection.

33 (b) The following accounts and funds shall receive their  
34 proportionate share of earnings based upon each account's or fund's  
35 average daily balance for the period: The Washington promise  
36 scholarship account, the college savings program account, the  
37 Washington advanced college tuition payment program account, the

1 agricultural local fund, the American Indian scholarship endowment  
2 fund, the foster care scholarship endowment fund, the foster care  
3 endowed scholarship trust fund, the students with dependents grant  
4 account, the basic health plan self-insurance reserve account, the  
5 contract harvesting revolving account, the Washington state combined  
6 fund drive account, the commemorative works account, the Washington  
7 international exchange scholarship endowment fund, the toll collection  
8 account, the developmental disabilities endowment trust fund, the  
9 energy account, the fair fund, the family leave insurance account, the  
10 food animal veterinarian conditional scholarship account, the fruit and  
11 vegetable inspection account, the future teachers conditional  
12 scholarship account, the game farm alternative account, the GET ready  
13 for math and science scholarship account, the grain inspection  
14 revolving fund, the juvenile accountability incentive account, the law  
15 enforcement officers' and firefighters' plan 2 expense fund, the local  
16 tourism promotion account, the pilotage account, the produce railcar  
17 pool account, the regional transportation investment district account,  
18 the rural rehabilitation account, the stadium and exhibition center  
19 account, the youth athletic facility account, the self-insurance  
20 revolving fund, the sulfur dioxide abatement account, the children's  
21 trust fund, the Washington horse racing commission Washington bred  
22 owners' bonus fund and breeder awards account, the Washington horse  
23 racing commission class C purse fund account, the individual  
24 development account program account, the Washington horse racing  
25 commission operating account (earnings from the Washington horse racing  
26 commission operating account must be credited to the Washington horse  
27 racing commission class C purse fund account), the life sciences  
28 discovery fund, the Washington state heritage center account, the  
29 reduced cigarette ignition propensity account, and the reading  
30 achievement account. ((However, the earnings to be distributed shall  
31 first be reduced by the allocation to the state treasurer's service  
32 fund pursuant to RCW 43.08.190.))

33 (c) The following accounts and funds shall receive eighty percent  
34 of their proportionate share of earnings based upon each account's or  
35 fund's average daily balance for the period: The advanced right-of-way  
36 revolving fund, the advanced environmental mitigation revolving  
37 account, the city and county advance right-of-way revolving fund, the

1 federal narcotics asset forfeitures account, the high occupancy vehicle  
2 account, the local rail service assistance account, and the  
3 miscellaneous transportation programs account.

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

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

14 **Sec. 3.** RCW 43.84.092 and 2009 c 479 s 31, 2009 c 472 s 5, and  
15 2009 c 451 s 8 are each reenacted and amended to read as follows:

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

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

34 (3) Except for the provisions of RCW 43.84.160, the treasury income  
35 account may be utilized for the payment of purchased banking services  
36 on behalf of treasury funds including, but not limited to, depository,  
37 safekeeping, and disbursement functions for the state treasury and

1 affected state agencies. The treasury income account is subject in all  
2 respects to chapter 43.88 RCW, but no appropriation is required for  
3 payments to financial institutions. Payments shall occur prior to  
4 distribution of earnings set forth in subsection (4) of this section.

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

9 (a) The following accounts and funds shall receive their  
10 proportionate share of earnings based upon each account's and fund's  
11 average daily balance for the period: The aeronautics account, the  
12 aircraft search and rescue account, the budget stabilization account,  
13 the capitol building construction account, the Cedar River channel  
14 construction and operation account, the Central Washington University  
15 capital projects account, the charitable, educational, penal and  
16 reformatory institutions account, the cleanup settlement account, the  
17 Columbia river basin water supply development account, the common  
18 school construction fund, the county arterial preservation account, the  
19 county criminal justice assistance account, the county sales and use  
20 tax equalization account, the data processing building construction  
21 account, the deferred compensation administrative account, the deferred  
22 compensation principal account, the department of licensing services  
23 account, the department of retirement systems expense account, the  
24 developmental disabilities community trust account, the drinking water  
25 assistance account, the drinking water assistance administrative  
26 account, the drinking water assistance repayment account, the Eastern  
27 Washington University capital projects account, the education  
28 construction fund, the education legacy trust account, the election  
29 account, the energy freedom account, the energy recovery act account,  
30 the essential rail assistance account, The Evergreen State College  
31 capital projects account, the federal forest revolving account, the  
32 ferry bond retirement fund, the freight congestion relief account, the  
33 freight mobility investment account, the freight mobility multimodal  
34 account, the grade crossing protective fund, the public health services  
35 account, the health system capacity account, the personal health  
36 services account, the high capacity transportation account, the state  
37 higher education construction account, the higher education  
38 construction account, the highway bond retirement fund, the highway

1 infrastructure account, the highway safety account, the high occupancy  
2 toll lanes operations account, the industrial insurance premium refund  
3 account, the judges' retirement account, the judicial retirement  
4 administrative account, the judicial retirement principal account, the  
5 local leasehold excise tax account, the local real estate excise tax  
6 account, the local sales and use tax account, the medical aid account,  
7 the mobile home park relocation fund, the motor vehicle fund, the  
8 motorcycle safety education account, the multimodal transportation  
9 account, the municipal criminal justice assistance account, the  
10 municipal sales and use tax equalization account, the natural resources  
11 deposit account, the oyster reserve land account, the pension funding  
12 stabilization account, the perpetual surveillance and maintenance  
13 account, the public employees' retirement system plan 1 account, the  
14 public employees' retirement system combined plan 2 and plan 3 account,  
15 the public facilities construction loan revolving account beginning  
16 July 1, 2004, the public health supplemental account, the public  
17 transportation systems account, the public works assistance account,  
18 the Puget Sound capital construction account, the Puget Sound ferry  
19 operations account, the Puyallup tribal settlement account, the real  
20 estate appraiser commission account, the recreational vehicle account,  
21 the regional mobility grant program account, the resource management  
22 cost account, the rural arterial trust account, the rural Washington  
23 loan fund, the site closure account, the small city pavement and  
24 sidewalk account, the special category C account, the special wildlife  
25 account, the state employees' insurance account, the state employees'  
26 insurance reserve account, the state investment board expense account,  
27 the state investment board commingled trust fund accounts, the state  
28 patrol highway account, the state route number 520 corridor account,  
29 the supplemental pension account, the Tacoma Narrows toll bridge  
30 account, the teachers' retirement system plan 1 account, the teachers'  
31 retirement system combined plan 2 and plan 3 account, the tobacco  
32 prevention and control account, the tobacco settlement account, the  
33 transportation 2003 account (nickel account), the transportation  
34 equipment fund, the transportation fund, the transportation improvement  
35 account, the transportation improvement board bond retirement account,  
36 the transportation infrastructure account, the transportation  
37 partnership account, the traumatic brain injury account, the tuition  
38 recovery trust fund, the University of Washington bond retirement fund,

1 the University of Washington building account, the urban arterial trust  
2 account, the volunteer firefighters' and reserve officers' relief and  
3 pension principal fund, the volunteer firefighters' and reserve  
4 officers' administrative fund, the Washington fruit express account,  
5 the Washington judicial retirement system account, the Washington law  
6 enforcement officers' and firefighters' system plan 1 retirement  
7 account, the Washington law enforcement officers' and firefighters'  
8 system plan 2 retirement account, the Washington public safety  
9 employees' plan 2 retirement account, the Washington school employees'  
10 retirement system combined plan 2 and 3 account, the Washington state  
11 health insurance pool account, the Washington state patrol retirement  
12 account, the Washington State University building account, the  
13 Washington State University bond retirement fund, the water pollution  
14 control revolving fund, and the Western Washington University capital  
15 projects account. Earnings derived from investing balances of the  
16 agricultural permanent fund, the normal school permanent fund, the  
17 permanent common school fund, the scientific permanent fund, and the  
18 state university permanent fund shall be allocated to their respective  
19 beneficiary accounts. (~~All earnings to be distributed under this~~  
20 ~~subsection (4) shall first be reduced by the allocation to the state~~  
21 ~~treasurer's service fund pursuant to RCW 43.08.190.))~~

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

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

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