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HOUSE BILL 1040

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State of Washington

54th Legislature

1995 Regular Session

By Representatives B. Thomas, Sehlin, Dyer, Chandler, L. Thomas, Valle, Cooke, Brumsickle, Ballasiotes, K. Schmidt, Mitchell, Ogden, Regala and Mulliken

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1 AN ACT Relating to the creation of a trust fund to finance the  
2 maintenance and efficient operation of state facilities; reenacting and  
3 amending RCW 43.79A.040; adding a new section to chapter 43.79 RCW;  
4 creating a new section; providing an effective date; and declaring an  
5 emergency.

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

7 NEW SECTION. **Sec. 1.** (1) The legislature finds that the capital  
8 facilities owned by state agencies represent a significant financial  
9 investment by the citizens of the state of Washington and that  
10 providing for a responsible and efficient level of facility maintenance  
11 is critical to preserving these facilities and protecting the full  
12 value of this investment. The legislature finds that ongoing  
13 reinvestment in facilities through adequate maintenance funding can  
14 delay the need for capital expenditures for replacement facilities,  
15 reduce operating costs, and provide higher levels of service. The  
16 legislature also finds that facility maintenance is a fundamental  
17 responsibility of state government and that a dedicated funding source  
18 for maintenance is necessary to ensure that adequate expenditures for

1 facility maintenance are not forced to compete with ongoing personnel  
2 and other operating costs of state government.

3 (2) The purpose of this act is to establish a trust fund to finance  
4 maintenance of state facilities. The trust fund is in addition to the  
5 current levels of state expenditures for facility maintenance. The  
6 money in the trust fund will be invested and the principal and interest  
7 will be made available for major maintenance, improvements, and  
8 renovations of state-owned facilities that are at least ten years old.

9 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.79 RCW  
10 to read as follows:

11 (1) The facility maintenance trust fund is created as a treasurer's  
12 trust fund. The state treasurer shall transfer three percent of bond  
13 proceeds from all state general obligation bonds issued by the state  
14 finance committee into the facility maintenance trust fund, excluding  
15 refunding bonds authorized by chapter 39.53 RCW, bonds financed by  
16 license fees on motor vehicles, and bonds financed by excise taxes on  
17 the sale, distribution, or use of motor vehicle fuel. All interest  
18 earnings of the fund shall remain in the fund.

19 (2) The facility maintenance trust fund is managed by the director  
20 of the department of general administration and no appropriation is  
21 necessary for disbursements from the fund. The facility maintenance  
22 trust fund is subject to the allotment procedures under chapter 43.88  
23 RCW.

24 (3) The director of general administration shall identify priority  
25 major maintenance, improvement, and renovation needs for state  
26 facilities including institutions of higher education and make  
27 disbursements from the facility maintenance trust fund. The director  
28 of general administration shall adopt necessary rules to implement this  
29 section. For purposes of this section, major maintenance is work  
30 performed on the structural, electrical, mechanical, plumbing, roof,  
31 conveyance, interior construction, and exterior systems of a facility  
32 to meet code, safety, preservation, and efficiency standards, and does  
33 not include routine operating maintenance functions. Money in the  
34 trust fund may not be used to purchase land, construct new facilities,  
35 expand space in an existing facility, change the aesthetics of a  
36 facility, or increase the number of state employees. For purposes of  
37 this section a facility is a state-owned building, structure, utility

1 system, parking lot related to a state-owned building, or land that  
2 will be used as a future building site.

3 (4) Before September 1st of each even-numbered year, the director  
4 of general administration shall report to the appropriate fiscal  
5 committees of the legislature on the amounts and purposes of all  
6 disbursements from the facility maintenance trust fund for each of the  
7 prior two fiscal years.

8 **Sec. 3.** RCW 43.79A.040 and 1993 sp.s. c 8 s 2 and 1993 c 500 s 5  
9 are each reenacted and amended to read as follows:

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

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

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

25 (4) Monthly, the state treasurer shall distribute the earnings  
26 credited to the investment income account to the state general fund  
27 except((÷

28 (a))) the following accounts and funds shall receive their  
29 proportionate share of earnings based upon each account's or fund's  
30 average daily balance for the period: The American Indian scholarship  
31 endowment fund, the energy account, the game farm alternative account,  
32 the facility maintenance trust fund, and the self-insurance revolving  
33 fund. However, the earnings to be distributed shall first be reduced  
34 by the allocation to the state treasurer's service fund pursuant to RCW  
35 43.08.190.

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

1        NEW SECTION.    **Sec. 4.**    This act is necessary for the immediate  
2    preservation of the public peace, health, or safety, or support of the  
3    state government and its existing public institutions, and shall take  
4    effect July 1, 1995.

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