
ENGROSSED SUBSTITUTE HOUSE BILL 1787

State of Washington

54th Legislature

1995 Regular Session

By House Committee on Transportation (originally sponsored by Representatives K. Schmidt, R. Fisher, Johnson, Elliot, Buck, Blanton, Robertson, D. Schmidt, Mitchell, Skinner, Tokuda, Benton, Romero, Brown, Hankins, Cairnes, Hatfield, Scott, Quall, Backlund, Ogden, McMahan, Horn, Koster, Schoesler and Mielke)

Read first time 02/24/95.

1 AN ACT Relating to interest on accounts and funds; reenacting and
2 amending RCW 43.84.092 and 43.79A.040; providing an effective date; and
3 declaring an emergency.

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

5 **Sec. 1.** RCW 43.84.092 and 1994 c 2 s 6 (Initiative Measure No.
6 601), 1993 sp.s. c 25 s 511, 1993 sp.s. c 8 s 1, 1993 c 500 s 6, 1993
7 c 492 s 473, 1993 c 445 s 4, 1993 c 329 s 2, and 1993 c 4 s 9 are each
8 reenacted and amended to read as follows:

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

12 (2) The treasury income account shall be utilized to pay or receive
13 funds associated with federal programs as required by the federal cash
14 management improvement act of 1990. The treasury income account is
15 subject in all respects to chapter 43.88 RCW, but no appropriation is
16 required for refunds or allocations of interest earnings required by
17 the cash management improvement act. Refunds of interest to the
18 federal treasury required under the cash management improvement act
19 fall under RCW 43.88.180 and shall not require appropriation. The

1 office of financial management shall determine the amounts due to or
2 from the federal government pursuant to the cash management improvement
3 act. The office of financial management may direct transfers of funds
4 between accounts as deemed necessary to implement the provisions of the
5 cash management improvement act, and this subsection. Refunds or
6 allocations shall occur prior to the distributions of earnings set
7 forth in subsection (4) of this section.

8 (3) Except for the provisions of RCW 43.84.160, the treasury income
9 account may be utilized for the payment of purchased banking services
10 on behalf of treasury funds including, but not limited to, depository,
11 safekeeping, and disbursement functions for the state treasury and
12 affected state agencies. The treasury income account is subject in all
13 respects to chapter 43.88 RCW, but no appropriation is required for
14 payments to financial institutions. Payments shall occur prior to
15 distribution of earnings set forth in subsection (4) of this section.

16 (4) Monthly, the state treasurer shall distribute the earnings
17 credited to the treasury income account. The state treasurer shall
18 credit the general fund with all the earnings credited to the treasury
19 income account except:

20 (a) The following accounts and funds shall receive their
21 proportionate share of earnings based upon each account's and fund's
22 average daily balance for the period: The capitol building
23 construction account, the Cedar River channel construction and
24 operation account, the Central Washington University capital projects
25 account, the charitable, educational, penal and reformatory
26 institutions account, the common school construction fund, the county
27 criminal justice assistance account, the county sales and use tax
28 equalization account, the data processing building construction
29 account, the deferred compensation administrative account, the deferred
30 compensation principal account, the department of retirement systems
31 expense account, the Eastern Washington University capital projects
32 account, the education construction fund, the emergency reserve fund,
33 the federal forest revolving account, the health services account, the
34 public health services account, the health system capacity account, the
35 personal health services account, the industrial insurance premium
36 refund account, the judges' retirement account, the judicial retirement
37 administrative account, the judicial retirement principal account, the
38 local leasehold excise tax account, the local real estate excise tax
39 account, the local sales and use tax account, the medical aid account,

1 the municipal criminal justice assistance account, the municipal sales
2 and use tax equalization account, the natural resources deposit
3 account, the perpetual surveillance and maintenance account, the public
4 employees' retirement system plan I account, the public employees'
5 retirement system plan II account, the Puyallup tribal settlement
6 account, the resource management cost account, the site closure
7 account, the special wildlife account, the state employees' insurance
8 account, the state employees' insurance reserve account, the state
9 investment board expense account, the state investment board commingled
10 trust fund accounts, the supplemental pension account, the teachers'
11 retirement system plan I account, the teachers' retirement system plan
12 II account, the tuition recovery trust fund, the University of
13 Washington bond retirement fund, the University of Washington building
14 account, the volunteer fire fighters' relief and pension principal
15 account, the volunteer fire fighters' relief and pension administrative
16 account, the Washington judicial retirement system account, the
17 Washington law enforcement officers' and fire fighters' system plan I
18 retirement account, the Washington law enforcement officers' and fire
19 fighters' system plan II retirement account, the Washington state
20 patrol retirement account, the Washington State University building
21 account, the Washington State University bond retirement fund, the
22 water pollution control revolving fund, and the Western Washington
23 University capital projects account. Earnings derived from investing
24 balances of the agricultural permanent fund, the normal school
25 permanent fund, the permanent common school fund, the scientific
26 permanent fund, and the state university permanent fund shall be
27 allocated to their respective beneficiary accounts. All earnings to be
28 distributed under this subsection (4)(a) shall first be reduced by the
29 allocation to the state treasurer's service fund pursuant to RCW
30 43.08.190.

31 (b) The following accounts and funds shall receive eighty percent
32 of their proportionate share of earnings based upon each account's or
33 fund's average daily balance for the period: The aeronautics account,
34 the aircraft search and rescue account, the central Puget Sound public
35 transportation account, the city hardship assistance account, the
36 county arterial preservation account, the department of licensing
37 services account, the economic development account, the essential rail
38 assistance account, the essential rail banking account, the ferry bond
39 retirement fund, the gasohol exemption holding account, the grade

1 crossing protective fund, the high capacity transportation account, the
2 highway bond retirement fund, the highway construction stabilization
3 account, the highway safety account, the marine operating fund, the
4 motor vehicle fund ((and)), the motorcycle safety education account,
5 the pilotage account, the public transportation systems account, the
6 Puget Sound capital construction account, the Puget Sound ferry
7 operations account, the recreational vehicle account, the rural
8 arterial trust account, the safety and education account, the small
9 city account, the special category C account, the state patrol highway
10 account, the transfer relief account, the transportation capital
11 facilities account, the transportation equipment fund, the
12 transportation fund, the transportation improvement account, the
13 transportation revolving loan account, and the urban arterial trust
14 account.

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

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

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

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

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

35 (4)(a) Monthly, the state treasurer shall distribute the earnings
36 credited to the investment income account to the state general fund
37 except under (b) and (c) of this subsection.

1 (b) The following accounts and funds shall receive their
2 proportionate share of earnings based upon each account's or fund's
3 average daily balance for the period: The American Indian scholarship
4 endowment fund, the energy account, the game farm alternative account,
5 and the self-insurance revolving fund. However, the earnings to be
6 distributed shall first be reduced by the allocation to the state
7 treasurer's service fund pursuant to RCW 43.08.190.

8 (c) The following accounts and funds shall receive eighty percent
9 of their proportionate share of earnings based upon each account's or
10 fund's average daily balance for the period: The advanced right of way
11 revolving fund, the federal narcotics asset forfeitures account, the
12 high occupancy vehicle account, and the local rail service assistance
13 account.

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

17 NEW SECTION. Sec. 3. This act is necessary for the immediate
18 preservation of the public peace, health, or safety, or support of the
19 state government and its existing public institutions, and takes effect
20 June 1, 1995.

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