
SENATE BILL 5000

State of Washington 54th Legislature 1995 2nd Special Session

By Senators Loveland, Snyder, Wojahn, Sheldon, Gaspard, Franklin, Haugen, Rasmussen, Quigley, Owen, McAuliffe, Winsley, McCaslin, Drew, Morton, Prentice, Bauer, Spanel, Hale and Deccio

Read first time 01/09/95. Referred to Committee on Ways & Means.

1 AN ACT Relating to property tax reductions; amending RCW
2 43.135.045; reenacting and amending RCW 43.84.092; adding a new section
3 to chapter 84.48 RCW; providing an effective date; and declaring an
4 emergency.

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

6 **Sec. 1.** RCW 43.135.045 and 1994 c 2 s 3 (Initiative Measure No.
7 601) are each amended to read as follows:

8 (1)(a) During each fiscal year, the state treasurer shall deposit
9 in the property tax reduction fund all general fund--state revenues in
10 excess of the state expenditure limit for that fiscal year. Deposits
11 shall be made at the end of each fiscal quarter based on projections of
12 state revenues and the state expenditure limit.

13 (b) The amount transferred into the property tax reduction fund may
14 not exceed the amount necessary to negate the need for a state tax levy
15 under RCW 84.48.080. This unused taxing capacity may not be used to
16 supplant the need to utilize other revenue sources.

17 (c) All general fund--state revenues in excess of the amount
18 necessary under (b) of this subsection shall be deposited into the
19 emergency reserve fund under subsection (2) of this section.

1 (2) The emergency reserve fund is established in the state
2 treasury. During each fiscal year, the state treasurer shall deposit
3 in the emergency reserve fund all general fund--state revenues in
4 excess of the (~~state expenditure limit for that fiscal year~~) amount
5 necessary under subsection (1) of this section. Deposits shall be made
6 at the end of each fiscal quarter (~~based on projections of state~~
7 ~~revenues and the state expenditure limit~~)).

8 (~~(+2)~~) (3) The legislature may appropriate moneys from the
9 emergency reserve fund only with approval of at least two-thirds of the
10 members of each house of the legislature, and then only if the
11 appropriation does not cause total expenditures to exceed the state
12 expenditure limit under this chapter.

13 (~~(+3)~~) (4) The emergency reserve fund balance shall not exceed
14 five percent of biennial general fund--state revenues as projected by
15 the official state revenue forecast. Any balance in excess of five
16 percent shall be transferred on a quarterly basis by the state
17 treasurer to the education construction fund hereby created in the
18 treasury.

19 (~~(+4)~~) (5)(a) Funds may be appropriated from the education
20 construction fund exclusively for common school construction or higher
21 education construction.

22 (b) Funds may be appropriated for any other purpose only if
23 approved by a two-thirds vote of each house of the legislature and if
24 approved by a vote of the people at the next general election. An
25 appropriation approved by the people under this subsection shall result
26 in an adjustment to the state expenditure limit only for the fiscal
27 period for which the appropriation is made and shall not affect any
28 subsequent fiscal period.

29 **Sec. 2.** RCW 43.84.092 and 1994 c 2 s 6 (Initiative Measure No.
30 601), 1993 sp.s. c 25 s 511, 1993 sp.s. c 8 s 1, 1993 c 500 s 6, 1993
31 c 492 s 473, 1993 c 445 s 4, 1993 c 329 s 2, and 1993 c 4 s 9 are each
32 reenacted and amended to read as follows:

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

36 (2) The treasury income account shall be utilized to pay or receive
37 funds associated with federal programs as required by the federal cash
38 management improvement act of 1990. The treasury income account is

1 subject in all respects to chapter 43.88 RCW, but no appropriation is
2 required for refunds or allocations of interest earnings required by
3 the cash management improvement act. Refunds of interest to the
4 federal treasury required under the cash management improvement act
5 fall under RCW 43.88.180 and shall not require appropriation. The
6 office of financial management shall determine the amounts due to or
7 from the federal government pursuant to the cash management improvement
8 act. The office of financial management may direct transfers of funds
9 between accounts as deemed necessary to implement the provisions of the
10 cash management improvement act, and this subsection. Refunds or
11 allocations shall occur prior to the distributions of earnings set
12 forth in subsection (4) of this section.

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

21 (4) Monthly, the state treasurer shall distribute the earnings
22 credited to the treasury income account. The state treasurer shall
23 credit the general fund with all the earnings credited to the treasury
24 income account except:

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

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

36 (b) The following accounts and funds shall receive eighty percent
37 of their proportionate share of earnings based upon each account's or
38 fund's average daily balance for the period: The (~~marine operating~~
39 ~~fund, the~~) motor vehicle fund((~~-~~)) and the transportation fund.

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

4 NEW SECTION. **Sec. 3.** A new section is added to chapter 84.48 RCW
5 to read as follows:

6 (1) The department of revenue shall deduct the amount of money
7 credited to the property tax reduction fund, created under RCW
8 43.135.045, from the amount to be raised for the following year's
9 property taxes as set forth under RCW 84.48.080.

10 (2) The state treasurer shall transfer the money in the property
11 tax reduction fund to the general fund annually on the date established
12 by rule by the department of revenue.

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

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