CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 2727

Chapter 262, Laws of 1996

54th Legislature
1996 Regular Session

STATE INFRASTRUCTURE BANK

EFFECTIVE DATE: 3/29/96

Passed by the House February 6, 1996
Yeas 97  Nays 0

Passed by the Senate February 29, 1996
Yeas 49  Nays 0

I, Timothy A. Martin, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is SUBSTITUTE HOUSE BILL 2727 as passed by the House of Representatives and the Senate on the dates hereon set forth.

JOEL PRITCHARD
President of the Senate

Approved March 29, 1996

TIMOTHY A. MARTIN
Chief Clerk

MIKE LOWRY
Governor of the State of Washington

FILED

March 29, 1996 - 4:45 p.m.
AN ACT Relating to establishing a state infrastructure bank; 1 reenacting and amending RCW 43.84.092; adding new sections to chapter 2 82.44 RCW; adding a new section to chapter 46.68 RCW; and declaring an 3 emergency.

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

NEW SECTION. Sec. 1. A new section is added to chapter 82.44 RCW 1 to read as follows:

The legislature finds that new financing mechanisms are necessary 3 to provide greater flexibility and additional funds for needed 4 transportation infrastructure projects in the state. The creation of 5 a financing mechanism, like the one contained in section 350 of the 6 national highway system designation act of 1995, P.L. 104-59, relating 7 to a state infrastructure bank program, will enable the state and local 8 jurisdictions to use federal, state, local, or private funds to 9 construct surface transportation projects for various modes of 10 transportation. It is the intent of the legislature that accounts be 11 created in the state treasury and dedicated funding sources be 12 established to generate revenue to support transportation projects 13 financed with the proceeds of bonds or other financial instruments
issued against this dedicated revenue and other revenues which may be available to these accounts. P.L. 104-59 allows the deposit of certain federal highway and transit funds into these accounts to leverage other forms of investment in transportation infrastructure by expanding the eligible uses of the federal funds. Other public and private entities may also deposit funds into these accounts to leverage transportation investments. The purpose of this act is to provide, from these accounts, authorization for loans, grants, or other means of assistance, in amounts equal to all or part of the cost, to public or private entities building surface transportation facilities in this state. It is the further intent of the legislature that projects representing critical mobility or economic development needs and involving various transportation modes and jurisdictions receive top priority in the use of these funds. Funds from the accounts created in this act may be used to support the issuance of public or private debt, to provide credit enhancement for such debt, for direct loans to public or private entities, or for other purposes necessary to facilitate investment in surface transportation facilities in this state.

NEW SECTION. Sec. 2. A new section is added to chapter 82.44 RCW to read as follows:

The transportation infrastructure account is hereby created in the transportation fund. Public and private entities may deposit moneys in the transportation infrastructure account from federal, state, local, or private sources. Proceeds from bonds or other financial instruments sold to finance surface transportation projects from the transportation infrastructure account shall be deposited into the account. Principal and interest payments made on loans from the transportation infrastructure account shall be deposited into the account. Moneys in the account shall be available for purposes specified in section 1 of this act. Expenditures from the transportation infrastructure account shall be subject to appropriation by the legislature. To the extent required by federal law or regulations promulgated by the United States secretary of transportation, the state treasurer is authorized to create separate subaccounts within the transportation infrastructure account.

NEW SECTION. Sec. 3. A new section is added to chapter 46.68 RCW to read as follows:
The highway infrastructure account is hereby created in the motor vehicle fund. Public and private entities may deposit moneys in the highway infrastructure account from federal, state, local, or private sources. Proceeds from bonds or other financial instruments sold to finance surface transportation projects from the highway infrastructure account shall be deposited into the account. Principal and interest payments made on loans from the highway infrastructure account shall be deposited into the account. Moneys in the account shall be available for purposes specified in section 1 of this act. Expenditures from the highway infrastructure account shall be subject to appropriation by the legislature. To the extent required by federal law or regulations promulgated by the United States secretary of transportation, the state treasurer is authorized to create separate subaccounts within the highway infrastructure account.

Sec. 4. RCW 43.84.092 and 1995 c 394 s 1 and 1995 c 122 s 12 are each reenacted and amended to read as follows:

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

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

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

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

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account’s and fund’s average daily balance for the period: The capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the common school construction fund, the county criminal justice assistance account, the county sales and use tax equalization account, the data processing building construction account, the deferred compensation administrative account, the deferred compensation principal account, the department of retirement systems expense account, the Eastern Washington University capital projects account, the education construction fund, the emergency reserve fund, the federal forest revolving account, the health services account, the public health services account, the health system capacity account, the personal health services account, the highway infrastructure account, the industrial insurance premium refund account, the judges’ retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the medical aid account, the mobile home park relocation fund, the municipal criminal justice assistance account, the municipal sales and use tax equalization account, the natural resources deposit account, the perpetual surveillance and maintenance account, the public employees’ retirement system plan I account, the public employees’ retirement system plan II account, the Puyallup tribal settlement account, the resource management cost account, the site closure account, the special wildlife account, the state employees’ insurance account, the state employees’ insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the supplemental pension account, the teachers’
retirement system plan I account, the teachers' retirement system plan II account, the transportation infrastructure account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the volunteer fire fighters' relief and pension principal account, the volunteer fire fighters' relief and pension administrative account, the Washington judicial retirement system account, the Washington law enforcement officers' and fire fighters' system plan I retirement account, the Washington law enforcement officers' and fire fighters' system plan II retirement account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving fund, and the Western Washington University capital projects account.

Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, and the state university permanent fund shall be allocated to their respective beneficiary accounts. All earnings to be distributed under this subsection (4)(a) shall first be reduced by the allocation to the state treasurer’s service fund pursuant to RCW 43.08.190.

(b) The following accounts and funds shall receive eighty percent of their proportionate share of earnings based upon each account’s or fund’s average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the central Puget Sound public transportation account, the city hardship assistance account, the county arterial preservation account, the department of licensing services account, the economic development account, the essential rail assistance account, the essential rail banking account, the ferry bond retirement fund, the gasohol exemption holding account, the grade crossing protective fund, the high capacity transportation account, the highway bond retirement fund, the highway construction stabilization account, the highway safety account, the marine operating fund, the motor vehicle fund, the motorcycle safety education account, the pilotage account, the public transportation systems account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the recreational vehicle account, the rural arterial trust account, the safety and education account, the small city account, the special category C account, the state patrol highway account, the transfer relief account, the transportation capital facilities account,
the transportation equipment fund, the transportation fund, the
transportation improvement account, the transportation revolving loan
account, and the urban arterial trust account.

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

NEW SECTION. Sec. 5. This act is necessary for the immediate
preservation of the public peace, health, or safety, or support of the
state government and its existing public institutions, and shall take
effect immediately.

Passed the House February 6, 1996.
Passed the Senate February 29, 1996.
Approved by the Governor March 29, 1996.
Filed in Office of Secretary of State March 29, 1996.