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HOUSE BILL 1106

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State of Washington

55th Legislature

1997 Regular Session

By Representatives Conway, Wolfe, Ogden, Dunn, Morris, Keiser, Anderson, Cody and Mason; by request of Joint Committee on Pension Policy

Read first time 01/14/97. Referred to Committee on Appropriations.

1 AN ACT Relating to receipt of the proportionate share of investment  
2 earnings by the pension funding account; amending RCW 43.84.092; 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 1996 c 262 s 4 are each amended to read  
6 as follows:

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

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

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

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

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

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

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

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

17 NEW SECTION. **Sec. 2.** 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 immediately.

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