
HOUSE BILL 3135

State of Washington

56th Legislature

2000 Regular Session

By Representatives Mitchell, Fisher, H. Sommers, Huff, Ericksen, Hankins, Edwards and Cooper

Read first time 02/15/2000. Referred to Committee on Transportation.

1 AN ACT Relating to depositing undesignated funds; amending RCW
2 82.08.020; reenacting and amending RCW 43.84.092, 43.84.092, and
3 43.84.092; adding a new section to chapter 43.79 RCW; adding a new
4 section to chapter 47.66 RCW; creating new sections; providing
5 effective dates; providing an expiration date; and declaring an
6 emergency.

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

8 NEW SECTION. **Sec. 1.** Although current law directs revenues
9 collected in lieu of the motor vehicle excise tax to be deposited in
10 the manner provided under RCW 82.44.110, the legislature finds that
11 these fund sources are no longer appropriate in light of passage of
12 Initiative Measure No. 695. Taxes levied in lieu of the motor vehicle
13 excise tax shall continue to be deposited into an account in the state
14 treasury to be used strictly for transportation purposes. To the
15 extent that ambiguity may exist under current law, the legislature
16 hereby provides that taxes on retail car rentals collected under RCW
17 82.08.020 be deposited into the multimodal transportation account,
18 created under section 4 of this act. The legislature intends that
19 deposits in this account be made retroactive to December 31, 1999.

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

3 (1) All moneys owing or paid to the state that are not designated
4 for deposit into a specific fund or account shall be held outside the
5 general fund in the undesignated funds holding account, created in
6 subsection (2) of this section. If the legislature does not provide a
7 depository for these moneys by the conclusion of the regular
8 legislative session following the calendar year in which any
9 undesignated funds are placed into the account, these funds shall be
10 transferred into the general fund of the state.

11 (2) The undesignated funds holding account is created in the
12 custody of the state treasurer. Funds may be transferred to another
13 fund or account, but no appropriations from this account may be made.

14 **Sec. 3.** RCW 82.08.020 and 1998 c 321 s 36 (Referendum Bill No. 49)
15 are each amended to read as follows:

16 (1) There is levied and there shall be collected a tax on each
17 retail sale in this state equal to six and five-tenths percent of the
18 selling price.

19 (2) There is levied and there shall be collected an additional tax
20 on each retail car rental, regardless of whether the vehicle is
21 licensed in this state, equal to five and nine-tenths percent of the
22 selling price. The revenue collected under this subsection shall be
23 deposited (~~(and distributed in the same manner as motor vehicle excise~~
24 ~~tax revenue collected under RCW 82.44.020(1))~~) in the multimodal
25 transportation account created in section 4 of this act.

26 (3) The taxes imposed under this chapter shall apply to successive
27 retail sales of the same property.

28 (4) The rates provided in this section apply to taxes imposed under
29 chapter 82.12 RCW as provided in RCW 82.12.020.

30 NEW SECTION. **Sec. 4.** A new section is added to chapter 47.66 RCW
31 to read as follows:

32 The multimodal transportation account is created in the state
33 treasury. Moneys in the account may be spent only after appropriation.
34 Expenditures from the account may be used only for transportation
35 purposes.

1 **Sec. 5.** RCW 43.84.092 and 1999 c 380 s 8, 1999 c 309 s 928, 1999
2 c 268 s 4, and 1999 c 94 s 2 are each reenacted and amended to read as
3 follows:

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

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

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

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

34 (a) The following accounts and funds shall receive their
35 proportionate share of earnings based upon each account's and fund's
36 average daily balance for the period: The capitol building
37 construction account, the Cedar River channel construction and
38 operation account, the Central Washington University capital projects
39 account, the charitable, educational, penal and reformatory

1 institutions account, the common school construction fund, the county
2 criminal justice assistance account, the county sales and use tax
3 equalization account, the data processing building construction
4 account, the deferred compensation administrative account, the deferred
5 compensation principal account, the department of retirement systems
6 expense account, the drinking water assistance account, the Eastern
7 Washington University capital projects account, the education
8 construction fund, the emergency reserve fund, the federal forest
9 revolving account, the health services account, the public health
10 services account, the health system capacity account, the personal
11 health services account, the state higher education construction
12 account, the higher education construction account, the highway
13 infrastructure account, the industrial insurance premium refund
14 account, the judges' retirement account, the judicial retirement
15 administrative account, the judicial retirement principal account, the
16 local leasehold excise tax account, the local real estate excise tax
17 account, the local sales and use tax account, the medical aid account,
18 the mobile home park relocation fund, the multimodal transportation
19 account, the municipal criminal justice assistance account, the
20 municipal sales and use tax equalization account, the natural resources
21 deposit account, the perpetual surveillance and maintenance account,
22 the public employees' retirement system plan 1 account, the public
23 employees' retirement system plan 2 account, the Puyallup tribal
24 settlement account, the resource management cost account, the site
25 closure account, the special wildlife account, the state employees'
26 insurance account, the state employees' insurance reserve account, the
27 state investment board expense account, the state investment board
28 commingled trust fund accounts, the supplemental pension account, the
29 teachers' retirement system plan 1 account, the teachers' retirement
30 system plan 2 account, the tobacco prevention and control account, the
31 tobacco settlement account, the transportation infrastructure account,
32 the tuition recovery trust fund, the University of Washington bond
33 retirement fund, the University of Washington building account, the
34 volunteer fire fighters' and reserve officers' relief and pension
35 principal ((~~account~~)) fund, the volunteer fire fighters' ((~~relief~~)) and
36 ((~~pension~~)) reserve officers' administrative ((~~account~~)) fund, the
37 Washington judicial retirement system account, the Washington law
38 enforcement officers' and fire fighters' system plan 1 retirement
39 account, the Washington law enforcement officers' and fire fighters'

1 system plan 2 retirement account, the Washington state patrol
2 retirement account, the Washington State University building account,
3 the Washington State University bond retirement fund, the water
4 pollution control revolving fund, and the Western Washington University
5 capital projects account. Earnings derived from investing balances of
6 the agricultural permanent fund, the normal school permanent fund, the
7 permanent common school fund, the scientific permanent fund, and the
8 state university permanent fund shall be allocated to their respective
9 beneficiary accounts. All earnings to be distributed under this
10 subsection (4)(a) shall first be reduced by the allocation to the state
11 treasurer's service fund pursuant to RCW 43.08.190.

12 (b) The following accounts and funds shall receive eighty percent
13 of their proportionate share of earnings based upon each account's or
14 fund's average daily balance for the period: The aeronautics account,
15 the aircraft search and rescue account, the county arterial
16 preservation account, the department of licensing services account, the
17 essential rail assistance account, the ferry bond retirement fund, the
18 grade crossing protective fund, the high capacity transportation
19 account, the highway bond retirement fund, the highway safety account,
20 the marine operating fund, the motor vehicle fund, the motorcycle
21 safety education account, the pilotage account, the public
22 transportation systems account, the Puget Sound capital construction
23 account, the Puget Sound ferry operations account, the recreational
24 vehicle account, the rural arterial trust account, the safety and
25 education account, the special category C account, the state patrol
26 highway account, the transportation equipment fund, the transportation
27 fund, the transportation improvement account, the transportation
28 improvement board bond retirement account, and the urban arterial trust
29 account.

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

33 **Sec. 6.** RCW 43.84.092 and 1999 c 380 s 8, 1999 c 309 s 928, 1999
34 c 268 s 4, 1999 c 94 s 3, and 1999 c 94 s 2 are each reenacted and
35 amended to read as follows:

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

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

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

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

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

1 Washington University capital projects account, the education
2 construction fund, the emergency reserve fund, the federal forest
3 revolving account, the health services account, the public health
4 services account, the health system capacity account, the personal
5 health services account, the state higher education construction
6 account, the higher education construction account, the highway
7 infrastructure account, the industrial insurance premium refund
8 account, the judges' retirement account, the judicial retirement
9 administrative account, the judicial retirement principal account, the
10 local leasehold excise tax account, the local real estate excise tax
11 account, the local sales and use tax account, the medical aid account,
12 the mobile home park relocation fund, the multimodal transportation
13 account, the municipal criminal justice assistance account, the
14 municipal sales and use tax equalization account, the natural resources
15 deposit account, the perpetual surveillance and maintenance account,
16 the public employees' retirement system plan 1 account, the public
17 employees' retirement system plan 2 account, the Puyallup tribal
18 settlement account, the resource management cost account, the site
19 closure account, the special wildlife account, the state employees'
20 insurance account, the state employees' insurance reserve account, the
21 state investment board expense account, the state investment board
22 commingled trust fund accounts, the supplemental pension account, the
23 teachers' retirement system plan 1 account, the teachers' retirement
24 system plan 2 account, the tobacco prevention and control account, the
25 tobacco settlement account, the transportation infrastructure account,
26 the tuition recovery trust fund, the University of Washington bond
27 retirement fund, the University of Washington building account, the
28 volunteer fire fighters' and reserve officers' relief and pension
29 principal ((~~account~~)) fund, the volunteer fire fighters' ((~~relief~~)) and
30 ((~~pension~~)) reserve officers' administrative ((~~account~~)) fund, the
31 Washington judicial retirement system account, the Washington law
32 enforcement officers' and fire fighters' system plan 1 retirement
33 account, the Washington law enforcement officers' and fire fighters'
34 system plan 2 retirement account, the Washington state patrol
35 retirement account, the Washington State University building account,
36 the Washington State University bond retirement fund, the water
37 pollution control revolving fund, and the Western Washington University
38 capital projects account. Earnings derived from investing balances of
39 the agricultural permanent fund, the normal school permanent fund, the

1 permanent common school fund, the scientific permanent fund, and the
2 state university permanent fund shall be allocated to their respective
3 beneficiary accounts. All earnings to be distributed under this
4 subsection (4)(a) shall first be reduced by the allocation to the state
5 treasurer's service fund pursuant to RCW 43.08.190.

6 (b) The following accounts and funds shall receive eighty percent
7 of their proportionate share of earnings based upon each account's or
8 fund's average daily balance for the period: The aeronautics account,
9 the aircraft search and rescue account, the county arterial
10 preservation account, the department of licensing services account, the
11 essential rail assistance account, the ferry bond retirement fund, the
12 grade crossing protective fund, the high capacity transportation
13 account, the highway bond retirement fund, the highway safety account,
14 the motor vehicle fund, the motorcycle safety education account, the
15 pilotage account, the public transportation systems account, the Puget
16 Sound capital construction account, the Puget Sound ferry operations
17 account, the recreational vehicle account, the rural arterial trust
18 account, the safety and education account, the special category C
19 account, the state patrol highway account, the transportation equipment
20 fund, the transportation fund, the transportation improvement account,
21 the transportation improvement board bond retirement account, and the
22 urban arterial trust account.

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

26 **Sec. 7.** RCW 43.84.092 and 1999 c 380 s 9, 1999 c 309 s 929, 1999
27 c 268 s 5, and 1999 c 94 s 4 are each reenacted and amended to read as
28 follows:

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

32 (2) The treasury income account shall be utilized to pay or receive
33 funds associated with federal programs as required by the federal cash
34 management improvement act of 1990. The treasury income account is
35 subject in all respects to chapter 43.88 RCW, but no appropriation is
36 required for refunds or allocations of interest earnings required by
37 the cash management improvement act. Refunds of interest to the
38 federal treasury required under the cash management improvement act

1 fall under RCW 43.88.180 and shall not require appropriation. The
2 office of financial management shall determine the amounts due to or
3 from the federal government pursuant to the cash management improvement
4 act. The office of financial management may direct transfers of funds
5 between accounts as deemed necessary to implement the provisions of the
6 cash management improvement act, and this subsection. Refunds or
7 allocations shall occur prior to the distributions of earnings set
8 forth in subsection (4) of this section.

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

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

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

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

1 (b) The following accounts and funds shall receive eighty percent
2 of their proportionate share of earnings based upon each account's or
3 fund's average daily balance for the period: The aeronautics account,
4 the aircraft search and rescue account, the county arterial
5 preservation account, the department of licensing services account, the
6 essential rail assistance account, the ferry bond retirement fund, the
7 grade crossing protective fund, the high capacity transportation
8 account, the highway bond retirement fund, the highway safety account,
9 the motor vehicle fund, the motorcycle safety education account, the
10 pilotage account, the public transportation systems account, the Puget
11 Sound capital construction account, the Puget Sound ferry operations
12 account, the recreational vehicle account, the rural arterial trust
13 account, the safety and education account, the special category C
14 account, the state patrol highway account, the transportation equipment
15 fund, the transportation fund, the transportation improvement account,
16 the transportation improvement board bond retirement account, and the
17 urban arterial trust account.

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

21 NEW SECTION. **Sec. 8.** Section 3 of this act applies to taxes
22 collected on and after December 31, 1999.

23 NEW SECTION. **Sec. 9.** If House Bill No. 2464 is enacted by June
24 30, 2000, sections 3 through 7 of this act are null and void.

25 NEW SECTION. **Sec. 10.** Sections 1 through 5, 8, and 9 of this act
26 are necessary for the immediate preservation of the public peace,
27 health, or safety, or support of the state government and its existing
28 public institutions, and take effect immediately.

29 NEW SECTION. **Sec. 11.** (1) Section 6 of this act takes effect July
30 1, 2000.

31 (2) Section 7 of this act takes effect September 1, 2000.

1 NEW SECTION. **Sec. 12.** Sections 5 and 6 of this act expire
2 September 1, 2000.

--- END ---