

CERTIFICATION OF ENROLLMENT  
ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1180

57th Legislature  
2001 Regular Legislative Session

Passed by the House March 13, 2001  
Yeas 80 Nays 14

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**Speaker of the House of Representatives**

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**Speaker of the House of Representatives**

Passed by the Senate April 6, 2001  
Yeas 40 Nays 6

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**President of the Senate**

Approved

\_\_\_\_\_  
**Governor of the State of Washington**

CERTIFICATE

We, Timothy A. Martin and Cynthia Zehnder, Co-Chief Clerks of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1180** as passed by the House of Representatives and the Senate on the dates hereon set forth.

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**Chief Clerk**

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**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1180

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Passed Legislature - 2001 Regular Session

State of Washington

57th Legislature

2001 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives Cody, Marine, Ruderman, McMorris and Schual-Berke; by request of Department of Health)

Read first time 03/08/2001.

1 AN ACT Relating to obtaining and expending funds for the public  
2 health system; amending RCW 43.70.040, 43.84.092, and 43.84.092; adding  
3 a new section to chapter 43.70 RCW; creating a new section; providing  
4 an effective date; and providing an expiration date.

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

6 NEW SECTION. **Sec. 1.** (1) The legislature finds that developing,  
7 creating, and maintaining partnerships between the public and private  
8 sectors can enhance and augment current public health services. The  
9 legislature further finds that the department of health should have the  
10 ability to establish such partnerships, and seek out and accept gifts,  
11 grants, and other funding to advance worthy public health goals and  
12 programs.

13 (2) It is the intent of the legislature that gifts and other funds  
14 received by the department of health under the authority granted by RCW  
15 43.70.040 may be used to expand or enhance program operations so long  
16 as program standards established by the department are maintained, but  
17 may not supplant or replace funds for federal, state, county, or city-  
18 supported programs.

1       **Sec. 2.** RCW 43.70.040 and 1995 c 403 s 105 are each amended to  
2 read as follows:

3       In addition to any other powers granted the secretary, the  
4 secretary may:

5       (1) Adopt, in accordance with chapter 34.05 RCW, rules necessary to  
6 carry out the provisions of chapter 9, Laws of 1989 1st ex. sess.:  
7 PROVIDED, That for rules adopted after July 23, 1995, the secretary may  
8 not rely solely on a section of law stating a statute's intent or  
9 purpose, on the enabling provisions of the statute establishing the  
10 agency, or on any combination of such provisions, for statutory  
11 authority to adopt any rule;

12       (2) Appoint such advisory committees as may be necessary to carry  
13 out the provisions of chapter 9, Laws of 1989 1st ex. sess. Members of  
14 such advisory committees are authorized to receive travel expenses in  
15 accordance with RCW 43.03.050 and 43.03.060. The secretary and the  
16 board of health shall review each advisory committee within their  
17 jurisdiction and each statutory advisory committee on a biennial basis  
18 to determine if such advisory committee is needed(~~(. The criteria~~  
19 ~~specified in RCW 43.131.070 shall be used to determine whether or not~~  
20 ~~each advisory committee shall be continued))~~);

21       (3) Undertake studies, research, and analysis necessary to carry  
22 out the provisions of chapter 9, Laws of 1989 1st ex. sess. in  
23 accordance with RCW 43.70.050;

24       (4) Delegate powers, duties, and functions of the department to  
25 employees of the department as the secretary deems necessary to carry  
26 out the provisions of chapter 9, Laws of 1989 1st ex. sess.;

27       (5) Enter into contracts on behalf of the department to carry out  
28 the purposes of chapter 9, Laws of 1989 1st ex. sess.;

29       (6) Act for the state in the initiation of, or the participation  
30 in, any intergovernmental program to the purposes of chapter 9, Laws of  
31 1989 1st ex. sess.; or

32       (7) Solicit and accept gifts, grants, bequests, devises, or other  
33 funds from public and private sources.

34       **NEW SECTION. Sec. 3.** A new section is added to chapter 43.70 RCW  
35 to read as follows:

36       (1) The public health supplemental account is created in the state  
37 treasury. All receipts from gifts, bequests, devises, or funds, whose  
38 use is determined to further the purpose of maintaining and improving

1 the health of Washington residents through the public health system  
2 must be deposited into the account. Money in the account may be spent  
3 only after appropriation. Expenditures from the account may be used  
4 only for maintaining and improving the health of Washington residents  
5 through the public health system. Expenditures from the account shall  
6 not be used to pay for or add permanent full-time equivalent staff  
7 positions.

8 (2) The department shall file an annual statement of the financial  
9 condition, transactions, and affairs of any program funded under this  
10 section in a form and manner prescribed by the office of financial  
11 management. A copy of the annual statement shall be filed with the  
12 speaker of the house of representatives and the president of the  
13 senate.

14 **Sec. 4.** RCW 43.84.092 and 2000 2nd sp.s. c 4 s 5 are each amended  
15 to read as follows:

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

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

34 (3) Except for the provisions of RCW 43.84.160, the treasury income  
35 account may be utilized for the payment of purchased banking services  
36 on behalf of treasury funds including, but not limited to, depository,  
37 safekeeping, and disbursement functions for the state treasury and  
38 affected state agencies. The treasury income account is subject in all

1 respects to chapter 43.88 RCW, but no appropriation is required for  
2 payments to financial institutions. Payments shall occur prior to  
3 distribution of earnings set forth in subsection (4) of this section.

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

8 (a) The following accounts and funds shall receive their  
9 proportionate share of earnings based upon each account's and fund's  
10 average daily balance for the period: The capitol building  
11 construction account, the Cedar River channel construction and  
12 operation account, the Central Washington University capital projects  
13 account, the charitable, educational, penal and reformatory  
14 institutions account, the common school construction fund, the county  
15 criminal justice assistance account, the county sales and use tax  
16 equalization account, the data processing building construction  
17 account, the deferred compensation administrative account, the deferred  
18 compensation principal account, the department of retirement systems  
19 expense account, the drinking water assistance account, the Eastern  
20 Washington University capital projects account, the education  
21 construction fund, the emergency reserve fund, the federal forest  
22 revolving account, the health services account, the public health  
23 services account, the health system capacity account, the personal  
24 health services account, the state higher education construction  
25 account, the higher education construction account, the highway  
26 infrastructure account, the industrial insurance premium refund  
27 account, the judges' retirement account, the judicial retirement  
28 administrative account, the judicial retirement principal account, the  
29 local leasehold excise tax account, the local real estate excise tax  
30 account, the local sales and use tax account, the medical aid account,  
31 the mobile home park relocation fund, the multimodal transportation  
32 account, the municipal criminal justice assistance account, the  
33 municipal sales and use tax equalization account, the natural resources  
34 deposit account, the perpetual surveillance and maintenance account,  
35 the public employees' retirement system plan 1 account, the public  
36 employees' retirement system plan 2 account, the public health  
37 supplemental account, the Puyallup tribal settlement account, the  
38 resource management cost account, the site closure account, the special  
39 wildlife account, the state employees' insurance account, the state

1 employees' insurance reserve account, the state investment board  
2 expense account, the state investment board commingled trust fund  
3 accounts, the supplemental pension account, the teachers' retirement  
4 system plan 1 account, the teachers' retirement system combined plan 2  
5 and plan 3 account, the tobacco prevention and control account, the  
6 tobacco settlement account, the transportation infrastructure account,  
7 the tuition recovery trust fund, the University of Washington bond  
8 retirement fund, the University of Washington building account, the  
9 volunteer fire fighters' and reserve officers' relief and pension  
10 principal fund, the volunteer fire fighters' and reserve officers'  
11 administrative fund, the Washington judicial retirement system account,  
12 the Washington law enforcement officers' and fire fighters' system plan  
13 1 retirement account, the Washington law enforcement officers' and fire  
14 fighters' system plan 2 retirement account, the Washington school  
15 employees' retirement system combined plan 2 and 3 account, the  
16 Washington state health insurance pool account, the Washington state  
17 patrol retirement account, the Washington State University building  
18 account, the Washington State University bond retirement fund, the  
19 water pollution control revolving fund, and the Western Washington  
20 University capital projects account. Earnings derived from investing  
21 balances of the agricultural permanent fund, the normal school  
22 permanent fund, the permanent common school fund, the scientific  
23 permanent fund, and the state university permanent fund shall be  
24 allocated to their respective beneficiary accounts. All earnings to be  
25 distributed under this subsection (4)(a) shall first be reduced by the  
26 allocation to the state treasurer's service fund pursuant to RCW  
27 43.08.190.

28 (b) The following accounts and funds shall receive eighty percent  
29 of their proportionate share of earnings based upon each account's or  
30 fund's average daily balance for the period: The aeronautics account,  
31 the aircraft search and rescue account, the county arterial  
32 preservation account, the department of licensing services account, the  
33 essential rail assistance account, the ferry bond retirement fund, the  
34 grade crossing protective fund, the high capacity transportation  
35 account, the highway bond retirement fund, the highway safety account,  
36 the motor vehicle fund, the motorcycle safety education account, the  
37 pilotage account, the public transportation systems account, the Puget  
38 Sound capital construction account, the Puget Sound ferry operations  
39 account, the recreational vehicle account, the rural arterial trust

1 account, the safety and education account, the special category C  
2 account, the state patrol highway account, the transportation equipment  
3 fund, the transportation fund, the transportation improvement account,  
4 the transportation improvement board bond retirement account, and the  
5 urban arterial trust account.

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

9 **Sec. 5.** RCW 43.84.092 and 2000 2nd sp.s. c 4 s 6 are each amended  
10 to read as follows:

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

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

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

37 (4) Monthly, the state treasurer shall distribute the earnings  
38 credited to the treasury income account. The state treasurer shall

1 credit the general fund with all the earnings credited to the treasury  
2 income account except:

3 (a) The following accounts and funds shall receive their  
4 proportionate share of earnings based upon each account's and fund's  
5 average daily balance for the period: The capitol building  
6 construction account, the Cedar River channel construction and  
7 operation account, the Central Washington University capital projects  
8 account, the charitable, educational, penal and reformatory  
9 institutions account, the common school construction fund, the county  
10 criminal justice assistance account, the county sales and use tax  
11 equalization account, the data processing building construction  
12 account, the deferred compensation administrative account, the deferred  
13 compensation principal account, the department of retirement systems  
14 expense account, the drinking water assistance account, the Eastern  
15 Washington University capital projects account, the education  
16 construction fund, the emergency reserve fund, the federal forest  
17 revolving account, the health services account, the public health  
18 services account, the health system capacity account, the personal  
19 health services account, the state higher education construction  
20 account, the higher education construction account, the highway  
21 infrastructure account, the industrial insurance premium refund  
22 account, the judges' retirement account, the judicial retirement  
23 administrative account, the judicial retirement principal account, the  
24 local leasehold excise tax account, the local real estate excise tax  
25 account, the local sales and use tax account, the medical aid account,  
26 the mobile home park relocation fund, the multimodal transportation  
27 account, the municipal criminal justice assistance account, the  
28 municipal sales and use tax equalization account, the natural resources  
29 deposit account, the perpetual surveillance and maintenance account,  
30 the public employees' retirement system plan 1 account, the public  
31 employees' retirement system combined plan 2 and plan 3 account, the  
32 public health supplemental account, the Puyallup tribal settlement  
33 account, the resource management cost account, the site closure  
34 account, the special wildlife account, the state employees' insurance  
35 account, the state employees' insurance reserve account, the state  
36 investment board expense account, the state investment board commingled  
37 trust fund accounts, the supplemental pension account, the teachers'  
38 retirement system plan 1 account, the teachers' retirement system  
39 combined plan 2 and plan 3 account, the tobacco prevention and control



1 account, the tobacco settlement account, the transportation  
2 infrastructure account, the tuition recovery trust fund, the University  
3 of Washington bond retirement fund, the University of Washington  
4 building account, the volunteer fire fighters' and reserve officers'  
5 relief and pension principal fund, the volunteer fire fighters' and  
6 reserve officers' administrative fund, the Washington judicial  
7 retirement system account, the Washington law enforcement officers' and  
8 fire fighters' system plan 1 retirement account, the Washington law  
9 enforcement officers' and fire fighters' system plan 2 retirement  
10 account, the Washington school employees' retirement system combined  
11 plan 2 and 3 account, the Washington state health insurance pool  
12 account, the Washington state patrol retirement account, the Washington  
13 State University building account, the Washington State University bond  
14 retirement fund, the water pollution control revolving fund, and the  
15 Western Washington University capital projects account. Earnings  
16 derived from investing balances of the agricultural permanent fund, the  
17 normal school permanent fund, the permanent common school fund, the  
18 scientific permanent fund, and the state university permanent fund  
19 shall be allocated to their respective beneficiary accounts. All  
20 earnings to be distributed under this subsection (4)(a) shall first be  
21 reduced by the allocation to the state treasurer's service fund  
22 pursuant to RCW 43.08.190.

23 (b) The following accounts and funds shall receive eighty percent  
24 of their proportionate share of earnings based upon each account's or  
25 fund's average daily balance for the period: The aeronautics account,  
26 the aircraft search and rescue account, the county arterial  
27 preservation account, the department of licensing services account, the  
28 essential rail assistance account, the ferry bond retirement fund, the  
29 grade crossing protective fund, the high capacity transportation  
30 account, the highway bond retirement fund, the highway safety account,  
31 the motor vehicle fund, the motorcycle safety education account, the  
32 pilotage account, the public transportation systems account, the Puget  
33 Sound capital construction account, the Puget Sound ferry operations  
34 account, the recreational vehicle account, the rural arterial trust  
35 account, the safety and education account, the special category C  
36 account, the state patrol highway account, the transportation equipment  
37 fund, the transportation fund, the transportation improvement account,  
38 the transportation improvement board bond retirement account, and the  
39 urban arterial trust account.

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. 6.** Section 4 of this act expires March 1, 2002.

5 NEW SECTION. **Sec. 7.** Section 5 of this act takes effect March 1,  
6 2002.

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