

CERTIFICATION OF ENROLLMENT

ENGROSSED THIRD SUBSTITUTE HOUSE BILL 2939

Chapter 171, Laws of 2006

59th Legislature
2006 Regular Session

ENERGY FREEDOM PROGRAM

EFFECTIVE DATE: 6/7/06 - Except sections 8 and 10, which become effective 7/1/06.

Passed by the House March 4, 2006
Yeas 66 Nays 29

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate March 2, 2006
Yeas 48 Nays 0

BRAD OWEN

President of the Senate

Approved March 22, 2006.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED THIRD SUBSTITUTE HOUSE BILL 2939** as passed by the House of Representatives and the Senate on the dates hereon set forth.

RICHARD NAFZIGER

Chief Clerk

FILED

March 22, 2006 - 3:05 p.m.

**Secretary of State
State of Washington**

ENGROSSED THIRD SUBSTITUTE HOUSE BILL 2939

AS AMENDED BY THE SENATE

Passed Legislature - 2006 Regular Session

State of Washington 59th Legislature 2006 Regular Session

By House Committee on Capital Budget (originally sponsored by Representatives Grant, Dunshee, Linville, Kessler, Upthegrove, Kilmer, Ericks, Hasegawa, P. Sullivan, Santos, Green, Springer, Conway, Simpson and Hudgins)

READ FIRST TIME 2/7/.

1 AN ACT Relating to creation of the energy freedom program; amending
2 RCW 42.56.270 and 43.84.092; reenacting and amending RCW 43.84.092;
3 adding a new chapter to Title 15 RCW; creating new sections; providing
4 an effective date; and providing expiration dates.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that:

7 (1) Washington's dependence on energy supplied from outside the
8 state and volatile global energy markets makes its economy and citizens
9 vulnerable to unpredictable and high energy prices;

10 (2) Washington's dependence on petroleum-based fuels increases
11 energy costs for citizens and businesses;

12 (3) Diesel soot from diesel engines ranks as the highest toxic air
13 pollutant in Washington, leading to hundreds of premature deaths and
14 increasing rates of asthma and other lung diseases;

15 (4) The use of biodiesel results in significantly less air
16 pollution than traditional diesel fuels;

17 (5) Improper disposal and treatment of organic waste from farms and
18 livestock operations can have a significant negative impact on water
19 quality;

1 (6) Washington has abundant supplies of organic wastes from farms
2 that can be used for energy production and abundant farmland where
3 crops could be grown to supplement or supplant petroleum-based fuels;

4 (7) The use of energy and fuel derived from these sources can help
5 citizens and businesses conserve energy and reduce the use of
6 petroleum-based fuels, would improve air and water quality in
7 Washington, reduce environmental risks from farm wastes, create new
8 markets for farm products, and provide new industries and jobs for
9 Washington citizens;

10 (8) The bioenergy industry is a new and developing industry that
11 is, in part, limited by the availability of capital for the
12 construction of facilities for converting farm and forest products into
13 energy and fuels;

14 (9) Instead of leaving our economy at the mercy of global events,
15 and the policies of foreign nations, Washington state should adopt a
16 policy of energy independence; and

17 (10) The energy freedom program is meant to lead Washington state
18 towards energy independence.

19 Therefore, the legislature finds that it is in the public interest
20 to encourage the rapid adoption and use of bioenergy, to develop a
21 viable bioenergy industry within Washington state, to promote public
22 research and development in bioenergy sources and markets, and to
23 support a viable agriculture industry to grow bioenergy crops. To
24 accomplish this, the energy freedom program is established to promote
25 public research and development in bioenergy, and to stimulate the
26 construction of facilities in Washington to generate energy from farm
27 sources or convert organic matter into fuels.

28 NEW SECTION. **Sec. 2.** The definitions in this section apply
29 throughout this chapter unless the context clearly requires otherwise.

30 (1) "Applicant" means any political subdivision of the state,
31 including port districts, counties, cities, towns, special purpose
32 districts, and other municipal corporations or quasi-municipal
33 corporations. "Applicant" may also include federally recognized tribes
34 and state institutions of higher education with appropriate research
35 capabilities.

36 (2) "Assistance" includes loans, leases, product purchases, or
37 other forms of financial or technical assistance.

1 (3) "Department" means the department of agriculture.

2 (4) "Director" means the director of the department of agriculture.

3 (5) "Peer review committee" means a board, appointed by the
4 director, that includes bioenergy specialists, energy conservation
5 specialists, scientists, and individuals with specific recognized
6 expertise.

7 (6) "Project" means the construction of facilities, including the
8 purchase of equipment, to convert farm products or wastes into
9 electricity or gaseous or liquid fuels or other coproducts associated
10 with such conversion. These specifically include fixed or mobile
11 facilities to generate electricity or methane from the anaerobic
12 digestion of organic matter, and fixed or mobile facilities for
13 extracting oils from canola, rape, mustard, and other oilseeds.
14 "Project" may also include the construction of facilities associated
15 with such conversion for the distribution and storage of such
16 feedstocks and fuels.

17 (7) "Research and development project" means research and
18 development, by an institution of higher education as defined in
19 subsection (1) of this section, relating to:

20 (a) Bioenergy sources including but not limited to biomass and
21 associated gases; or

22 (b) The development of markets for bioenergy coproducts.

23 NEW SECTION. **Sec. 3.** (1) The energy freedom program is
24 established within the department. The director may establish policies
25 and procedures necessary for processing, reviewing, and approving
26 applications made under this chapter.

27 (2) When reviewing applications submitted under this program, the
28 director shall consult with those agencies having expertise and
29 knowledge to assess the technical and business feasibility of the
30 project and probability of success. These agencies may include, but
31 are not limited to, Washington State University, the University of
32 Washington, the department of ecology, the department of community,
33 trade, and economic development, and the Washington state conservation
34 commission.

35 (3) The director, in cooperation with the department of community,
36 trade, and economic development, may approve an application only if the
37 director finds:

1 (a) The project will convert farm products or wastes directly into
2 electricity or into gaseous or liquid fuels or other coproducts
3 associated with such conversion;

4 (b) The project demonstrates technical feasibility and directly
5 assists in moving a commercially viable project into the marketplace
6 for use by Washington state citizens;

7 (c) The facility will produce long-term economic benefits to the
8 state, a region of the state, or a particular community in the state;

9 (d) The project does not require continuing state support;

10 (e) The assistance will result in new jobs, job retention, or
11 higher incomes for citizens of the state;

12 (f) The state is provided an option under the assistance agreement
13 to purchase a portion of the fuel or feedstock to be produced by the
14 project, exercisable by the department of general administration;

15 (g) The project will increase energy independence or diversity for
16 the state;

17 (h) The project will use feedstocks produced in the state, if
18 feasible, except this criterion does not apply to the construction of
19 facilities used to distribute and store fuels that are produced from
20 farm products or wastes;

21 (i) Any product produced by the project will be suitable for its
22 intended use, will meet accepted national or state standards, and will
23 be stored and distributed in a safe and environmentally sound manner;

24 (j) The application provides for adequate reporting or disclosure
25 of financial and employment data to the director, and permits the
26 director to require an annual or other periodic audit of the project
27 books; and

28 (k) For research and development projects, the application has been
29 independently reviewed by a peer review committee as defined in section
30 2 of this act and the findings delivered to the director.

31 (4) The director may approve an application for assistance up to
32 five million dollars. In no circumstances shall this assistance
33 constitute more than fifty percent of the total project cost.

34 (5) The director shall enter into agreements with approved
35 applicants to fix the terms and rates of the assistance to minimize the
36 costs to the applicants, and to encourage establishment of a viable
37 bioenergy industry. The agreement shall include provisions to protect
38 the state's investment, including a requirement that a successful

1 applicant enter into contracts with any partners that may be involved
2 in the use of any assistance provided under this program, including
3 services, facilities, infrastructure, or equipment. Contracts with any
4 partners shall become part of the application record.

5 (6) The director may defer any payments for up to twenty-four
6 months or until the project starts to receive revenue from operations,
7 whichever is sooner.

8 NEW SECTION. **Sec. 4.** (1) Upon written notice to the recipient of
9 any assistance under this program, the director may suspend or cancel
10 the assistance if any of the following occur:

11 (a) The recipient fails to make satisfactory and reasonable
12 progress to complete the project, or the director concludes the
13 recipient will be unable to complete the project or any portion of it;
14 or

15 (b) The recipient has made misrepresentations in any information
16 furnished to the director in connection with the project.

17 (2) In the event that any assistance has been awarded to the
18 recipient under this program at the time of breach, or failure of the
19 recipient to satisfactorily perform, the director may require that the
20 full amount or value of the assistance, or a portion thereof, be repaid
21 within a period specified by the director.

22 NEW SECTION. **Sec. 5.** If the total requested dollar amount of
23 assistance exceeds the amount available in the energy freedom account
24 created in section 6 of this act, the applications must be prioritized
25 based upon the following criteria:

26 (1) The extent to which the project will help reduce dependence on
27 petroleum fuels and imported energy either directly or indirectly;

28 (2) The extent to which the project will reduce air and water
29 pollution either directly or indirectly;

30 (3) The extent to which the project will establish a viable
31 bioenergy production capacity in Washington;

32 (4) The benefits to Washington's agricultural producers; and

33 (5) The number and quality of jobs and economic benefits created by
34 the project.

1 NEW SECTION. **Sec. 6.** The energy freedom account is created in the
2 state treasury. All receipts from appropriations made to the account
3 and any loan payments of principal and interest derived from loans made
4 under this chapter must be deposited into the account. Moneys in the
5 account may be spent only after appropriation. Expenditures from the
6 account may be used only for assistance for projects consistent with
7 this chapter. Administrative costs of the department may not exceed
8 three percent of the total funds available for this program.

9 NEW SECTION. **Sec. 7.** The director shall report to the legislature
10 and governor on the status of the energy freedom program created under
11 this chapter, on or before December 1, 2006, and annually thereafter.
12 This report must include information on the projects that have been
13 funded, the status of these projects, and their environmental, energy
14 savings, and job creation benefits.

15 **Sec. 8.** RCW 42.56.270 and 2005 c 274 s 407 are each amended to
16 read as follows:

17 The following financial, commercial, and proprietary information is
18 exempt from disclosure under this chapter:

19 (1) Valuable formulae, designs, drawings, computer source code or
20 object code, and research data obtained by any agency within five years
21 of the request for disclosure when disclosure would produce private
22 gain and public loss;

23 (2) Financial information supplied by or on behalf of a person,
24 firm, or corporation for the purpose of qualifying to submit a bid or
25 proposal for (a) a ferry system construction or repair contract as
26 required by RCW 47.60.680 through 47.60.750 or (b) highway construction
27 or improvement as required by RCW 47.28.070;

28 (3) Financial and commercial information and records supplied by
29 private persons pertaining to export services provided under chapters
30 43.163 and 53.31 RCW, and by persons pertaining to export projects
31 under RCW 43.23.035;

32 (4) Financial and commercial information and records supplied by
33 businesses or individuals during application for loans or program
34 services provided by chapters 43.-- (sections 2 through 7, 11, and 15
35 of this act), 43.163, 43.160, 43.330, and 43.168 RCW, or during

1 application for economic development loans or program services provided
2 by any local agency;

3 (5) Financial information, business plans, examination reports, and
4 any information produced or obtained in evaluating or examining a
5 business and industrial development corporation organized or seeking
6 certification under chapter 31.24 RCW;

7 (6) Financial and commercial information supplied to the state
8 investment board by any person when the information relates to the
9 investment of public trust or retirement funds and when disclosure
10 would result in loss to such funds or in private loss to the providers
11 of this information;

12 (7) Financial and valuable trade information under RCW 51.36.120;

13 (8) Financial, commercial, operations, and technical and research
14 information and data submitted to or obtained by the clean Washington
15 center in applications for, or delivery of, program services under
16 chapter 70.95H RCW;

17 (9) Financial and commercial information requested by the public
18 stadium authority from any person or organization that leases or uses
19 the stadium and exhibition center as defined in RCW 36.102.010;

20 (10) Financial information, including but not limited to account
21 numbers and values, and other identification numbers supplied by or on
22 behalf of a person, firm, corporation, limited liability company,
23 partnership, or other entity related to an application for a liquor
24 license, gambling license, or lottery retail license;

25 (11) Proprietary data, trade secrets, or other information that
26 relates to: (a) A vendor's unique methods of conducting business; (b)
27 data unique to the product or services of the vendor; or (c)
28 determining prices or rates to be charged for services, submitted by
29 any vendor to the department of social and health services for purposes
30 of the development, acquisition, or implementation of state purchased
31 health care as defined in RCW 41.05.011; and

32 (12)(a) When supplied to and in the records of the department of
33 community, trade, and economic development:

34 (i) Financial and proprietary information collected from any person
35 and provided to the department of community, trade, and economic
36 development pursuant to RCW 43.330.050(8) and 43.330.080(4); and

37 (ii) Financial or proprietary information collected from any person
38 and provided to the department of community, trade, and economic

1 development or the office of the governor in connection with the
2 siting, recruitment, expansion, retention, or relocation of that
3 person's business and until a siting decision is made, identifying
4 information of any person supplying information under this subsection
5 and the locations being considered for siting, relocation, or expansion
6 of a business;

7 (b) When developed by the department of community, trade, and
8 economic development based on information as described in (a)(i) of
9 this subsection, any work product is not exempt from disclosure;

10 (c) For the purposes of this subsection, "siting decision" means
11 the decision to acquire or not to acquire a site;

12 (d) If there is no written contact for a period of sixty days to
13 the department of community, trade, and economic development from a
14 person connected with siting, recruitment, expansion, retention, or
15 relocation of that person's business, information described in (a)(ii)
16 of this subsection will be available to the public under this chapter.

17 **Sec. 9.** RCW 43.84.092 and 2005 c 514 s 1105, 2005 c 353 s 3, 2005
18 c 339 s 22, 2005 c 314 s 109, 2005 c 312 s 7, and 2005 c 94 s 1 are
19 each reenacted and amended to read as follows:

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

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

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

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

13 (a) The following accounts and funds shall receive their
14 proportionate share of earnings based upon each account's and fund's
15 average daily balance for the period: The capitol building
16 construction account, the Cedar River channel construction and
17 operation account, the Central Washington University capital projects
18 account, the charitable, educational, penal and reformatory
19 institutions account, the common school construction fund, the county
20 criminal justice assistance account, the county sales and use tax
21 equalization account, the data processing building construction
22 account, the deferred compensation administrative account, the deferred
23 compensation principal account, the department of retirement systems
24 expense account, the developmental disabilities community trust
25 account, the drinking water assistance account, the drinking water
26 assistance administrative account, the drinking water assistance
27 repayment account, the Eastern Washington University capital projects
28 account, the education construction fund, the education legacy trust
29 account, the election account, the emergency reserve fund, the energy
30 freedom account, The Evergreen State College capital projects account,
31 the federal forest revolving account, the freight mobility investment
32 account, the health services account, the public health services
33 account, the health system capacity account, the personal health
34 services account, the state higher education construction account, the
35 higher education construction account, the highway infrastructure
36 account, the high-occupancy toll lanes operations account, the
37 industrial insurance premium refund account, the judges' retirement
38 account, the judicial retirement administrative account, the judicial

1 retirement principal account, the local leasehold excise tax account,
2 the local real estate excise tax account, the local sales and use tax
3 account, the medical aid account, the mobile home park relocation fund,
4 the multimodal transportation account, the municipal criminal justice
5 assistance account, the municipal sales and use tax equalization
6 account, the natural resources deposit account, the oyster reserve land
7 account, the perpetual surveillance and maintenance account, the public
8 employees' retirement system plan 1 account, the public employees'
9 retirement system combined plan 2 and plan 3 account, the public
10 facilities construction loan revolving account beginning July 1, 2004,
11 the public health supplemental account, the Puyallup tribal settlement
12 account, the real estate appraiser commission account, the regional
13 transportation investment district account, the resource management
14 cost account, the rural Washington loan fund, the site closure account,
15 the small city pavement and sidewalk account, the special wildlife
16 account, the state employees' insurance account, the state employees'
17 insurance reserve account, the state investment board expense account,
18 the state investment board commingled trust fund accounts, the
19 supplemental pension account, the Tacoma Narrows toll bridge account,
20 the teachers' retirement system plan 1 account, the teachers'
21 retirement system combined plan 2 and plan 3 account, the tobacco
22 prevention and control account, the tobacco settlement account, the
23 transportation infrastructure account, the transportation partnership
24 account, the tuition recovery trust fund, the University of Washington
25 bond retirement fund, the University of Washington building account,
26 the volunteer fire fighters' and reserve officers' relief and pension
27 principal fund, the volunteer fire fighters' and reserve officers'
28 administrative fund, the Washington fruit express account, the
29 Washington judicial retirement system account, the Washington law
30 enforcement officers' and fire fighters' system plan 1 retirement
31 account, the Washington law enforcement officers' and fire fighters'
32 system plan 2 retirement account, the Washington school employees'
33 retirement system combined plan 2 and 3 account, the Washington state
34 health insurance pool account, the Washington state patrol retirement
35 account, the Washington State University building account, the
36 Washington State University bond retirement fund, the water pollution
37 control revolving fund, and the Western Washington University capital
38 projects account. Earnings derived from investing balances of the

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

7 (b) The following accounts and funds shall receive eighty percent
8 of their proportionate share of earnings based upon each account's or
9 fund's average daily balance for the period: The aeronautics account,
10 the aircraft search and rescue account, the county arterial
11 preservation account, the department of licensing services account, the
12 essential rail assistance account, the ferry bond retirement fund, the
13 grade crossing protective fund, the high capacity transportation
14 account, the highway bond retirement fund, the highway safety account,
15 the motor vehicle fund, the motorcycle safety education account, the
16 pilotage account, the public transportation systems account, the Puget
17 Sound capital construction account, the Puget Sound ferry operations
18 account, the recreational vehicle account, the rural arterial trust
19 account, the safety and education account, the special category C
20 account, the state patrol highway account, the transportation 2003
21 account (nickel account), the transportation equipment fund, the
22 transportation fund, the transportation improvement account, the
23 transportation improvement board bond retirement account, and the urban
24 arterial trust account.

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

28 **Sec. 10.** RCW 43.84.092 and 2006 c 6 s 8 are each amended to read
29 as follows:

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

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

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

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

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

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

1 the education construction fund, the education legacy trust account,
2 the election account, the emergency reserve fund, the energy freedom
3 account, The Evergreen State College capital projects account, the
4 federal forest revolving account, the freight mobility investment
5 account, the health services account, the public health services
6 account, the health system capacity account, the personal health
7 services account, the state higher education construction account, the
8 higher education construction account, the highway infrastructure
9 account, the high-occupancy toll lanes operations account, the
10 industrial insurance premium refund account, the judges' retirement
11 account, the judicial retirement administrative account, the judicial
12 retirement principal account, the local leasehold excise tax account,
13 the local real estate excise tax account, the local sales and use tax
14 account, the medical aid account, the mobile home park relocation fund,
15 the multimodal transportation account, the municipal criminal justice
16 assistance account, the municipal sales and use tax equalization
17 account, the natural resources deposit account, the oyster reserve land
18 account, the perpetual surveillance and maintenance account, the public
19 employees' retirement system plan 1 account, the public employees'
20 retirement system combined plan 2 and plan 3 account, the public
21 facilities construction loan revolving account beginning July 1, 2004,
22 the public health supplemental account, the public works assistance
23 account, the Puyallup tribal settlement account, the real estate
24 appraiser commission account, the regional transportation investment
25 district account, the resource management cost account, the rural
26 Washington loan fund, the site closure account, the small city pavement
27 and sidewalk account, the special wildlife account, the state
28 employees' insurance account, the state employees' insurance reserve
29 account, the state investment board expense account, the state
30 investment board commingled trust fund accounts, the supplemental
31 pension account, the Tacoma Narrows toll bridge account, the teachers'
32 retirement system plan 1 account, the teachers' retirement system
33 combined plan 2 and plan 3 account, the tobacco prevention and control
34 account, the tobacco settlement account, the transportation
35 infrastructure account, the transportation partnership account, the
36 tuition recovery trust fund, the University of Washington bond
37 retirement fund, the University of Washington building account, the
38 volunteer fire fighters' and reserve officers' relief and pension

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

20 (b) The following accounts and funds shall receive eighty percent
21 of their proportionate share of earnings based upon each account's or
22 fund's average daily balance for the period: The aeronautics account,
23 the aircraft search and rescue account, the county arterial
24 preservation account, the department of licensing services account, the
25 essential rail assistance account, the ferry bond retirement fund, the
26 grade crossing protective fund, the high capacity transportation
27 account, the highway bond retirement fund, the highway safety account,
28 the motor vehicle fund, the motorcycle safety education account, the
29 pilotage account, the public transportation systems account, the Puget
30 Sound capital construction account, the Puget Sound ferry operations
31 account, the recreational vehicle account, the rural arterial trust
32 account, the safety and education account, the special category C
33 account, the state patrol highway account, the transportation 2003
34 account (nickel account), the transportation equipment fund, the
35 transportation fund, the transportation improvement account, the
36 transportation improvement board bond retirement account, and the urban
37 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. 11.** Sections 1 through 7 of this act expire
5 June 30, 2016. Any moneys in the energy freedom account on that date
6 and any moneys received pursuant to assistance made under this chapter
7 must be deposited in the general fund.

8 NEW SECTION. **Sec. 12.** Sections 2 through 7, 11, and 15 of this
9 act constitute a new chapter in Title 15 RCW.

10 NEW SECTION. **Sec. 13.** Sections 8 and 10 of this act take effect
11 July 1, 2006.

12 NEW SECTION. **Sec. 14.** Section 9 of this act expires July 1, 2006.

13 NEW SECTION. **Sec. 15.** If any provision of this act or its
14 application to any person or circumstance is held invalid, the
15 remainder of the act or the application of the provision to other
16 persons or circumstances is not affected.

Passed by the House March 4, 2006.

Passed by the Senate March 2, 2006.

Approved by the Governor March 22, 2006.

Filed in Office of Secretary of State March 22, 2006.