

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE HOUSE BILL 2012

Chapter 12, Laws of 2015

64th Legislature
2015 3rd Special Session

DEPARTMENT OF TRANSPORTATION--PRACTICAL DESIGN

EFFECTIVE DATE: 7/6/2015 - Except for Section 4, which is
contingent.

Passed by the House June 29, 2015
Yeas 98 Nays 0

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate June 30, 2015
Yeas 45 Nays 0

PAM ROACH

President of the Senate

Approved July 6, 2015 3:48 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 2012** as passed by House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

Chief Clerk

FILED

July 7, 2015

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE HOUSE BILL 2012

Passed Legislature - 2015 3rd Special Session

State of Washington

64th Legislature

2015 Regular Session

By House Transportation (originally sponsored by Representatives Orcutt, Clibborn, Hargrove, Hayes, Pike, Zeiger, Muri, and Wilson)

READ FIRST TIME 02/27/15.

1 AN ACT Relating to the department of transportation
2 implementation of practical design; reenacting and amending RCW
3 43.84.092 and 43.84.092; adding a new section to chapter 47.01 RCW;
4 adding a new section to chapter 46.68 RCW; providing a contingent
5 effective date; providing a contingent expiration date; and declaring
6 an emergency.

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

8 NEW SECTION. **Sec. 1.** A new section is added to chapter 47.01
9 RCW to read as follows:

10 (1)(a) For projects identified as connecting Washington projects
11 and supported by revenues under chapter . . . (Engrossed Substitute
12 Senate Bill No. 5987), Laws of 2015 3rd sp. sess., it is the priority
13 of the legislature that the department deliver the named projects.
14 The legislature encourages the department to continue to
15 institutionalize innovation and collaboration in design and project
16 delivery with an eye toward the most efficient use of resources. In
17 doing so, the legislature expects that, for some projects, costs will
18 be reduced during the project design phase due to the application of
19 practical design. However, significant changes to a project title or
20 scope arising from the application of practical design requires
21 legislative approval. The legislature will utilize existing

1 mechanisms and processes to ensure timely and efficient approval.
2 Practical design-related changes to the scope may be proposed by the
3 department, for the legislature's approval, only if the project's
4 intended performance is substantially unchanged and the local
5 governments and interested stakeholders impacted by the project have
6 been consulted and have reviewed the proposed changes.

7 (b) To the greatest extent practicable, a contract for the
8 construction of a project with any change to the title or scope,
9 whether significant or not, arising from the application of practical
10 design must not be let until the department has provided a detailed
11 notice describing the change to the chairs and ranking members of the
12 house of representatives and senate transportation committees or, if
13 during the interim, to the joint transportation committee.

14 (c) To determine the savings attributable to practical design,
15 each connecting Washington project must be evaluated. For design-bid-
16 build projects, the evaluation must occur at the end of the project
17 design phase. For design-build projects, the evaluation must occur at
18 the completion of thirty percent design. Each year as a part of its
19 annual budget submittal, the department must include a detailed
20 summary of how practical design has been applied and the associated
21 savings gained. The annual summary must also include for each
22 project: Details regarding any savings gained specifically through
23 changes in the cost of materials, changes in the scope of a project
24 and associated impacts on risk, the retirement of any risk reserves,
25 and unused contingency funds.

26 (2)(a) The transportation future funding program is intended to
27 provide for future emergent transportation projects, accelerating the
28 schedule for existing connecting Washington projects, and highway
29 preservation investments, beginning in fiscal year 2024, based on
30 savings accrued from the application of practical design and any
31 retired risk or unused contingency funding on connecting Washington
32 projects.

33 (b) Beginning July 1, 2016, the department must submit a report
34 to the state treasurer and the transportation committees of the
35 legislature once every six months identifying the amount of savings
36 attributable to the application of practical design, retired risk,
37 and unused contingency funding, and report when the savings become
38 available. The state treasurer must transfer the available amounts
39 identified in the report to the transportation future funding program
40 account created in section 2 of this act.

1 (c) Beginning in fiscal year 2024, as a part of its budget
2 submittal, the department may provide a list of highway improvement
3 projects or preservation investments for potential legislative
4 approval as part of the transportation future funding program.
5 Highway improvement projects considered for inclusion under the
6 transportation future funding program may include new connecting
7 Washington projects, or accelerate the schedule for existing
8 connecting Washington projects, and must: Address significant safety
9 concerns; alleviate congestion and advance mobility; provide
10 compelling economic development gains; leverage partnership funds
11 from local, federal, or other sources; or require a next phase of
12 funding to build upon initial investments provided by the
13 legislature.

14 (d) It is the intent of the legislature that if savings
15 attributable to the application of practical design are used to
16 accelerate existing connecting Washington projects, savings must also
17 be used for new connecting Washington projects of equal cost.

18 NEW SECTION. **Sec. 2.** A new section is added to chapter 46.68
19 RCW to read as follows:

20 The transportation future funding program account is created in
21 the connecting Washington account established in chapter . . .
22 (Engrossed Substitute Senate Bill No. 5987), Laws of 2015 3rd sp.
23 sess. Moneys in the account may be spent only after appropriation.
24 Expenditures from the account must be used only for preservation
25 projects, to accelerate the schedule of connecting Washington
26 projects identified in chapter . . . (Engrossed Substitute Senate
27 Bill No. 5988), Laws of 2015 3rd sp. sess., for new connecting
28 Washington projects, and for principal and interest on bonds
29 authorized for the projects. It is the legislature's intent that
30 moneys not be appropriated from the account until 2024 and that
31 moneys in the account be expended in equal amounts between
32 preservation and improvement projects. Moneys in the account may not
33 be expended on the state route number 99 Alaskan Way viaduct
34 replacement project.

35 **Sec. 3.** RCW 43.84.092 and 2014 c 112 s 106, 2014 c 74 s 5, and
36 2014 c 32 s 6 are each reenacted and amended to read as follows:

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

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

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

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

33 (a) The following accounts and funds shall receive their
34 proportionate share of earnings based upon each account's and fund's
35 average daily balance for the period: The aeronautics account, the
36 aircraft search and rescue account, the Alaskan Way viaduct
37 replacement project account, the brownfield redevelopment trust fund
38 account, the budget stabilization account, the capital vessel
39 replacement account, the capitol building construction account, the
40 Cedar River channel construction and operation account, the Central

1 Washington University capital projects account, the charitable,
2 educational, penal and reformatory institutions account, the cleanup
3 settlement account, the Columbia river basin water supply development
4 account, the Columbia river basin taxable bond water supply
5 development account, the Columbia river basin water supply revenue
6 recovery account, the common school construction fund, the community
7 forest trust account, the county arterial preservation account, the
8 county criminal justice assistance account, the deferred compensation
9 administrative account, the deferred compensation principal account,
10 the department of licensing services account, the department of
11 retirement systems expense account, the developmental disabilities
12 community trust account, the diesel idle reduction account, the
13 drinking water assistance account, the drinking water assistance
14 administrative account, the drinking water assistance repayment
15 account, the Eastern Washington University capital projects account,
16 the Interstate 405 express toll lanes operations account, the
17 education construction fund, the education legacy trust account, the
18 election account, the energy freedom account, the energy recovery act
19 account, the essential rail assistance account, The Evergreen State
20 College capital projects account, the federal forest revolving
21 account, the ferry bond retirement fund, the freight mobility
22 investment account, the freight mobility multimodal account, the
23 grade crossing protective fund, the public health services account,
24 the high capacity transportation account, the state higher education
25 construction account, the higher education construction account, the
26 highway bond retirement fund, the highway infrastructure account, the
27 highway safety fund, the high occupancy toll lanes operations
28 account, the hospital safety net assessment fund, the industrial
29 insurance premium refund account, the judges' retirement account, the
30 judicial retirement administrative account, the judicial retirement
31 principal account, the local leasehold excise tax account, the local
32 real estate excise tax account, the local sales and use tax account,
33 the marine resources stewardship trust account, the medical aid
34 account, the mobile home park relocation fund, the motor vehicle
35 fund, the motorcycle safety education account, the multimodal
36 transportation account, the multiuse roadway safety account, the
37 municipal criminal justice assistance account, the natural resources
38 deposit account, the oyster reserve land account, the pension funding
39 stabilization account, the perpetual surveillance and maintenance
40 account, the public employees' retirement system plan 1 account, the

1 public employees' retirement system combined plan 2 and plan 3
2 account, the public facilities construction loan revolving account
3 beginning July 1, 2004, the public health supplemental account, the
4 public works assistance account, the Puget Sound capital construction
5 account, the Puget Sound ferry operations account, the real estate
6 appraiser commission account, the recreational vehicle account, the
7 regional mobility grant program account, the resource management cost
8 account, the rural arterial trust account, the rural mobility grant
9 program account, the rural Washington loan fund, the site closure
10 account, the skilled nursing facility safety net trust fund, the
11 small city pavement and sidewalk account, the special category C
12 account, the special wildlife account, the state employees' insurance
13 account, the state employees' insurance reserve account, the state
14 investment board expense account, the state investment board
15 commingled trust fund accounts, the state patrol highway account, the
16 state route number 520 civil penalties account, the state route
17 number 520 corridor account, the state wildlife account, the
18 supplemental pension account, the Tacoma Narrows toll bridge account,
19 the teachers' retirement system plan 1 account, the teachers'
20 retirement system combined plan 2 and plan 3 account, the tobacco
21 prevention and control account, the tobacco settlement account, the
22 toll facility bond retirement account, the transportation 2003
23 account (nickel account), the transportation equipment fund, the
24 transportation fund, the transportation future funding program
25 account, the transportation improvement account, the transportation
26 improvement board bond retirement account, the transportation
27 infrastructure account, the transportation partnership account, the
28 traumatic brain injury account, the tuition recovery trust fund, the
29 University of Washington bond retirement fund, the University of
30 Washington building account, the volunteer firefighters' and reserve
31 officers' relief and pension principal fund, the volunteer
32 firefighters' and reserve officers' administrative fund, the
33 Washington judicial retirement system account, the Washington law
34 enforcement officers' and firefighters' system plan 1 retirement
35 account, the Washington law enforcement officers' and firefighters'
36 system plan 2 retirement account, the Washington public safety
37 employees' plan 2 retirement account, the Washington school
38 employees' retirement system combined plan 2 and 3 account, the
39 Washington state health insurance pool account, the Washington state
40 patrol retirement account, the Washington State University building

1 account, the Washington State University bond retirement fund, the
2 water pollution control revolving administration account, the water
3 pollution control revolving fund, the Western Washington University
4 capital projects account, the Yakima integrated plan implementation
5 account, the Yakima integrated plan implementation revenue recovery
6 account, and the Yakima integrated plan implementation taxable bond
7 account. Earnings derived from investing balances of the agricultural
8 permanent fund, the normal school permanent fund, the permanent
9 common school fund, the scientific permanent fund, the state
10 university permanent fund, and the state reclamation revolving
11 account shall be allocated to their respective beneficiary accounts.

12 (b) Any state agency that has independent authority over accounts
13 or funds not statutorily required to be held in the state treasury
14 that deposits funds into a fund or account in the state treasury
15 pursuant to an agreement with the office of the state treasurer shall
16 receive its proportionate share of earnings based upon each account's
17 or fund's average daily balance for the period.

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

21 **Sec. 4.** RCW 43.84.092 and 2014 c 112 s 107, 2014 c 74 s 6, and
22 2014 c 32 s 7 are each reenacted and amended to read as follows:

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

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

1 distributions of earnings set forth in subsection (4) of this
2 section.

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

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

16 (a) The following accounts and funds shall receive their
17 proportionate share of earnings based upon each account's and fund's
18 average daily balance for the period: The aeronautics account, the
19 aircraft search and rescue account, the Alaskan Way viaduct
20 replacement project account, the brownfield redevelopment trust fund
21 account, the budget stabilization account, the capital vessel
22 replacement account, the capitol building construction account, the
23 Cedar River channel construction and operation account, the Central
24 Washington University capital projects account, the charitable,
25 educational, penal and reformatory institutions account, the cleanup
26 settlement account, the Columbia river basin water supply development
27 account, the Columbia river basin taxable bond water supply
28 development account, the Columbia river basin water supply revenue
29 recovery account, the Columbia river crossing project account, the
30 common school construction fund, the community forest trust account,
31 the county arterial preservation account, the county criminal justice
32 assistance account, the deferred compensation administrative account,
33 the deferred compensation principal account, the department of
34 licensing services account, the department of retirement systems
35 expense account, the developmental disabilities community trust
36 account, the diesel idle reduction account, the drinking water
37 assistance account, the drinking water assistance administrative
38 account, the drinking water assistance repayment account, the Eastern
39 Washington University capital projects account, the Interstate 405
40 express toll lanes operations account, the education construction

1 fund, the education legacy trust account, the election account, the
2 energy freedom account, the energy recovery act account, the
3 essential rail assistance account, The Evergreen State College
4 capital projects account, the federal forest revolving account, the
5 ferry bond retirement fund, the freight mobility investment account,
6 the freight mobility multimodal account, the grade crossing
7 protective fund, the public health services account, the high
8 capacity transportation account, the state higher education
9 construction account, the higher education construction account, the
10 highway bond retirement fund, the highway infrastructure account, the
11 highway safety fund, the high occupancy toll lanes operations
12 account, the hospital safety net assessment fund, the industrial
13 insurance premium refund account, the judges' retirement account, the
14 judicial retirement administrative account, the judicial retirement
15 principal account, the local leasehold excise tax account, the local
16 real estate excise tax account, the local sales and use tax account,
17 the marine resources stewardship trust account, the medical aid
18 account, the mobile home park relocation fund, the motor vehicle
19 fund, the motorcycle safety education account, the multimodal
20 transportation account, the multiuse roadway safety account, the
21 municipal criminal justice assistance account, the natural resources
22 deposit account, the oyster reserve land account, the pension funding
23 stabilization account, the perpetual surveillance and maintenance
24 account, the public employees' retirement system plan 1 account, the
25 public employees' retirement system combined plan 2 and plan 3
26 account, the public facilities construction loan revolving account
27 beginning July 1, 2004, the public health supplemental account, the
28 public works assistance account, the Puget Sound capital construction
29 account, the Puget Sound ferry operations account, the real estate
30 appraiser commission account, the recreational vehicle account, the
31 regional mobility grant program account, the resource management cost
32 account, the rural arterial trust account, the rural mobility grant
33 program account, the rural Washington loan fund, the site closure
34 account, the skilled nursing facility safety net trust fund, the
35 small city pavement and sidewalk account, the special category C
36 account, the special wildlife account, the state employees' insurance
37 account, the state employees' insurance reserve account, the state
38 investment board expense account, the state investment board
39 commingled trust fund accounts, the state patrol highway account, the
40 state route number 520 civil penalties account, the state route

1 number 520 corridor account, the state wildlife account, the
2 supplemental pension account, the Tacoma Narrows toll bridge account,
3 the teachers' retirement system plan 1 account, the teachers'
4 retirement system combined plan 2 and plan 3 account, the tobacco
5 prevention and control account, the tobacco settlement account, the
6 toll facility bond retirement account, the transportation 2003
7 account (nickel account), the transportation equipment fund, the
8 transportation fund, the transportation future funding program
9 account, the transportation improvement account, the transportation
10 improvement board bond retirement account, the transportation
11 infrastructure account, the transportation partnership account, the
12 traumatic brain injury account, the tuition recovery trust fund, the
13 University of Washington bond retirement fund, the University of
14 Washington building account, the volunteer firefighters' and reserve
15 officers' relief and pension principal fund, the volunteer
16 firefighters' and reserve officers' administrative fund, the
17 Washington judicial retirement system account, the Washington law
18 enforcement officers' and firefighters' system plan 1 retirement
19 account, the Washington law enforcement officers' and firefighters'
20 system plan 2 retirement account, the Washington public safety
21 employees' plan 2 retirement account, the Washington school
22 employees' retirement system combined plan 2 and 3 account, the
23 Washington state health insurance pool account, the Washington state
24 patrol retirement account, the Washington State University building
25 account, the Washington State University bond retirement fund, the
26 water pollution control revolving administration account, the water
27 pollution control revolving fund, the Western Washington University
28 capital projects account, the Yakima integrated plan implementation
29 account, the Yakima integrated plan implementation revenue recovery
30 account, and the Yakima integrated plan implementation taxable bond
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32 permanent fund, the normal school permanent fund, the permanent
33 common school fund, the scientific permanent fund, the state
34 university permanent fund, and the state reclamation revolving
35 account shall be allocated to their respective beneficiary accounts.

36 (b) Any state agency that has independent authority over accounts
37 or funds not statutorily required to be held in the state treasury
38 that deposits funds into a fund or account in the state treasury
39 pursuant to an agreement with the office of the state treasurer shall

1 receive its proportionate share of earnings based upon each account's
2 or fund's average daily balance for the period.

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

6 NEW SECTION. **Sec. 5.** Section 3 of this act expires on the date
7 the requirements set out in section 7, chapter 36, Laws of 2012 are
8 met.

9 NEW SECTION. **Sec. 6.** Section 4 of this act takes effect on the
10 date the requirements set out in section 7, chapter 36, Laws of 2012
11 are met.

12 NEW SECTION. **Sec. 7.** Except for section 4 of this act, this act
13 is necessary for the immediate preservation of the public peace,
14 health, or safety, or support of the state government and its
15 existing public institutions, and takes effect immediately.

Passed by the House June 29, 2015.

Passed by the Senate June 30, 2015.

Approved by the Governor July 6, 2015.

Filed in Office of Secretary of State July 7, 2015.

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