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**SENATE BILL 5923**

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**State of Washington**

**66th Legislature**

**2019 Regular Session**

**By** Senators Hobbs, King, and Lovelett

Read first time 02/15/19. Referred to Committee on Transportation.

1 AN ACT Relating to establishing an emergency loan program to be  
2 administered by the county road administration board; amending RCW  
3 36.78.070; reenacting and amending RCW 43.79A.040; adding new  
4 sections to chapter 36.78 RCW; and creating a new section.

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

6 NEW SECTION. **Sec. 1.** The legislature finds there is a need for  
7 a county road emergency fund to pay for unexpected costs that arise  
8 from natural or man-made events that damage county road  
9 infrastructure so it is no longer functional. The legislature intends  
10 to provide access to a revolving loan emergency account to ensure  
11 that smaller counties have options to pay for repairs to restore  
12 transportation services in a timely manner.

13 NEW SECTION. **Sec. 2.** A new section is added to chapter 36.78  
14 RCW to read as follows:

15 (1) The board may create an emergency revolving loan program that  
16 is self-supporting in accordance with RCW 43.88.190. The board may  
17 award emergency loans to counties with a population of less than  
18 eight hundred thousand as of April 1, 2019, from the funds available  
19 in the county road administration board emergency loan account  
20 created in section 3 of this act for emergency projects.

1 (2) Emergency projects are work of either a temporary or  
2 permanent nature which restores roads and bridges to a preemergency  
3 condition and may include reconstruction to current design standards.  
4 This work is the result of a sudden natural or man-made event which  
5 results in the destruction or severe damage to county roadway  
6 sections or structures such that, in the consideration of public  
7 safety and use, the roadway sections or structures must be  
8 immediately closed or substantially restricted to normal use. Work of  
9 an emergency nature is also beyond the scope of work done by a county  
10 in repairing damages normally or reasonably expected from seasonal or  
11 other natural conditions, and is beyond what would be considered  
12 maintenance.

13 (3) In order to obtain a loan under this section, there must be a  
14 county, state, or federal emergency proclamation declaring an  
15 emergency related to the event that caused the damage the emergency  
16 project intends to correct, and the county must agree to repay the  
17 loan with interest of not more than three percent. All repayment  
18 amounts must be deposited into the county road administration board  
19 emergency loan account.

20 (4) Any work performed on an emergency project funded in  
21 accordance with this section by county forces shall be exempt from  
22 the limits of RCW 36.77.065.

23 (5) Consistent with RCW 43.01.036, the board must submit a report  
24 to the legislature by December 1st of each even-numbered year  
25 identifying each project that received money from the county road  
26 administration board emergency loan account, the amount of the loan,  
27 the expected repayment terms of the loan, the expected date of  
28 repayment, and the loan repayment status. Each project should be  
29 reported about until the loan is repaid.

30 NEW SECTION. **Sec. 3.** A new section is added to chapter 36.78  
31 RCW to read as follows:

32 (1) The county road administration board emergency loan account  
33 is created in the custody of the state treasurer. The account  
34 consists of: (a) All receipts from loan repayments and (b) any other  
35 revenues derived from transfers, gifts, grants, or bequests to the  
36 board for emergency projects. Expenditures from the account may be  
37 used only for emergency loans to certain counties in accordance with  
38 section 2 of this act and the related administrative costs. Only the  
39 board or its designee may authorize expenditures from the account.

1 The account is subject to allotment procedures under chapter 43.88  
2 RCW, but an appropriation is not required for expenditures.

3 (2) The state treasurer may invest and reinvest moneys in the  
4 county road administration board emergency loan account in the manner  
5 provided by law. All earnings from such investment and reinvestment  
6 must be credited to the account.

7 **Sec. 4.** RCW 43.79A.040 and 2018 c 260 s 28, 2018 c 258 s 4, and  
8 2018 c 127 s 6 are each reenacted and amended to read as follows:

9 (1) Money in the treasurer's trust fund may be deposited,  
10 invested, and reinvested by the state treasurer in accordance with  
11 RCW 43.84.080 in the same manner and to the same extent as if the  
12 money were in the state treasury, and may be commingled with moneys  
13 in the state treasury for cash management and cash balance purposes.

14 (2) All income received from investment of the treasurer's trust  
15 fund must be set aside in an account in the treasury trust fund to be  
16 known as the investment income account.

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

25 (4)(a) Monthly, the state treasurer must distribute the earnings  
26 credited to the investment income account to the state general fund  
27 except under (b), (c), and (d) of this subsection.

28 (b) The following accounts and funds must receive their  
29 proportionate share of earnings based upon each account's or fund's  
30 average daily balance for the period: The 24/7 sobriety account, the  
31 Washington promise scholarship account, the Gina Grant Bull memorial  
32 legislative page scholarship account, the Washington advanced college  
33 tuition payment program account, the Washington college savings  
34 program account, the accessible communities account, the Washington  
35 achieving a better life experience program account, the community and  
36 technical college innovation account, the agricultural local fund,  
37 the American Indian scholarship endowment fund, the foster care  
38 scholarship endowment fund, the foster care endowed scholarship trust  
39 fund, the contract harvesting revolving account, the Washington state

1 combined fund drive account, the commemorative works account, the  
2 county enhanced 911 excise tax account, the county road  
3 administration board emergency loan account, the toll collection  
4 account, the developmental disabilities endowment trust fund, the  
5 energy account, the fair fund, the family and medical leave insurance  
6 account, the fish and wildlife federal lands revolving account, the  
7 natural resources federal lands revolving account, the food animal  
8 veterinarian conditional scholarship account, the forest health  
9 revolving account, the fruit and vegetable inspection account, the  
10 future teachers conditional scholarship account, the game farm  
11 alternative account, the GET ready for math and science scholarship  
12 account, the Washington global health technologies and product  
13 development account, the grain inspection revolving fund, the  
14 Washington history day account, the industrial insurance rainy day  
15 fund, the juvenile accountability incentive account, the law  
16 enforcement officers' and firefighters' plan 2 expense fund, the  
17 local tourism promotion account, the low-income home rehabilitation  
18 revolving loan program account, the multiagency permitting team  
19 account, the northeast Washington wolf-livestock management account,  
20 the pilotage account, the produce railcar pool account, the regional  
21 transportation investment district account, the rural rehabilitation  
22 account, the Washington sexual assault kit account, the stadium and  
23 exhibition center account, the youth athletic facility account, the  
24 self-insurance revolving fund, the children's trust fund, the  
25 Washington horse racing commission Washington bred owners' bonus fund  
26 and breeder awards account, the Washington horse racing commission  
27 class C purse fund account, the individual development account  
28 program account, the Washington horse racing commission operating  
29 account, the life sciences discovery fund, the Washington state  
30 heritage center account, the reduced cigarette ignition propensity  
31 account, the center for childhood deafness and hearing loss account,  
32 the school for the blind account, the Millersylvania park trust fund,  
33 the public employees' and retirees' insurance reserve fund, the  
34 school employees' benefits board insurance reserve fund, (~~(the)~~)  
35 the public employees' and retirees' insurance account, (~~(the)~~) the  
36 school employees' insurance account, and the radiation perpetual  
37 maintenance fund.

38 (c) The following accounts and funds must receive eighty percent  
39 of their proportionate share of earnings based upon each account's or  
40 fund's average daily balance for the period: The advanced right-of-

1 way revolving fund, the advanced environmental mitigation revolving  
2 account, the federal narcotics asset forfeitures account, the high  
3 occupancy vehicle account, the local rail service assistance account,  
4 and the miscellaneous transportation programs account.

5 (d) Any state agency that has independent authority over accounts  
6 or funds not statutorily required to be held in the custody of the  
7 state treasurer that deposits funds into a fund or account in the  
8 custody of the state treasurer pursuant to an agreement with the  
9 office of the state treasurer shall receive its proportionate share  
10 of earnings based upon each account's or fund's average daily balance  
11 for the period.

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

15 **Sec. 5.** RCW 36.78.070 and 2005 c 319 s 102 are each amended to  
16 read as follows:

17 The county road administration board shall:

18 (1) Establish by rule, standards of good practice for the  
19 administration of county roads and the efficient movement of people  
20 and goods over county roads;

21 (2) Establish reporting requirements for counties with respect to  
22 the standards of good practice adopted by the board;

23 (3) Receive and review reports from counties and reports from its  
24 executive director to determine compliance with legislative  
25 directives and the standards of good practice adopted by the board;

26 (4) Advise counties on issues relating to county roads and the  
27 safe and efficient movement of people and goods over county roads and  
28 assist counties in developing uniform and efficient transportation-  
29 related information technology resources;

30 (5) Report annually before the fifteenth day of January, and  
31 throughout the year as appropriate, to the state department of  
32 transportation and to the chairs of the house and senate  
33 transportation committees, and to other entities as appropriate on  
34 the status of county road administration in each county, including  
35 one copy to the staff of each of the committees. The annual report  
36 shall contain recommendations for improving administration of the  
37 county road programs;

38 (6) Administer the rural arterial program established by chapter  
39 36.79 RCW (~~and~~), the program funded by the county arterial

1 preservation account established by RCW 46.68.090, and the emergency  
2 revolving loan program created in section 2 of this act, as well as  
3 any other programs provided for in law.

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