

E2SSB 5581 - H AMD TO H APP COMM AMD (H3043.1)
By Representative Anderson

1 On page 5, line 7 of the amendment, after "state." insert "The
2 authority may not award grants pursuant to this section until the
3 authority has received a formal opinion from the attorney general's
4 office indicating that the grant-making power established in this
5 section does not violate article 8, section 5 of the state
6 constitution, and, if the grant-making power is constitutional,
7 providing guidelines to ensure that grant awards and terms are
8 consistent with that section of the constitution."

1 On page 6 of the amendment, beginning on line 23, strike all of
2 section 8 and insert the following:

3 "**Sec. 8. NEW SECTION.** LIFE SCIENCES DISCOVERY FUND. The life
4 sciences discovery fund is created in the state treasury.
5 Expenditures from the fund may be made only after appropriation and
6 only for purposes of this chapter. Administrative costs of the
7 authority, including staff support, may be paid only from the fund.
8 Revenues to the fund consist of transfers made by the legislature
9 from strategic contribution payments deposited in the tobacco
10 settlement account under RCW 43.79.480, moneys received pursuant to
11 contribution agreements entered into under section 4 of this act,
12 moneys received from gifts, grants, and bequests, and interest
13 earned on the fund."

14 On page 7, line 17 of the amendment, after "section." strike
15 all material through "act." on line 20 and insert: "Amounts
16 received as strategic contribution payments as defined in section
17 2 of this act may only be transferred to the health services
18 account for the purposes set forth in RCW 43.72.900 or to the life
19 sciences discovery fund established in section 8 of this act for

1 the purposes of chapter 43.-- RCW (sections 1 through 8 of this
2 act)."

3 Beginning on page 31, line 21 of the amendment, strike all of
4 section 16 and insert the following:

5 "**Sec. 16.** RCW 43.84.092 and 2003 c 361 s 602, 2003 c 324 s 1,
6 and 2003 c 48 s 2 are each reenacted and amended to read as
7 follows:

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

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

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

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

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

3 (a) The following accounts and funds shall receive their
4 proportionate share of earnings based upon each account's and
5 fund's 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
8 projects account, the charitable, educational, penal and
9 reformatory institutions account, the common school construction
10 fund, the county criminal justice assistance account, the county
11 sales and use tax equalization account, the data processing
12 building construction account, the deferred compensation
13 administrative account, the deferred compensation principal
14 account, the department of retirement systems expense account, the
15 drinking water assistance account, the drinking water assistance
16 administrative account, the drinking water assistance repayment
17 account, the Eastern Washington University capital projects
18 account, the education construction fund, the election account, the
19 emergency reserve fund, The Evergreen State College capital
20 projects account, the federal forest revolving account, the health
21 services account, the public health services account, the health
22 system capacity account, the personal health services account, the
23 state higher education construction account, the higher education
24 construction account, the highway infrastructure account, the
25 industrial insurance premium refund account, the judges' retirement
26 account, the judicial retirement administrative account, the
27 judicial retirement principal account, the life sciences discovery
28 fund, the local leasehold excise tax account, the local real estate
29 excise tax account, the local sales and use tax account, the
30 medical aid account, the mobile home park relocation fund, the
31 multimodal transportation account, the municipal criminal justice
32 assistance account, the municipal sales and use tax equalization
33 account, the natural resources deposit account, the oyster reserve
34 land account, the perpetual surveillance and maintenance account,
35 the public employees' retirement system plan 1 account, the public
36 employees' retirement system combined plan 2 and plan 3 account,
37 the public facilities construction loan revolving account beginning
38 July 1, 2004, the public health supplemental account, the Puyallup
39 tribal settlement account, the regional transportation investment

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

33 (b) The following accounts and funds shall receive eighty
34 percent of their proportionate share of earnings based upon each
35 account's or fund's average daily balance for the period: The
36 aeronautics account, the aircraft search and rescue account, the
37 county arterial preservation account, the department of licensing
38 services account, the essential rail assistance account, the ferry
39 bond retirement fund, the grade crossing protective fund, the high

1 capacity transportation account, the highway bond retirement fund,
2 the highway safety account, the motor vehicle fund, the motorcycle
3 safety education account, the pilotage account, the public
4 transportation systems account, the Puget Sound capital
5 construction account, the Puget Sound ferry operations account, the
6 recreational vehicle account, the rural arterial trust account, the
7 safety and education account, the special category C account, the
8 state patrol highway account, the transportation 2003 account
9 (nickel account), the transportation equipment fund, the
10 transportation fund, the transportation improvement account, the
11 transportation improvement board bond retirement account, and the
12 urban arterial trust account.

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

17 **Sec. 17.** RCW 43.84.092 and 2003 c 361 s 602, 2003 c 324 s 1,
18 2003 c 150 s 2, and 2003 c 48 s 2 are each reenacted and amended to
19 read as follows:

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

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

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

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

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

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

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

6 (b) The following accounts and funds shall receive eighty
7 percent of their proportionate share of earnings based upon each
8 account's or fund's average daily balance for the period: The
9 aeronautics account, the aircraft search and rescue account, the
10 county arterial preservation account, the department of licensing
11 services account, the essential rail assistance account, the ferry
12 bond retirement fund, the grade crossing protective fund, the high
13 capacity transportation account, the highway bond retirement fund,
14 the highway safety account, the motor vehicle fund, the motorcycle
15 safety education account, the pilotage account, the public
16 transportation systems account, the Puget Sound capital
17 construction account, the Puget Sound ferry operations account, the
18 recreational vehicle account, the rural arterial trust account, the
19 safety and education account, the special category C account, the
20 state patrol highway account, the transportation 2003 account
21 (nickel account), the transportation equipment fund, the
22 transportation fund, the transportation improvement account, the
23 transportation improvement board bond retirement account, and the
24 urban 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
27 earnings without the specific affirmative directive of this
28 section.

29 **Sec. 18.** RCW 43.84.092 and 2004 c 242 s 60 are each amended to
30 read as follows:

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

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

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

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

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

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

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

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

18 (b) The following accounts and funds shall receive eighty
19 percent of their proportionate share of earnings based upon each
20 account's or fund's average daily balance for the period: The
21 aeronautics account, the aircraft search and rescue account, the
22 county arterial preservation account, the department of licensing
23 services account, the essential rail assistance account, the ferry
24 bond retirement fund, the grade crossing protective fund, the high
25 capacity transportation account, the highway bond retirement fund,
26 the highway safety account, the motor vehicle fund, the motorcycle
27 safety education account, the pilotage account, the public
28 transportation systems account, the Puget Sound capital
29 construction account, the Puget Sound ferry operations account, the
30 recreational vehicle account, the rural arterial trust account, the
31 safety and education account, the special category C account, the
32 state patrol highway account, the transportation 2003 account
33 (nickel account), the transportation equipment fund, the
34 transportation fund, the transportation improvement account, the
35 transportation improvement board bond retirement account, and the
36 urban arterial trust account.

37 (5) In conformance with Article II, section 37 of the state
38 Constitution, no treasury accounts or funds shall be allocated

1 earnings without the specific affirmative directive of this
2 section."

3 Renumber remaining sections consecutively and correct title and
4 internal references accordingly.

5 On page 33, beginning on line 17 of the amendment, strike all
6 of sections 21 and 22 and insert the following:

7 "NEW SECTION. **Sec. 21.** EXPIRATION DATES. (1) Section 13 of
8 this act expires June 30, 2005.

9 (2) Section 16 of this act expires July 1, 2005.

10 (3) Section 17 of this act expires July 1, 2006.

11 NEW SECTION. **Sec. 22.** EFFECTIVE DATE. This act is necessary
12 for the immediate preservation of the public peace, health, or
13 safety, or support of the state government and its existing public
14 institutions, and takes effect immediately, except for section 14
15 of this act, which takes effect June 30, 2005, section 17 of this
16 act, which takes effect July 1, 2005, and section 18 of this act,
17 which takes effect July 1, 2006."

EFFECT:

- ∅ Makes the Life Sciences Discovery Fund an appropriated rather than a non-appropriated account. Requires an appropriation to make expenditures from the Fund.
- ∅ Prohibits the Authority from awarding grants until the Authority receives a formal Attorney General's opinion indicating that 1) the Authority's power to award grants does not violate article 8, sec. 5 of the state constitution (gift of public funds/lending of credit); and 2) providing guidelines to ensure that grant awards and terms comply with that provision of the constitution.
- ∅ Authorizes the Legislature to transfer Strategic Contribution Payments received in the Tobacco Settlement Account to the Life Sciences Discovery Fund or to the Health Services Account.
- ∅ Makes conforming amendments to interest retention statutes and effective dates.