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**SENATE BILL 6129**

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**State of Washington 65th Legislature 2018 Regular Session**

**By** Senators Cleveland, Chase, and Kuderer

AN ACT Relating to an ambulance transport quality assurance fee; reenacting and amending RCW 43.84.092; adding a new chapter to Title 74 RCW; prescribing penalties; providing a contingent expiration date; and declaring an emergency.

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

NEW SECTION. **Sec.**  The purpose of this chapter is to provide for a safety net fee for certain ambulance transports, which will be used to augment funding from all other sources, thereby supporting additional payments to ambulance transport providers for medicaid services as specified in this chapter.

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

(1) "Aggregate fee schedule increase amount" means the product of the quotient described in section 6(1) of this act and the ambulance transports, utilizing the billing codes for ambulance transport for the state fiscal year.

(2) "Ambulance transport" means the act of transporting an individual from any point of origin to the nearest medical facility capable of meeting the medical needs of the patient by an ambulance licensed, operated, and equipped in accordance with applicable state or local statutes, ordinances, or regulations that are billed with the federal centers for medicare and medicaid services health care common procedure coding system (HCPCS) billing codes A0429 BLS Emergency, A0428 BLS Non-Emergency, A0427 ALS Emergency, A0426 ALS Non-Emergency, A0425 Mileage, and A0433 ALS2, A0434 Specialty Care and any equivalent, predecessor, or successor billing codes as may be determined by the authority. "Ambulance transports" does not include transportation of beneficiaries by passenger car, taxicabs, litter vans, wheelchair vans, or other forms of public or private conveyances, nor does it include transportation by an air ambulance provider. An "ambulance transport" does not occur when, following evaluation of a patient, a transport is not provided.

(3) "Ambulance transport provider" means any state licensed provider of ambulance transports.

(4) "Ambulance transport provider subject to the fee" means all ambulance transport providers that bill and receive patient care revenue from the provision of ambulance transports, except ambulance transport providers that are exempt pursuant to section 9(3) of this act.

(5) "Annual quality assurance fee rate" means the quality assurance fee assessed on each ambulance transport during each applicable state fiscal year.

(6) "Authority" means the Washington state health care authority.

(7) "Available fee amount" means the sum of the following:

(a) The amount deposited in the ambulance transport fund established under section 5 of this act during the applicable state fiscal year, less the amounts described in section 5(3) (a) and (b) of this act; and

(b) Any federal financial participation obtained as a result of the deposit of the amount described in section 4 of this act, for the applicable state fiscal year.

(8) "Effective state medical assistance percentage" means a ratio of the aggregate expenditures from state-only sources for the medicaid program divided by the aggregate expenditures from state and federal sources for the medicaid program for a state fiscal year.

(9) "Gross receipts" means gross payments received as patient care revenue for ambulance transports, determined on a cash basis of accounting. "Gross receipts" includes all payments received as patient care revenue for ambulance transports, including payments for the federal centers for medicare and medicaid services health care common procedure coding system (HCPCS) billing codes A0429 BLS Emergency, A0428 BLS Non-Emergency, A0427 ALS Emergency, A0426 ALS Non-Emergency, A0425 Mileage, and A0433 ALS2, A0434 Specialty Care and any equivalent, predecessor, or successor billing codes as may be determined by the authority, and any other ancillary billing codes associated with ambulance transport as may be determined by the authority. "Gross receipts" does not include supplemental amounts received pursuant to RCW 41.05.730.

(10) "Managed care organization" means an organization having a certificate of authority or certificate of registration from the office of the insurance commissioner that contracts with the authority under a comprehensive risk contract to provide prepaid health care services to eligible clients under the authority's medicaid managed care programs, including the healthy options program.

(11) "Medicaid" means the medical assistance program as established in Title XIX of the social security act and as administered in the state of Washington by the authority.

NEW SECTION. **Sec.**  (1)(a) The authority shall establish the manner and format for ambulance transport providers to report the data required pursuant to this section.

(b) The authority may establish an internet web site for the submission of reports required by this section.

(c) The authority may require a certification by each ambulance transport provider under penalty of perjury of the truth of the reports required under this section. Upon written notice to an ambulance transport provider, the authority may impose a civil penalty of one hundred dollars per day against an ambulance transport provider for every day that an ambulance transport provider fails to make a report required by this section within five days of the date upon which the report was due. Any funds resulting from a penalty imposed pursuant to this subsection shall be deposited in the ambulance transport fund established in section 5 of this act.

(2) Each ambulance transport provider shall report to the authority data on the number of actual ambulance transports by payer type, as follows:

(a) For each quarter beginning on July 1, 2018, through the quarter beginning on July 1, 2020, inclusive, the data shall be submitted on or before October 15, 2020.

(b) For the quarter beginning on October 1, 2018, and continuing each quarter thereafter, the data shall be submitted on or before the forty-fifth day after the last day of the applicable quarter.

(3) Each ambulance transport provider shall report to the authority data on the gross receipts received from the provision of ambulance transports per state fiscal year, as follows:

(a) For the state fiscal years beginning on July 1, 2018, and July 1, 2019, the data shall be submitted on or before October 15, 2020.

(b) For each state fiscal year beginning on July 1, 2020, and continuing each state fiscal year thereafter, the data shall be submitted on or before the forty-fifth day after the last day of the applicable state fiscal year.

NEW SECTION. **Sec.**  (1) Commencing with the state fiscal quarter beginning on July 1, 2020, and continuing each state fiscal quarter thereafter there shall be imposed a quality assurance fee for each ambulance transport provided by each ambulance transport provider subject to the fee in accordance with this section.

(2)(a) On or before June 15, 2020, and continuing each June 15th thereafter, the authority shall calculate the annual quality assurance fee rate applicable to the following state fiscal year based on the most recently collected data from ambulance transport providers pursuant to section 3 of this act. The authority may correct any identified material or significant errors in the data collected from ambulance transport providers pursuant to section 3 of this act for the purposes of calculating the annual quality assurance fee rate.

(i) For the state fiscal year beginning on July 1, 2020, the annual quality assurance fee rate shall be calculated by multiplying the projected total annual gross receipts for all ambulance transport providers subject to the fee by 5.1 percent, which resulting product shall be divided by the projected total annual ambulance transports by all ambulance transport providers subject to the fee for the state fiscal year.

(ii) For state fiscal years beginning July 1, 2021, and continuing each state fiscal year thereafter, the annual quality assurance fee rate shall be calculated by a ratio, the numerator of which shall be the sum of (A) the product of the projected aggregate fee schedule amount and the effective state medical assistance percentage and (B) the amount described in section 5(3)(a) of this act for the state fiscal year, and the denominator of which shall be ninety percent of the projected total annual ambulance transports by all ambulance transport providers subject to the fee for the state fiscal year.

(b) On or before June 15, 2020, and continuing each June 15th thereafter for which this article is implemented, the authority shall publish the annual quality assurance fee rate on its internet web site.

(c) In no case shall the fees calculated pursuant to this subsection (2)(c) and collected pursuant to this chapter exceed the amounts allowable under federal law. If, on or before June 15th of each year, the authority makes a determination that the fees collected pursuant to this subsection exceed the amounts allowable under federal law, the authority may reduce the add-on increase to the fee-for-service payment schedule described in section 6 of this act only to the extent necessary to reflect the amount of fees allowable under federal law in an applicable state fiscal year.

(d) If, during a state fiscal year, the actual or projected available fee amount exceeds or is less than the actual or projected aggregate fee schedule amount by more than one percent, the authority shall adjust the annual quality assurance fee rate so that the available fee amount for the state fiscal year will approximately equal the aggregate fee schedule amount for the state fiscal year. The available fee amount for a state fiscal year shall be considered to equal the aggregate fee schedule amount for the state fiscal year if the difference between the available fee amount for the state fiscal year and the aggregate fee schedule amount for the state fiscal year constitutes less than one percent of the aggregate fee schedule amount for the state fiscal year.

(3)(a) Each ambulance transport provider subject to the fee shall remit to the authority an amount equal to the annual quality assurance fee rate for the 2020–2021 state fiscal year multiplied by the number of transports reported or that should have been reported by the ambulance transport provider pursuant to section 3(2) of this act in the quarter beginning on April 1, 2020, based on a schedule established by the authority. The schedule established by the authority for the fee payment described in this subsection shall require remittance of the fee payment according to the following guidelines:

(i) The authority shall require an ambulance transport provider that rendered thirty-five thousand or more medicaid fee-for-service ambulance transports during the 2019–2020 state fiscal year to remit the fee payment described in this subsection on or after July 1, 2020.

(ii) The authority shall require an ambulance transport provider that rendered fewer than thirty-five thousand medicaid fee-for-service ambulance transports during the 2019–2020 state fiscal year to remit fifty percent or less of the fee payment described in this subsection on or after August 1, 2020.

(iii) The authority shall require an ambulance transport provider that rendered fewer than thirty-five thousand medicaid fee-for-service ambulance transports during the 2019–2020 state fiscal year to remit any remaining fee payment amount described in this subsection on or after August 15, 2020.

(b) Commencing with the state fiscal quarter beginning on October 1, 2018, and continuing each state fiscal quarter thereafter, on or before the first day of each state fiscal quarter, each ambulance transport provider subject to the fee shall remit to the authority an amount equal to the annual quality assurance fee rate for the applicable state fiscal year multiplied by the number of transports reported or that should have been reported by the ambulance transport provider pursuant to section 3(2) of this act in the immediately preceding quarter.

(4)(a) Interest shall be assessed on quality assurance fees not paid on the date due at the greater of ten percent per annum or the rate at which the authority assesses interest on medicaid program overpayments pursuant to WAC 182-502-0130. Interest shall begin to accrue the day after the date the payment was due and shall be deposited in the ambulance transport fund established in section 5 of this act.

(b) In the event that any fee payment is more than sixty days overdue, the authority may deduct the unpaid fee and interest owed from any medicaid reimbursement payments owed to the ambulance transport provider until the full amount of the fee, interest, and any penalties assessed under this chapter are recovered. Any deduction made pursuant to this subsection shall be made only after the authority gives the ambulance transport provider written notification. Any deduction made pursuant to this subsection may be deducted over a period of time that takes into account the financial condition of the ambulance transport provider.

(c) In the event that any fee payment is more than sixty days overdue, a penalty equal to the interest charge described in (a) of this subsection shall be assessed and due for each month for which the payment is not received after sixty days. Any funds resulting from a penalty imposed pursuant to this subsection shall be deposited into the ambulance transport fund established in section 5 of this act.

(d) The authority may waive a portion or all of either the interest or penalties, or both, assessed under this chapter in the event the authority determines, in its sole discretion, that the ambulance transport provider has demonstrated that imposition of the full amount of the quality assurance fee pursuant to the timelines applicable under this chapter has a high likelihood of creating an undue financial hardship for the provider. Waiver of some or all of the interest or penalties pursuant to this subsection shall be conditioned on the ambulance transport provider's agreement to make fee payments on an alternative schedule developed by the authority.

(5) The authority shall accept an ambulance transport provider's payment even if the payment is submitted in a rate year subsequent to the rate year in which the fee was assessed.

(6) In the event of a merger, acquisition, or similar transaction involving an ambulance transport provider that has outstanding quality assurance fee payment obligations pursuant to this chapter, including any interest and penalty amounts owed, the resultant or successor ambulance transport provider shall be responsible for paying to the authority the full amount of outstanding quality assurance fee payments, including any applicable interest and penalties, attributable to the ambulance transport provider for which it was assessed, upon the effective date of such transaction. An entity considering a merger, acquisition, or similar transaction involving an ambulance transport provider may submit a request to the authority to ascertain the outstanding quality assurance fee payment obligations of the ambulance transport provider pursuant to this chapter as of the date of the authority's response to that request.

NEW SECTION. **Sec.**  (1) A dedicated fund is hereby established within the state treasury to be known as the ambulance transport fund. The purpose and use of the fund shall be to receive and disburse funds, together with accrued interest, in accordance with this chapter. Moneys in the fund, including interest earned, shall not be used or disbursed for any purposes other than those specified in this chapter. Any amounts expended from the fund that are later recouped by the authority on audit or otherwise shall be returned to the fund. Moneys in the account may be spent only after appropriation.

(2) The quality assurance fees collected by the authority pursuant to section 4 of this act must be deposited in the ambulance transport fund.

(3) The moneys in the ambulance transport fund, including any interest and dividends earned on money in the fund, shall be available exclusively to enhance federal financial participation for ambulance services under the medicaid program and to provide additional reimbursement to, and to support quality improvement efforts of, ambulance transport providers, and to pay for the state's administrative costs and to provide funding for health care coverage for Washingtonians, in the following order of priority:

(a) To pay for the authority's staffing and administrative costs directly attributable to implementing this chapter, not to exceed twenty percent of the annual quality assurance fee collection amount, exclusive of any federal matching funds; and

(b) To make increased payments to ambulance transport providers pursuant to section 6 of this act.

NEW SECTION. **Sec.**  (1) Commencing July 1, 2020, and for each state fiscal year thereafter, reimbursement to ambulance transport providers for ambulance transports shall be increased by application of an add-on to the associated medicaid fee-for-service payment schedule. The add-on increase to the fee-for-service payment schedule under this section shall be calculated on or before June 15, 2020, and shall remain the same for later state fiscal years, to the extent the authority determines federal financial participation is available and is not otherwise jeopardized. The add-on increase to the fee-for-service payment schedule under this section shall apply only to the billing codes identified in, or any equivalent, predecessor, or successor billing codes as may be determined by the authority pursuant to, section 2(2) of this act. The authority shall calculate the projections required by this subsection based on the data submitted pursuant to section 3 of this act. The fee-for-service add-on shall be equal to the quotient of the available fee amount projected by the authority on or before June 15, 2020, for the 2020–2021 state fiscal year, divided by the total medicaid ambulance transports, utilizing the billing codes projected by the authority on or before June 15, 2020, for the 2020–2021 state fiscal year. The resulting fee-for-service payment schedule amounts after the application of this section shall be equal to the sum of the medicaid fee-for-service payment schedule amount for the 2017–2018 state fiscal year and the add-on increase.

(2) The increased payments required by this section shall be funded solely from the following:

(a) The quality assurance fee set forth in section 4 of this act, along with any interest or other investment income earned on those funds; and

(b) Federal reimbursement and any other related federal funds.

(3) The proceeds of the quality assurance fee set forth in section 4 of this act, the matching amount provided by the federal government, and any interest earned on those proceeds shall be used to supplement, and not to supplant, existing funding for ambulance transports provided by ambulance transport providers.

(4) Notwithstanding any provision of this chapter, the authority may seek federal approval to implement any add-on increase to the fee-for-service payment schedule pursuant to this section for any state fiscal year or years, as applicable, on a time-limited basis for a fixed program period, as determined by the authority.

(5) Notwithstanding any provision of this chapter, the add-on increase to the fee-for-service payment schedule pursuant to this section shall only be required and payable for state fiscal years for which a quality assurance fee payment obligation exists for ambulance transport providers.

NEW SECTION. **Sec.**  If there is a delay in the implementation of this chapter for any reason, including a delay in any required approval of the quality assurance fee and reimbursement methodology specified by the federal centers for medicare and medicaid services, both of the following shall apply:

(1) An ambulance transport provider subject to the fee may be assessed the amount the provider would be required to pay to the authority if the add-on increase to the fee-for-service payment schedule described in section 4 of this act were already approved, but shall not be required to pay the fee until the add-on increase to the fee-for-service payment schedule described in section 4 of this act is approved. The authority shall establish a schedule for payment of retroactive fees pursuant to this subsection in consultation with ambulance transport providers to minimize the disruption to the cash flow of ambulance transport providers.

(2) The authority may retroactively implement the add-on increase to the fee-for-service payment schedule pursuant to section 4 of this act to the extent the authority determines that federal financial participation is available and is not otherwise jeopardized.

NEW SECTION. **Sec.**  The authority may adopt rules to implement this chapter.

NEW SECTION. **Sec.**  (1)(a) The authority shall request any approval from the federal centers for medicare and medicaid services it deems necessary for the use of fees pursuant to this chapter and for the purpose of receiving associated federal matching funds.

(b) In making that request, the authority may seek, as it deems necessary, a request for waiver of the broad-based requirement, waiver of the uniformity requirement, or both, pursuant to 42 C.F.R. Sec. 433.68(e)(1) and (2), or a request for waiver of any other provisions of federal law or regulation necessary to implement this chapter.

(c) This chapter shall be implemented only to the extent that any necessary federal approvals are obtained and federal financial participation is available and is not otherwise jeopardized.

(2) The authority may modify or make adjustments to any methodology, fee amount, or other provision specified in this chapter to the extent necessary to meet the requirements of federal law or regulations or to obtain federal approval. If the authority, after consulting with affected ambulance transport providers, determines that a modification is needed, the authority shall execute a declaration stating that this determination has been made and that the actual or projected available fee amount for a state fiscal year remains approximately equal to the actual or projected aggregate fee schedule amount for each applicable state fiscal year, as defined by section 4(2)(d) of this act. The authority shall retain the declaration and provide a copy, within ten working days of the execution of the declaration, to the appropriate fiscal and policy committees of the legislature.

(3) The authority may add categories of exempt ambulance transport providers or apply a nonuniform fee per transport to ambulance transport providers that are subject to the fee in order to meet requirements of federal law or regulations. The authority may exempt categories of ambulance transport providers from the fee if necessary to obtain federal approval.

(4) If, before June 1st preceding the start of an applicable state fiscal year, the authority finds that the implementation of this chapter is likely no longer a benefit to the general fund for the applicable state fiscal year, the authority may decide to not implement this chapter for that state fiscal year. The authority shall notify the appropriate fiscal and policy committees of the legislature, and ambulance transport providers via the authority's internet web site, of its finding pursuant to this subsection.

NEW SECTION. **Sec.**  (1) This chapter shall be implemented by the authority only if, as long as, and to the extent that, all of the following conditions are met:

(a) The federal centers for medicare and medicaid services does not determine that the quality assurance fee revenues may not be used for the purposes set forth in this chapter.

(b) The authority obtains any necessary federal approvals for the collection of the quality assurance fee pursuant to this chapter and the add-on increase to the fee-for-service payment schedule described in section 4 of this act.

(c) The state continues its maintenance of effort for the level of state funding not derived from the quality assurance fee of ambulance transports reimbursement for the 2020–2021 rate year, and for each applicable rate year thereafter, in an amount not less than the amount that the state would have paid for the same number of ambulance transports under the rate methodology that was in effect on July 31, 2018.

(d) Federal financial participation is available, and is not otherwise jeopardized.

(2) This chapter shall cease to be operative on the first day of the state fiscal year beginning on or after the date one or more of the following conditions is satisfied:

(a) The federal centers for medicare and medicaid services no longer allows the collection or use of the ambulance transport provider assessment provided in this chapter;

(b) The increase to the medicaid payments described in section 6 of this act no longer remains in effect;

(c) The quality assurance fee assessed and collected pursuant to this chapter is no longer available for the purposes specified in this chapter;

(d) The authority determines that a change in federal law or federal medicaid policy results or is likely to result in a reduction of associated federal financial participation for the state medicaid program such that the authority determines the continued implementation of this chapter is no longer a benefit to the general fund;

(e) A final judicial determination made by any state or federal court that is not appealed, or by a court of appellate jurisdiction that is not further appealed, in any action by any party, or a final determination by the administrator of the federal centers for medicare and medicaid services that is not appealed, that federal financial participation is not available with respect to any payment made under the methodology implemented pursuant to this chapter;

(f) The state does not continue its maintenance of effort for the level of state funding of ambulance transports reimbursement for the 2020–2021 state fiscal year, or for any subsequent state fiscal year, in an amount not less than the amount that the state would have paid for the same number of ambulance transports under the rate methodology in effect on July 31, 2018.

(3) In the event one or more of the conditions listed in subsection (2) of this section is satisfied, the authority shall notify, in writing and as soon as practicable, the secretary of state, the secretary of the senate, the chief clerk of the house of representatives, the appropriate fiscal and policy committees of the legislature, and the code reviser's office of the condition and the approximate date or dates that it occurred. The authority shall post the notice on the authority's internet web site.

(4)(a) Notwithstanding any other law, in the event this chapter becomes inoperative pursuant to subsection (2) of this section, the authority shall be authorized to conduct all appropriate close-out activities and implement applicable provisions of this chapter for prior state fiscal years during which this chapter was operative including, but not limited to, the collection of outstanding quality assurance fees pursuant to section 4 of this act and payments associated with any add-on increase to the medicaid fee-for-service payment schedule pursuant to section 6 of this act. In implementing these close-out activities, the authority shall ensure that the actual or projected available fee amount for each applicable state fiscal year remains approximately equal to the aggregate fee schedule amount for the state fiscal year, as defined by section 4(2)(d) of this act. During this close-out period, the full amount of the quality assurance fee assessed and collected remains available only for the purposes specified in this chapter.

(b) Upon a determination by the authority that all appropriate close-out and implementation activities pursuant to (a) of this subsection have been completed, the authority shall notify, in writing, the secretary of state, the secretary of the senate, the chief clerk of the house of representatives, the appropriate fiscal and policy committees of the legislature, and the code reviser's office of that determination. This chapter shall expire as of the effective date of the notification issued by the authority pursuant to this subsection.

**Sec.**  RCW 43.84.092 and 2017 3rd sp.s. c 25 s 50, 2017 3rd sp.s. c 12 s 12, and 2017 c 290 s 8 are each reenacted and amended to read as follows:

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

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

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

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

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the Alaskan Way viaduct replacement project account, the ambulance transport fund, the brownfield redevelopment trust fund account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the Chehalis basin account, the cleanup settlement account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the common school construction fund, the community forest trust account, the connecting Washington account, the county arterial preservation account, the county criminal justice assistance account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community trust account, the diesel idle reduction account, the drinking water assistance account, the drinking water assistance administrative account, the early learning facilities development account, the early learning facilities revolving account, the Eastern Washington University capital projects account, the Interstate 405 express toll lanes operations account, the education construction fund, the education legacy trust account, the election account, the electric vehicle charging infrastructure account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the federal forest revolving account, the ferry bond retirement fund, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the public health services account, ((~~the high capacity transportation account,~~)) the state higher education construction account, the higher education construction account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the high occupancy toll lanes operations account, the hospital safety net assessment fund, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the mobile home park relocation fund, the money-purchase retirement savings administrative account, the money-purchase retirement savings principal account, the motor vehicle fund, the motorcycle safety education account, the multimodal transportation account, the multiuse roadway safety account, the municipal criminal justice assistance account, the natural resources deposit account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the pollution liability insurance agency underground storage tank revolving account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puget Sound taxpayer accountability account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the sexual assault prevention and response account, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state route number 520 civil penalties account, the state route number 520 corridor account, the state wildlife account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the toll facility bond retirement account, the transportation 2003 account (nickel account), the transportation equipment fund, the transportation future funding program account, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the volunteer firefighters' and reserve officers' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state health insurance pool account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, the water pollution control revolving fund, the Western Washington University capital projects account, the Yakima integrated plan implementation account, the Yakima integrated plan implementation revenue recovery account, and the Yakima integrated plan implementation taxable bond account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, the state university permanent fund, and the state reclamation revolving account shall be allocated to their respective beneficiary accounts.

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

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

NEW SECTION. **Sec.**  Sections 1 through 10 of this act constitute a new chapter in Title 74 RCW.

NEW SECTION. **Sec.**  This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

**--- END ---**