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**SUBSTITUTE SENATE BILL 6129**

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**State of Washington**

**65th Legislature**

**2018 Regular Session**

**By** Senate Health & Long Term Care (originally sponsored by Senators Cleveland, Chase, and Kuderer)

READ FIRST TIME 02/02/18.

1 AN ACT Relating to an ambulance transport quality assurance fee;  
2 reenacting and amending RCW 43.84.092; adding a new chapter to Title  
3 74 RCW; prescribing penalties; providing an expiration date;  
4 providing a contingent expiration date; and declaring an emergency.

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

6 NEW SECTION. **Sec. 1.** The purpose of this chapter is to provide  
7 for a safety net fee for certain ambulance transports, which will be  
8 used to augment funding from all other sources, thereby supporting  
9 additional payments to ambulance transport providers for medicaid  
10 services as specified in this chapter.

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

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

18 (2) "Ambulance transport" means the act of transporting an  
19 individual from any point of origin to the nearest medical facility  
20 capable of meeting the medical needs of the patient by an ambulance

1 licensed, operated, and equipped in accordance with applicable state  
2 or local statutes, ordinances, or regulations that are billed with  
3 the federal centers for medicare and medicaid services health care  
4 common procedure coding system (HCPCS) billing codes A0429 BLS  
5 Emergency, A0428 BLS Non-Emergency, A0427 ALS Emergency, A0426 ALS  
6 Non-Emergency, A0425 Mileage, and A0433 ALS2, A0434 Specialty Care  
7 and any equivalent, predecessor, or successor billing codes as may be  
8 determined by the authority. "Ambulance transports" does not include  
9 transportation of beneficiaries by passenger car, taxicabs, litter  
10 vans, wheelchair vans, or other forms of public or private  
11 conveyances, nor does it include transportation by an air ambulance  
12 provider. An "ambulance transport" does not occur when, following  
13 evaluation of a patient, a transport is not provided.

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

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

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

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

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

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

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

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

37 (9) "Gross receipts" means gross payments received as patient  
38 care revenue for ambulance transports, determined on a cash basis of  
39 accounting. "Gross receipts" includes all payments received as  
40 patient care revenue for ambulance transports, including payments for

1 the federal centers for medicare and medicaid services health care  
2 common procedure coding system (HCPCS) billing codes A0429 BLS  
3 Emergency, A0428 BLS Non-Emergency, A0427 ALS Emergency, A0426 ALS  
4 Non-Emergency, and A0433 ALS2, A0434 Specialty Care and any  
5 equivalent, predecessor, or successor billing codes as may be  
6 determined by the authority, and any other ancillary billing codes  
7 associated with ambulance transport as may be determined by the  
8 authority. "Gross receipts" does not include supplemental amounts  
9 received pursuant to RCW 41.05.730.

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

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

20 NEW SECTION. **Sec. 3.** (1)(a) The authority shall establish the  
21 manner and format for ambulance transport providers to report the  
22 data required pursuant to this section.

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

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

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

1 (a) For each quarter beginning on July 1, 2018, through the  
2 quarter beginning on October 1, 2018, inclusive, the data shall be  
3 submitted on or before February 15, 2019.

4 (b) For the quarter beginning on January 1, 2019, and continuing  
5 each quarter thereafter, the data shall be submitted on or before the  
6 forty-fifth day after the last day of the applicable quarter.

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

10 (a) For the state fiscal years beginning on July 1, 2018, and  
11 July 1, 2019, the data shall be submitted on or before February 15,  
12 2020.

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

17 NEW SECTION. **Sec. 4.** (1) Commencing with the state fiscal  
18 quarter beginning on January 1, 2020, and continuing each state  
19 fiscal quarter thereafter there shall be imposed a quality assurance  
20 fee for each ambulance transport provided by each ambulance transport  
21 provider subject to the fee in accordance with this section.

22 (2)(a) On or before June 15, 2019, and continuing each June 15th  
23 thereafter, the authority shall calculate the annual quality  
24 assurance fee rate applicable to the following state fiscal year  
25 based on the most recently collected data from ambulance transport  
26 providers pursuant to section 3 of this act. The authority may  
27 correct any identified material or significant errors in the data  
28 collected from ambulance transport providers pursuant to section 3 of  
29 this act for the purposes of calculating the annual quality assurance  
30 fee rate.

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

38 (ii) For state fiscal years beginning July 1, 2021, and  
39 continuing each state fiscal year thereafter, the annual quality

1 assurance fee rate shall be calculated by a ratio, the numerator of  
2 which shall be the sum of (A) the product of the projected aggregate  
3 fee schedule amount and the effective state medical assistance  
4 percentage and (B) the amount described in section 5(3)(a) of this  
5 act for the state fiscal year, and the denominator of which shall be  
6 ninety percent of the projected total annual ambulance transports by  
7 all ambulance transport providers subject to the fee for the state  
8 fiscal year.

9 (b) On or before June 15, 2019, and continuing each June 15th  
10 thereafter for which this article is implemented, the authority shall  
11 publish the annual quality assurance fee rate on its internet web  
12 site.

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

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

34 (3)(a) Each ambulance transport provider subject to the fee shall  
35 remit to the authority an amount equal to the annual quality  
36 assurance fee rate for the 2020-2021 state fiscal year multiplied by  
37 the number of transports reported or that should have been reported  
38 by the ambulance transport provider pursuant to section 3(2) of this  
39 act in the quarter beginning on July 1, 2019, based on a schedule  
40 established by the authority. The schedule established by the

1 authority for the fee payment described in this subsection shall  
2 require remittance of the fee payment beginning on January 1, 2020.

3 (b) Commencing with the state fiscal quarter beginning on January  
4 1, 2020, and continuing each state fiscal quarter thereafter, on or  
5 before the first day of each state fiscal quarter, each ambulance  
6 transport provider subject to the fee shall remit to the authority an  
7 amount equal to the annual quality assurance fee rate for the  
8 applicable state fiscal year multiplied by the number of transports  
9 reported or that should have been reported by the ambulance transport  
10 provider pursuant to section 3(2) of this act in the immediately  
11 preceding quarter.

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

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

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

36 (d) The authority may waive a portion or all of either the  
37 interest or penalties, or both, assessed under this chapter in the  
38 event the authority determines, in its sole discretion, that the  
39 ambulance transport provider has demonstrated that imposition of the  
40 full amount of the quality assurance fee pursuant to the timelines

1 applicable under this chapter has a high likelihood of creating an  
2 undue financial hardship for the provider. Waiver of some or all of  
3 the interest or penalties pursuant to this subsection shall be  
4 conditioned on the ambulance transport provider's agreement to make  
5 fee payments on an alternative schedule developed by the authority.

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

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

23 NEW SECTION. **Sec. 5.** (1) A dedicated fund is hereby established  
24 within the state treasury to be known as the ambulance transport  
25 fund. The purpose and use of the fund shall be to receive and  
26 disburse funds, together with accrued interest, in accordance with  
27 this chapter. Moneys in the fund, including interest earned, shall  
28 not be used or disbursed for any purposes other than those specified  
29 in this chapter. Any amounts expended from the fund that are later  
30 recouped by the authority on audit or otherwise shall be returned to  
31 the fund. Moneys in the account may be spent only after  
32 appropriation.

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

36 (3) The moneys in the ambulance transport fund, including any  
37 interest and dividends earned on money in the fund, shall be  
38 available exclusively to enhance federal financial participation for  
39 ambulance services under the medicaid program and to provide

1 additional reimbursement to, and to support quality improvement  
2 efforts of, ambulance transport providers, and to pay for the state's  
3 administrative costs and to provide funding for health care coverage  
4 for Washingtonians, in the following order of priority:

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

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

11 NEW SECTION. **Sec. 6.** (1) Commencing July 1, 2020, and for each  
12 state fiscal year thereafter, reimbursement to ambulance transport  
13 providers for ambulance transports shall be increased by application  
14 of an add-on to the associated medicaid fee-for-service payment  
15 schedule. The add-on increase to the fee-for-service payment schedule  
16 under this section shall be calculated on or before June 15, 2020,  
17 and shall remain the same for later state fiscal years, to the extent  
18 the authority determines federal financial participation is available  
19 and is not otherwise jeopardized. The add-on increase to the fee-for-  
20 service payment schedule under this section shall apply only to the  
21 billing codes identified in, or any equivalent, predecessor, or  
22 successor billing codes, as may be determined by the authority  
23 pursuant to section 2(2) of this act. The authority shall calculate  
24 the projections required by this subsection based on the data  
25 submitted pursuant to section 3 of this act. The fee-for-service add-  
26 on shall be equal to the quotient of the available fee amount  
27 projected by the authority on or before June 15, 2020, for the 2020-  
28 2021 state fiscal year, divided by the total medicaid ambulance  
29 transports, utilizing the billing codes projected by the authority on  
30 or before June 15, 2020, for the 2020-2021 state fiscal year. The  
31 resulting fee-for-service payment schedule amounts after the  
32 application of this section shall be equal to the sum of the medicaid  
33 fee-for-service payment schedule amount for the 2017-2018 state  
34 fiscal year and the add-on increase.

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

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

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

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

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

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

17 NEW SECTION. **Sec. 7.** If there is a delay in the implementation  
18 of this chapter for any reason, including a delay in any required  
19 approval of the quality assurance fee and reimbursement methodology  
20 specified by the federal centers for medicare and medicaid services,  
21 both of the following shall apply:

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

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

36 NEW SECTION. **Sec. 8.** The authority may adopt rules to implement  
37 this chapter.

1        NEW SECTION.    **Sec. 9.**    (1)(a) The authority shall request any  
2 approval from the federal centers for medicare and medicaid services  
3 it deems necessary for the use of fees pursuant to this chapter and  
4 for the purpose of receiving associated federal matching funds.

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

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

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

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

34        (4) If, before June 1st preceding the start of an applicable  
35 state fiscal year, the authority finds that the implementation of  
36 this chapter is likely no longer a benefit to the general fund for  
37 the applicable state fiscal year, the authority may decide to not  
38 implement this chapter for that state fiscal year. The authority  
39 shall notify the appropriate fiscal and policy committees of the

1 legislature, and ambulance transport providers via the authority's  
2 internet web site, of its finding pursuant to this subsection.

3 NEW SECTION. **Sec. 10.** (1) This chapter shall be implemented by  
4 the authority only if, as long as, and to the extent that, all of the  
5 following conditions are met:

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

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

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

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

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

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

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

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

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

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

8 (f) The state does not continue its maintenance of effort for the  
9 level of state funding of ambulance transports reimbursement for the  
10 2020-2021 state fiscal year, or for any subsequent state fiscal year,  
11 in an amount not less than the amount that the state would have paid  
12 for the same number of ambulance transports under the rate  
13 methodology in effect on July 31, 2018.

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

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

38 (b) Upon a determination by the authority that all appropriate  
39 close-out and implementation activities pursuant to (a) of this  
40 subsection have been completed, the authority shall notify, in

1 writing, the secretary of state, the secretary of the senate, the  
2 chief clerk of the house of representatives, the appropriate fiscal  
3 and policy committees of the legislature, and the code reviser's  
4 office of that determination. This chapter shall expire as of the  
5 effective date of the notification issued by the authority pursuant  
6 to this subsection.

7 **Sec. 11.** RCW 43.84.092 and 2017 3rd sp.s. c 25 s 50, 2017 3rd  
8 sp.s. c 12 s 12, and 2017 c 290 s 8 are each reenacted and amended to  
9 read as follows:

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

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

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

38 (4) Monthly, the state treasurer shall distribute the earnings  
39 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 fund's  
5 average daily balance for the period: The aeronautics account, the  
6 aircraft search and rescue account, the Alaskan Way viaduct  
7 replacement project account, the ambulance transport fund, the  
8 brownfield redevelopment trust fund account, the budget stabilization  
9 account, the capital vessel replacement account, the capitol building  
10 construction account, the Cedar River channel construction and  
11 operation account, the Central Washington University capital projects  
12 account, the charitable, educational, penal and reformatory  
13 institutions account, the Chehalis basin account, the cleanup  
14 settlement account, the Columbia river basin water supply development  
15 account, the Columbia river basin taxable bond water supply  
16 development account, the Columbia river basin water supply revenue  
17 recovery account, the common school construction fund, the community  
18 forest trust account, the connecting Washington account, the county  
19 arterial preservation account, the county criminal justice assistance  
20 account, the deferred compensation administrative account, the  
21 deferred compensation principal account, the department of licensing  
22 services account, the department of retirement systems expense  
23 account, the developmental disabilities community trust account, the  
24 diesel idle reduction account, the drinking water assistance account,  
25 the drinking water assistance administrative account, the early  
26 learning facilities development account, the early learning  
27 facilities revolving account, the Eastern Washington University  
28 capital projects account, the Interstate 405 express toll lanes  
29 operations account, the education construction fund, the education  
30 legacy trust account, the election account, the electric vehicle  
31 charging infrastructure account, the energy freedom account, the  
32 energy recovery act account, the essential rail assistance account,  
33 The Evergreen State College capital projects account, the federal  
34 forest revolving account, the ferry bond retirement fund, the freight  
35 mobility investment account, the freight mobility multimodal account,  
36 the grade crossing protective fund, the public health services  
37 account, (~~the high capacity transportation account,~~) the state  
38 higher education construction account, the higher education  
39 construction account, the highway bond retirement fund, the highway  
40 infrastructure account, the highway safety fund, the high occupancy

1 toll lanes operations account, the hospital safety net assessment  
2 fund, the industrial insurance premium refund account, the judges'  
3 retirement account, the judicial retirement administrative account,  
4 the judicial retirement principal account, the local leasehold excise  
5 tax account, the local real estate excise tax account, the local  
6 sales and use tax account, the marine resources stewardship trust  
7 account, the medical aid account, the mobile home park relocation  
8 fund, the money-purchase retirement savings administrative account,  
9 the money-purchase retirement savings principal account, the motor  
10 vehicle fund, the motorcycle safety education account, the multimodal  
11 transportation account, the multiuse roadway safety account, the  
12 municipal criminal justice assistance account, the natural resources  
13 deposit account, the oyster reserve land account, the pension funding  
14 stabilization account, the perpetual surveillance and maintenance  
15 account, the pollution liability insurance agency underground storage  
16 tank revolving account, the public employees' retirement system plan  
17 1 account, the public employees' retirement system combined plan 2  
18 and plan 3 account, the public facilities construction loan revolving  
19 account beginning July 1, 2004, the public health supplemental  
20 account, the public works assistance account, the Puget Sound capital  
21 construction account, the Puget Sound ferry operations account, the  
22 Puget Sound taxpayer accountability account, the real estate  
23 appraiser commission account, the recreational vehicle account, the  
24 regional mobility grant program account, the resource management cost  
25 account, the rural arterial trust account, the rural mobility grant  
26 program account, the rural Washington loan fund, the sexual assault  
27 prevention and response account, the site closure account, the  
28 skilled nursing facility safety net trust fund, the small city  
29 pavement and sidewalk account, the special category C account, the  
30 special wildlife account, the state employees' insurance account, the  
31 state employees' insurance reserve account, the state investment  
32 board expense account, the state investment board commingled trust  
33 fund accounts, the state patrol highway account, the state route  
34 number 520 civil penalties account, the state route number 520  
35 corridor account, the state wildlife account, the supplemental  
36 pension account, the Tacoma Narrows toll bridge account, the  
37 teachers' retirement system plan 1 account, the teachers' retirement  
38 system combined plan 2 and plan 3 account, the tobacco prevention and  
39 control account, the tobacco settlement account, the toll facility  
40 bond retirement account, the transportation 2003 account (nickel

1 account), the transportation equipment fund, the transportation  
2 future funding program account, the transportation improvement  
3 account, the transportation improvement board bond retirement  
4 account, the transportation infrastructure account, the  
5 transportation partnership account, the traumatic brain injury  
6 account, the tuition recovery trust fund, the University of  
7 Washington bond retirement fund, the University of Washington  
8 building account, the volunteer firefighters' and reserve officers'  
9 relief and pension principal fund, the volunteer firefighters' and  
10 reserve officers' administrative fund, the Washington judicial  
11 retirement system account, the Washington law enforcement officers'  
12 and firefighters' system plan 1 retirement account, the Washington  
13 law enforcement officers' and firefighters' system plan 2 retirement  
14 account, the Washington public safety employees' plan 2 retirement  
15 account, the Washington school employees' retirement system combined  
16 plan 2 and 3 account, the Washington state health insurance pool  
17 account, the Washington state patrol retirement account, the  
18 Washington State University building account, the Washington State  
19 University bond retirement fund, the water pollution control  
20 revolving administration account, the water pollution control  
21 revolving fund, the Western Washington University capital projects  
22 account, the Yakima integrated plan implementation account, the  
23 Yakima integrated plan implementation revenue recovery account, and  
24 the Yakima integrated plan implementation taxable bond account.  
25 Earnings derived from investing balances of the agricultural  
26 permanent fund, the normal school permanent fund, the permanent  
27 common school fund, the scientific permanent fund, the state  
28 university permanent fund, and the state reclamation revolving  
29 account shall be allocated to their respective beneficiary accounts.

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

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

1        NEW SECTION.    **Sec. 12.**    Sections 1 through 10 of this act  
2    constitute a new chapter in Title 74 RCW.

3        NEW SECTION.    **Sec. 13.**    This act is necessary for the immediate  
4    preservation of the public peace, health, or safety, or support of  
5    the state government and its existing public institutions, and takes  
6    effect immediately.

7        NEW SECTION.    **Sec. 14.**    This act expires July 1, 2023.

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