
SUBSTITUTE SENATE BILL 5697

State of Washington

56th Legislature

1999 Regular Session

By Senate Committee on Commerce, Trade, Housing & Financial Institutions (originally sponsored by Senators Prentice, Winsley, T. Sheldon, Benton, Rasmussen and Deccio)

Read first time 03/03/99.

1 AN ACT Relating to distributing the earnings credited to the
2 treasury income account; amending RCW 43.79A.040, 43.84.092, and
3 18.39.800; and providing an effective date.

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

5 **Sec. 1.** RCW 43.79A.040 and 1998 c 268 s 1 are each amended to read
6 as follows:

7 (1) Money in the treasurer's trust fund may be deposited, invested,
8 and reinvested by the state treasurer in accordance with RCW 43.84.080
9 in the same manner and to the same extent as if the money were in the
10 state treasury.

11 (2) All income received from investment of the treasurer's trust
12 fund shall be set aside in an account in the treasury trust fund to be
13 known as the investment income account.

14 (3) The investment income account may be utilized for the payment
15 of purchased banking services on behalf of treasurer's trust funds
16 including, but not limited to, depository, safekeeping, and
17 disbursement functions for the state treasurer or affected state
18 agencies. The investment income account is subject in all respects to
19 chapter 43.88 RCW, but no appropriation is required for payments to

1 financial institutions. Payments shall occur prior to distribution of
2 earnings set forth in subsection (4) of this section.

3 (4)(a) Monthly, the state treasurer shall distribute the earnings
4 credited to the investment income account to the state general fund
5 except under (b) and (c) of this subsection.

6 (b) The following accounts and funds shall receive their
7 proportionate share of earnings based upon each account's or fund's
8 average daily balance for the period: The Washington advanced college
9 tuition payment program account, the agricultural local fund, the
10 American Indian scholarship endowment fund, the Washington
11 international exchange scholarship endowment fund, the energy account,
12 the fair fund, the game farm alternative account, the grain inspection
13 revolving fund, the real estate education account, the rural
14 rehabilitation account, the stadium and exhibition center account, the
15 youth athletic facility grant account, the self-insurance revolving
16 fund, the sulfur dioxide abatement account, and the children's trust
17 fund. However, the earnings to be distributed shall first be reduced
18 by the allocation to the state treasurer's service fund pursuant to RCW
19 43.08.190.

20 (c) The following accounts and funds shall receive eighty percent
21 of their proportionate share of earnings based upon each account's or
22 fund's average daily balance for the period: The advanced right of way
23 revolving fund, the advanced environmental mitigation revolving
24 account, the federal narcotics asset forfeitures account, the high
25 occupancy vehicle account, the local rail service assistance account,
26 and the miscellaneous transportation programs account.

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

30 **Sec. 2.** RCW 43.84.092 and 1998 c 341 s 708 are each amended to
31 read as follows:

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

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

1 required for refunds or allocations of interest earnings required by
2 the cash management improvement act. Refunds of interest to the
3 federal treasury required under the cash management improvement act
4 fall under RCW 43.88.180 and shall not require appropriation. The
5 office of financial management shall determine the amounts due to or
6 from the federal government pursuant to the cash management improvement
7 act. The office of financial management may direct transfers of funds
8 between accounts as deemed necessary to implement the provisions of the
9 cash 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 income
13 account may be utilized for the payment of purchased banking services
14 on behalf of treasury funds including, but not limited to, depository,
15 safekeeping, and disbursement functions for the state treasury and
16 affected state agencies. The treasury income account is subject in all
17 respects to chapter 43.88 RCW, but no appropriation is required for
18 payments to financial institutions. Payments shall occur prior to
19 distribution of earnings set forth in subsection (4) of this section.

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

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

1 public health services account, the health system capacity account, the
2 personal health services account, the highway infrastructure account,
3 the industrial insurance premium refund account, the judges' retirement
4 account, the judicial retirement administrative account, the judicial
5 retirement principal account, the local leasehold excise tax account,
6 the local real estate excise tax account, the local sales and use tax
7 account, the medical aid account, the mobile home park relocation fund,
8 the municipal criminal justice assistance account, the municipal sales
9 and use tax equalization account, the natural resources deposit
10 account, the perpetual surveillance and maintenance account, the
11 professional engineers' account, the public employees' retirement
12 system plan I account, the public employees' retirement system plan II
13 account, the Puyallup tribal settlement account, the real estate
14 commission account, the resource management cost account, the site
15 closure account, the special wildlife account, the state employees'
16 insurance account, the state employees' insurance reserve account, the
17 state investment board expense account, the state investment board
18 commingled trust fund accounts, the supplemental pension account, the
19 teachers' retirement system plan I account, the teachers' retirement
20 system combined plan II and plan III account, the transportation
21 infrastructure account, the tuition recovery trust fund, the University
22 of Washington bond retirement fund, the University of Washington
23 building account, the volunteer fire fighters' relief and pension
24 principal account, the volunteer fire fighters' relief and pension
25 administrative account, the Washington judicial retirement system
26 account, the Washington law enforcement officers' and fire fighters'
27 system plan I retirement account, the Washington law enforcement
28 officers' and fire fighters' system plan II retirement account, the
29 Washington school employees' retirement system combined plan II and III
30 account, the Washington state patrol retirement account, the Washington
31 State University building account, the Washington State University bond
32 retirement fund, the water pollution control revolving fund, and the
33 Western Washington University capital projects account. Earnings
34 derived from investing balances of the agricultural permanent fund, the
35 normal school permanent fund, the permanent common school fund, the
36 scientific permanent fund, and the state university permanent fund
37 shall be allocated to their respective beneficiary accounts. All
38 earnings to be distributed under this subsection (4)(a) shall first be

1 reduced by the allocation to the state treasurer's service fund
2 pursuant to RCW 43.08.190.

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

28 **Sec. 3.** RCW 18.39.800 and 1996 c 217 s 9 are each amended to read
29 as follows:

30 The funeral directors and embalmers account is created in the state
31 treasury. All fees received by the department for licenses,
32 registrations, renewals, examinations, and audits shall be forwarded to
33 the state treasurer who shall credit the money to the account. All
34 fines and civil penalties ordered by the superior court or fines
35 ordered pursuant to RCW 18.130.160(8) against holders of licenses or
36 registrations issued under the provisions of this chapter shall be paid
37 to the account. All expenses incurred in carrying out the licensing
38 and registration activities of the department and the state funeral

1 directors and embalmers board under this chapter shall be paid from the
2 account as authorized by legislative appropriation. Any residue in the
3 account shall be accumulated and shall not revert to the general fund
4 at the end of the biennium. (~~All earnings of investments of balances~~
5 ~~in the account shall be credited to the general fund. Any fund balance~~
6 ~~remaining in the health professions account attributable to the funeral~~
7 ~~director and embalmer professions as of July 1, 1993, shall be~~
8 ~~transferred to the funeral directors and embalmers account.))~~

9 NEW SECTION. **Sec. 4.** This act takes effect July 1, 2001.

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