
ENGROSSED SUBSTITUTE SENATE BILL 6680

State of Washington

58th Legislature

2004 Regular Session

By Senate Committee on Highways & Transportation (originally sponsored by Senators Horn, Haugen, Esser, Spanel, Swecker, Oke, Prentice and Shin)

READ FIRST TIME 02/10/04.

1 AN ACT Relating to freight mobility; amending RCW 47.26.084 and
2 47.66.030; reenacting and amending RCW 43.84.092 and 43.84.092; adding
3 new sections to chapter 47.26 RCW; adding a new section to chapter
4 46.68 RCW; creating a new section; providing effective dates; and
5 providing an expiration date.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 47.26 RCW
8 to read as follows:

9 INTENT. The legislature recognizes the need to place a greater
10 emphasis on the movement of freight in Washington state. A strong
11 programmatic commitment is needed to focus current resources and direct
12 new, ongoing funding toward freight corridor priorities and projects
13 that expedite the movement of international cargo. The legislature
14 recognizes that the transportation improvement board currently makes a
15 ten million dollar biennial investment in such projects and has the
16 engineering expertise required to manage freight construction projects.
17 It is the intent of the legislature to consolidate the board's freight
18 activities into a program that helps Washington to become a federal
19 "center of excellence" and attracts new funding as part of the TEA-21

1 extension or reauthorization. A freight investment account is created
2 as a repository to appropriate federal funds and for any new state
3 revenues dedicated to the ongoing support of freight mobility.

4 NEW SECTION. **Sec. 2.** A new section is added to chapter 47.26 RCW
5 to read as follows:

6 STATE FREIGHT INVESTMENT PROGRAM CREATED. (1) A state freight
7 investment program is created to be managed by the board.
8 Transportation partnership projects with a freight benefit are
9 relocated into the state freight investment program.

10 (2) The board shall use the following criteria, not necessarily in
11 order of importance, to prioritize freight investment program projects
12 proposed by both local governments and the department of
13 transportation:

14 (a) A freight benefit; including corridor completion and reduction
15 in roadway conflicts between freight and the general public. First and
16 greatest consideration must be given to projects previously identified
17 by the freight mobility strategic investment board. Projects so
18 identified by the freight mobility strategic investment board must
19 receive no less than two-thirds of the total points or weight that may
20 be assigned under this criteria.

21 (b) The creation of economic opportunities; including improved
22 access to freight generators and development or expansion of freight
23 facilities.

24 (c) The potential for project delivery; including full funding at
25 the time of the grant award and the leveraging of additional local,
26 state, or federal funds.

27 (d) The potential to attract federal funding; including projects on
28 corridors of national significance, highway connection projects between
29 the national highway system and intermodal freight facilities, grade
30 separation projects, projects that support intermodal rail capacity,
31 and projects that sustain multiple gateways for national emergencies.

32 (3) Major projects with a significant increase in scope or cost
33 from the original estimate at grant award must include a review of the
34 project's current funding status and revised priority rank based on the
35 new scope. The projects may be delayed or canceled by the board in
36 favor of projects that are certified as fully funded.

1 (4) Funds or earmarks that traditionally apply to freight action
2 strategy projects must not be programed in the state freight investment
3 program or appropriated to the state freight investment account.

4 (5) Funds or earmarks from federal freight programs that
5 specifically apply to state highways must not be programed in the state
6 freight investment program or appropriated to the state freight
7 investment account.

8 NEW SECTION. **Sec. 3.** A new section is added to chapter 46.68 RCW
9 to read as follows:

10 FREIGHT INVESTMENT ACCOUNT CREATED. (1) The freight investment
11 account is created in the state treasury. Moneys in the account may be
12 spent only after appropriation.

13 (2) Expenditures from the account must be used for projects or
14 improvements selected by the board under section 2 of this act, or to
15 pay the principal and interest on bonds authorized for projects or
16 improvements selected under section 2 of this act.

17 (3) The account may receive one-time or ongoing distributions from
18 the state multimodal transportation and motor vehicle accounts. The
19 account must be the repository for any new state revenues dedicated to
20 the ongoing support of freight mobility. The account must be a
21 repository to appropriate funds from federal freight programs and to
22 appropriate flexible funds directed toward the freight program created
23 in section 2 of this act. Federal appropriations are to be funded from
24 the surface transportation program flexible funds or similar program
25 anticipated to be authorized in the extension or reauthorization of the
26 Transportation Equity Act for the 21st Century (TEA-21).

27 (4) Federal funds deposited in the account must be administered by
28 the highways and local programs division of the department of
29 transportation.

30 (5) When necessary to keep balanced the freight investment account,
31 the department of transportation may transfer funds between the freight
32 investment account and either the motor vehicle account or multimodal
33 transportation account.

34 (6) Funds or earmarks that traditionally apply to freight action
35 strategy projects must not be programed in the state freight investment
36 program or appropriated to the state freight investment account.

1 (7) Funds or earmarks from federal freight programs that
2 specifically apply to state highways must not be programed in the state
3 freight investment program or appropriated to the state freight
4 investment account.

5 **Sec. 4.** RCW 43.84.092 and 2003 c 361 s 602, 2003 c 324 s 1, and
6 2003 c 48 s 2 are each reenacted and amended to read as follows:

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

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

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

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

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

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

28 (b) The following accounts and funds shall receive eighty percent
29 of their proportionate share of earnings based upon each account's or
30 fund's average daily balance for the period: The aeronautics account,
31 the aircraft search and rescue account, the county arterial
32 preservation account, the department of licensing services account, the
33 essential rail assistance account, the ferry bond retirement fund, the
34 freight investment account, the grade crossing protective fund, the
35 high capacity transportation account, the highway bond retirement fund,
36 the highway safety account, the motor vehicle fund, the motorcycle
37 safety education account, the pilotage account, the public
38 transportation systems account, the Puget Sound capital construction

1 account, the Puget Sound ferry operations account, the recreational
2 vehicle account, the rural arterial trust account, the safety and
3 education account, the special category C account, the state patrol
4 highway account, the transportation 2003 account (nickel account), the
5 transportation equipment fund, the transportation fund, the
6 transportation improvement account, the transportation improvement
7 board bond retirement account, and the urban arterial trust account.

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

11 **Sec. 5.** RCW 43.84.092 and 2003 c 361 s 602, 2003 c 324 s 1, 2003
12 c 150 s 2, and 2003 c 48 s 2 are each reenacted and amended to read as
13 follows:

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

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

32 (3) Except for the provisions of RCW 43.84.160, the treasury income
33 account may be utilized for the payment of purchased banking services
34 on behalf of treasury funds including, but not limited to, depository,
35 safekeeping, and disbursement functions for the state treasury and
36 affected state agencies. The treasury income account is subject in all

1 respects to chapter 43.88 RCW, but no appropriation is required for
2 payments to financial institutions. Payments shall occur prior to
3 distribution of earnings set forth in subsection (4) of this section.

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

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

1 system combined plan 2 and plan 3 account, the public facilities
2 construction loan revolving account beginning July 1, 2004, the public
3 health supplemental account, the public works assistance account, the
4 Puyallup tribal settlement account, the regional transportation
5 investment district account, the resource management cost account, the
6 site closure account, the special wildlife account, the state
7 employees' insurance account, the state employees' insurance reserve
8 account, the state investment board expense account, the state
9 investment board commingled trust fund accounts, the supplemental
10 pension account, the Tacoma Narrows toll bridge account, the teachers'
11 retirement system plan 1 account, the teachers' retirement system
12 combined plan 2 and plan 3 account, the tobacco prevention and control
13 account, the tobacco settlement account, the transportation
14 infrastructure account, the tuition recovery trust fund, the University
15 of Washington bond retirement fund, the University of Washington
16 building account, the volunteer fire fighters' and reserve officers'
17 relief and pension principal fund, the volunteer fire fighters' and
18 reserve officers' administrative fund, the Washington fruit express
19 account, the Washington judicial retirement system account, the
20 Washington law enforcement officers' and fire fighters' system plan 1
21 retirement account, the Washington law enforcement officers' and fire
22 fighters' system plan 2 retirement account, the Washington school
23 employees' retirement system combined plan 2 and 3 account, the
24 Washington state health insurance pool account, the Washington state
25 patrol retirement account, the Washington State University building
26 account, the Washington State University bond retirement fund, the
27 water pollution control revolving fund, and the Western Washington
28 University capital projects account. Earnings derived from investing
29 balances of the agricultural permanent fund, the normal school
30 permanent fund, the permanent common school fund, the scientific
31 permanent fund, and the state university permanent fund shall be
32 allocated to their respective beneficiary accounts. All earnings to be
33 distributed under this subsection (4)(a) shall first be reduced by the
34 allocation to the state treasurer's service fund pursuant to RCW
35 43.08.190.

36 (b) The following accounts and funds shall receive eighty percent
37 of their proportionate share of earnings based upon each account's or
38 fund's average daily balance for the period: The aeronautics account,

1 the aircraft search and rescue account, the county arterial
2 preservation account, the department of licensing services account, the
3 essential rail assistance account, the ferry bond retirement fund, the
4 freight investment account, the grade crossing protective fund, the
5 high capacity transportation account, the highway bond retirement fund,
6 the highway safety account, the motor vehicle fund, the motorcycle
7 safety education account, the pilotage account, the public
8 transportation systems account, the Puget Sound capital construction
9 account, the Puget Sound ferry operations account, the recreational
10 vehicle account, the rural arterial trust account, the safety and
11 education account, the special category C account, the state patrol
12 highway account, the transportation 2003 account (nickel account), the
13 transportation equipment fund, the transportation fund, the
14 transportation improvement account, the transportation improvement
15 board bond retirement account, and the urban arterial trust account.

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

19 **Sec. 6.** RCW 47.26.084 and 1999 c 94 s 17 are each amended to read
20 as follows:

21 The transportation improvement account is hereby created in the
22 motor vehicle fund. The ((~~intent~~)) purpose of the ((~~program~~)) account
23 is to improve mobility of people and goods in Washington state by
24 supporting economic development and environmentally responsive
25 solutions to our statewide transportation and freight system needs.

26 The transportation improvement account funds the transportation
27 partnership program and, with the freight investment account, funds the
28 freight investment program.

29 Within one year after board approval of an application for funding,
30 a county, city, or transportation benefit district shall provide
31 written certification to the board of the pledged local and/or private
32 funding. Funds allocated to an applicant that does not certify its
33 funding within one year after approval may be reallocated by the board.

34 **Sec. 7.** RCW 47.66.030 and 1996 c 49 s 3 are each amended to read
35 as follows:

36 (1)(a) The transportation improvement board is authorized and

1 responsible for the final selection of programs and projects funded
2 from the freight investment account; central Puget Sound public
3 transportation account; and public transportation systems account(~~(+~~
4 ~~and the intermodal surface transportation and efficiency act of 1991,~~
5 ~~surface transportation program, statewide competitive))~~).

6 (b) The board may establish subcommittees as well as technical
7 advisory committees to carry out the mandates of this chapter.

8 (2) Expenses of the board, including administrative expenses for
9 managing the program, shall be paid in accordance with RCW 47.26.140.

10 NEW SECTION. Sec. 8. Captions used in this act are not any part
11 of the law.

12 NEW SECTION. Sec. 9. (1) Sections 1 through 4, 6, and 7 of this
13 act take effect July 1, 2004.

14 (2) Section 5 of this act takes effect July 1, 2005.

15 NEW SECTION. Sec. 10. Section 4 of this act expires July 1, 2005.

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