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5581-S2.E AMH CLEM FRAS 151

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

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

3 "Sec. 8. NEW SECTION. LIFE SCIENCES DISCOVERY FUND. The life
4 sciences discovery fund is created in the state treasury.
5 Expenditures from the fund may be made only after appropriation and
6 only for purposes of this chapter. Administrative costs of the
7 authority, including staff support, may be paid only from the fund.
8 Revenues to the fund consist of transfers made by the legislature
9 from strategic contribution payments deposited in the tobacco
10 settlement account under RCW 43.79,480, moneys received pursuant to
11 contribution agreements entered into under section 4 of this act,
12 moneys received from gifts, grants, and bequests, and interest
13 earned on the fund."

14 On page 7, line 17 of the amendment, after "section." strike
15 all material through "act." on line 20 and insert: "Amounts
16 received as strategic contribution payments as defined in section
17 2 of this act may only be transferred to the health services
18 account for the purposes set forth in RCW 43.72.900, to the tobacco
19 prevention and control account for purposes set forth in this
20 section, or to the life sciences discovery fund established in
21 section 8 of this act for the purposes of chapter 43.-- RCW
22 (sections 1 through 8 of this act)."

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

25 "Sec. 16. RCW 43.84.092 and 2003 c 361 s 602, 2003 c 324 s 1,
26 and 2003 c 48 s 2 are each reenacted and amended to read as
27 follows:

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

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

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

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

33 (a) The following accounts and funds shall receive their
34 proportionate share of earnings based upon each account's and
35 fund's average daily balance for the period: The capitol building
36 construction account, the Cedar River channel construction and
37 operation account, the Central Washington University capital
38 projects account, the charitable, educational, penal and
39 reformatory institutions account, the common school construction

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

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

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

1 transportation fund, the transportation improvement account, the
2 transportation improvement board bond retirement account, and the
3 urban arterial trust account.

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

8 **Sec. 17.** RCW 43.84.092 and 2003 c 361 s 602, 2003 c 324 s 1,
9 2003 c 150 s 2, and 2003 c 48 s 2 are each reenacted and amended to
10 read as follows:

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

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

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

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

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

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

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

1 county arterial preservation account, the department of licensing
2 services account, the essential rail assistance account, the ferry
3 bond retirement fund, the grade crossing protective fund, the high
4 capacity transportation account, the highway bond retirement fund,
5 the highway safety account, the motor vehicle fund, the motorcycle
6 safety education account, the pilotage account, the public
7 transportation systems account, the Puget Sound capital
8 construction account, the Puget Sound ferry operations account, the
9 recreational vehicle account, the rural arterial trust account, the
10 safety and education account, the special category C account, the
11 state patrol highway account, the transportation 2003 account
12 (nickel account), the transportation equipment fund, the
13 transportation fund, the transportation improvement account, the
14 transportation improvement board bond retirement account, and the
15 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
18 earnings without the specific affirmative directive of this
19 section.

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

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

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

1 allocations shall occur prior to the distributions of earnings set
2 forth in subsection (4) of this section.

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

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

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

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

1 University capital projects account. Earnings derived from
2 investing balances of the agricultural permanent fund, the normal
3 school permanent fund, the permanent common school fund, the
4 scientific permanent fund, and the state university permanent fund
5 shall be allocated to their respective beneficiary accounts. All
6 earnings to be distributed under this subsection (4)(a) shall first
7 be reduced by the allocation to the state treasurer's service fund
8 pursuant to RCW 43.08.190.

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

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

32 Renumber remaining sections consecutively and correct title and
33 internal references accordingly.

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

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

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

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

3 NEW SECTION. **Sec. 22.** EFFECTIVE DATE. This act is necessary
4 for the immediate preservation of the public peace, health, or
5 safety, or support of the state government and its existing public
6 institutions, and takes effect immediately, except for section 14
7 of this act, which takes effect June 30, 2005, section 17 of this
8 act, which takes effect July 1, 2005, and section 18 of this act,
9 which takes effect July 1, 2006."

EFFECT: Makes the Life Sciences Discovery Fund an appropriated rather than a non-appropriated account. Requires an appropriation to make expenditures from the Fund. Authorizes the Legislature to transfer Strategic Contribution Payments received in the Tobacco Settlement Account to the Life Sciences Discovery Fund. Makes conforming amendments to interest retention statutes and effective dates.