

ESSB 6050 - H COMM AMD
By Committee on Finance

NOT ADOPTED 04/20/2005

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 82.16.010 and 1996 c 150 s 1 are each amended to read
4 as follows:

5 For the purposes of this chapter, unless otherwise required by the
6 context:

7 (1) "Railroad business" means the business of operating any
8 railroad, by whatever power operated, for public use in the conveyance
9 of persons or property for hire. It shall not, however, include any
10 business herein defined as an urban transportation business.

11 (2) "Express business" means the business of carrying property for
12 public hire on the line of any common carrier operated in this state,
13 when such common carrier is not owned or leased by the person engaging
14 in such business.

15 (3) "Railroad car business" means the business of operating stock
16 cars, furniture cars, refrigerator cars, fruit cars, poultry cars, tank
17 cars, sleeping cars, parlor cars, buffet cars, tourist cars, or any
18 other kinds of cars used for transportation of property or persons upon
19 the line of any railroad operated in this state when such railroad is
20 not owned or leased by the person engaging in such business.

21 (4) "Water distribution business" means the business of operating
22 a plant or system for the distribution of water for hire or sale.

23 (5) "Light and power business" means the business of operating a
24 plant or system for the generation, production or distribution of
25 electrical energy for hire or sale and/or for the wheeling of
26 electricity for others.

27 (6) "Telegraph business" means the business of affording
28 telegraphic communication for hire.

29 (7) "Gas distribution business" means the business of operating a

1 plant or system for the production or distribution for hire or sale of
2 gas, whether manufactured or natural.

3 (8) "Motor transportation business" means the business (except
4 urban transportation business) of operating any motor propelled vehicle
5 by which persons or property of others are conveyed for hire, and
6 includes, but is not limited to, the operation of any motor propelled
7 vehicle as an auto transportation company (except urban transportation
8 business), common carrier or contract carrier as defined by RCW
9 81.68.010 and 81.80.010: PROVIDED, That "motor transportation
10 business" shall not mean or include the transportation of logs or other
11 forest products exclusively upon private roads or private highways.

12 (9) "Urban transportation business" means the business of operating
13 any vehicle for public use in the conveyance of persons or property for
14 hire, insofar as (a) operating entirely within the corporate limits of
15 any city or town, or within five miles of the corporate limits thereof,
16 or (b) operating entirely within and between cities and towns whose
17 corporate limits are not more than five miles apart or within five
18 miles of the corporate limits of either thereof. Included herein, but
19 without limiting the scope hereof, is the business of operating
20 passenger vehicles of every type and also the business of operating
21 cartage, pickup, or delivery services, including in such services the
22 collection and distribution of property arriving from or destined to a
23 point within or without the state, whether or not such collection or
24 distribution be made by the person performing a local or interstate
25 line-haul of such property.

26 (10) "Public service business" means any of the businesses defined
27 in subdivisions (1), (2), (3), (4), (5), (6), (7), (8), and (9) or any
28 business subject to control by the state, or having the powers of
29 eminent domain and the duties incident thereto, or any business
30 hereafter declared by the legislature to be of a public service nature,
31 except telephone business as defined in RCW 82.04.065 and low-level
32 radioactive waste site operating companies as redefined in RCW
33 81.04.010. It includes, among others, without limiting the scope
34 hereof: Airplane transportation, boom, dock, ferry, pipe line, toll
35 bridge, toll logging road, water transportation and wharf businesses.

36 (11) "Tugboat business" means the business of operating tugboats,
37 towboats, wharf boats or similar vessels in the towing or pushing of
38 vessels, barges or rafts for hire.

1 (12) "Subscription television business" means providing
2 transmission of video programming, including single-event programs, to
3 subscribers and includes any subscriber interaction for the selection
4 of video programming or other program services. The term includes, but
5 is not limited to, direct broadcast satellite service, cable television
6 service, satellite master antenna television service, master antenna
7 television service, multipoint distribution service,
8 multichannel/multipoint distribution service, and any audio portion of
9 a video program.

10 (13) "Gross income" means the value proceeding or accruing from the
11 performance of the particular public service or transportation business
12 involved, including operations incidental thereto, but without any
13 deduction on account of the cost of the commodity furnished or sold,
14 the cost of materials used, labor costs, interest, discount, delivery
15 costs, taxes, or any other expense whatsoever paid or accrued and
16 without any deduction on account of losses.

17 (~~(13)~~) (14) The meaning attributed, in chapter 82.04 RCW, to the
18 term "tax year," "person," "value proceeding or accruing," "business,"
19 "engaging in business," "in this state," "within this state," "cash
20 discount" and "successor" shall apply equally in the provisions of this
21 chapter.

22 **Sec. 2.** RCW 82.16.020 and 1996 c 150 s 2 are each amended to read
23 as follows:

24 (1) There is levied and there shall be collected from every person
25 a tax for the act or privilege of engaging within this state in any one
26 or more of the businesses herein mentioned. The tax shall be equal to
27 the gross income of the business, multiplied by the rate set out after
28 the business, as follows:

29 (a) Express, sewerage collection, and telegraph businesses: Three
30 and six-tenths percent;

31 (b) Light and power business: Three and sixty-two one-hundredths
32 percent;

33 (c) Gas distribution business: Three and six-tenths percent;

34 (d) Urban transportation business: Six-tenths of one percent;

35 (e) Vessels under sixty-five feet in length, except tugboats,
36 operating upon the waters within the state: Six-tenths of one percent;

1 (f) Motor transportation, railroad, railroad car, and tugboat
2 businesses, and all public service businesses other than ones mentioned
3 above: One and eight-tenths of one percent;

4 (g) Water distribution business: Four and seven-tenths percent;

5 (h) Subscription television business: Eight and five-tenths
6 percent.

7 (2) An additional tax is imposed equal to the rate specified in RCW
8 82.02.030 multiplied by the tax payable under subsection (1)(a) through
9 (g) of this section.

10 (3) Twenty percent of the moneys collected under subsection (1) of
11 this section on water distribution businesses and sixty percent of the
12 moneys collected under subsection (1) of this section on sewerage
13 collection businesses shall be deposited in the public works assistance
14 account created in RCW 43.155.050.

15 (4) Forty-one percent of the moneys collected under subsection
16 (1)(h) of this section shall be deposited in the city-county assistance
17 account created in section 4 of this act.

18 NEW SECTION. Sec. 3. A new section is added to chapter 82.16 RCW
19 to read as follows:

20 A subscription television business is allowed credits against taxes
21 under this chapter in amounts equal to franchise fees and taxes imposed
22 on the privilege of conducting the subscription television business by
23 cities, towns, and counties. The amount of credit allowed for
24 franchise fees and taxes imposed on a subscription television business
25 by a city, town, or county shall not exceed the amount of tax imposed
26 under RCW 82.16.020(1)(h) on that business in that city, town, or
27 county during the reporting period.

28 NEW SECTION. Sec. 4. A new section is added to chapter 82.14 RCW
29 to read as follows:

30 (1) The city-county assistance account is created in the state
31 treasury. Money in the account may be spent only after appropriation.
32 Expenditures from the account may be used only for the purposes
33 provided in this section.

34 (2) Fifty percent of the receipts deposited in the city-county
35 assistance account shall be allocated to counties, and the remainder
36 shall be allocated to cities.

1 (3) Revenues allocated to counties shall be distributed as provided
2 under this subsection.

3 (a) Except as provided in (b) and (c) of this subsection, the
4 amount distributed to a county under this section shall be an amount
5 equal to twenty-five percent of the greater of the amounts described
6 under (a)(i) through (iii) of this subsection.

7 (i) For a county imposing the sales and use tax under RCW
8 82.14.030(1) at the maximum rate and receiving less than the base
9 amount from the tax in the measurement year, an amount from the city-
10 county assistance account sufficient, when added to the amount of
11 revenues received by the county in the measurement year, to equal the
12 base amount. For the purposes of this subsection (3)(a)(i), "base
13 amount" means two hundred fifty thousand dollars in the first
14 distribution year. Thereafter, "base amount" means two hundred fifty
15 thousand dollars increased by the rate of inflation as provided under
16 subsection (5) of this section.

17 (ii)(A) For a county with an unincorporated population of one
18 hundred thousand or less and imposing the sales and use tax under RCW
19 82.14.030(1) at the maximum rate and receiving less than seventy
20 percent of the statewide weighted average per capita level of revenues
21 for the unincorporated areas of all counties in the measurement year as
22 determined by the department, an amount from the city-county assistance
23 account sufficient, when added to the per capita level of revenues for
24 the unincorporated area received by the county in the measurement year,
25 to equal seventy percent of the statewide weighted average per capita
26 level of revenues for the unincorporated areas of all counties in the
27 measurement year.

28 (B) For a county with an unincorporated population of more than one
29 hundred thousand and imposing the sales and use tax under RCW
30 82.14.030(1) at the maximum rate and receiving less than sixty-five
31 percent of the statewide weighted average per capita level of revenues
32 for the unincorporated areas of all counties in the measurement year as
33 determined by the department, an amount from the city-county assistance
34 account sufficient, when added to the per capita level of revenues for
35 the unincorporated area received by the county in the measurement year,
36 to equal sixty-five percent of the statewide weighted average per
37 capita level of revenues for the unincorporated areas of all counties
38 in the measurement year.

1 (iii)(A) For a county with an unincorporated population of fifteen
2 thousand or less, an amount equal to the amount provided to the county
3 for fiscal year 2005 by section 716, chapter 276, Laws of 2004.

4 (B) For a county with an unincorporated population of more than
5 fifteen thousand and less than twenty-two thousand, and with respect to
6 distributions made under this section in calendar years 2006 and 2007
7 only, an amount equal to the amount provided to the county for fiscal
8 year 2005 by section 716, chapter 276, Laws of 2004.

9 (b) If funds in the city-county assistance account for allocation
10 to the counties are inadequate to make the distributions in (a) of this
11 subsection, then the distributions shall be reduced ratably among the
12 qualifying counties.

13 (c) If funds in the city-county assistance account for allocation
14 to the counties exceed the amount necessary to make the distributions
15 in (a) of this subsection, the excess funds shall be apportioned
16 ratably among those counties receiving funds under this section and
17 imposing the tax under RCW 82.14.030(1) at the maximum rate.

18 (4) Revenues allocated to cities shall be distributed as provided
19 under this subsection.

20 (a) Except as provided in (c), (d), and (e) of this subsection, the
21 amount distributed to a city under this section shall be an amount
22 equal to twenty-five percent of the greater of the amounts described
23 under (a)(i) through (iii) of this subsection. This subsection (4)(a)
24 applies only to cities with a population of five thousand or less and
25 with a per capita assessed value of taxable property in the measurement
26 year less than twice the statewide average per capita assessed value of
27 taxable property for all cities for the measurement year.

28 (i) For a city imposing the sales and use tax under RCW
29 82.14.030(1) at the maximum rate and receiving less than fifty-five
30 percent of the statewide weighted average per capita level of revenues
31 for all cities in the measurement year as determined by the department,
32 an amount from the city-county assistance account sufficient, when
33 added to the per capita level of revenues received by the city in the
34 measurement year, to equal fifty-five percent of the statewide weighted
35 average per capita level of revenues for all cities in the measurement
36 year.

37 (ii) An amount equal to the amount provided to the city for fiscal
38 year 2005 by section 721, chapter 25, Laws of 2003 1st sp. sess.

1 (iii) For a city with a per capita assessed value of taxable
2 property in the measurement year less than fifty percent of the
3 statewide average per capita assessed value of taxable property for all
4 cities in the measurement year as determined by the department, an
5 amount determined by subtracting the city's per capita assessed value
6 of taxable property in the measurement year from fifty percent of the
7 statewide average per capita assessed value of taxable property for all
8 cities in the measurement year, dividing that amount by one thousand,
9 and multiplying the result by the city's population.

10 (b) Except as provided in (c), (d), and (e) of this subsection, the
11 amount distributed to a city under this section shall be an amount
12 equal to twenty-five percent of the greater of the amounts described
13 under (b)(i) through (iii) of this subsection. This subsection (4)(b)
14 applies only to cities with a population of more than five thousand and
15 with a per capita assessed value of taxable property in the measurement
16 year less than the statewide average per capita assessed value of
17 taxable property for all cities for the measurement year.

18 (i) For a city imposing the sales and use tax under RCW
19 82.14.030(1) at the maximum rate and receiving less than fifty percent
20 of the statewide weighted average per capita level of revenues for all
21 cities in the measurement year as determined by the department, an
22 amount from the city-county assistance account sufficient, when added
23 to the per capita level of revenues received by the city in the
24 measurement year, to equal fifty percent of the statewide weighted
25 average per capita level of revenues for all cities in the measurement
26 year.

27 (ii) For distributions in calendar years 2006 and 2007 only, an
28 amount equal to the amount provided to the city for fiscal year 2005 by
29 section 721, chapter 25, Laws of 2003 1st sp. sess.

30 (iii) For a city with a per capita assessed value of taxable
31 property in the measurement year less than fifty percent of the
32 statewide average per capita assessed value of taxable property for all
33 cities in the measurement year as determined by the department, an
34 amount determined by subtracting the city's per capita assessed value
35 of taxable property in the measurement year from fifty percent of the
36 statewide average per capita assessed value of taxable property for all
37 cities in the measurement year, dividing that amount by one thousand,
38 and multiplying the result by the city's population.

1 (c) A city may not receive an amount in any distribution year that
2 would cause cumulative distributions to the city under this section for
3 the year to exceed one hundred thousand dollars, increased after the
4 first distribution year by the rate of inflation as provided under
5 subsection (5) of this section.

6 (d) If funds in the city-county assistance account for allocation
7 to the cities are inadequate to make the distributions in (a) and (b)
8 of this subsection, then the distributions shall be reduced ratably
9 among the qualifying cities.

10 (e) If funds in the city-county assistance account for allocation
11 to the cities exceed the amount necessary to make the distributions in
12 (a) and (b) of this subsection, the excess funds shall be apportioned
13 ratably among those cities receiving funds under this section and
14 imposing the tax under RCW 82.14.030(1) at the maximum rate.

15 (f) This subsection (4) applies only to cities incorporated prior
16 to the effective date of this section.

17 (5)(a) For the purpose of certifications under subsection (6) of
18 this section, the department shall calculate the base amount in
19 subsection (3)(a)(i) of this section and the amount in subsection
20 (4)(c) of this section for distribution years after the first
21 distribution year using an adjustment for inflation as defined in RCW
22 84.55.005.

23 (b) With respect to a city, town, or county to which or from which
24 unincorporated territory is annexed during a measurement year, and for
25 the purposes of calculating amounts for distribution under subsections
26 (3) and (4) of this section based upon information from that year, the
27 department shall utilize estimates of the population and assessed value
28 of taxable property in the jurisdiction immediately prior to the
29 annexation.

30 (6)(a) Distributions of the amounts provided under subsections (3)
31 and (4) of this section shall be made quarterly beginning on January 1,
32 2006, based on receipts to the city-county assistance account as
33 provided in (b) of this subsection. The department shall certify the
34 amounts to be distributed under this section to the state treasurer.
35 Amounts certified by the department are final and may not be appealed.
36 The certification shall be made by January 1, 2006, for the January 1,
37 2006, distribution, and by April 1, 2006, for the April 1, 2006,
38 distribution. The certification shall be made by June 1, 2006, with

1 respect to the distributions occurring in the ensuing distribution
2 year, and by June 1st of each year thereafter with respect to the
3 distributions occurring in each subsequent distribution year.

4 (b) The quarterly distributions shall be made based on receipts to
5 the city-county assistance account as follows:

6 (i) Any distribution made on January 1st shall be based on receipts
7 to the account during the immediately preceding September, October, and
8 November;

9 (ii) Any distribution made on April 1st shall be based on receipts
10 to the account during the immediately preceding December, January, and
11 February;

12 (iii) Any distribution made on July 1st shall be based on receipts
13 to the account during the immediately preceding March, April, and May;
14 and

15 (iv) Any distribution made on October 1st shall be based on
16 receipts to the account during the immediately preceding June, July,
17 and August.

18 (7) All distributions to local governments from the city-county
19 assistance account constitute increases in state distributions of
20 revenue to political subdivisions for purposes of state reimbursement
21 for the costs of new programs and increases in service levels under RCW
22 43.135.060, including any claims or litigation pending against the
23 state on or after January 1, 2005.

24 (8) For the purposes of this section, the following definitions
25 apply:

26 (a) Except for the initial distribution year, "distribution year"
27 means the twelve-month period beginning July 1st. For the purposes of
28 the initial distribution year, "distribution year" means the twelve-
29 month period ending June 30, 2006.

30 (b) "Measurement year" means the calendar year prior to the year in
31 which the certification under subsection (6) of this section is made.

32 (c) "Population" means the population for the county or city as
33 determined by the office of financial management for the measurement
34 year.

35 (d) "City" means city or town.

36 NEW SECTION. **Sec. 5.** A new section is added to chapter 44.28 RCW
37 to read as follows:

1 During calendar year 2008, the joint legislative audit and review
2 committee shall review the distributions to cities and counties under
3 section 4 of this act to determine the extent to which the
4 distributions target the needs of cities and counties for which the
5 repeal of the motor vehicle excise tax had the greatest fiscal impact.
6 In conducting the study, the committee shall solicit input from the
7 cities and counties. The department of revenue and the state treasurer
8 shall provide the committee with any data within their purview that the
9 committee considers necessary to conduct the review. The committee
10 shall report to the legislature the results of its findings, and any
11 recommendations for changes to the distribution formulas under section
12 4 of this act, by December 31, 2008.

13 **Sec. 6.** RCW 43.84.092 and 2003 c 361 s 602, 2003 c 324 s 1, 2003
14 c 150 s 2, and 2003 c 48 s 2 are each reenacted and amended to read as
15 follows:

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

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

34 (3) Except for the provisions of RCW 43.84.160, the treasury income
35 account may be utilized for the payment of purchased banking services
36 on behalf of treasury funds including, but not limited to, depository,
37 safekeeping, and disbursement functions for the state treasury and

1 affected state agencies. The treasury income account is subject in all
2 respects to chapter 43.88 RCW, but no appropriation is required for
3 payments to financial institutions. Payments shall occur prior to
4 distribution of earnings set forth in subsection (4) of this section.

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

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

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

37 (b) The following accounts and funds shall receive eighty percent
38 of their proportionate share of earnings based upon each account's or

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

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

20 **Sec. 7.** RCW 43.84.092 and 2004 c 242 s 60 are each amended to read
21 as follows:

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

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

1 cash management improvement act, and this subsection. Refunds or
2 allocations shall occur prior to the distributions of earnings set
3 forth in subsection (4) of this section.

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

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

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

1 agricultural permanent fund, the normal school permanent fund, the
2 permanent common school fund, the scientific permanent fund, and the
3 state university permanent fund shall be allocated to their respective
4 beneficiary accounts. All earnings to be distributed under this
5 subsection (4)(a) shall first be reduced by the allocation to the state
6 treasurer's service fund pursuant to RCW 43.08.190.

7 (b) The following accounts and funds shall receive eighty percent
8 of their proportionate share of earnings based upon each account's or
9 fund's average daily balance for the period: The aeronautics account,
10 the aircraft search and rescue account, the county arterial
11 preservation account, the department of licensing services account, the
12 essential rail assistance account, the ferry bond retirement fund, the
13 grade crossing protective fund, the high capacity transportation
14 account, the highway bond retirement fund, the highway safety account,
15 the 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 special category C
20 account, the state patrol highway account, the transportation 2003
21 account (nickel account), the transportation equipment fund, the
22 transportation fund, the transportation improvement account, the
23 transportation improvement board bond retirement account, and the urban
24 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 NEW SECTION. **Sec. 8.** This act takes effect August 1, 2005, except
29 for section 7 of this act which takes effect July 1, 2006.

30 NEW SECTION. **Sec. 9.** Section 6 of this act expires July 1, 2006."

31 Correct the title.

--- END ---