



1 its December 2000 recommendation for immediate action to solve the  
2 state's transportation crisis.

3 (3) Current sources of revenue do not adequately address the  
4 state's transportation needs. The cost of construction, maintenance,  
5 operation, and preservation of the state's transportation corridors  
6 continues to increase, while the revenue from the state's motor vehicle  
7 fuel tax remains constant.

8 (4) Investments into the state's transportation infrastructure must  
9 keep pace with the state's growth. Therefore, the legislature intends  
10 to increase the motor vehicle fuel tax by one cent each year over the  
11 next twenty years.

12 (5) Projects funded by both state and local contributions best  
13 maximizes state and regional investments. Joint participation on the  
14 state and regional level is required in order to successfully complete  
15 significant transportation improvement projects in a timely and  
16 efficient manner.

17 (6) Accountability and efficiency are critical elements in the  
18 allocation and expenditure of state funds. The transportation  
19 commission is uniquely situated to oversee the progress of  
20 transportation improvements and report back to the legislature.

21 **PART II--TRANSPORTATION PROJECT AND IMPROVEMENT FUNDING**

22 **Sec. 201.** RCW 82.36.025 and 2003 c 361 s 401 are each amended to  
23 read as follows:

24 (1) A motor vehicle fuel tax rate of twenty-three cents per gallon  
25 applies to the sale, distribution, or use of motor vehicle fuel.

26 (2) Beginning July 1, 2003, an additional and cumulative motor fuel  
27 tax rate of five cents per gallon applies to the sale, distribution, or  
28 use of motor vehicle fuel. This subsection (2) expires when the bonds  
29 issued for transportation 2003 projects are retired.

30 (3) The motor vehicle fuel tax rate that applies to the sale,  
31 distribution, or use of motor vehicle fuel shall be increased by one  
32 cent per gallon every July 1st from July 1, 2005, through July 1, 2009.  
33 The annual fuel tax rate increase under this subsection shall be  
34 additional and cumulative to the fuel tax rates under subsections (1)  
35 and (2) of this section and any prior annual fuel tax rate increases  
36 under this subsection.

1       **Sec. 202.** RCW 82.38.030 and 2003 c 361 s 402 are each amended to  
2 read as follows:

3       (1) There is hereby levied and imposed upon special fuel users a  
4 tax at the rate of twenty-three cents per gallon of special fuel, or  
5 each one hundred cubic feet of compressed natural gas, measured at  
6 standard pressure and temperature.

7       (2) Beginning July 1, 2003, an additional and cumulative tax rate  
8 of five cents per gallon of special fuel, or each one hundred cubic  
9 feet of compressed natural gas, measured at standard pressure and  
10 temperature shall be imposed on special fuel users. This subsection  
11 (2) expires when the bonds issued for transportation 2003 projects are  
12 retired.

13       (3) The special fuel tax rate imposed upon special fuel users shall  
14 be increased by one cent per gallon of special fuel, or each one  
15 hundred cubic feet of compressed natural gas, every July 1st from July  
16 1, 2005, through July 1, 2009. The annual fuel tax rate increase under  
17 this subsection shall be additional and cumulative to the fuel tax  
18 rates under subsections (1) and (2) of this section and any prior  
19 annual fuel tax rate increases under this subsection.

20       (4) Taxes are imposed when:

21       (a) Special fuel is removed in this state from a terminal if the  
22 special fuel is removed at the rack unless the removal is to a licensed  
23 exporter for direct delivery to a destination outside of the state, or  
24 the removal is to a special fuel distributor for direct delivery to an  
25 international fuel tax agreement licensee under RCW 82.38.320;

26       (b) Special fuel is removed in this state from a refinery if either  
27 of the following applies:

28       (i) The removal is by bulk transfer and the refiner or the owner of  
29 the special fuel immediately before the removal is not a licensee; or

30       (ii) The removal is at the refinery rack unless the removal is to  
31 a licensed exporter for direct delivery to a destination outside of the  
32 state, or the removal is to a special fuel distributor for direct  
33 delivery to an international fuel tax agreement licensee under RCW  
34 82.38.320;

35       (c) Special fuel enters into this state for sale, consumption, use,  
36 or storage if either of the following applies:

37       (i) The entry is by bulk transfer and the importer is not a  
38 licensee; or

1 (ii) The entry is not by bulk transfer;

2 (d) Special fuel is sold or removed in this state to an unlicensed  
3 entity unless there was a prior taxable removal, entry, or sale of the  
4 special fuel;

5 (e) Blended special fuel is removed or sold in this state by the  
6 blender of the fuel. The number of gallons of blended special fuel  
7 subject to tax is the difference between the total number of gallons of  
8 blended special fuel removed or sold and the number of gallons of  
9 previously taxed special fuel used to produce the blended special fuel;

10 (f) Dyed special fuel is used on a highway, as authorized by the  
11 internal revenue code, unless the use is exempt from the special fuel  
12 tax;

13 (g) Dyed special fuel is held for sale, sold, used, or is intended  
14 to be used in violation of this chapter;

15 (h) Special fuel purchased by an international fuel tax agreement  
16 licensee under RCW 82.38.320 is used on a highway; and

17 (i) Special fuel is sold by a licensed special fuel supplier to a  
18 special fuel distributor, special fuel importer, or special fuel  
19 blender and the special fuel is not removed from the bulk transfer-  
20 terminal system.

21 ~~((4))~~ (5) The tax imposed by this chapter, if required to be  
22 collected by the licensee, is held in trust by the licensee until paid  
23 to the department, and a licensee who appropriates or converts the tax  
24 collected to his or her own use or to any use other than the payment of  
25 the tax to the extent that the money required to be collected is not  
26 available for payment on the due date as prescribed in this chapter is  
27 guilty of a felony, or gross misdemeanor in accordance with the theft  
28 and anticipatory provisions of Title 9A RCW. A person, partnership,  
29 corporation, or corporate officer who fails to collect the tax imposed  
30 by this section, or who has collected the tax and fails to pay it to  
31 the department in the manner prescribed by this chapter, is personally  
32 liable to the state for the amount of the tax.

33 NEW SECTION. **Sec. 203.** A new section is added to chapter 46.68  
34 RCW to read as follows:

35 Beginning July 1, 2005, and every July 1st thereafter, the state  
36 treasurer shall deposit into the joint state and local transportation  
37 account created in section 302 of this act, an amount equal to one and

1 three-quarters percent of the average, annual amount of retired motor  
2 vehicle fuel tax debt from the preceding three fiscal years. In  
3 calculating the above amount, Referendum 49, special category C, Tacoma  
4 Narrows bridge, nickel account, and transportation improvement board  
5 bonds shall not be included.

6 **PART III--DISTRIBUTION OF REVENUE**

7 **Sec. 301.** RCW 46.68.090 and 2003 c 361 s 403 are each amended to  
8 read as follows:

9 (1) All moneys that have accrued or may accrue to the motor vehicle  
10 fund from the motor vehicle fuel tax and special fuel tax shall be  
11 first expended for purposes enumerated in (a) and (b) of this  
12 subsection. The remaining net tax amount shall be distributed monthly  
13 by the state treasurer in accordance with subsections (2), (3), and (4)  
14 of this section.

15 (a) For payment of refunds of motor vehicle fuel tax and special  
16 fuel tax that has been paid and is refundable as provided by law;

17 (b) For payment of amounts to be expended pursuant to  
18 appropriations for the administrative expenses of the offices of state  
19 treasurer, state auditor, and the department of licensing of the state  
20 of Washington in the administration of the motor vehicle fuel tax and  
21 the special fuel tax, which sums shall be distributed monthly.

22 (2) All of the remaining net tax amount collected under RCW  
23 82.36.025(1) and 82.38.030(1) shall be distributed as set forth in (a)  
24 through (j) of this subsection.

25 (a) For distribution to the motor vehicle fund an amount equal to  
26 44.387 percent to be expended for highway purposes of the state as  
27 defined in RCW 46.68.130;

28 (b) For distribution to the special category C account, hereby  
29 created in the motor vehicle fund, an amount equal to 3.2609 percent to  
30 be expended for special category C projects. Special category C  
31 projects are category C projects that, due to high cost only, will  
32 require bond financing to complete construction.

33 The following criteria, listed in order of priority, shall be used  
34 in determining which special category C projects have the highest  
35 priority:

36 (i) Accident experience;

- 1 (ii) Fatal accident experience;
- 2 (iii) Capacity to move people and goods safely and at reasonable
- 3 speeds without undue congestion; and
- 4 (iv) Continuity of development of the highway transportation
- 5 network.

6 Moneys deposited in the special category C account in the motor  
7 vehicle fund may be used for payment of debt service on bonds the  
8 proceeds of which are used to finance special category C projects under  
9 this subsection (2)(b);

10 (c) For distribution to the Puget Sound ferry operations account in  
11 the motor vehicle fund an amount equal to 2.3283 percent;

12 (d) For distribution to the Puget Sound capital construction  
13 account in the motor vehicle fund an amount equal to 2.3726 percent;

14 (e) For distribution to the urban arterial trust account in the  
15 motor vehicle fund an amount equal to 7.5597 percent;

16 (f) For distribution to the transportation improvement account in  
17 the motor vehicle fund an amount equal to 5.6739 percent and expended  
18 in accordance with RCW 47.26.086;

19 (g) For distribution to the cities and towns from the motor vehicle  
20 fund an amount equal to 10.6961 percent in accordance with RCW  
21 46.68.110;

22 (h) For distribution to the counties from the motor vehicle fund an  
23 amount equal to 19.2287 percent: (i) Out of which there shall be  
24 distributed from time to time, as directed by the department of  
25 transportation, those sums as may be necessary to carry out the  
26 provisions of RCW 47.56.725; and (ii) less any amounts appropriated to  
27 the county road administration board to implement the provisions of RCW  
28 47.56.725(4), with the balance of such county share to be distributed  
29 monthly as the same accrues for distribution in accordance with RCW  
30 46.68.120;

31 (i) For distribution to the county arterial preservation account,  
32 hereby created in the motor vehicle fund an amount equal to 1.9565  
33 percent. These funds shall be distributed by the county road  
34 administration board to counties in proportions corresponding to the  
35 number of paved arterial lane miles in the unincorporated area of each  
36 county and shall be used for improvements to sustain the structural,  
37 safety, and operational integrity of county arterials. The county road

1 administration board shall adopt reasonable rules and develop policies  
2 to implement this program and to assure that a pavement management  
3 system is used;

4 (j) For distribution to the rural arterial trust account in the  
5 motor vehicle fund an amount equal to 2.5363 percent and expended in  
6 accordance with RCW 36.79.020.

7 (3) One hundred percent of the net tax amount collected under RCW  
8 82.36.025(2) and 82.38.030(2) shall be distributed to the  
9 transportation 2003 account (nickel account).

10 (4)(a) 52.3488 percent of the net tax amount collected under RCW  
11 82.36.025(3) and 82.38.030(3) shall be distributed to the joint state  
12 and local transportation account created in section 302 of this act.  
13 The remaining net tax amount shall be distributed according to  
14 subsection (2)(e) through (j) of this section.

15 (b) The state treasurer shall transfer annually the following  
16 amounts from the following accounts into the joint state and local  
17 transportation account:

- 18 (i) \$4,759,397 from the urban arterial trust account;
- 19 (ii) \$3,572,145 from the transportation improvement account;
- 20 (iii) \$6,733,996 from the motor vehicle fund dedicated to cities  
21 and towns;
- 22 (iv) \$12,105,907 from the motor vehicle fund dedicated to counties;
- 23 (v) \$1,231,763 from the county arterial preservation account;
- 24 (vi) \$1,596,791 from the rural arterial trust account.

25 (5) Nothing in this section or in RCW 46.68.130 may be construed so  
26 as to violate any terms or conditions contained in any highway  
27 construction bond issues now or hereafter authorized by statute and  
28 whose payment is by such statute pledged to be paid from any excise  
29 taxes on motor vehicle fuel and special fuels.

30 NEW SECTION. Sec. 302. A new section is added to chapter 46.68  
31 RCW to read as follows:

32 (1)(a) The joint state and local transportation account is hereby  
33 created in the motor vehicle fund. Money in the account may be spent  
34 only after appropriation. Expenditures from the account may only be  
35 used for expenditures, including the repayment of principal and  
36 interest on bonds issued, for the following projects:

- 37 (i) Alaskan Way viaduct--\$2,000,000,000;

- 1 (ii) State route 520 bridge replacement--\$1,500,000,000;  
2 (iii) State route 405 corridor improvements--\$500,000,000;  
3 (iv) State route 395 north Spokane--\$600,000,000;  
4 (v) The Columbia river crossing-Vancouver--\$500,000,000;  
5 (vi) Projects approved by a transportation benefit district created  
6 pursuant to Senate Bill No. 5177 (2005) and submitted to and adopted by  
7 the legislature as eligible for expenditures from this account;  
8 (vii) Projects approved by the regional transportation investment  
9 district and submitted to and adopted by the legislature as eligible  
10 for expenditures from this account.

11 (b) Expenditures from the account on a project must not exceed the  
12 expenditure amount listed by the project name, or fifty percent of the  
13 project, whichever is less.

14 (2) Funding will be made available from the joint state and local  
15 transportation account based on the account cash flow and in the  
16 priority order of the projects listed above, once matching funds have  
17 been secured by the local jurisdictions. However, if matching funds  
18 for priority projects are not secured by local jurisdictions by the end  
19 of 2005, other eligible projects under this section with secured local  
20 matching funds may take priority.

21 NEW SECTION. **Sec. 303.** A new section is added to chapter 47.56  
22 RCW to read as follows:

23 (1) Tolls may be imposed on any projects or improvements approved  
24 and funded in accordance with section 302 of this act.

25 (2) The Washington state transportation commission has the  
26 authority to authorize tolls on any projects approved by the commission  
27 and funded by taxes in the manner provided in section 302 of this act.

#### 28 **PART IV--ACCOUNTABILITY**

29 NEW SECTION. **Sec. 401.** A new section is added to chapter 46.68  
30 RCW to read as follows:

31 Accountability and effectiveness are important aspects of setting  
32 tax policy. In order to make policy choices regarding the best use of  
33 limited state resources, the legislature and the public need  
34 information on state tax expenditures for transportation projects and  
35 improvements. Therefore, the Washington state transportation



1 commission is required to report to the transportation committees of  
2 the legislature by December 1, 2009, December 1, 2014, December 1,  
3 2019, and December 1, 2023. The report shall include but not be  
4 limited to the following information:

5 (1) A detailed description of the transportation projects and  
6 improvements funded by the fuel taxes authorized in this act, and  
7 related information, including, but not limited to:

8 (a) The name and location of transportation projects and  
9 improvements;

10 (b) The projected cost of projects and improvements;

11 (c) Actual expenditures as of November 1, 2009, regarding projects  
12 and improvements;

13 (d) A comparison of projected costs versus actual costs, as of  
14 November 1, 2009, regarding projects and improvements;

15 (e) A description of the funding framework for projects and  
16 improvements, specifically identifying and detailing contributions by  
17 local governments and the federal government;

18 (f) An estimate of the number of vehicles that use or will use  
19 completed projects or improvements.

20 (2) An assessment of the efficiency with which state fuel tax  
21 dollars are being spent on transportation projects and improvements,  
22 and any recommendations for the more effective use of these tax  
23 dollars.

24 (3) A recommendation to the legislature as to whether an additional  
25 five-cent fuel tax, increased over five years, should be authorized by  
26 the legislature.

27 **PART V--INTEREST EARNINGS**

28 **Sec. 501.** RCW 43.84.092 and 2003 c 361 s 602, 2003 c 324 s 1, 2003  
29 c 150 s 2, and 2003 c 48 s 2 are each reenacted and amended to read as  
30 follows:

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

34 (2) The treasury income account shall be utilized to pay or receive  
35 funds associated with federal programs as required by the federal cash  
36 management improvement act of 1990. The treasury income account is

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

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

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

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

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

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

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

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

36 **Sec. 502.** RCW 43.84.092 and 2004 c 242 s 60 are each amended to  
37 read as follows:

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

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

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

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

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

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

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

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

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

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

6 **PART VI--MISCELLANEOUS**

7 NEW SECTION. **Sec. 601.** Part headings used in this act are not  
8 part of the law.

9 NEW SECTION. **Sec. 602.** This act is necessary for the immediate  
10 preservation of the public peace, health, or safety, or support of the  
11 state government and its existing public institutions, and takes effect  
12 July 1, 2005, except for section 502 of this act which takes effect  
13 July 1, 2006.

14 NEW SECTION. **Sec. 603.** Section 501 of this act expires July 1,  
15 2006.

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