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ENGROSSED SUBSTITUTE HOUSE BILL 2331

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State of Washington

60th Legislature

2008 Regular Session

By House Committee on Transportation (originally sponsored by Representatives Simpson and Wood)

READ FIRST TIME 3/5/07.

1 AN ACT Relating to funding qualifying projects through the urban  
2 corridor program of the transportation improvement board; amending RCW  
3 47.26.282; reenacting and amending RCW 43.84.092, 43.84.092, and  
4 43.84.092; adding a new section to chapter 47.26 RCW; creating a new  
5 section; providing effective dates; and providing expiration dates.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that Washington  
8 state's quality of life is based on a number of factors, including a  
9 strong economy, affordable housing, and appropriate infrastructure.  
10 The legislature finds that existing funding levels are insufficient to  
11 meet current and future demands for infrastructure, especially  
12 infrastructure that is necessary to accommodate new population growth.  
13 The legislature finds also that the transportation improvement board's  
14 programs provide a mechanism to ensure that infrastructure funding is  
15 directed to projects that are necessary to accommodate growth. The  
16 legislature, therefore, intends to establish requirements pertaining to  
17 funding growth infrastructure projects from the city growth and  
18 planning program, and dedicate funding to the transportation

1 improvement board for grants to fund qualifying infrastructure programs  
2 that are consistent with these requirements.

3 **Sec. 2.** RCW 47.26.282 and 2002 c 189 s 5 are each amended to read  
4 as follows:

5 ~~((In any project funded))~~ (1) A new program is established entitled  
6 the city planning and growth program and shall be administered by the  
7 transportation improvement board~~((, except for projects in cities~~  
8 ~~having a population of less than five thousand persons, and in addition~~  
9 ~~to any other items required to be considered by statute, the board also~~  
10 ~~shall consider))~~. The funding for the program shall be provided from  
11 the city planning and growth account established in section 3 of this  
12 act. The board shall develop grant criteria that includes the  
13 following considerations of the land use implications of the project,  
14 such as whether the programs and projects:

15 ~~((1))~~ (a) Support development in and revitalization of existing  
16 downtowns;

17 ~~((2))~~ (b) Implement local comprehensive plans for rural and urban  
18 residential and nonresidential densities;

19 ~~((3))~~ (c) Have land use planning and regulations encouraging  
20 compact development for rural and urban residential and nonresidential  
21 densities; and

22 ~~((4))~~ (d) Promote the use of multimodal transportation.

23 (2) In the projects funded by the transportation improvement  
24 board's city planning and growth program, the board must consider, in  
25 addition to any other considerations required by law, the following  
26 factors when determining whether to make grants to local governments to  
27 accommodate projected growth:

28 (a) Whether the project will improve the minimum levels of service  
29 on transportation facilities that will accommodate planned growth. For  
30 the purposes of this subsection, "minimum levels of service" means an  
31 "a" through "d" level of service on an "a" to "f" scale or other  
32 generally accepted transportation measurement scale; or

33 (b) Whether the project will enable the local government to  
34 implement its comprehensive and capital facilities plans.

35 NEW SECTION. **Sec. 3.** A new section is added to chapter 47.26 RCW  
36 to read as follows:

1           The city planning and growth account is hereby created in the state  
2 treasury. Money in the account may be used only after appropriation.  
3 Expenditures from the account may be used only for transportation  
4 improvement board grants identified in the omnibus transportation  
5 appropriations act, including any principal and interest on bonds  
6 authorized for the projects or the improvements.

7           **Sec. 4.** RCW 43.84.092 and 2007 c 514 s 3 and 2007 c 356 s 9 are  
8 each reenacted and amended to read as follows:

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

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

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

35           (4) Monthly, the state treasurer shall distribute the earnings  
36 credited to the treasury income account. The state treasurer shall

1 credit the general fund with all the earnings credited to the treasury  
2 income account except:

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

1 account, the public employees' retirement system plan 1 account, the  
2 public employees' retirement system combined plan 2 and plan 3 account,  
3 the public facilities construction loan revolving account beginning  
4 July 1, 2004, the public health supplemental account, the public works  
5 assistance account, the Puyallup tribal settlement account, the real  
6 estate appraiser commission account, the regional mobility grant  
7 program account, the resource management cost account, the rural  
8 Washington loan fund, the site closure account, the small city pavement  
9 and sidewalk account, the special wildlife account, the state  
10 employees' insurance account, the state employees' insurance reserve  
11 account, the state investment board expense account, the state  
12 investment board commingled trust fund accounts, the supplemental  
13 pension account, the Tacoma Narrows toll bridge account, the teachers'  
14 retirement system plan 1 account, the teachers' retirement system  
15 combined plan 2 and plan 3 account, the tobacco prevention and control  
16 account, the tobacco settlement account, the transportation  
17 infrastructure account, the transportation partnership account, the  
18 traumatic brain injury account, the tuition recovery trust fund, the  
19 University of Washington bond retirement fund, the University of  
20 Washington building account, the volunteer firefighters' and reserve  
21 officers' relief and pension principal fund, the volunteer  
22 firefighters' and reserve officers' administrative fund, the Washington  
23 fruit express account, the Washington judicial retirement system  
24 account, the Washington law enforcement officers' and firefighters'  
25 system plan 1 retirement account, the Washington law enforcement  
26 officers' and firefighters' system plan 2 retirement account, the  
27 Washington public safety employees' plan 2 retirement account, the  
28 Washington school employees' retirement system combined plan 2 and 3  
29 account, the Washington state health insurance pool account, the  
30 Washington state patrol retirement account, the Washington State  
31 University building account, the Washington State University bond  
32 retirement fund, the water pollution control revolving fund, and the  
33 Western Washington University capital projects account. Earnings  
34 derived from investing balances of the agricultural permanent fund, the  
35 normal school permanent fund, the permanent common school fund, the  
36 scientific permanent fund, and the state university permanent fund  
37 shall be allocated to their respective beneficiary accounts. All

1 earnings to be distributed under this subsection (4)(a) shall first be  
2 reduced by the allocation to the state treasurer's service fund  
3 pursuant to RCW 43.08.190.

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

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

25 **Sec. 5.** RCW 43.84.092 and 2007 c 514 s 3, 2007 c 484 s 4, and 2007  
26 c 356 s 9 are each reenacted and amended to read as follows:

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

30 (2) The treasury income account shall be utilized to pay or receive  
31 funds associated with federal programs as required by the federal cash  
32 management improvement act of 1990. The treasury income account is  
33 subject in all respects to chapter 43.88 RCW, but no appropriation is  
34 required for refunds or allocations of interest earnings required by  
35 the cash management improvement act. Refunds of interest to the  
36 federal treasury required under the cash management improvement act  
37 fall under RCW 43.88.180 and shall not require appropriation. The

1 office of financial management shall determine the amounts due to or  
2 from the federal government pursuant to the cash management improvement  
3 act. The office of financial management may direct transfers of funds  
4 between accounts as deemed necessary to implement the provisions of the  
5 cash management improvement act, and this subsection. Refunds or  
6 allocations shall occur prior to the distributions of earnings set  
7 forth in subsection (4) of this section.

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

16 (4) Monthly, the state treasurer shall distribute the earnings  
17 credited to the treasury income account. The state treasurer shall  
18 credit the general fund with all the earnings credited to the treasury  
19 income account except:

20 (a) The following accounts and funds shall receive their  
21 proportionate share of earnings based upon each account's and fund's  
22 average daily balance for the period: The budget stabilization  
23 account, the capitol building construction account, the Cedar River  
24 channel construction and operation account, the Central Washington  
25 University capital projects account, the charitable, educational, penal  
26 and reformatory institutions account, the city planning and growth  
27 account, the Columbia river basin water supply development account, the  
28 common school construction fund, the county criminal justice assistance  
29 account, the county sales and use tax equalization account, the data  
30 processing building construction account, the deferred compensation  
31 administrative account, the deferred compensation principal account,  
32 the department of retirement systems expense account, the developmental  
33 disabilities community trust account, the drinking water assistance  
34 account, the drinking water assistance administrative account, the  
35 drinking water assistance repayment account, the Eastern Washington  
36 University capital projects account, the education construction fund,  
37 the education legacy trust account, the election account, the energy  
38 freedom account, The Evergreen State College capital projects account,

1 the federal forest revolving account, the freight congestion relief  
2 account, the freight mobility investment account, the freight mobility  
3 multimodal account, the health services account, the public health  
4 services account, the health system capacity account, the personal  
5 health services account, the state higher education construction  
6 account, the higher education construction account, the highway  
7 infrastructure account, the high-occupancy toll lanes operations  
8 account, the industrial insurance premium refund account, the judges'  
9 retirement account, the judicial retirement administrative account, the  
10 judicial retirement principal account, the local leasehold excise tax  
11 account, the local real estate excise tax account, the local sales and  
12 use tax account, the medical aid account, the mobile home park  
13 relocation fund, the multimodal transportation account, the municipal  
14 criminal justice assistance account, the municipal sales and use tax  
15 equalization account, the natural resources deposit account, the oyster  
16 reserve land account, the pension funding stabilization account, the  
17 perpetual surveillance and maintenance account, the public employees'  
18 retirement system plan 1 account, the public employees' retirement  
19 system combined plan 2 and plan 3 account, the public facilities  
20 construction loan revolving account beginning July 1, 2004, the public  
21 health supplemental account, the public works assistance account, the  
22 Puyallup tribal settlement account, the real estate appraiser  
23 commission account, the regional mobility grant program account, the  
24 resource management cost account, the rural Washington loan fund, the  
25 site closure account, the small city pavement and sidewalk account, the  
26 special wildlife account, the state employees' insurance account, the  
27 state employees' insurance reserve account, the state investment board  
28 expense account, the state investment board commingled trust fund  
29 accounts, the supplemental pension account, the Tacoma Narrows toll  
30 bridge account, the teachers' retirement system plan 1 account, the  
31 teachers' retirement system combined plan 2 and plan 3 account, the  
32 tobacco prevention and control account, the tobacco settlement account,  
33 the transportation infrastructure account, the transportation  
34 partnership account, the traumatic brain injury account, the tuition  
35 recovery trust fund, the University of Washington bond retirement fund,  
36 the University of Washington building account, the volunteer  
37 firefighters' and reserve officers' relief and pension principal fund,  
38 the volunteer firefighters' and reserve officers' administrative fund,



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

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

37 (5) In conformance with Article II, section 37 of the state

1 Constitution, no treasury accounts or funds shall be allocated earnings  
2 without the specific affirmative directive of this section.

3 **Sec. 6.** RCW 43.84.092 and 2007 c 514 s 3, 2007 c 513 s 1, 2007 c  
4 484 s 4, and 2007 c 356 s 9 are each reenacted and amended to read as  
5 follows:

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

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

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

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

36 The following accounts and funds shall receive their proportionate  
37 share of earnings based upon each account's and fund's average daily

1 balance for the period: The aeronautics account, the aircraft search  
2 and rescue account, the budget stabilization account, the capitol  
3 building construction account, the Cedar River channel construction and  
4 operation account, the Central Washington University capital projects  
5 account, the charitable, educational, penal and reformatory  
6 institutions account, the city planning and growth account, the  
7 Columbia river basin water supply development account, the common  
8 school construction fund, the county arterial preservation account, the  
9 county criminal justice assistance account, the county sales and use  
10 tax equalization account, the data processing building construction  
11 account, the deferred compensation administrative account, the deferred  
12 compensation principal account, the department of licensing services  
13 account, the department of retirement systems expense account, the  
14 developmental disabilities community trust account, the drinking water  
15 assistance account, the drinking water assistance administrative  
16 account, the drinking water assistance repayment account, the Eastern  
17 Washington University capital projects account, the education  
18 construction fund, the education legacy trust account, the election  
19 account, the energy freedom account, the essential rail assistance  
20 account, The Evergreen State College capital projects account, the  
21 federal forest revolving account, the ferry bond retirement fund, the  
22 freight congestion relief account, the freight mobility investment  
23 account, the freight mobility multimodal account, the grade crossing  
24 protective fund, the health services account, the public health  
25 services account, the health system capacity account, the personal  
26 health services account, the high capacity transportation account, the  
27 state higher education construction account, the higher education  
28 construction account, the highway bond retirement fund, the highway  
29 infrastructure account, the highway safety account, the high-occupancy  
30 toll lanes operations 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 motor vehicle fund, the  
36 motorcycle safety education account, the multimodal transportation  
37 account, the municipal criminal justice assistance account, the  
38 municipal sales and use tax equalization account, the natural resources

1 deposit account, the oyster reserve land account, the pension funding  
2 stabilization account, the perpetual surveillance and maintenance  
3 account, the pilotage account, the public employees' retirement system  
4 plan 1 account, the public employees' retirement system combined plan  
5 2 and plan 3 account, the public facilities construction loan revolving  
6 account beginning July 1, 2004, the public health supplemental account,  
7 the public transportation systems account, the public works assistance  
8 account, the Puget Sound capital construction account, the Puget Sound  
9 ferry operations account, the Puyallup tribal settlement account, the  
10 real estate appraiser commission account, the recreational vehicle  
11 account, the regional mobility grant program account, the resource  
12 management cost account, the rural arterial trust account, the rural  
13 Washington loan fund, the safety and education account, the site  
14 closure account, the small city pavement and sidewalk account, the  
15 special category C account, the special wildlife account, the state  
16 employees' insurance account, the state employees' insurance reserve  
17 account, the state investment board expense account, the state  
18 investment board commingled trust fund accounts, the state patrol  
19 highway account, the supplemental pension account, the Tacoma Narrows  
20 toll bridge account, the teachers' retirement system plan 1 account,  
21 the teachers' retirement system combined plan 2 and plan 3 account, the  
22 tobacco prevention and control account, the tobacco settlement account,  
23 the transportation 2003 account (nickel account), the transportation  
24 equipment fund, the transportation fund, the transportation improvement  
25 account, the transportation improvement board bond retirement account,  
26 the transportation infrastructure account, the transportation  
27 partnership account, the traumatic brain injury account, the tuition  
28 recovery trust fund, the University of Washington bond retirement fund,  
29 the University of Washington building account, the urban arterial trust  
30 account, the volunteer firefighters' and reserve officers' relief and  
31 pension principal fund, the volunteer firefighters' and reserve  
32 officers' administrative fund, the Washington fruit express account,  
33 the Washington judicial retirement system account, the Washington law  
34 enforcement officers' and firefighters' system plan 1 retirement  
35 account, the Washington law enforcement officers' and firefighters'  
36 system plan 2 retirement account, the Washington public safety  
37 employees' plan 2 retirement account, the Washington school employees'  
38 retirement system combined plan 2 and 3 account, the Washington state

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

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

15 NEW SECTION. **Sec. 7.** (1) Section 5 of this act takes effect July  
16 1, 2008.

17 (2) Section 6 of this act takes effect July 1, 2009.

18 NEW SECTION. **Sec. 8.** (1) Section 4 of this act expires July 1,  
19 2008.

20 (2) Section 5 of this act expires July 1, 2009.

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