
SENATE BILL 5919

State of Washington

61st Legislature

2009 Regular Session

By Senators Pflug, Kastama, Delvin, and Shin

Read first time 02/06/09. Referred to Committee on Economic Development, Trade & Innovation.

1 AN ACT Relating to the innovation discovery fund; amending RCW
2 42.30.110 and 42.56.270; reenacting and amending RCW 42.17.2401 and
3 43.79A.040; adding a new section to chapter 82.04 RCW; adding a new
4 section to chapter 41.06 RCW; adding a new chapter to Title 43 RCW;
5 creating new sections; and providing an effective date.

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

7 NEW SECTION. **Sec. 1.** LEGISLATIVE DECLARATION. The legislature
8 declares that promoting the development of new technologies is a
9 fundamental purpose of state government. The legislature declares it
10 to be a clear public purpose and governmental function to promote
11 technological advances through commercialization of new discoveries at
12 the state's research institutions. The legislature finds that public
13 support for and promotion and commercialization of new research will
14 benefit the state and its residents through contributions to scientific
15 knowledge and economic development, and this research will lead to
16 breakthroughs and improvements that might not otherwise be discovered
17 due to lack of existing market incentives. The purpose of this chapter
18 is to establish an innovation discovery fund authority, to grant that
19 authority the power to contract to receive funding from a variety of

1 sources, and to disburse those funds consistent with the purpose of
2 this chapter. The innovation discovery fund authority is intended to
3 promote the best available research and commercialization activities
4 through diverse Washington institutions and to build upon existing
5 research strengths in order to spread economic benefits across the
6 state.

7 NEW SECTION. **Sec. 2.** DEFINITIONS. The definitions in this
8 section apply throughout this chapter unless the context clearly
9 requires otherwise.

10 (1) "Authority" means the innovation discovery fund authority
11 created in section 3 of this act.

12 (2) "Board" means the governing board of trustees of the authority.

13 (3) "Contribution agreement" means any agreement authorized under
14 this chapter in which a private entity or a public entity other than
15 the state agrees to provide contributions to the authority.

16 (4) "Technology research" means advanced and applied research and
17 development, including commercialization activities, vital to the
18 state's economy.

19 (5) "Public employee" means any person employed by the state of
20 Washington or any agency or political subdivision thereof.

21 (6) "Public facilities" means any public institution, public
22 facility, public equipment, or any physical asset owned, leased, or
23 controlled by the state of Washington or any agency or political
24 subdivision thereof.

25 (7) "Public funds" means any funds received or controlled by the
26 state of Washington or any agency or political subdivision thereof,
27 including, but not limited to, funds derived from federal, state, or
28 local taxes, gifts or grants from any source, public or private,
29 federal grants or payments, or intergovernmental transfers.

30 NEW SECTION. **Sec. 3.** INNOVATION DISCOVERY FUND AUTHORITY--
31 ESTABLISHED. (1) The innovation discovery fund authority is created
32 and constitutes a public instrumentality and agency of the state,
33 separate and distinct from the state, exercising public and essential
34 governmental functions.

35 (2) The powers of the authority are vested in and must be exercised
36 by a board of trustees consisting of: Two members of either the house

1 of representatives committee on ways and means or the house of
2 representatives committee dealing with technology issues, one from each
3 caucus, to be appointed by the speaker of the house of representatives;
4 two members of either the senate committee on ways and means or the
5 senate committee dealing with technology issues, one from each caucus,
6 to be appointed by the president of the senate; and seven members
7 appointed by the governor with the consent of the senate, one of whom
8 the governor shall appoint as chair of the authority and who shall
9 serve on the board and as chair of the authority at the pleasure of the
10 governor. The respective officials shall make the initial appointments
11 no later than thirty days after the effective date of this section.
12 The term of the trustees, other than the chair, is four years from the
13 date of their appointment, except that the terms of three of the
14 initial gubernatorial appointees, as determined by the governor, are
15 for two years from the date of their appointment. A trustee appointed
16 by the governor may be removed by the governor for cause under RCW
17 43.06.070 and 43.06.080. The appropriate official shall fill any
18 vacancy on the board by appointment for the remainder of the unexpired
19 term. The trustees appointed by the governor must be compensated in
20 accordance with RCW 43.03.240 and may be reimbursed, solely from the
21 funds of the authority, for expenses incurred in the discharge of their
22 duties under this chapter, subject to RCW 43.03.050 and 43.03.060. The
23 trustees who are legislators must be reimbursed for travel expenses in
24 accordance with RCW 44.04.120.

25 (3) Seven members of the board constitute a quorum.

26 (4) The trustees shall elect a treasurer and secretary annually,
27 and other officers as the trustees determine necessary, and may adopt
28 bylaws or rules for their own government.

29 (5) Meetings of the board must be held in accordance with the open
30 public meetings act, chapter 42.30 RCW, and at the call of the chair or
31 when a majority of the trustees so requests. Meetings of the board may
32 be held at any location within or out of the state, and trustees may
33 participate in a meeting of the board by means of a conference
34 telephone or similar communication equipment under RCW 23B.08.200.

35 (6) The authority is subject to audit by the state auditor.

36 (7) The attorney general must advise the authority and represent it
37 in all legal proceedings.

1 NEW SECTION. **Sec. 4.** SPECIAL TRUST POWERS. In addition to other
2 powers and duties prescribed in this chapter, the authority is
3 empowered to:

4 (1) Use public moneys in the innovation discovery fund, leveraging
5 those moneys with amounts received from other public and private
6 sources in accordance with contribution agreements;

7 (2) Solicit and receive gifts, grants, and bequests, and enter into
8 contribution agreements with private entities and public entities other
9 than the state to receive moneys in consideration of the authority's
10 promise to leverage those moneys with amounts received through
11 appropriations from the legislature and contributions from other public
12 entities and private entities, in order to use those moneys to promote
13 technology research. Nonstate moneys received by the authority for
14 this purpose must be deposited in the innovation discovery fund created
15 in section 8 of this act;

16 (3) Hold funds received by the authority in trust for their use
17 pursuant to this chapter to promote technology research;

18 (4) Manage its funds, obligations, and investments as necessary and
19 as consistent with its purpose including the segregation of revenues
20 into separate funds and accounts;

21 (5) Make grants to entities pursuant to contract for the promotion
22 of technology research to be conducted in the state. Grant agreements
23 must specify deliverables to be provided by the recipient pursuant to
24 the grant. The authority shall solicit requests for funding and
25 evaluate the requests by reference to factors such as: (a) The quality
26 of the proposed research; (b) its potential to lead to new products,
27 production processes, or applications; (c) its potential for leveraging
28 additional funding; (d) its potential to provide economic benefits or
29 benefit human learning and development; (e) its potential to stimulate
30 manufacturing or information technology-related employment in the
31 state; (f) the geographic diversity of the grantees within Washington;
32 (g) evidence of potential royalty income and contractual means to
33 recapture such income for purposes of this chapter; and (h) evidence of
34 public and private collaboration;

35 (6) Create one or more advisory boards composed of scientists,
36 industrialists, and others familiar with technology research; and

37 (7) Adopt policies and procedures to facilitate the orderly process
38 of grant application, review, and reward.

1 NEW SECTION. **Sec. 5.** GENERAL POWERS--RESTRICTIONS. The authority
2 has all the general powers necessary to carry out its purposes and
3 duties and to exercise its specific powers. In addition to other
4 powers specified in this chapter, the authority may: (1) Sue and be
5 sued in its own name; (2) make and execute agreements, contracts, and
6 other instruments, with any public or private person or entity, in
7 accordance with this chapter; (3) employ, contract with, or engage
8 independent counsel, financial advisors, auditors, other technical or
9 professional assistants, and such other personnel as are necessary or
10 desirable to implement this chapter; (4) establish special funds, and
11 controls on deposits to and disbursements from them, as it finds
12 convenient for the implementation of this chapter; (5) enter into
13 contracts with public and private entities for technology research to
14 be conducted in the state; (6) adopt rules, consistent with this
15 chapter; (7) delegate any of its powers and duties if consistent with
16 the purposes of this chapter; (8) exercise any other power reasonably
17 required to implement the purposes of this chapter; and (9) hire staff
18 and pay administrative costs.

19 NEW SECTION. **Sec. 6.** LIMITATION OF LIABILITY. Members of the
20 board and persons acting on behalf of the authority, while acting
21 within the scope of their employment or agency, are not subject to
22 personal liability resulting from carrying out the powers and duties
23 conferred on them under this chapter. Neither the state nor the
24 authority is liable for any loss, damage, harm, or other consequence
25 resulting directly or indirectly from grants made by the authority or
26 by any technology research funded by such grants.

27 NEW SECTION. **Sec. 7.** DISSOLUTION OF THE AUTHORITY. The authority
28 may petition the legislature to be dissolved upon a showing that it has
29 no reason to exist and that any assets it retains must be distributed
30 to one or more similar entities approved by the legislature. The
31 legislature reserves the right to dissolve the authority after its
32 contractual obligations to its funders and grant recipients have
33 expired.

34 NEW SECTION. **Sec. 8.** INNOVATION DISCOVERY FUND. The innovation
35 discovery fund is created in the custody of the state treasurer. Only

1 the board or the board's designee may authorize expenditures from the
2 fund. Expenditures from the fund may be made only for purposes of this
3 chapter. Administrative expenses of the authority, including staff
4 support, may be paid only from the fund. Revenues to the fund consist
5 of transfers made by the legislature, moneys received pursuant to
6 contribution agreements entered into pursuant to section 4 of this act,
7 moneys received from gifts, grants, and bequests, and interest earned
8 on the fund.

9 NEW SECTION. **Sec. 9.** A new section is added to chapter 82.04 RCW
10 to read as follows:

11 BUSINESS AND OCCUPATION TAX EXEMPTION. This chapter does not apply
12 to income received by the innovation discovery fund authority under
13 chapter 43.-- RCW (the new chapter created in section 18 of this act).

14 **Sec. 10.** RCW 42.30.110 and 2005 c 424 s 13 are each amended to
15 read as follows:

16 (1) Nothing contained in this chapter may be construed to prevent
17 a governing body from holding an executive session during a regular or
18 special meeting:

19 (a) To consider matters affecting national security;

20 (b) To consider the selection of a site or the acquisition of real
21 estate by lease or purchase when public knowledge regarding such
22 consideration would cause a likelihood of increased price;

23 (c) To consider the minimum price at which real estate will be
24 offered for sale or lease when public knowledge regarding such
25 consideration would cause a likelihood of decreased price. However,
26 final action selling or leasing public property shall be taken in a
27 meeting open to the public;

28 (d) To review negotiations on the performance of publicly bid
29 contracts when public knowledge regarding such consideration would
30 cause a likelihood of increased costs;

31 (e) To consider, in the case of an export trading company,
32 financial and commercial information supplied by private persons to the
33 export trading company;

34 (f) To receive and evaluate complaints or charges brought against
35 a public officer or employee. However, upon the request of such

1 officer or employee, a public hearing or a meeting open to the public
2 shall be conducted upon such complaint or charge;

3 (g) To evaluate the qualifications of an applicant for public
4 employment or to review the performance of a public employee. However,
5 subject to RCW 42.30.140(4), discussion by a governing body of
6 salaries, wages, and other conditions of employment to be generally
7 applied within the agency shall occur in a meeting open to the public,
8 and when a governing body elects to take final action hiring, setting
9 the salary of an individual employee or class of employees, or
10 discharging or disciplining an employee, that action shall be taken in
11 a meeting open to the public;

12 (h) To evaluate the qualifications of a candidate for appointment
13 to elective office. However, any interview of such candidate and final
14 action appointing a candidate to elective office shall be in a meeting
15 open to the public;

16 (i) To discuss with legal counsel representing the agency matters
17 relating to agency enforcement actions, or to discuss with legal
18 counsel representing the agency litigation or potential litigation to
19 which the agency, the governing body, or a member acting in an official
20 capacity is, or is likely to become, a party, when public knowledge
21 regarding the discussion is likely to result in an adverse legal or
22 financial consequence to the agency.

23 This subsection (1)(i) does not permit a governing body to hold an
24 executive session solely because an attorney representing the agency is
25 present. For purposes of this subsection (1)(i), "potential
26 litigation" means matters protected by RPC 1.6 or RCW 5.60.060(2)(a)
27 concerning:

28 ~~((A))~~ (i) Litigation that has been specifically threatened to
29 which the agency, the governing body, or a member acting in an official
30 capacity is, or is likely to become, a party;

31 ~~((B))~~ (ii) Litigation that the agency reasonably believes may be
32 commenced by or against the agency, the governing body, or a member
33 acting in an official capacity; or

34 ~~((C))~~ (iii) Litigation or legal risks of a proposed action or
35 current practice that the agency has identified when public discussion
36 of the litigation or legal risks is likely to result in an adverse
37 legal or financial consequence to the agency;

1 (j) To consider, in the case of the state library commission or its
2 advisory bodies, western library network prices, products, equipment,
3 and services, when such discussion would be likely to adversely affect
4 the network's ability to conduct business in a competitive economic
5 climate. However, final action on these matters shall be taken in a
6 meeting open to the public;

7 (k) To consider, in the case of the state investment board,
8 financial and commercial information when the information relates to
9 the investment of public trust or retirement funds and when public
10 knowledge regarding the discussion would result in loss to such funds
11 or in private loss to the providers of this information;

12 (l) To consider proprietary or confidential nonpublished
13 information related to the development, acquisition, or implementation
14 of state purchased health care services as provided in RCW 41.05.026;

15 (m) To consider in the case of the life sciences discovery fund
16 authority, the substance of grant applications and grant awards when
17 public knowledge regarding the discussion would reasonably be expected
18 to result in private loss to the providers of this information;

19 (n) To consider in the case of the innovation discovery fund
20 authority, the substance of grant applications and grant awards when
21 public knowledge regarding the discussion would reasonably be expected
22 to result in private loss to the providers of this information.

23 (2) Before convening in executive session, the presiding officer of
24 a governing body shall publicly announce the purpose for excluding the
25 public from the meeting place, and the time when the executive session
26 will be concluded. The executive session may be extended to a stated
27 later time by announcement of the presiding officer.

28 NEW SECTION. Sec. 11. A new section is added to chapter 41.06 RCW
29 to read as follows:

30 In addition to the exemptions set forth in RCW 41.06.070, this
31 chapter does not apply to employees of the innovation discovery fund
32 authority under chapter 43.-- RCW (the new chapter created in section
33 18 of this act).

34 **Sec. 12.** RCW 42.56.270 and 2008 c 306 s 1 are each amended to read
35 as follows:

1 The following financial, commercial, and proprietary information is
2 exempt from disclosure under this chapter:

3 (1) Valuable formulae, designs, drawings, computer source code or
4 object code, and research data obtained by any agency within five years
5 of the request for disclosure when disclosure would produce private
6 gain and public loss;

7 (2) Financial information supplied by or on behalf of a person,
8 firm, or corporation for the purpose of qualifying to submit a bid or
9 proposal for (a) a ferry system construction or repair contract as
10 required by RCW 47.60.680 through 47.60.750 or (b) highway construction
11 or improvement as required by RCW 47.28.070;

12 (3) Financial and commercial information and records supplied by
13 private persons pertaining to export services provided under chapters
14 43.163 and 53.31 RCW, and by persons pertaining to export projects
15 under RCW 43.23.035;

16 (4) Financial and commercial information and records supplied by
17 businesses or individuals during application for loans or program
18 services provided by chapters 43.325, 43.163, 43.160, 43.330, and
19 43.168 RCW, or during application for economic development loans or
20 program services provided by any local agency;

21 (5) Financial information, business plans, examination reports, and
22 any information produced or obtained in evaluating or examining a
23 business and industrial development corporation organized or seeking
24 certification under chapter 31.24 RCW;

25 (6) Financial and commercial information supplied to the state
26 investment board by any person when the information relates to the
27 investment of public trust or retirement funds and when disclosure
28 would result in loss to such funds or in private loss to the providers
29 of this information;

30 (7) Financial and valuable trade information under RCW 51.36.120;

31 (8) Financial, commercial, operations, and technical and research
32 information and data submitted to or obtained by the clean Washington
33 center in applications for, or delivery of, program services under
34 chapter 70.95H RCW;

35 (9) Financial and commercial information requested by the public
36 stadium authority from any person or organization that leases or uses
37 the stadium and exhibition center as defined in RCW 36.102.010;

1 (10)(a) Financial information, including but not limited to account
2 numbers and values, and other identification numbers supplied by or on
3 behalf of a person, firm, corporation, limited liability company,
4 partnership, or other entity related to an application for a horse
5 racing license submitted pursuant to RCW 67.16.260(1)(b), liquor
6 license, gambling license, or lottery retail license;

7 (b) Internal control documents, independent auditors' reports and
8 financial statements, and supporting documents: (i) Of house-banked
9 social card game licensees required by the gambling commission pursuant
10 to rules adopted under chapter 9.46 RCW; or (ii) submitted by tribes
11 with an approved tribal/state compact for class III gaming;

12 (11) Proprietary data, trade secrets, or other information that
13 relates to: (a) A vendor's unique methods of conducting business; (b)
14 data unique to the product or services of the vendor; or (c)
15 determining prices or rates to be charged for services, submitted by
16 any vendor to the department of social and health services for purposes
17 of the development, acquisition, or implementation of state purchased
18 health care as defined in RCW 41.05.011;

19 (12)(a) When supplied to and in the records of the department of
20 community, trade, and economic development:

21 (i) Financial and proprietary information collected from any person
22 and provided to the department of community, trade, and economic
23 development pursuant to RCW 43.330.050(8); and

24 (ii) Financial or proprietary information collected from any person
25 and provided to the department of community, trade, and economic
26 development or the office of the governor in connection with the
27 siting, recruitment, expansion, retention, or relocation of that
28 person's business and until a siting decision is made, identifying
29 information of any person supplying information under this subsection
30 and the locations being considered for siting, relocation, or expansion
31 of a business;

32 (b) When developed by the department of community, trade, and
33 economic development based on information as described in (a)(i) of
34 this subsection, any work product is not exempt from disclosure;

35 (c) For the purposes of this subsection, "siting decision" means
36 the decision to acquire or not to acquire a site;

37 (d) If there is no written contact for a period of sixty days to
38 the department of community, trade, and economic development from a

1 person connected with siting, recruitment, expansion, retention, or
2 relocation of that person's business, information described in (a)(ii)
3 of this subsection will be available to the public under this chapter;

4 (13) Financial and proprietary information submitted to or obtained
5 by the department of ecology or the authority created under chapter
6 70.95N RCW to implement chapter 70.95N RCW;

7 (14) Financial, commercial, operations, and technical and research
8 information and data submitted to or obtained by the life sciences
9 discovery fund authority in applications for, or delivery of, grants
10 under chapter 43.350 RCW, to the extent that such information, if
11 revealed, would reasonably be expected to result in private loss to the
12 providers of this information;

13 (15) Financial and commercial information provided as evidence to
14 the department of licensing as required by RCW 19.112.110 or
15 19.112.120, except information disclosed in aggregate form that does
16 not permit the identification of information related to individual fuel
17 licensees;

18 (16) Any production records, mineral assessments, and trade secrets
19 submitted by a permit holder, mine operator, or landowner to the
20 department of natural resources under RCW 78.44.085;

21 (17)(a) Farm plans developed by conservation districts, unless
22 permission to release the farm plan is granted by the landowner or
23 operator who requested the plan, or the farm plan is used for the
24 application or issuance of a permit;

25 (b) Farm plans developed under chapter 90.48 RCW and not under the
26 federal clean water act, 33 U.S.C. Sec. 1251 et seq., are subject to
27 RCW 42.56.610 and 90.64.190;

28 (18) Financial, commercial, operations, and technical and research
29 information and data submitted to or obtained by a health sciences and
30 services authority in applications for, or delivery of, grants under
31 RCW 35.104.010 through 35.104.060, to the extent that such information,
32 if revealed, would reasonably be expected to result in private loss to
33 providers of this information; (~~and~~)

34 (19) Information gathered under chapter 19.85 RCW or RCW 34.05.328
35 that can be identified to a particular business; and

36 (20) Financial, commercial, operations, and technical and research
37 information and data submitted to or obtained by the innovation
38 discovery fund authority in applications for, or delivery of, grants

1 under chapter 43.-- RCW (the new chapter created in section 18 of this
2 act), to the extent that such information, if revealed, would
3 reasonably be expected to result in private loss to the providers of
4 this information.

5 **Sec. 13.** RCW 42.17.2401 and 2007 c 341 s 48, 2007 c 241 s 2, and
6 2007 c 15 s 1 are each reenacted and amended to read as follows:

7 For the purposes of RCW 42.17.240, the term "executive state
8 officer" includes:

9 (1) The chief administrative law judge, the director of
10 agriculture, the administrator of the Washington basic health plan, the
11 director of the department of services for the blind, the director of
12 the state system of community and technical colleges, the director of
13 community, trade, and economic development, the secretary of
14 corrections, the director of early learning, the director of ecology,
15 the commissioner of employment security, the chair of the energy
16 facility site evaluation council, the secretary of the state finance
17 committee, the director of financial management, the director of fish
18 and wildlife, the executive secretary of the forest practices appeals
19 board, the director of the gambling commission, the director of general
20 administration, the secretary of health, the administrator of the
21 Washington state health care authority, the executive secretary of the
22 health care facilities authority, the executive secretary of the higher
23 education facilities authority, the executive secretary of the horse
24 racing commission, the executive secretary of the human rights
25 commission, the executive secretary of the indeterminate sentence
26 review board, the director of the department of information services,
27 the executive director of the state investment board, the director of
28 labor and industries, the director of licensing, the director of the
29 lottery commission, the director of the office of minority and women's
30 business enterprises, the director of parks and recreation, the
31 director of personnel, the executive director of the public disclosure
32 commission, the executive director of the Puget Sound partnership, the
33 director of the recreation and conservation office, the director of
34 retirement systems, the director of revenue, the secretary of social
35 and health services, the chief of the Washington state patrol, the
36 executive secretary of the board of tax appeals, the secretary of
37 transportation, the secretary of the utilities and transportation

1 commission, the director of veterans affairs, the president of each of
2 the regional and state universities and the president of The Evergreen
3 State College, and each district and each campus president of each
4 state community college;

5 (2) Each professional staff member of the office of the governor;

6 (3) Each professional staff member of the legislature; and

7 (4) Central Washington University board of trustees, the boards of
8 trustees of each community college and each technical college, each
9 member of the state board for community and technical colleges, state
10 convention and trade center board of directors, committee for deferred
11 compensation, Eastern Washington University board of trustees,
12 Washington economic development finance authority, The Evergreen State
13 College board of trustees, executive ethics board, forest practices
14 appeals board, forest practices board, gambling commission, life
15 sciences discovery fund authority board of trustees, innovation
16 discovery fund authority board of trustees, Washington health care
17 facilities authority, each member of the Washington health services
18 commission, higher education coordinating board, higher education
19 facilities authority, horse racing commission, state housing finance
20 commission, human rights commission, indeterminate sentence review
21 board, board of industrial insurance appeals, information services
22 board, (~~recreation and conservation funding board,~~) state investment
23 board, commission on judicial conduct, legislative ethics board, liquor
24 control board, lottery commission, marine oversight board, Pacific
25 Northwest electric power and conservation planning council, parks and
26 recreation commission, board of pilotage commissioners, pollution
27 control hearings board, public disclosure commission, public pension
28 commission, shorelines (~~hearings~~) hearings board, public employees'
29 benefits board, recreation and conservation funding board, salmon
30 recovery funding board, board of tax appeals, transportation
31 commission, University of Washington board of regents, utilities and
32 transportation commission, Washington state maritime commission,
33 Washington personnel resources board, Washington public power supply
34 system executive board, Washington State University board of regents,
35 Western Washington University board of trustees, and fish and wildlife
36 commission.

1 **Sec. 14.** RCW 43.79A.040 and 2008 c 239 s 9, 2008 c 208 s 9, 2008
2 c 128 s 20, and 2008 c 122 s 24 are each reenacted and amended to read
3 as follows:

4 (1) Money in the treasurer's trust fund may be deposited, invested,
5 and reinvested by the state treasurer in accordance with RCW 43.84.080
6 in the same manner and to the same extent as if the money were in the
7 state treasury.

8 (2) All income received from investment of the treasurer's trust
9 fund shall be set aside in an account in the treasury trust fund to be
10 known as the investment income account.

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

19 (4)(a) Monthly, the state treasurer shall distribute the earnings
20 credited to the investment income account to the state general fund
21 except under (b) and (c) of this subsection.

22 (b) The following accounts and funds shall receive their
23 proportionate share of earnings based upon each account's or fund's
24 average daily balance for the period: The Washington promise
25 scholarship account, the college savings program account, the
26 Washington advanced college tuition payment program account, the
27 agricultural local fund, the American Indian scholarship endowment
28 fund, the foster care scholarship endowment fund, the foster care
29 endowed scholarship trust fund, the students with dependents grant
30 account, the basic health plan self-insurance reserve account, the
31 contract harvesting revolving account, the Washington state combined
32 fund drive account, the commemorative works account, the Washington
33 international exchange scholarship endowment fund, the toll collection
34 account, the developmental disabilities endowment trust fund, the
35 energy account, the fair fund, the family leave insurance account, the
36 food animal veterinarian conditional scholarship account, the fruit and
37 vegetable inspection account, the future teachers conditional
38 scholarship account, the game farm alternative account, the GET ready

1 for math and science scholarship account, the grain inspection
2 revolving fund, the juvenile accountability incentive account, the law
3 enforcement officers' and firefighters' plan 2 expense fund, the local
4 tourism promotion account, the pilotage account, the produce railcar
5 pool account, the regional transportation investment district account,
6 the rural rehabilitation account, the stadium and exhibition center
7 account, the youth athletic facility account, the self-insurance
8 revolving fund, the sulfur dioxide abatement account, the children's
9 trust fund, the Washington horse racing commission Washington bred
10 owners' bonus fund account, the Washington horse racing commission
11 class C purse fund account, the individual development account program
12 account, the Washington horse racing commission operating account
13 (earnings from the Washington horse racing commission operating account
14 must be credited to the Washington horse racing commission class C
15 purse fund account), the life sciences discovery fund, the innovation
16 discovery fund, the Washington state heritage center account, the
17 reduced cigarette ignition propensity account, and the reading
18 achievement account. However, the earnings to be distributed shall
19 first be reduced by the allocation to the state treasurer's service
20 fund pursuant to RCW 43.08.190.

21 (c) The following accounts and funds shall receive eighty percent
22 of their proportionate share of earnings based upon each account's or
23 fund's average daily balance for the period: The advanced right-of-way
24 revolving fund, the advanced environmental mitigation revolving
25 account, the city and county advance right-of-way revolving fund, the
26 federal narcotics asset forfeitures account, the high occupancy vehicle
27 account, the local rail service assistance account, and the
28 miscellaneous transportation programs account.

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

32 NEW SECTION. **Sec. 15.** CAPTIONS. Captions used in this act are
33 not any part of the law.

34 NEW SECTION. **Sec. 16.** LIBERAL CONSTRUCTION. This act, being
35 necessary for the welfare of the state and its inhabitants, shall be
36 liberally construed.

1 NEW SECTION. **Sec. 17.** SEVERABILITY. If any provision of this act
2 or its application to any person or circumstance is held invalid, the
3 remainder of the act or the application of the provision to other
4 persons or circumstances is not affected.

5 NEW SECTION. **Sec. 18.** CODIFICATION. Sections 1 through 8 of this
6 act constitute a new chapter in Title 43 RCW.

7 NEW SECTION. **Sec. 19.** ALPHABETIZATION. The code reviser shall
8 alphabetize the accounts and funds listed in RCW 43.79A.040(4)(b).

9 NEW SECTION. **Sec. 20.** This act takes effect August 1, 2009.

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