AN ACT Relating to Yakima river basin water resource management; amending RCW 90.38.005, 90.38.010, 90.38.900, and 90.38.902; reenacting and amending RCW 43.84.092 and 43.84.092; adding new sections to chapter 90.38 RCW; providing a contingent effective date; providing an expiration date; and providing a contingent expiration date.

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

Sec. 1. RCW 90.38.005 and 1989 c 429 s 1 are each amended to read as follows:

(1) The legislature finds that:

(a) Under present physical conditions in the Yakima river basin there is an insufficient supply of ground and surface water to satisfy the present needs of the basin, and that the general health, welfare, and safety of the people of the Yakima river basin depend upon the conservation, management, development, and optimum use of all the basin's water resources;

(b) (Pursuant to P.L. 96-162) The future competition for water among municipal, domestic, industrial, agricultural, and instream water interests in the Yakima river basin will be intensified by continued population growth, and by changes in climate and precipitation.
anticipated to reduce the basin's snow pack and thereby reduce the
total water supply available to existing water users, instream flows,
and carryover storage.

(c) To address the challenges described in this subsection,
congress has enacted several bills to promote Yakima river basin water
enhancement, each of which was urged for enactment by this state, the
United States ((is now conducting)) has completed a study of ways to
provide needed waters through improvements of the federal water project
presently existing in the Yakima river basin, and federal, tribal,
state, and local cooperators have developed an integrated water
resource management plan for improving water supply, habitat, and
stream flow conditions in the Yakima river basin;

(d) As part of the Yakima river basin water enhancement project,
the United States department of the interior's bureau of reclamation is
now seeking funding to support implementation of the integrated water
resource management plan for the Yakima river basin, which was jointly
prepared by the Washington state department of ecology and the United
States bureau of reclamation and published in a final programmatic
environmental impact statement in March 2012;

((e)) (e) The interests of the state will be served by developing
programs, in cooperation with the United States and the various water
users in the basin, that increase the overall ability to manage basin
waters in order to better satisfy both present and future needs for
water in the Yakima river basin; and

(f) The interests of the state will also be served through
coordination of federal and state policies and procedures in order to
develop and implement projects within the framework of the integrated
water resource management plan for the Yakima river basin. The pace of
integrated plan implementation over the long term depends upon adequate
funding and is subject to the availability of amounts appropriated for
this purpose.

(2) It is the purpose of this chapter, consistent with these
findings, to:

(a) Improve the ability of the state to work with the United States
and various water users of the Yakima river basin in a program designed
to satisfy both existing rights, and other presently unmet as well as
future needs of the basin; and
(b) Establish legislative intent to promote timely and effective implementation of the integrated plan in the Yakima river basin, and to promote the aggressive pursuit of water supply solutions that provide concurrent benefits to both instream and out-of-stream uses in the Yakima river basin as rapidly as possible.

(3) The provisions of this chapter apply only to waters of the Yakima river basin.

Sec. 2. RCW 90.38.010 and 1989 c 429 s 2 are each amended to read as follows:

((Unless the context clearly requires otherwise,)) The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Department" means the department of ecology.

(2) "Integrated plan" means the Yakima river basin integrated water resource management plan developed through a consensus-based approach by a diverse work group of representatives of the Yakama Nation, federal, state, county, and city governments, environmental organizations, and irrigation districts and for which the final programmatic environmental impact statement was made available for review through public notice published in the federal register (77 FR 12076 (2012)).

(3) "Net water savings" means the amount of water that through hydrological analysis is determined to be conserved and usable for other purposes without impairing existing water rights, reducing the ability to deliver water, or reducing the supply of water that otherwise would have been available to other water users.

((4)) (4) "Trust water right" means that portion of an existing water right, constituting net water savings, that is no longer required to be diverted for beneficial use due to the installation of a water conservation project that improves an existing system. The term "trust water right" also applies to any other water right acquired by the department under this chapter for management in the Yakima river basin trust water rights program.

((5)) (5) "Water conservation project" means any project funded to further the purposes of this chapter and that achieves physical or operational improvements of efficiency in existing systems for
diversion, conveyance, or application of water under existing water rights.


NEW SECTION. Sec. 3. A new section is added to chapter 90.38 RCW to read as follows:

The department is authorized to implement the integrated water resource management plan in the Yakima river basin, through a coordinated effort of affected federal, state, and local agencies and resources, to develop water supply solutions that provide concurrent benefits to both instream and out-of-stream uses, and to address a variety of water resource and ecosystem problems affecting fish passage, habitat functions, and agricultural, municipal, and domestic water supply in the Yakima river basin, consistent with the integrated plan.

(1) Authorized department actions include, but are not limited to:
(a) Accepting funds from any entity, public or private, as necessary to implement the objectives of this chapter;
(b) Assessing, planning, and developing projects under the Yakima river basin integrated water resource management plan, or for any other action designed to provide access to new water supplies within the Yakima river basin, consistent with the integrated plan and including but not limited to: Enhanced water conservation and efficiency measures, water reallocation markets, in-basin surface and groundwater storage facilities, fish passage at existing in-basin reservoirs, structural and operational modifications to existing facilities, habitat protection and restoration, and general watershed enhancements as necessary to implement the objectives of this chapter and the integrated plan; and
(c) Entering into contracts to ensure the effective delivery of
water and to provide for the design and construction of facilities necessary to implement the objectives of the integrated plan and this chapter.

(2) Consistent with the integrated plan, the goals and objectives of department actions authorized under this chapter include, but are not limited to:

(a) Protection, mitigation, and enhancement of fish and wildlife through improved water management; improved instream flows; improved water quality; protection, creation, and enhancement of wetlands; improved fish passage, and by other appropriate means of habitat improvement, including the protection and enhancement of natural wetlands, floodplains, and groundwater storage systems;

(b) Improved water availability and reliability, and improved efficiency of water delivery and use, to enhance basin water supplies for agricultural irrigation, municipal, commercial, industrial, domestic, and environmental water uses;

(c) Establishment of more efficient water markets and more effective operational and structural changes to manage variability of water supplies and to prepare for the uncertainties of climate change, including but not limited to the facilitation of water banking, water right transfers, dry year options, the voluntary sale and lease of land, water, or water rights from any entity or individual willing to limit or forego water use on a temporary or permanent basis, and any other innovative water allocation tools used to maximize the utility of existing Yakima river basin water supplies, as long as the establishment and use of these tools is consistent with the integrated plan.

(3) Water supplies secured through the development of new storage facilities or expansion of existing storage facilities made possible with funding from the Yakima integrated plan implementation account, the Yakima integrated plan implementation taxable bond account, and the Yakima integrated plan implementation revenue recovery account must be allocated for out-of-stream uses and to augment instream flows consistent with the Yakima river basin integrated water resource management plan. Water to be made available to benefit out-of-stream uses under this subsection, but not yet appropriated, must be temporarily available to augment instream flows to the extent that it
does not impair existing water rights and is consistent with the integrated plan.

NEW SECTION. Sec. 4. A new section is added to chapter 90.38 RCW to read as follows:

(1) The Yakima integrated plan implementation account is created in the state treasury. All receipts from direct appropriations from the legislature, moneys directed to the account pursuant to this chapter, or moneys directed to the account from any other sources must be deposited in the account. The account is intended to fund projects using tax exempt bonds. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only as provided in this section. Interest earned by deposits in the account will be retained in the account.

(2) Expenditures from the account created in this section may be used to assess, plan, and develop projects under the Yakima river basin integrated water resource management plan or for any other actions designed to provide access to new water supplies within the Yakima river basin for both instream and out-of-stream uses, consistent with the integrated plan and the authorities, goals, and objectives set forth in section 3 of this act.

(3)(a) Funds may not be expended from the account for the construction of a new storage facility until the department evaluates the following:

(i) Water uses to be served by the facility;

(ii) The quantity of water necessary to meet the needs of those uses;

(iii) The benefits and costs to the state of serving those uses, including short-term and long-term economic, cultural, and environmental effects; and

(iv) Alternative means of supplying water to meet those uses, including the costs of those alternatives and an analysis of the extent to which the long-term water supply needs are able to be met using those alternatives.

(b) The department may rely on studies and information developed through compliance with other state and federal requirements and other sources. The department shall compile its findings and conclusions and provide a summary of the information it reviewed.
(c) Before finalizing its evaluation under the provisions of this subsection, the department shall make the preliminary evaluation available to the public. Public comment may be made to the department within thirty days of the date the preliminary evaluation is made public.

(4) For water supplies developed under the integrated plan to support future municipal and domestic water needs, the department shall give preference to other entities in managing water service contracts. Where the department determines that the management of such contracts by other entities is not feasible or suitable, the department may enter into water service contracts with applicants receiving water from the program to recover all or a portion of the cost of developing water supplies made possible with funding from the account created in this section. The department may deny an application if the applicant does not enter into a water service contract. Revenue collected from water service contracts must be deposited into the Yakima integrated plan implementation revenue recovery account created in section 6 of this act. The department may adopt rules describing the methodology as to how charges will be established and direct costs recovered for water supply developed under the Yakima river basin integrated water resource management plan implementation program.

NEW SECTION. Sec. 5. A new section is added to chapter 90.38 RCW to read as follows:

(1) The Yakima integrated plan implementation taxable bond account is created in the state treasury. All receipts from direct appropriations from the legislature, moneys directed to the account pursuant to this chapter, or moneys directed to the account from any other sources must be deposited in the account. The account is intended to fund projects using taxable bonds. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only as provided in this section. Interest earned by deposits in the account will be retained in the account.

(2) Expenditures from the account created in this section may be used to assess, plan, and develop projects under the Yakima river basin integrated water resource management plan or for any other actions designed to provide access to new water supplies within the Yakima river basin.
river basin for both instream and out-of-stream uses, consistent with
the integrated plan and the authorities, goals, and objectives set
forth in section 3 of this act.

(3)(a) Funds may not be expended from the account for the
construction of a new storage facility until the department evaluates
the following:

(i) Water uses to be served by the facility;

(ii) The quantity of water necessary to meet the needs of those
uses;

(iii) The benefits and costs to the state of serving those uses, including short-term and long-term economic, cultural, and
environmental effects; and

(iv) Alternative means of supplying water to meet those uses, including the costs of those alternatives and an analysis of the extent
to which the long-term water supply needs are able to be met using
those alternatives.

(b) The department may rely on studies and information developed
through compliance with other state and federal requirements and other
sources. The department shall compile its findings and conclusions and
provide a summary of the information it reviewed.

(c) Before finalizing its evaluation under the provisions of this
subsection, the department shall make the preliminary evaluation
available to the public. Public comment may be made to the department
within thirty days of the date the preliminary evaluation is made
public.

(4) For water supplies developed under the integrated plan to
support future municipal and domestic water needs, the department shall
give preference to other entities in managing water service contracts.
Where the department determines that the management of such contracts
by other entities is not feasible or suitable, the department may enter
into water service contracts with applicants receiving water from the
program to recover all or a portion of the cost of developing water
supplies made possible with funding from the account created in this
section. The department may deny an application if the applicant does
not enter into a water service contract. Revenue collected from water
service contracts must be deposited into the Yakima integrated plan
implementation revenue recovery account created in section 6 of this
act. The department may adopt rules describing the methodology as to
how charges will be established and direct costs recovered for water
supply developed under the Yakima river basin integrated water resource
management plan implementation program.

NEW SECTION. Sec. 6. A new section is added to chapter 90.38 RCW
to read as follows:

(1) The Yakima integrated plan implementation revenue recovery
account is created in the state treasury. All receipts from direct
appropriations from the legislature, moneys directed to the account
pursuant to this chapter, or moneys directed to the account from any
other sources must be deposited in the account. The account is
intended to fund projects using revenues from water service contracts
as authorized in this chapter. Moneys in the account may be spent only
after appropriation. Expenditures from the account may be used only as
provided in this section. Interest earned by deposits in the account
will be retained in the account.

(2) Expenditures from the account created in this section may be
used to assess, plan, and develop projects under the Yakima river basin
integrated water resource management plan or for any other actions
designed to provide access to new water supplies within the Yakima
river basin for both instream and out-of-stream uses, consistent with
the integrated plan and the authorities, goals, and objectives set
forth in section 3 of this act.

(3)(a) Funds may not be expended from the account for the
construction of a new storage facility until the department evaluates
the following:

(i) Water uses to be served by the facility;

(ii) The quantity of water necessary to meet the needs of those
uses;

(iii) The benefits and costs to the state of serving those uses,
including short-term and long-term economic, cultural, and
environmental effects; and

(iv) Alternative means of supplying water to meet those uses,
including the costs of those alternatives and an analysis of the extent
to which the long-term water supply needs are able to be met using
those alternatives.

(b) The department may rely on studies and information developed
through compliance with other state and federal requirements and other
sources. The department shall compile its findings and conclusions and
provide a summary of the information it reviewed.

(c) Before finalizing its evaluation under the provisions of this
subsection, the department shall make the preliminary evaluation
available to the public. Public comment may be made to the department
within thirty days of the date the preliminary evaluation is made
public.

(4) For water supplies developed under the integrated plan to
support future municipal and domestic water needs in the Yakima basin,
the department shall give preference to other entities in managing
water service contracts. Where the department determines that the
management of such contracts by other entities is not feasible or
suitable, the department may enter into water service contracts with
applicants receiving water from the program to recover all or a portion
of the cost of developing water supplies made possible with funding
from the account created in this section. The department may deny an
application if the applicant does not enter into a water service
contract. Revenue collected from water service contracts must be
deposited into the Yakima integrated plan implementation revenue
recovery account created in this section. The department may adopt
rules describing the methodology as to how charges will be established
and direct costs recovered for water supply developed under the Yakima
river basin integrated water resource management plan implementation
program.

Sec. 7. RCW 90.38.900 and 1989 c 429 s 7 are each amended to read
as follows:
The policies and purposes of this chapter shall not be construed as
replacing or amending the policies or the purposes for which funds
available under chapter 43.83B (((43.99E, or 90.90)) RCW may be used
within or without the Yakima river basin.

Sec. 8. RCW 90.38.902 and 1989 c 429 s 9 are each amended to read
as follows:
(1) Nothing in this chapter shall authorize the impairment of, or
operate to impair any existing water rights.
(2) Nothing in this chapter may be construed to limit, impair, waive, abrogate, or diminish:

(a) Any treaty or other rights of the Yakama Nation;
(b) Any powers, rights, or authorities conferred upon irrigation districts under existing law;
(c) Any rights or jurisdictions of the United States, the state of Washington, or other person or entity over waters in the Yakima river basin.

NEW SECTION. Sec. 9. A new section is added to chapter 90.38 RCW to read as follows:

(1) By December 1, 2015, and by December 1st of every odd-numbered year thereafter, and in compliance with RCW 43.01.036, the department, in consultation with the United States bureau of reclamation, the Yakama Nation, Yakima river basin local governments, and key basin stakeholders, shall provide a Yakima river basin integrated water resource management plan implementation status report to the legislature and to the governor that includes: A description of measures that have been funded and implemented in the Yakima river basin and their effectiveness in meeting the objectives of this act, a project funding list that represents the state's percentage cost share to implement the integrated plan measures for the current biennium and cost estimates for subsequent biennia, a description of progress toward concurrent realization of the integrated plan's fish passage, watershed enhancement, and water supply goals, and an annual summary of all associated costs to develop and implement projects within the framework of the integrated water resource management plan for the Yakima river basin.

(2) This section expires December 31, 2045.

Sec. 10. RCW 43.84.092 and 2012 c 198 s 2, 2012 c 196 s 7, 2012 c 187 s 14, and 2012 c 83 s 4 are each reenacted and amended to read as follows:

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

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

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

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

(a) The following accounts and funds shall receive their
proportionate share of earnings based upon each account's and fund's
average daily balance for the period: The aeronautics account, the
aircraft search and rescue account, the Alaskan Way viaduct replacement
project account, the budget stabilization account, the capital vessel
replacement account, the capitol building construction account, the
Cedar River channel construction and operation account, the Central
Washington University capital projects account, the charitable,
educational, penal and reformatory institutions account, the cleanup
settlement account, the Columbia river basin water supply development
account, the Columbia river basin taxable bond water supply development
account, the Columbia river basin water supply revenue recovery
account, the common school construction fund, the county arterial
preservation account, the county criminal justice assistance account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community trust account, the drinking water assistance account, the drinking water assistance administrative account, the drinking water assistance repayment account, the Eastern Washington University capital projects account, the Interstate 405 express toll lanes operations account, the education construction fund, the education legacy trust account, the election account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the federal forest revolving account, the ferry bond retirement fund, the freight congestion relief account, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the public health services account, the high capacity transportation account, the state higher education construction account, the higher education construction account, the highway bond retirement fund, the highway infrastructure account, the highway safety ((account [fund]) fund, the high occupancy toll lanes operations account, the hospital safety net assessment fund, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the mobile home park relocation fund, the motor vehicle fund, the motorcycle safety education account, the multimodal transportation account, the municipal criminal justice assistance account, the natural resources deposit account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, the public transportation systems account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puyallup tribal
settlement account, the real estate appraiser commission account, the
recreational vehicle account, the regional mobility grant program
account, the resource management cost account, the rural arterial trust
account, the rural mobility grant program account, the rural Washington
loan fund, the site closure account, the skilled nursing facility
safety net trust fund, the small city pavement and sidewalk account,
the special category C account, the special wildlife account, the state
employees' insurance account, the state employees' insurance reserve
account, the state investment board expense account, the state
investment board commingled trust fund accounts, the state patrol
highway account, the state route number 520 civil penalties account,
the state route number 520 corridor account, the state wildlife
account, the supplemental pension account, the Tacoma Narrows toll
bridge account, the teachers' retirement system plan 1 account, the
teachers' retirement system combined plan 2 and plan 3 account, the
tobacco prevention and control account, the tobacco settlement account,
the toll facility bond retirement account, the transportation 2003
account (nickel account), the transportation equipment fund, the
transportation fund, the transportation improvement account, the
transportation improvement board bond retirement account, the
transportation infrastructure account, the transportation partnership
account, the traumatic brain injury account, the tuition recovery trust
fund, the University of Washington bond retirement fund, the University
of Washington building account, the volunteer firefighters' and reserve
officers' relief and pension principal fund, the volunteer
firefighters' and reserve officers' administrative fund, the Washington
judicial retirement system account, the Washington law enforcement
officers' and firefighters' system plan 1 retirement account, the
Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state economic development commission account, the Washington state health insurance pool account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving fund, (and) the Western Washington University capital projects account, the Yakima integrated plan implementation account, the Yakima
integrated plan implementation revenue recovery account, and the Yakima integrated plan implementation taxable bond account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, the state university permanent fund, and the state reclamation revolving account shall be allocated to their respective beneficiary accounts.

(b) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the state treasury that deposits funds into a fund or account in the state treasury pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

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

Sec. 11. RCW 43.84.092 and 2012 c 198 s 2, 2012 c 196 s 7, 2012 c 187 s 14, 2012 c 83 s 4, and 2012 c 36 s 5 are each reenacted and amended to read as follows:

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

(2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.
Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.

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

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the Alaskan Way viaduct replacement project account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the cleanup settlement account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the Columbia river crossing project account, the common school construction fund, the county arterial preservation account, the county criminal justice assistance account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community trust account, the drinking water assistance account, the drinking water assistance administrative account, the drinking water assistance repayment account, the Eastern Washington University capital projects account, the Interstate 405 express toll lanes operations account, the education construction fund, the education legacy trust account, the election account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the federal forest
reversing account, the ferry bond retirement fund, the freight congestion relief account, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the public health services account, the high capacity transportation account, the state higher education construction account, the higher education construction account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the high occupancy toll lanes operations account, the hospital safety net assessment fund, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the mobile home park relocation fund, the motor vehicle fund, the motorcycle safety education account, the multimodal transportation account, the municipal criminal justice assistance account, the natural resources deposit account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, the public transportation systems account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puyallup tribal settlement account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state route number 520 civil penalties account, the state route number 520 corridor account, the state wildlife account, the supplemental
pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the toll facility bond retirement account, the transportation 2003 account (nickel account), the transportation equipment fund, the transportation fund, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the volunteer firefighters' and reserve officers' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state economic development commission account, the Washington state health insurance pool account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving fund, the Western Washington University capital projects account, the Yakima integrated plan implementation account, the Yakima integrated plan implementation revenue recovery account, and the Yakima integrated plan implementation taxable bond account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, the state university permanent fund, and the state reclamation revolving account shall be allocated to their respective beneficiary accounts.

(b) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the state treasury that deposits funds into a fund or account in the state treasury pursuant to an agreement with the office of the state treasurer shall receive its
proportionate share of earnings based upon each account's or fund's average daily balance for the period.

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

NEW SECTION. Sec. 12. Section 10 of this act expires if the requirements set out in section 7, chapter 36, Laws of 2012 are met.

NEW SECTION. Sec. 13. Section 11 of this act takes effect if the requirements set out in section 7, chapter 36, Laws of 2012 are met.

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