

CERTIFICATION OF ENROLLMENT

**HOUSE BILL 2856**

Chapter 194, Laws of 2016

64th Legislature  
2016 Regular Session

OFFICE OF CHEHALIS BASIN--CREATION AND ACCOUNT

EFFECTIVE DATE: 6/9/2016

Passed by the House March 8, 2016  
Yeas 91 Nays 5

FRANK CHOPP

**Speaker of the House of Representatives**

Passed by the Senate March 3, 2016  
Yeas 46 Nays 2

BRAD OWEN

**President of the Senate**

Approved April 1, 2016 3:53 PM

JAY INSLEE

**Governor of the State of Washington**

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 2856** as passed by House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

**Chief Clerk**

FILED

April 4, 2016

**Secretary of State  
State of Washington**

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HOUSE BILL 2856

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AS AMENDED BY THE SENATE

Passed Legislature - 2016 Regular Session

State of Washington                      64th Legislature                      2016 Regular Session

By Representatives DeBolt, Tharinger, Van De Wege, and Stanford

Read first time 01/22/16. Referred to Committee on Capital Budget.

1            AN ACT Relating to establishing the office of Chehalis basin;  
2 reenacting and amending RCW 43.84.092; and adding new sections to  
3 chapter 43.21A RCW.

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

5            NEW SECTION.    **Sec. 1.**    (1) The office of Chehalis basin is  
6 established in the department. The primary purpose of the office is  
7 to aggressively pursue implementation of an integrated strategy and  
8 administer funding for long-term flood damage reduction and aquatic  
9 species restoration in the Chehalis river basin.

10           (2) The office of Chehalis basin must be funded from  
11 appropriations specified for Chehalis river basin-related flood  
12 hazard reduction and habitat recovery activities.

13           (3) In operating the office, the department must follow, to the  
14 greatest extent practicable, the model being used to administer the  
15 Columbia river basin water supply program established in chapter 6,  
16 Laws of 2006.

17           NEW SECTION.    **Sec. 2.**    (1) The Chehalis board is created  
18 consisting of seven members.

19           (2)(a) Four members of the board must be voting members who are  
20 appointed by the governor, subject to confirmation by the senate. One

1 member must represent the Chehalis Indian tribe and one member must  
2 represent the Quinault Indian nation. Three board members must be  
3 selected by the Chehalis basin flood authority. No member may have a  
4 financial or regulatory interest in the work of the board. The  
5 governor shall appoint one of the flood authority appointees as the  
6 chair. The voting members of the board must be appointed for terms of  
7 four years, except that two members initially must be appointed for  
8 terms of two years and three members must initially be appointed for  
9 terms of three years. In making the appointments, the governor shall  
10 seek a board membership that collectively provides the expertise  
11 necessary to provide strong oversight for implementation of the  
12 Chehalis basin strategy, that provides extensive knowledge of local  
13 government processes and functions, and that has an understanding of  
14 issues relevant to reducing flood damages and restoring aquatic  
15 species.

16 (b) In addition to the seven voting members of the board, the  
17 following five state officials must serve as ex officio nonvoting  
18 members of the board: The director of the department of fish and  
19 wildlife, the executive director of the Washington state conservation  
20 commission, the secretary of the department of transportation, the  
21 director of the department of ecology, and the commissioner of public  
22 lands. The state officials serving in an ex officio capacity may  
23 designate a representative of their respective agencies to serve on  
24 the board in their behalf. These designations must be made in writing  
25 and in such a manner as is specified by the board.

26 (3) Staff support to the board must be provided by the  
27 department. For administrative purposes, the board is located within  
28 the department.

29 (4) Members of the board who do not represent state agencies must  
30 be compensated as provided by RCW 43.03.250. Members of the board  
31 shall be reimbursed for travel expenses as provided by RCW 43.03.050  
32 and 43.03.060.

33 (5) The board is responsible for oversight of a long-term  
34 strategy resulting from the department's programmatic environmental  
35 impact statement for the Chehalis river basin to reduce flood damages  
36 and restore aquatic species habitat.

37 (6) The board is responsible for overseeing the implementation of  
38 the strategy and developing biennial and supplemental budget  
39 recommendations to the governor.

1        NEW SECTION.    **Sec. 3.**    The Chehalis basin strategy must include a  
2 detailed set of actions to reduce flood damage and improve aquatic  
3 species habitat. The strategy must be amended by the Chehalis board  
4 as necessary to include new scientific information and needed changes  
5 to the actions to achieve the overall purpose of the strategy. The  
6 strategy must include an implementation schedule and quantified  
7 measures for evaluating the success of implementation.

8        NEW SECTION.    **Sec. 4.**    The Chehalis basin account is created in  
9 the state treasury. All receipts from direct appropriations from the  
10 legislature, including the proceeds of tax exempt bonds, or moneys  
11 directed to the account from any other sources must be deposited in  
12 the account. Interest earned by deposits in the account will be  
13 retained in the account. Moneys in the account may be spent only  
14 after appropriation. Expenditures from the account may be used only  
15 for the purposes set out in section 1 of this act and for the payment  
16 of expenses incurred in the issuance and sale of bonds.

17        **Sec. 5.**    RCW 43.84.092 and 2015 3rd sp.s. c 44 s 107 and 2015 3rd  
18 sp.s. c 12 s 3 are each reenacted and amended to read as follows:

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

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

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

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

14 (a) The following accounts and funds shall receive their  
15 proportionate share of earnings based upon each account's and fund's  
16 average daily balance for the period: The aeronautics account, the  
17 aircraft search and rescue account, the Alaskan Way viaduct  
18 replacement project account, the brownfield redevelopment trust fund  
19 account, the budget stabilization account, the capital vessel  
20 replacement account, the capitol building construction account, the  
21 Cedar River channel construction and operation account, the Central  
22 Washington University capital projects account, the charitable,  
23 educational, penal and reformatory institutions account, the Chehalis  
24 basin account, the cleanup settlement account, the Columbia river  
25 basin water supply development account, the Columbia river basin  
26 taxable bond water supply development account, the Columbia river  
27 basin water supply revenue recovery account, the common school  
28 construction fund, the community forest trust account, the connecting  
29 Washington account, the county arterial preservation account, the  
30 county criminal justice assistance account, the deferred compensation  
31 administrative account, the deferred compensation principal account,  
32 the department of licensing services account, the department of  
33 retirement systems expense account, the developmental disabilities  
34 community trust account, the diesel idle reduction account, the  
35 drinking water assistance account, the drinking water assistance  
36 administrative account, the drinking water assistance repayment  
37 account, the Eastern Washington University capital projects account,  
38 the Interstate 405 express toll lanes operations account, the  
39 education construction fund, the education legacy trust account, the  
40 election account, the electric vehicle charging infrastructure

1 account, the energy freedom account, the energy recovery act account,  
2 the essential rail assistance account, The Evergreen State College  
3 capital projects account, the federal forest revolving account, the  
4 ferry bond retirement fund, the freight mobility investment account,  
5 the freight mobility multimodal account, the grade crossing  
6 protective fund, the public health services account, the high  
7 capacity transportation account, the state higher education  
8 construction account, the higher education construction account, the  
9 highway bond retirement fund, the highway infrastructure account, the  
10 highway safety fund, the high occupancy toll lanes operations  
11 account, the hospital safety net assessment fund, the industrial  
12 insurance premium refund account, the judges' retirement account, the  
13 judicial retirement administrative account, the judicial retirement  
14 principal account, the local leasehold excise tax account, the local  
15 real estate excise tax account, the local sales and use tax account,  
16 the marine resources stewardship trust account, the medical aid  
17 account, the mobile home park relocation fund, the motor vehicle  
18 fund, the motorcycle safety education account, the multimodal  
19 transportation account, the multiuse roadway safety account, the  
20 municipal criminal justice assistance account, the natural resources  
21 deposit account, the oyster reserve land account, the pension funding  
22 stabilization account, the perpetual surveillance and maintenance  
23 account, the public employees' retirement system plan 1 account, the  
24 public employees' retirement system combined plan 2 and plan 3  
25 account, the public facilities construction loan revolving account  
26 beginning July 1, 2004, the public health supplemental account, the  
27 public works assistance account, the Puget Sound capital construction  
28 account, the Puget Sound ferry operations account, the Puget Sound  
29 taxpayer accountability account, the real estate appraiser commission  
30 account, the recreational vehicle account, the regional mobility  
31 grant program account, the resource management cost account, the  
32 rural arterial trust account, the rural mobility grant program  
33 account, the rural Washington loan fund, the site closure account,  
34 the skilled nursing facility safety net trust fund, the small city  
35 pavement and sidewalk account, the special category C account, the  
36 special wildlife account, the state employees' insurance account, the  
37 state employees' insurance reserve account, the state investment  
38 board expense account, the state investment board commingled trust  
39 fund accounts, the state patrol highway account, the state route  
40 number 520 civil penalties account, the state route number 520

1 corridor account, the state wildlife account, the supplemental  
2 pension account, the Tacoma Narrows toll bridge account, the  
3 teachers' retirement system plan 1 account, the teachers' retirement  
4 system combined plan 2 and plan 3 account, the tobacco prevention and  
5 control account, the tobacco settlement account, the toll facility  
6 bond retirement account, the transportation 2003 account (nickel  
7 account), the transportation equipment fund, the transportation fund,  
8 the transportation future funding program account, the transportation  
9 improvement account, the transportation improvement board bond  
10 retirement account, the transportation infrastructure account, the  
11 transportation partnership account, the traumatic brain injury  
12 account, the tuition recovery trust fund, the University of  
13 Washington bond retirement fund, the University of Washington  
14 building account, the volunteer firefighters' and reserve officers'  
15 relief and pension principal fund, the volunteer firefighters' and  
16 reserve officers' administrative fund, the Washington judicial  
17 retirement system account, the Washington law enforcement officers'  
18 and firefighters' system plan 1 retirement account, the Washington  
19 law enforcement officers' and firefighters' system plan 2 retirement  
20 account, the Washington public safety employees' plan 2 retirement  
21 account, the Washington school employees' retirement system combined  
22 plan 2 and 3 account, the Washington state health insurance pool  
23 account, the Washington state patrol retirement account, the  
24 Washington State University building account, the Washington State  
25 University bond retirement fund, the water pollution control  
26 revolving administration account, the water pollution control  
27 revolving fund, the Western Washington University capital projects  
28 account, the Yakima integrated plan implementation account, the  
29 Yakima integrated plan implementation revenue recovery account, and  
30 the Yakima integrated plan implementation taxable bond account.  
31 Earnings derived from investing balances of the agricultural  
32 permanent fund, the normal school permanent fund, the permanent  
33 common school fund, the scientific permanent fund, the state  
34 university permanent fund, and the state reclamation revolving  
35 account shall be allocated to their respective beneficiary accounts.

36 (b) Any state agency that has independent authority over accounts  
37 or funds not statutorily required to be held in the state treasury  
38 that deposits funds into a fund or account in the state treasury  
39 pursuant to an agreement with the office of the state treasurer shall

1 receive its proportionate share of earnings based upon each account's  
2 or fund's average daily balance for the period.

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

6 NEW SECTION. **Sec. 6.** Sections 1 through 4 of this act are each  
7 added to chapter 43.21A RCW.

Passed by the House March 8, 2016.

Passed by the Senate March 3, 2016.

Approved by the Governor April 1, 2016.

Filed in Office of Secretary of State April 4, 2016.

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