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**SENATE BILL 5923**

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**State of Washington 66th Legislature 2019 Regular Session**

**By** Senators Hobbs, King, and Lovelett

AN ACT Relating to establishing an emergency loan program to be administered by the county road administration board; amending RCW 36.78.070; reenacting and amending RCW 43.79A.040; adding new sections to chapter 36.78 RCW; and creating a new section.

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

NEW SECTION. **Sec.**  The legislature finds there is a need for a county road emergency fund to pay for unexpected costs that arise from natural or man-made events that damage county road infrastructure so it is no longer functional. The legislature intends to provide access to a revolving loan emergency account to ensure that smaller counties have options to pay for repairs to restore transportation services in a timely manner.

NEW SECTION. **Sec.**  A new section is added to chapter 36.78 RCW to read as follows:

(1) The board may create an emergency revolving loan program that is self-supporting in accordance with RCW 43.88.190. The board may award emergency loans to counties with a population of less than eight hundred thousand as of April 1, 2019, from the funds available in the county road administration board emergency loan account created in section 3 of this act for emergency projects.

(2) Emergency projects are work of either a temporary or permanent nature which restores roads and bridges to a preemergency condition and may include reconstruction to current design standards. This work is the result of a sudden natural or man-made event which results in the destruction or severe damage to county roadway sections or structures such that, in the consideration of public safety and use, the roadway sections or structures must be immediately closed or substantially restricted to normal use. Work of an emergency nature is also beyond the scope of work done by a county in repairing damages normally or reasonably expected from seasonal or other natural conditions, and is beyond what would be considered maintenance.

(3) In order to obtain a loan under this section, there must be a county, state, or federal emergency proclamation declaring an emergency related to the event that caused the damage the emergency project intends to correct, and the county must agree to repay the loan with interest of not more than three percent. All repayment amounts must be deposited into the county road administration board emergency loan account.

(4) Any work performed on an emergency project funded in accordance with this section by county forces shall be exempt from the limits of RCW 36.77.065.

(5) Consistent with RCW 43.01.036, the board must submit a report to the legislature by December 1st of each even-numbered year identifying each project that received money from the county road administration board emergency loan account, the amount of the loan, the expected repayment terms of the loan, the expected date of repayment, and the loan repayment status. Each project should be reported about until the loan is repaid.

NEW SECTION. **Sec.**  A new section is added to chapter 36.78 RCW to read as follows:

(1) The county road administration board emergency loan account is created in the custody of the state treasurer. The account consists of: (a) All receipts from loan repayments and (b) any other revenues derived from transfers, gifts, grants, or bequests to the board for emergency projects. Expenditures from the account may be used only for emergency loans to certain counties in accordance with section 2 of this act and the related administrative costs. Only the board or its designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

(2) The state treasurer may invest and reinvest moneys in the county road administration board emergency loan account in the manner provided by law. All earnings from such investment and reinvestment must be credited to the account.

**Sec.**  RCW 43.79A.040 and 2018 c 260 s 28, 2018 c 258 s 4, and 2018 c 127 s 6 are each reenacted and amended to read as follows:

(1) Money in the treasurer's trust fund may be deposited, invested, and reinvested by the state treasurer in accordance with RCW 43.84.080 in the same manner and to the same extent as if the money were in the state treasury, and may be commingled with moneys in the state treasury for cash management and cash balance purposes.

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

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

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

(b) The following accounts and funds must receive their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The 24/7 sobriety account, the Washington promise scholarship account, the Gina Grant Bull memorial legislative page scholarship account, the Washington advanced college tuition payment program account, the Washington college savings program account, the accessible communities account, the Washington achieving a better life experience program account, the community and technical college innovation account, the agricultural local fund, the American Indian scholarship endowment fund, the foster care scholarship endowment fund, the foster care endowed scholarship trust fund, the contract harvesting revolving account, the Washington state combined fund drive account, the commemorative works account, the county enhanced 911 excise tax account, the county road administration board emergency loan account, the toll collection account, the developmental disabilities endowment trust fund, the energy account, the fair fund, the family and medical leave insurance account, the fish and wildlife federal lands revolving account, the natural resources federal lands revolving account, the food animal veterinarian conditional scholarship account, the forest health revolving account, the fruit and vegetable inspection account, the future teachers conditional scholarship account, the game farm alternative account, the GET ready for math and science scholarship account, the Washington global health technologies and product development account, the grain inspection revolving fund, the Washington history day account, the industrial insurance rainy day fund, the juvenile accountability incentive account, the law enforcement officers' and firefighters' plan 2 expense fund, the local tourism promotion account, the low-income home rehabilitation revolving loan program account, the multiagency permitting team account, the northeast Washington wolf-livestock management account, the pilotage account, the produce railcar pool account, the regional transportation investment district account, the rural rehabilitation account, the Washington sexual assault kit account, the stadium and exhibition center account, the youth athletic facility account, the self-insurance revolving fund, the children's trust fund, the Washington horse racing commission Washington bred owners' bonus fund and breeder awards account, the Washington horse racing commission class C purse fund account, the individual development account program account, the Washington horse racing commission operating account, the life sciences discovery fund, the Washington state heritage center account, the reduced cigarette ignition propensity account, the center for childhood deafness and hearing loss account, the school for the blind account, the Millersylvania park trust fund, the public employees' and retirees' insurance reserve fund, the school employees' benefits board insurance reserve fund, ((~~[the]~~)) the public employees' and retirees' insurance account, ((~~[the]~~)) the school employees' insurance account, and the radiation perpetual maintenance fund.

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

(d) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the custody of the state treasurer that deposits funds into a fund or account in the custody of the state treasurer 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 trust accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

**Sec.**  RCW 36.78.070 and 2005 c 319 s 102 are each amended to read as follows:

The county road administration board shall:

(1) Establish by rule, standards of good practice for the administration of county roads and the efficient movement of people and goods over county roads;

(2) Establish reporting requirements for counties with respect to the standards of good practice adopted by the board;

(3) Receive and review reports from counties and reports from its executive director to determine compliance with legislative directives and the standards of good practice adopted by the board;

(4) Advise counties on issues relating to county roads and the safe and efficient movement of people and goods over county roads and assist counties in developing uniform and efficient transportation-related information technology resources;

(5) Report annually before the fifteenth day of January, and throughout the year as appropriate, to the state department of transportation and to the chairs of the house and senate transportation committees, and to other entities as appropriate on the status of county road administration in each county, including one copy to the staff of each of the committees. The annual report shall contain recommendations for improving administration of the county road programs;

(6) Administer the rural arterial program established by chapter 36.79 RCW ((~~and~~)), the program funded by the county arterial preservation account established by RCW 46.68.090, and the emergency revolving loan program created in section 2 of this act, as well as any other programs provided for in law.

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