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**SUBSTITUTE SENATE BILL 6302**

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**State of Washington 68th Legislature 2024 Regular Session**

**By** Senate Transportation (originally sponsored by Senators Liias, King, Boehnke, and Nobles)

AN ACT Relating to creating a Washington state supply chain competitiveness infrastructure program; reenacting and amending RCW 43.79A.040, 43.79A.040, and 43.79A.040; adding new sections to chapter 47.04 RCW; creating a new section; providing effective dates; and providing expiration dates.

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

NEW SECTION. **Sec.**  It is the intent of the legislature that the state of Washington, being the most trade dependent state in the nation, maintain and expand its abilities to compete in the global trade market and be a national leader in trade. The legislature finds it is imperative to maintain and expand critical and strategic infrastructure for the transport and movement of the overall supply chain of goods from point of entry, to unload and load processes, and to transport via ground and maritime facilities, to warehouses, manufacturing facilities, and final destinations. Strategic infrastructure investments targeted at increased capacity for the supply chain is crucial to the state's public welfare of sending and receiving crucial supplies, goods, and services.

NEW SECTION. **Sec.**  A new section is added to chapter 47.04 RCW to read as follows:

The department, in collaboration with the department of commerce, Washington state public ports associations, individual ports, and other critical supply chain stakeholders including, but not limited to, trucking companies, railroad companies, marine operators, warehouse operators, agricultural and other manufacturing representatives, and clean energy association members, shall set priorities to ensure the successful and efficient operation of a supply chain competitiveness infrastructure program to include grants and loans to public ports. The department may adopt rules under chapter 34.05 RCW to implement the supply chain competitiveness infrastructure program.

NEW SECTION. **Sec.**  A new section is added to chapter 47.04 RCW to read as follows:

(1) The supply chain competitiveness infrastructure program account is created in the custody of the state treasurer. All receipts from the legislature, proceeds of bonds when authorized by the legislature, or any other lawful source must be deposited into the account. Moneys in the account may be used only for the purposes set forth in section 5 of this act. Only the department 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. The total outstanding amount the department may dispense at any time must not exceed moneys available in the account.

(2) The department shall create a revolving loan program to fund projects for public port authorities that comply with the priorities identified through the stakeholder process in section 2 of this act and the project goals in section 4 of this act. The department shall establish loan terms with interest rates not to exceed the amount to cover administrative expenses of the loan program. The repayment of any loan from the supply chain competitiveness infrastructure program account under contract with a public port must be paid into the supply chain competitiveness infrastructure program account.

(3) The legislature intends that supply chain competitiveness infrastructure grant funds will be appropriated to the department using existing transportation accounts.

NEW SECTION. **Sec.**  A new section is added to chapter 47.04 RCW to read as follows:

(1) In addition to the priorities identified through the stakeholder process in section 2 of this act, projects for the supply chain competitiveness infrastructure program must align with the following programmatic goals:

(a) Development or maintenance of transportation infrastructure that ensures the successful and efficient operation of the supply chain to and from the state's public ports;

(b) Economic, safety, or environmental advantages of efficient freight movement;

(c) Sustaining the state's international trade economy;

(d) Increased access to efficient and cost-effective transport to market for Washington's agricultural and industrial products;

(e) Model integration and cooperation within the regional, national, and international systems of freight distribution; and

(f) Mitigation of impacts of increased freight traffic on communities.

(2) The collaborative process in section 2 of this act shall result in the development of performance metrics that result in strengthening the state's supply chain competitiveness and evaluation criteria by which to prioritize projects for funding.

NEW SECTION. **Sec.**  A new section is added to chapter 47.04 RCW to read as follows:

(1) Supply chain competitiveness infrastructure projects funded from the supply chain competitiveness infrastructure program shall focus on enhancing supply chain competitiveness for public ports, and the capacity of ground and maritime transportation and facilities. The department shall govern and operate the grant and revolving loan program. The collaborative process in section 2 of this act shall result in a list of project types eligible for the supply chain competitiveness infrastructure grant and loan program.

(2) All eligible projects must be included in a port's freight development plan as defined in RCW 53.20.055.

NEW SECTION. **Sec.**  A new section is added to chapter 47.04 RCW to read as follows:

For the purposes of this act, public ports are those authorized under chapter 53.04 RCW.

**Sec.**  RCW 43.79A.040 and 2023 c 389 s 8, 2023 c 387 s 2, 2023 c 380 s 6, 2023 c 170 s 19, and 2023 c 12 s 2 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 Rosa Franklin legislative internship program 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 Washington career and college pathways innovation challenge program account, the community and technical college innovation account, the agricultural local fund, the American Indian scholarship endowment fund, the behavioral health loan repayment program account, the Billy Frank Jr. national statuary hall collection 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 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 energy facility site evaluation council 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 educator 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 account, the medication for people living with HIV rebate revenue account, the multiagency permitting team account, the northeast Washington wolf-livestock management account, the pollution liability insurance program trust account, the produce railcar pool account, the public use general aviation airport loan revolving 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 library-archives building account, the reduced cigarette ignition propensity account, the center for deaf and hard of hearing youth 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 public employees' and retirees' insurance account, the school employees' insurance account, the long-term services and supports trust account, the radiation perpetual maintenance fund, the Indian health improvement reinvestment account, the department of licensing tuition recovery trust fund, the student achievement council tuition recovery trust fund, the tuition recovery trust fund, the industrial insurance premium refund account, the mobile home park relocation fund, the natural resources deposit fund, the Washington state health insurance pool account, the federal forest revolving account, the supply chain competitiveness infrastructure program account, and the library operations account.

(c) The following accounts and funds must receive 80 percent of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The advance 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 43.79A.040 and 2023 c 389 s 8, 2023 c 387 s 2, 2023 c 380 s 6, 2023 c 213 s 9, 2023 c 170 s 19, and 2023 c 12 s 2 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.

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(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.

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(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.

NEW SECTION. **Sec.**  (1) Section 7 of this act expires July 1, 2024.

(2) Section 8 of this act expires July 1, 2030.

NEW SECTION. **Sec.**  (1) Section 8 of this act takes effect July 1, 2024.

(2) Section 9 of this act takes effect July 1, 2030.

**--- END ---**