S-4935.1

THIRD SUBSTITUTE SENATE BILL 5466

State of Washington 69th Legislature 2026 Regular Session

By Senate Ways & Means (originally sponsored by Senators Shewmake, Slatter, Conway, Nobles, and Saldaña)

READ FIRST TIME 02/09/26.

AN ACT Relating to improving reliability and capacity of the electric transmission system in Washington state; reenacting and amending RCW 43.84.092, 43.84.092, 43.84.092, 43.84.092, 43.84.092, and 43.84.092; adding a new section to chapter 43.21F RCW; adding a new section to chapter 43.31 RCW; adding new sections to chapter 43.21C RCW; adding a new chapter to Title 43 RCW; providing effective dates; providing a contingent effective date; providing expiration dates; and providing contingent expiration dates.

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

NEW SECTION. **Sec. 1.** (1) The legislature finds that Washington has committed to decarbonizing its electricity system so that it is carbon neutral by 2030 and carbon free by 2045. Achieving those goals includes retiring coal and gas resources, adding new generation from renewable and nonemitting resources, and leveraging energy storage technologies. At the same time, demand for electricity is increasing significantly due to the electrification of vehicles, home heating and cooling, and manufacturing, and the expansion of the information services sector in Washington. There are significant federal, state, and private investments in clean energy development, including wind, solar, and battery storage, that support decarbonization goals and supply new electrical load. However, Washington's existing

transmission system lacks the capacity to accommodate the growing demand for clean electricity.

(2) The legislature also finds that extreme weather events and changes to seasonal highs and lows puts new strain on the existing transmission system and threatens reliability. Extreme weather events such as high-speed winds, floods, freezing, and heat domes can damage grid infrastructure and cause disruptions to the power supply. Warmer summers and colder winters increase the need for heating and cooling and thereby intensify and extend periods of peak demand.

(3) The legislature further finds that to maintain reliability and build resilience, Washington's transmission system needs to be expanded and upgraded to access diverse portfolios of clean and reliable energy across the region, including solar resources in the southwest and wind resources across the mountain west. A more robust and updated transmission system will support affordability and reliability goals by enabling the efficient dispatch of least-cost resources across the region.

(4) Therefore, it is the intent of the legislature to create the Washington electric transmission authority to improve transmission reliability, resilience, and affordability. The Washington electric transmission authority will serve as a centralized body to achieve these goals by: providing development transmission services; coordinating siting and permitting; and engaging with utilities, transmission developers, local jurisdictions, state agencies, regional entities, the federal government, federally recognized Indian tribes, and affected communities. The legislature intends for the authority to achieve the following goals:

(a) Improve reliability and resilience, including during extreme weather events;

(b) Increase access to low-cost renewable energy;

(c) Achieve clean electricity requirements and greenhouse gas emissions limits;

(d) Support economic growth; and

(e) Maintain affordable energy rates.

PART I - WASHINGTON ELECTRIC TRANSMISSION AUTHORITY

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

(1) "Authority" means the Washington electric transmission authority.

(2) "Board of directors" means the authority's board of directors.

(3) "Consumer-owned utility" has the same meaning as in RCW 19.405.020.

(4) "Department" means the department of commerce.

(5) "Investor-owned utility" means a company owned by investors that meets the definition of "corporation" in RCW 80.04.010 and is engaged in distributing electricity to more than one retail electric customer in the state.

(6) "Nonwire alternative" means any electrical grid investment that is intended to defer or remove the need to construct or upgrade components of a transmission system.

NEW SECTION. **Sec. 3.** A new section is added to chapter 43.21F RCW to read as follows:

(1) The department must identify high priority transmission corridors leveraging existing transmission plans from national and regional entities and Washington utilities and existing state, regional, and national siting studies, in an open, transparent process by October 30, 2027.

(2) The department may contract with independent expert analysts to identify high priority transmission corridors under subsection (1) of this section.

(3) The department must provide all administrative and staff support for and maintain oversight of the Washington electric transmission authority created under section 5 of this act until the board of directors hires an executive director as established under section 4 of this act.

NEW SECTION. **Sec. 4.** (1) A board of directors must be appointed by January 1, 2027, to provide oversight and advise the authority on policies that are consistent with the purposes of this chapter. The board of directors must hire an executive director by June 30, 2027.

(2) The 10 members of the board are as follows:

(a) The director of the department, or the director's designee;

(b) One member appointed by the governor with experience working at a consumer-owned utility, preferably with expertise in the transmission function;

(c) One member appointed by the governor with experience working at an investor-owned utility, preferably with expertise in the transmission function;

(d) One member appointed by the governor with expertise in land use planning and law and local permitting processes;

(e) One member appointed by the governor with expertise in clean energy development;

(f) One member appointed by the governor with expertise in ratepayer protection;

(g) One member appointed by the governor representing electrical workers with expertise in building electric transmission;

(h) One member appointed by the governor with expertise in financing large infrastructure projects;

(i) One member appointed by the governor with expertise in wildlife conservation and land use policies; and

(j) One member appointed by the governor from a federally recognized Indian tribe, including federally recognized Indian tribes whose reservation or ceded lands lie in Washington state.

(3) One or more members of the board appointed by the governor must have expertise with the Bonneville power administration's transmission service.

(4) No member of the board may represent a person that owns or operates electric generating or transmission facilities.

(5) Members of the board appointed by the governor must serve four-year terms. However, the governor must stagger the terms of six of the initial appointees for terms of one, two, and three years. At the end of the term, these members may be reappointed by the governor, or the governor may choose to appoint a new member.

(6) Decisions of the board require a simple majority vote of all the members on the board.

(7) Members of the board must elect a chair from among its membership to serve for a two-year period.

(8) The board must meet at least quarterly.

(9) The department must provide administrative and staff support to the board until the executive director is hired.

(10) Members of the board must serve without additional compensation but must be reimbursed for travel expenses as provided by RCW 43.03.050 and 43.03.060.

NEW SECTION. **Sec. 5.** (1) The Washington electric transmission authority is hereby created as a public body. The authority is an instrumentality of the state exercising essential government functions related to electric transmission.

(2) The priority of the authority is to maintain or improve the reliability of electric service to Washington customers by:

(a) Supporting the expeditious and efficient expansion of new electric transmission capacity within the state that are prudent and needed to serve Washington customers;

(b) Prioritizing partnerships for new electric transmission projects that increase access to grid connections for renewable resources and nonemitting electric generation as defined in RCW 19.405.020, provide access to regional wholesale markets, are located in more than one electric utility service territory, or would not otherwise be built by Washington electric utilities;

(c) Pursuing cost-effective nonwire alternatives to increase the capacity of existing electrical infrastructure;

(d) Being a statewide resource for assisting with the development and coordination of upgrades to existing transmission lines;

(e) Collaborating with electric utilities, independent transmission developers, local jurisdictions, federally recognized Indian tribes, labor unions, neighboring states, regional entities, and the federal government to develop intrastate, interstate, and regional transmission resources;

(f) Evaluating opportunities for the authority to coordinate with regional wholesale markets as enabled by the respective market governance framework;

(g) Supporting opportunities for community microgrids, distributed energy resources, and energy conservation; and

(h) Supporting community and economic development.

(3) To the greatest extent practicable, when carrying out its duties, the authority must seek to:

(a) Protect cultural and natural resources;

(b) Avoid impacts to overburdened communities and vulnerable populations;

(c) Support good jobs;

(d) Maximize the use of existing rights-of-way for transmission development, including on highways as defined in RCW 47.04.010;

(e) Mitigate wildfire risk;

(f) Consult in advance with all electric utilities that serve retail customers in areas where a project of the authority may be located; and

(g) Coordinate with utilities that operate electric transmission facilities that would be affected by a project of the authority.

(4) The authority must employ an executive director, who must be appointed by the board of directors created under section 4 of this act. The board may fix the compensation of the executive director. The executive director may employ staff sufficient to accomplish the purposes of this chapter.

(5) The authority must update the transmission corridor identification study under section 3 of this act no later than October 30, 2032, and no less than every five years thereafter.

(6) The authority must submit a report of its activities to the governor and to the appropriate committees of the legislature by December 1, 2027, and annually every July 1st thereafter. The report must include operating and financial statements covering the operations of the authority for the previous fiscal year.

(7) The authority and any eligible facilities acquired by the authority are not subject to the supervision, regulation, control, or jurisdiction of the Washington utilities and transportation commission, provided that nothing in this chapter shall be interpreted to allow an electrical company regulated under Title 80 RCW to include the cost of eligible facilities in its rate base without the approval of the Washington utilities and transportation commission.

(8)(a) The authority must offer transmission service on facilities owned by the authority only under a transmission tariff administered by an entity jurisdictional to the federal energy regulatory commission as a public utility under the federal power act, 16 U.S.C. Sec. 791a et seq., as it exists on the effective date of this section, and subject to the same terms and conditions applied to such entity by the federal energy regulatory commission, except for facilities under (b) of this subsection.

(b) Transmission service on facilities owned by the authority that are subject to a partnership agreement with the Bonneville power administration, a utility serving customers in the state of Washington that is not a public utility under the federal power act, or a joint operating agency formed under RCW 43.52.360 may be offered

under the same terms as the transmission tariff of that partner entity.

(9) The primary mode for the authority to facilitate discrete transmission projects shall be through partnerships with consumer-owned utilities, investor-owned utilities, and transmission developers on eligible projects in high priority transmission corridors. The authority may originate projects in the absence of such a partner only as a last resort and where such project does not interfere with or duplicate a project actively under development by a qualified transmission builder, as determined by the authority.

NEW SECTION. **Sec. 6.** Without creating state debt, or lending the credit of the state, so long as otherwise authorized and not prohibited by law, the authority may:

(1) Adopt rules and operating procedures as necessary to implement the authority's responsibilities in this chapter, except that the authority may not adopt rules to direct cost allocation of transmission resources;

(2) Utilize the services of executive departments of the state upon mutually agreeable terms and conditions;

(3) Exercise the power of eminent domain as outlined under the provisions of chapter 8.04 RCW only for land acquisition necessary to secure property or rights-of-way for new transmission corridors for public use consistent with the purposes of this chapter;

(4) Enter into contracts and agreements;

(5) Solicit, receive, issue, and expend gifts, grants, and donations;

(6) Apply for and accept federal loans and related assistance;

(7)(a) Enter into partnerships with public or private entities, which may include a fee schedule for services provided under a partnership; and

(b) When entering into partnerships on transmission projects:

(i) Serve as the state environmental policy act lead for the project proponent; and

(ii) Serve as tribal consultation lead pursuing reasonable efforts to facilitate government-to-government consultation regarding the entities' partnership with federally recognized Indian tribes affected by the partnership;

(8) Lease, purchase, accept donations of, or otherwise own, hold, improve, or use any property;

(9) Sell, lease, exchange, or otherwise dispose of any property;

(10)(a) Own electric transmission equipment and systems;

(b) Ownership of transmission facilities by the authority may not exceed the extent and duration necessary or useful to promote the public interest. Before becoming an owner or partial owner of any electric transmission facilities, the authority must develop and publish a plan identifying:

(i) The public purposes of the authority's ownership;

(ii) The conditions that would make the authority's ownership no longer necessary for accomplishing those public purposes; and

(iii) A plan to divest the authority of ownership of the facility as soon as economically prudent once those conditions occur;

(11)(a) Select a qualified transmission builder or operator, as defined by the authority in rule, to build, finance, plan, acquire, maintain, or operate an electric transmission project;

(b) Proceed to construction in the absence of selecting a qualified transmission builder only as a last resort and in instances where the authority identifies a pressing need for a project and there is not a ready and willing qualified transmission builder, subject to the authority adopting criteria in rule for such a scenario before developing a project;

(12) Sell a state-owned electric transmission project at any stage of development.

(a) The authority may sell a project to an electric utility serving customers in the state of Washington, a joint operating agency formed under RCW 43.52.360, the Bonneville power administration, an independent transmission developer, or an independent system operator.

(b) Before selling a project that is not part of a partnership agreement, the authority must adopt criteria in rule for developing a transparent process including issuing a competitive request for proposals, evaluating proposals, and selecting a project buyer;

(13) Adopt criteria in rule for an initial local investment commitment fee and annual local investment commitment fee for high voltage projects that the authority develops, owns, or sells under this chapter. Rule making will provide that the fees are distributed among counties, cities, towns, and federally recognized Indian tribes, including federally recognized Indian tribes whose reservation or ceded lands lie in Washington state, in proportion to the project's impact, and that the fees are appurtenant to the

project such that the assessed fees are transferred with the title if the project is sold; and

(14) Coordinate with the Washington economic development finance authority established under chapter 43.163 RCW to provide conduit financing for eligible partners that request transmission financing.

NEW SECTION. **Sec. 7.** (1) The authority must, when selecting a qualified transmission builder or operator under section 6(11)(a) of this act, undertaking conduit financing through the Washington economic development finance authority while the authority is in partnership with the transmission builder or operator, or proceeding to construct a project in the absence of selecting a qualified transmission builder under section 6(11)(b) of this act, ensure that all work is performed by either:

(a) Qualified electrical employees of an electric utility; or

(b) A contractor that:

(i) Utilizes qualified electrical employees;

(ii) Has an agreement with an apprenticeship program registered with the United States department of labor or the Washington state apprenticeship council established under chapter 49.04 RCW; and

(iii) Graduates at least 25 percent of its apprentices from the program.

(2) When selecting a qualified transmission builder or operator under section 6(11)(a) of this act, or when proceeding to construct a project in the absence of selecting a qualified transmission builder under section 6(11)(b) of this act, the authority must ensure that work is performed in compliance with the applicable prevailing wage provisions under chapter 39.12 RCW for the respective job classification.

NEW SECTION. **Sec. 8.** A new section is added to chapter 43.31 RCW to read as follows:

(1) A tribal clean energy partnership work group is established within the department of commerce. The work group must:

(a) Develop and evaluate pathways for tribal participation in clean energy facility and related infrastructure development that will advance economic development opportunities, while safeguarding tribal reserved rights and supporting voluntary collaboration with utilities and project developers;

(b) Identify opportunities for joint ownership and coinvestment between federally recognized Indian tribes, utilities, and private sector developers to develop clean energy generation, transmission, storage, and related infrastructure in order to create more equitable, efficient, and ecologically sustainable energy projects;

(c) Conduct research on barriers and opportunities related to tribal access to financing, federal programs, tax incentives, and other capital instruments that support tribal investment, ownership, and economic participation, for the purpose of developing clean energy facilities and infrastructure;

(d) Recommend approaches to expand the clean energy workforce and related contracting and supply chain opportunities to include members of federally recognized Indian tribes;

(e) Develop model tribal consultation processes, contracts, defined mitigation options, incentives, and community investment agreements related to clean energy development and the siting and permitting of energy facilities with the voluntary support of tribal partners.

(2) The department of commerce must appoint at least 12 and no more than 20 members to the work group selected for their subject matter experience as follows:

(a) Between four and eight representatives of federally recognized Indian tribes, based on the voluntary interest of tribal governments;

(b) Between four and six representatives of electric utilities, including investor-owned utilities and consumer-owned utilities, and industrial manufacturers or project developers;

(c) Two individuals with expertise in economic development related to clean energy facilities and infrastructure;

(d) Two individuals with expertise in tribal cultural resources or tribal governance; and

(e) No more than two ad hoc members selected by the department of commerce.

(3) The department of commerce may reimburse work group members for travel expenses as provided in RCW 43.03.050 and 43.03.060.

(4) The work group must hold at least one public meeting before June 1, 2028.

(5) The department of commerce may convene a clean energy advisory committee to provide feedback on strategies and recommendations developed by the work group.

(6) The department of commerce may appoint members to the advisory committee from among the following:

(a) Clean energy facility and transmission developers;

(b) Labor union representatives;

(c) Individuals with expertise in clean energy facility and infrastructure financing or capital markets; and

(d) Environmental advocacy organizations.

(7) By April 1, 2027, the work group must submit an interim report to the appropriate legislative committees that documents its findings to date.

(8) By December 1, 2027, the work group must submit a report to the appropriate committees of the legislature that:

(a) Identifies barriers to tribal participation in clean energy facility and infrastructure development;

(b) Makes recommendations for statutory or regulatory changes that would facilitate tribal participation in the development and ownership of clean energy facilities and infrastructure;

(c) Provides partnership, ownership, and investment frameworks for tribal clean energy development;

(d) Identifies opportunities for clean energy pilot or demonstration projects that support voluntary, mutually beneficial energy partnerships between federally recognized Indian tribes and energy sector participants operating in Washington state; and

(e) Identifies specific work group recommendations that would benefit from future state funding.

(9) By December 1, 2027, the work group must submit a report to the office of equity pursuant to RCW 43.18A.030.

(10) This section expires June 1, 2028.

NEW SECTION. **Sec. 9.** The electric transmission operating account is created in the state treasury. All receipts from appropriations made by the legislature, federal funds, or gifts or grants from the private sector or foundations and other sources must be deposited in the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for operating cost purposes consistent with this chapter.

NEW SECTION. **Sec. 10.** The electric transmission capital account is created in the state treasury. All moneys received for the acquisition, sale, management, and administration of the authority's

duties under this chapter for electric transmission projects including, but not limited to, proceeds from the sale of land and/or improvements, fees collected for services provided to transmission developers, local investment commitment fees, interest earned on investments in the account, and all other revenue related to electric transmission projects created or acquired pursuant to this chapter must be deposited into the account. The account is authorized to receive fund transfers and appropriations from the general fund, as well as gifts, grants, and endowments from public or private sources as may be made from time to time. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used by the executive director of the authority, or the executive director's designee, to reimburse management costs incurred by the authority on electric transmission projects, for the acquisition of interests in land or other real property to be managed as electric transmission projects, and for all other nonoperating cost purposes consistent with this chapter.

NEW SECTION. **Sec. 11.** (1) Information obtained by the authority that is critical energy infrastructure information or proprietary technical or business information shall be confidential and not subject to inspection or disclosure pursuant to chapter 42.56 RCW.

(2) For the purposes of this section, the following definitions apply:

(a) "Critical energy infrastructure" means existing and proposed systems and assets, whether physical or virtual, the incapacity or destruction of which would negatively affect security, economic security, public health or safety, or any combination of these matters.

(b) "Critical energy infrastructure information" means specific engineering, vulnerability, or detailed design information about proposed or existing critical energy infrastructure that:

(i) Relates details about the production, generation, transportation, transmission, or distribution of energy;

(ii) Could be useful to a person in planning an attack on critical energy infrastructure; and

(iii) Does not simply give the general location of or relay publicly available information about the critical energy infrastructure.

PART II - APPLICATION OF THE STATE ENVIRONMENTAL POLICY ACT TO TRANSMISSION IMPROVEMENTS

NEW SECTION. **Sec. 12.** A new section is added to chapter 43.21C RCW to read as follows:

(1) An expedited process as a condition of receiving a permit may be followed as outlined in section 13 of this act by agreement of the potentially impacted federally recognized Indian tribe and the project applicant for the following utility-related activities for existing electric transmission lines of 115,000 volts and above, except as provided in subsection (4) of this section:

(a) Upgrading or rebuilding within an existing right-of-way;

(b) Relocating segments of transmission lines within an existing right-of-way or within adjacent previously disturbed or developed lands; and

(c) Widening an existing transmission line right-of-way only as needed to meet current applicable electrical standards. Any such widening must be within previously disturbed or developed lands.

(2) Exceptions or limitations to categorical exemptions adopted by the department pursuant to RCW 43.21C.110(1)(a) shall apply to this section.

(3) Proposals qualifying for this expedited process must follow the review process in section 13 of this act, unless a project applicant for a utility-related activity under this section chooses to opt into the standard review for projects under this chapter.

(4) Utility-related activities for existing electric transmission lines of 115,000 volts and above are not eligible for the voluntary process under section 13 of this act if such activities are undertaken wholly or partly on lands covered by water, except when an activity does not result in physical contact with the water.

(5) For the purposes of this section, the following definitions shall apply:

(a) "Previously disturbed or developed" refers to land that has been changed such that its functioning ecological processes have been and remain altered by human activity. The phrase encompasses areas that have been transformed from natural cover to nonnative species or a managed state including, but not limited to, utility and electric power transmission corridors and rights-of-way, and other areas where active utilities and currently used roads are readily available.

(b) "Upgrading or rebuilding" includes any repair, maintenance, replacement, modification or upgrade (including, but not limited to, increases in voltage, reconductoring, installation of grid-enhancing or optimizing technologies, or the relocation or addition of utility poles) to any existing electric transmission powerlines and any associated infrastructure.

NEW SECTION. **Sec. 13.** A new section is added to chapter 43.21C RCW to read as follows:

(1) For a project where the potentially impacted federally recognized Indian tribe and the project applicant voluntarily choose to proceed under section 12 of this act, the permitting jurisdiction shall require the project applicant to complete the state environmental policy act checklist limited to historic and cultural preservation as it relates to tribal interests. The following steps must be taken prior to receiving a permit:

(a) In preparing the checklist, the project applicant must consult with the department of archaeology and historic preservation. The department of archaeology and historic preservation must notify all potentially affected federally recognized Indian tribes and provide an opportunity to request a survey to identify potential impacts within the vertical and horizontal limits of the project area where ground disturbing activities are proposed. The department of archaeology and historic preservation may provide a preliminary estimation regarding potential impacts.

(b) A federally recognized Indian tribe notified under (a) of this subsection may request a survey within 30 business days of the notification. If no response is received within 30 business days, the permitting jurisdiction shall proceed without requiring a survey, unless otherwise required by state or federal law. Nothing in this section modifies or limits obligations under RCW 27.53.060.

(c) If a survey is requested under (b) of this subsection, the department of archaeology and historic preservation shall consult with potentially affected tribes and the project applicant to coordinate completion of the survey consistent with the goals in RCW 43.158.150(1)(a). The survey may be conducted by the department of archaeology and historic preservation or by the project applicant through a qualified third-party contractor, subject to coordination with the department of archaeology and historic preservation. The department of archaeology and historic preservation or project

applicant shall make reasonable efforts to ensure the survey is completed within 60 business days of receiving the tribal request. The affected tribe and the project applicant may commence the voluntary process under (d)(ii) of this subsection at any time prior to completion of the survey.

(d) If the survey identifies resources or potential impacts of concern, the following applies:

(i) For resources or impacts subject to RCW 27.53.060 the department of archaeology and historic preservation shall follow the process required by RCW 27.53.060.

(ii) For resources or impacts not subject to RCW 27.53.060 the affected tribes and project applicant shall attempt in good faith to develop a plan on a voluntary basis to avoid, mitigate, or minimize potential adverse effects. If a mutually agreed plan is developed, the permitting jurisdiction shall incorporate the plan as a condition of the permit. The voluntary planning process under this subsection must be completed within 60 business days of survey completion, unless extended by mutual agreement. If an affected tribe elects to not participate in the voluntary process, does not respond, or if participation does not result in agreement on the plan, the responsible official shall proceed with the environmental review under this chapter, limited to the impacts identified through the checklist for historic and cultural resources as it relates to tribal interests and survey in (b) of this subsection and impacts reasonably related to those issues, and may impose conditions of approval in a required permit consistent with that review. The responsible official may require documentation of consultation efforts as part of the record.

(2) Information provided by federally recognized Indian tribes must be kept confidential and exempt from public disclosure under chapter 42.56 RCW.

(3) Each project applicant must pay actual costs incurred by the permitting jurisdiction in conducting a resources survey, developing a plan, or both, as required under this section.

(4) Completion of the applicable steps under this section satisfies the applicant's obligations under this section, and the permitting jurisdiction may issue the permit subject to any conditions imposed.

PART III - MISCELLANEOUS

Sec. 14. RCW 43.84.092 and 2025 c 417 s 802, 2025 c 399 s 15, 2025 c 359 s 12, and 2025 c 299 s 21 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 abandoned recreational vehicle disposal account, the aeronautics account, the Alaskan Way viaduct replacement project account, the ambulance transport fund,

the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the Chehalis basin account, the Chehalis basin taxable account, the clean fuels credit account, the clean fuels transportation investment 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 community forest trust account, the connecting Washington account, the county arterial preservation account, the county criminal justice assistance account, the covenant homeownership 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 services account, the diesel idle reduction account, the opioid abatement settlement account, the drinking water assistance account, the administrative subaccount of the drinking water assistance account, the driver education safety improvement account, the early learning facilities development account, the early learning facilities revolving account, the Eastern Washington University capital projects account, the education legacy trust account, the election account, <u>the electric transmission capital account,</u> the electric vehicle account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the fair start for kids account, the family medicine workforce development account, the ferry bond retirement fund, the fish, wildlife, and conservation account, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the higher education retirement plan supplemental benefit fund, the Washington student loan account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the hospital safety net assessment fund, the Interstate 5 bridge replacement project account, the Interstate 405 and state route number 167 express toll lanes account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the limited fish and wildlife 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 money-purchase retirement savings administrative account, the money-purchase retirement savings principal account, the motor vehicle fund, the motorcycle safety education account, the move ahead WA account, the move ahead WA flexible account, the multimodal transportation account, the multiuse roadway safety account, the municipal criminal justice assistance account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the pilotage account, the pollution liability insurance agency underground storage tank revolving account, the medicaid access program 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, the public health supplemental account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puget Sound Gateway facility account, the Puget Sound taxpayer accountability account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the reserve officers' relief and pension principal fund, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the second injury fund, the sexual assault prevention and response account, 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 hazard mitigation revolving loan account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state reclamation revolving account, the state route number 520 civil penalties account, the state route number 520 corridor account, the statewide broadband account, the statewide tourism marketing 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 JUDY transportation future funding

program account, 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 tribal opioid prevention and treatment account, the University of Washington bond retirement fund, the University of Washington building account, the voluntary cleanup account, the volunteer firefighters' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the vulnerable roadway user education account, 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 patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, 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, and the state university permanent fund 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. 15. RCW 43.84.092 and 2025 c 417 s 802, 2025 c 399 s 15, and 2025 c 299 s 21 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 abandoned recreational vehicle disposal account, the aeronautics account, the Alaskan Way viaduct replacement project account, the ambulance transport fund, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Central Washington University capital projects account, the charitable,

educational, penal and reformatory institutions account, the Chehalis basin account, the Chehalis basin taxable account, the clean fuels credit account, the clean fuels transportation investment 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 community forest trust account, the connecting Washington account, the county arterial preservation account, the county criminal justice assistance account, the covenant homeownership 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 services account, the diesel idle reduction account, the opioid abatement settlement account, the drinking water assistance account, the administrative subaccount of the drinking water assistance account, the driver education safety improvement account, the early learning facilities development account, the early learning facilities revolving account, the Eastern Washington University capital projects account, the education legacy trust account, the election account, <u>the electric transmission capital account,</u> the electric vehicle account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the fair start for kids account, the family medicine workforce development account, the ferry bond retirement fund, the fish, wildlife, and conservation account, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the higher education retirement plan supplemental benefit fund, the Washington student loan account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the hospital safety net assessment fund, the Interstate 5 bridge replacement project account, the Interstate 405 and state route number 167 express toll lanes account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the limited fish and wildlife 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 money-purchase retirement savings administrative account, the money-

purchase retirement savings principal account, the motor vehicle fund, the motorcycle safety education account, the move ahead WA account, the move ahead WA flexible account, the multimodal transportation account, the multiuse roadway safety account, the municipal criminal justice assistance account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the pilotage account, the pollution liability insurance agency underground storage tank revolving 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, the public health supplemental account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puget Sound Gateway facility account, the Puget Sound taxpayer accountability account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the reserve officers' relief and pension principal fund, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the second injury fund, the sexual assault prevention and response account, 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 hazard mitigation revolving loan account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state reclamation revolving account, the state route number 520 civil penalties account, the state route number 520 corridor account, the statewide broadband account, the statewide tourism marketing 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 JUDY transportation future funding program account, 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 tribal opioid prevention and treatment account, the University of Washington bond retirement fund, the University of Washington building account, the voluntary cleanup account, the volunteer firefighters' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the vulnerable roadway user education account, 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 patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, 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, and the state university permanent fund 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. 16. RCW 43.84.092 and 2025 c 417 s 803, 2025 c 399 s 16, 2025 c 359 s 13, and 2025 c 299 s 22 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 abandoned recreational vehicle disposal account, the aeronautics account, the Alaskan Way viaduct replacement project account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the Chehalis basin account, the Chehalis basin taxable account, the clean fuels credit account, the clean fuels transportation investment 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 community forest trust account, the connecting Washington account, the county arterial preservation account, the county criminal justice assistance account, the covenant homeownership 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 services account, the diesel idle reduction account, the opioid abatement settlement account, the drinking water assistance account, the administrative subaccount of the drinking water assistance account, the driver education safety improvement account, the early learning facilities development account, the early learning facilities revolving account, the Eastern Washington University capital projects account, the education legacy trust account, the election account, the electric transmission capital account, the electric vehicle account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the fair start for kids account, the family medicine workforce development account, the ferry bond retirement fund, the fish, wildlife, and conservation account, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the higher education retirement plan supplemental benefit fund, the Washington student loan account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the hospital safety net assessment fund, the Interstate 5 bridge replacement project account, the Interstate 405 and state route number 167 express toll lanes account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the limited fish and wildlife 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 money-purchase retirement savings administrative account, the money-purchase retirement savings principal account, the motor vehicle fund, the motorcycle safety education account, the move ahead WA account, the move ahead WA flexible account, the multimodal transportation account, the multiuse roadway safety account, the

municipal criminal justice assistance account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the pilotage account, the pollution liability insurance agency underground storage tank revolving account, the medicaid access program 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, the public health supplemental account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puget Sound Gateway facility account, the Puget Sound taxpayer accountability account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the reserve officers' relief and pension principal fund, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the second injury fund, the sexual assault prevention and response account, 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 hazard mitigation revolving loan account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state reclamation revolving account, the state route number 520 civil penalties account, the state route number 520 corridor account, the statewide broadband account, the statewide tourism marketing 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 JUDY transportation future funding program account, 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 tribal opioid prevention and treatment account, the University of Washington bond retirement fund, the University of Washington building account, the voluntary cleanup account, the volunteer firefighters' relief and

pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the vulnerable roadway user education account, 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 patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, 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, and the state university permanent fund 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. 17. RCW 43.84.092 and 2025 c 417 s 803, 2025 c 399 s 16, and 2025 c 299 s 22 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 abandoned recreational vehicle disposal account, the aeronautics account, the Alaskan Way viaduct replacement project account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the Chehalis basin account, the Chehalis basin taxable account, the clean fuels credit account, the clean fuels transportation investment 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 community forest trust account,

the connecting Washington account, the county arterial preservation account, the county criminal justice assistance account, the covenant homeownership 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 services account, the diesel idle reduction account, the opioid abatement settlement account, the drinking water assistance account, the administrative subaccount of the drinking water assistance account, the driver education safety improvement account, the early learning facilities development account, the early learning facilities revolving account, the Eastern Washington University capital projects account, the education legacy trust account, the election account, the electric transmission capital account, the electric vehicle account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the fair start for kids account, the family medicine workforce development account, the ferry bond retirement fund, the fish, wildlife, and conservation account, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the higher education retirement plan supplemental benefit fund, the Washington student loan account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the hospital safety net assessment fund, the Interstate 5 bridge replacement project account, the Interstate 405 and state route number 167 express toll lanes account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the limited fish and wildlife 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 money-purchase retirement savings administrative account, the money-purchase retirement savings principal account, the motor vehicle fund, the motorcycle safety education account, the move ahead WA account, the move ahead WA flexible account, the multimodal transportation account, the multiuse roadway safety account, the municipal criminal justice assistance account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the pilotage account, the pollution liability insurance agency underground storage tank

revolving 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, the public health supplemental account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puget Sound Gateway facility account, the Puget Sound taxpayer accountability account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the reserve officers' relief and pension principal fund, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the second injury fund, the sexual assault prevention and response account, 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 hazard mitigation revolving loan account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state reclamation revolving account, the state route number 520 civil penalties account, the state route number 520 corridor account, the statewide broadband account, the statewide tourism marketing 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 JUDY transportation future funding program account, 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 tribal opioid prevention and treatment account, the University of Washington bond retirement fund, the University of Washington building account, the voluntary cleanup account, the volunteer firefighters' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the vulnerable roadway user education account, 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 patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, 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, and the state university permanent fund 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. 18. RCW 43.84.092 and 2025 c 417 s 803, 2025 c 399 s 16, 2025 c 359 s 13, 2025 c 299 s 22, and 2025 c 228 s 15 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 abandoned recreational vehicle disposal account, the aeronautics account, the Alaskan Way viaduct replacement project account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the Chehalis basin account, the Chehalis basin taxable account, the clean fuels credit account, the clean fuels transportation investment 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 community forest trust account, the connecting Washington account, the county arterial preservation account, the county criminal justice assistance account, the covenant homeownership 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 services account, the diesel idle reduction account, the opioid abatement settlement account, the drinking water assistance account, the administrative subaccount of the drinking water assistance account, the driver education safety improvement account, the early learning facilities development account, the early learning facilities revolving account, the Eastern Washington University capital projects account, the education legacy trust account, the election account, the electric transmission capital account, the electric vehicle account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the fair start for kids account, the family medicine workforce development account, the ferry bond retirement fund, the fish, wildlife, and conservation account, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the higher education retirement plan supplemental benefit fund, the Washington student loan account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the hospital safety net assessment fund, the intelligent speed assistance device revolving account, the Interstate 5 bridge replacement project account, the Interstate 405 and state route number 167 express toll lanes account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the limited fish and wildlife 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 money-purchase retirement savings administrative account, the money-purchase retirement savings principal account, the motor vehicle fund, the motorcycle safety education account, the move ahead WA account, the move ahead WA flexible account, the multimodal transportation account, the multiuse roadway safety account, the municipal criminal justice assistance account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the pilotage account, the pollution liability insurance agency underground storage tank revolving account, the medicaid access program 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, the public health supplemental account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puget Sound Gateway facility account, the Puget Sound taxpayer accountability account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the reserve officers' relief and pension principal fund, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the second injury fund, the sexual assault prevention and response account, 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 hazard mitigation revolving loan account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state reclamation revolving account, the state route number 520 civil penalties account, the state route number 520 corridor account, the statewide broadband account, the statewide tourism marketing 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 JUDY transportation future funding program account, 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 tribal opioid prevention and treatment account, the University of Washington bond retirement fund, the University of Washington building account, the voluntary cleanup account, the volunteer firefighters' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the vulnerable roadway user education account, 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 patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, 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, and the state university permanent fund 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. 19. RCW 43.84.092 and 2025 c 417 s 803, 2025 c 399 s 16, 2025 c 299 s 22, and 2025 c 228 s 15 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 abandoned recreational vehicle disposal account, the aeronautics account, the Alaskan Way viaduct replacement project account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the Chehalis basin account, the Chehalis basin taxable account, the clean fuels credit account, the clean fuels transportation investment 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 community forest trust account, the connecting Washington account, the county arterial preservation account, the county criminal justice assistance account, the covenant homeownership 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 services account, the diesel idle reduction account, the opioid abatement

settlement account, the drinking water assistance account, the administrative subaccount of the drinking water assistance account, the driver education safety improvement account, the early learning facilities development account, the early learning facilities revolving account, the Eastern Washington University capital projects account, the education legacy trust account, the election account, the electric transmission capital account, the electric vehicle account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the fair start for kids account, the family medicine workforce development account, the ferry bond retirement fund, the fish, wildlife, and conservation account, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the higher education retirement plan supplemental benefit fund, the Washington student loan account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the hospital safety net assessment fund, the intelligent speed assistance device revolving account, the Interstate 5 bridge replacement project account, the Interstate 405 and state route number 167 express toll lanes account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the limited fish and wildlife 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 money-purchase retirement savings administrative account, the money-purchase retirement savings principal account, the motor vehicle fund, the motorcycle safety education account, the move ahead WA account, the move ahead WA flexible account, the multimodal transportation account, the multiuse roadway safety account, the municipal criminal justice assistance account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the pilotage account, the pollution liability insurance agency underground storage tank revolving 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, the public health supplemental account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puget Sound Gateway

facility account, the Puget Sound taxpayer accountability account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the reserve officers' relief and pension principal fund, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the second injury fund, the sexual assault prevention and response account, 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 hazard mitigation revolving loan account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state reclamation revolving account, the state route number 520 civil penalties account, the state route number 520 corridor account, the statewide broadband account, the statewide tourism marketing 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 JUDY transportation future funding program account, 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 tribal opioid prevention and treatment account, the University of Washington bond retirement fund, the University of Washington building account, the voluntary cleanup account, the volunteer firefighters' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the vulnerable roadway user education account, 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 patrol retirement account, the Washington State University building account, the Washington State University bond

retirement fund, the water pollution control revolving administration account, 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, and the state university permanent fund 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. 20.** (1) Section 14 of this act expires the earlier of July 1, 2028, or when RCW 74.76.040 expires.

(2) Section 15 of this act expires July 1, 2028.

(3) Section 16 of this act expires the earlier of January 1, 2029, or when RCW 74.76.040 expires.

(4) Section 17 of this act expires January 1, 2029.

(5) Section 18 of this act expires when RCW 74.76.040 expires.

NEW SECTION. **Sec. 21.** (1) Section 15 of this act takes effect when RCW 74.76.040 expires.

(2) Sections 16 and 17 of this act take effect July 1, 2028.

(3) Sections 18 and 19 of this act take effect January 1, 2029.

NEW SECTION. **Sec. 22.** Sections 1, 2, 4 through 7, and 9 through 11 of this act constitute a new chapter in Title 43 RCW.

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