
SENATE BILL 6027

State of Washington 59th Legislature 2005 Regular Session

By Senators Hewitt and Fraser

Read first time 02/23/2005. Referred to Committee on Ways & Means.

1 AN ACT Relating to the elimination of obsolete bond retirement
2 accounts; amending RCW 28B.14C.140, 28B.14D.900, 28B.15.210,
3 28B.20.382, 28B.20.715, 28B.20.721, 28B.20.725, 28B.20.810, 28B.20.820,
4 28B.30.730, 28B.30.740, 28B.30.750, 28B.31.070, 28B.31.100, and
5 43.84.092; reenacting and amending RCW 43.84.092; creating a new
6 section; repealing RCW 28B.14C.080, 28B.14C.090, 28B.20.720,
7 28B.20.800, and 28B.20.805; providing an effective date; and providing
8 an expiration date.

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

10 **Sec. 1.** RCW 28B.14C.140 and 1977 ex.s. c 354 s 14 are each amended
11 to read as follows:

12 Any reserves transferred to the state general fund by the state
13 treasurer pursuant to RCW ((28B.14C.080(3),—28B.14C.090(3),))
14 28B.14C.100(3), 28B.14C.110(3), 28B.14C.120(3), or 28B.14C.130(3) shall
15 be appropriated and expended solely for the maintenance and support of
16 the institutions listed in RCW 28B.14C.010.

17 **Sec. 2.** RCW 28B.14D.900 and 1991 sp.s. c 31 s 9 are each amended
18 to read as follows:

1 No provision of this chapter or chapter ((43.99)) 79A.25 RCW, or of
2 RCW 28B.20.750 through 28B.20.758 shall be deemed to repeal, override,
3 or limit any provision of RCW 28B.10.300 through 28B.10.335,
4 28B.15.210, 28B.15.310, 28B.20.700 through 28B.20.745, 28B.30.700
5 through 28B.30.780, or 28B.35.700 through 28B.35.790, nor any provision
6 or covenant of the proceedings of the board of regents or board of
7 trustees of any state institution of higher education heretofore or
8 hereafter taken in the issuance of its revenue bonds secured by a
9 pledge of its building fees and/or other revenues mentioned within such
10 statutes. The obligation of such boards to make the transfers provided
11 for in RCW 28B.14D.070, ((28B.14C.080(2),—28B.14C.090(2),))
12 28B.14C.100(2), 28B.14C.110(2), 28B.14C.120(2), 28B.14C.130(2),
13 28B.14G.060, 28B.20.757, 43.99G.070, and 43.99H.060 (1) and (4), and in
14 any similar law heretofore or hereafter enacted shall be subject and
15 subordinate to the lien and charge of any revenue bonds heretofore or
16 hereafter issued by such boards on the building fees and/or other
17 revenues pledged to secure such revenue bonds, and on the moneys in the
18 building account or capital project account and the individual
19 institutions of higher education bond retirement funds.

20 **Sec. 3.** RCW 28B.15.210 and 1985 c 390 s 20 are each amended to
21 read as follows:

22 Within thirty-five days from the date of collection thereof, all
23 building fees at the University of Washington, including building fees
24 to be charged students registering in the schools of medicine and
25 dentistry, shall be paid into the state treasury and credited ((as
26 follows:

27 ~~One half or such larger portion as may be necessary to prevent a~~
28 ~~default in the payments required to be made out of the bond retirement~~
29 ~~fund, and in no event shall such one half be less than twelve dollars~~
30 ~~and fifty cents per each resident student per quarter, and thirty seven~~
31 ~~dollars and fifty cents per each nonresident student per quarter to the~~
32 ~~"University of Washington bond retirement fund" and the remainder~~
33 ~~thereof)) to the "University of Washington building account." The sum
34 so credited to the University of Washington building account shall be
35 used ((exclusively)) for the purpose of erecting, altering,
36 maintaining, equipping, or furnishing buildings ((except for any sums
37 transferred as authorized in RCW 28B.20.725(3)). The sum so credited to~~

1 ~~the University of Washington bond retirement fund shall be used)) and~~
2 for the payment of principal of and interest on bonds outstanding as
3 provided by chapter 28B.20 RCW (~~(except for any sums transferred as~~
4 ~~authorized in RCW 28B.20.725(5))~~).

5 **Sec. 4.** RCW 28B.20.382 and 1999 c 346 s 3 are each amended to read
6 as follows:

7 (1) Until authorized by statute of the legislature, the board of
8 regents of the university, with respect to the university tract, shall
9 not sell the land or any part thereof or any improvement thereon, or
10 lease the land or any part thereof or any improvement thereon or renew
11 or extend any lease thereof for a term of more than eighty years. Any
12 sale of the land or any part thereof or any improvement thereon, or any
13 lease or renewal or extension of any lease of the land or any part
14 thereof or any improvement thereon for a term of more than eighty years
15 made or attempted to be made by the board of regents shall be null and
16 void until the same has been approved or ratified and confirmed by
17 legislative act.

18 (2) The board of regents shall have power from time to time to
19 lease the land, or any part thereof or any improvement thereon for a
20 term of not more than eighty years. Any and all records, books,
21 accounts, and agreements of any lessee or sublessee under this section,
22 pertaining to compliance with the terms and conditions of such lease or
23 sublease, shall be open to inspection by the board of regents, the ways
24 and means committee of the senate, the appropriations committee of the
25 house of representatives, and the joint legislative audit and review
26 committee or any successor committees. It is not intended that
27 unrelated records, books, accounts, and agreements of lessees,
28 sublessees, or related companies be open to such inspection. The board
29 of regents shall make a full, detailed report of all leases and
30 transactions pertaining to the land or any part thereof or any
31 improvement thereon to the joint legislative audit and review
32 committee, including one copy to the staff of the committee, during
33 odd-numbered years.

34 (3) The net proceeds from the sale or lease of land in the
35 university tract, or any part thereof or any improvement thereon, shall
36 be deposited into the University of Washington (~~(facilities bond~~
37 ~~retirement account hereby established outside the state treasury as a~~

1 ~~nonappropriated local fund to be used exclusively)) building account~~
2 for the purpose of erecting, altering, maintaining, equipping, or
3 furnishing buildings at the University of Washington. (~~The board of~~
4 ~~regents shall transfer from the University of Washington facilities~~
5 ~~bond retirement account to the University of Washington building~~
6 ~~account under RCW 43.79.080 any funds in excess of amounts reasonably~~
7 ~~necessary for payment of debt service in combination with other~~
8 ~~nonappropriated local funds related to capital projects for which debt~~
9 ~~service is required under section 4, chapter 380, Laws of 1999.))~~

10 **Sec. 5.** RCW 28B.20.715 and 1985 c 390 s 38 are each amended to
11 read as follows:

12 For the purpose of financing the cost of any projects, the board is
13 hereby authorized to adopt the resolution or resolutions and prepare
14 all other documents necessary for the issuance, sale and delivery of
15 the bonds or any part thereof at such time or times as it shall deem
16 necessary and advisable. Said bonds:

17 (1) Shall not constitute:

18 (a) An obligation, either general or special, of the state; or

19 (b) A general obligation of the University of Washington or of the
20 board;

21 (2) Shall be:

22 (a) Either registered or in coupon form; and

23 (b) Issued in denominations of not less than one hundred dollars;

24 and

25 (c) Fully negotiable instruments under the laws of this state; and

26 (d) Signed on behalf of the university by the president of the
27 board, attested by the secretary of the board, have the seal of the
28 university impressed thereon or a facsimile of such seal printed or
29 lithographed in the bottom border thereof, and the coupons attached
30 thereto shall be signed with the facsimile signatures of such president
31 and secretary;

32 (3) Shall state:

33 (a) The date of issue; and

34 (b) The series of the issue and be consecutively numbered within
35 the series; and

36 (c) That the bond is payable both principal and interest solely out

1 of the ((~~bond retirement fund~~)) University of Washington building
2 account;

3 (4) Each series of bonds shall bear interest, payable either
4 annually or semiannually, as the board may determine;

5 (5) Shall be payable both principal and interest out of the bond
6 retirement fund;

7 (6) Shall be payable at such times over a period of not to exceed
8 forty years from date of issuance, at such place or places, and with
9 such reserved rights of prior redemption, as the board may prescribe;

10 (7) Shall be sold in such manner and at such price as the board may
11 prescribe;

12 (8) Shall be issued under and subject to such terms, conditions and
13 covenants providing for the payment of the principal thereof and
14 interest thereon and such other terms, conditions, covenants and
15 protective provisions safeguarding such payment, not inconsistent with
16 this chapter, and as found to be necessary by the board for the most
17 advantageous sale thereof, which may include but not be limited to:

18 (a) A covenant that the building fees shall be established,
19 maintained and collected in such amounts that will provide money
20 sufficient to pay the principal of and interest on all bonds payable
21 out of the ((~~bond retirement fund~~)) University of Washington building
22 account, to set aside and maintain the reserves required to secure the
23 payment of such principal and interest, and to maintain any coverage
24 which may be required over such principal and interest;

25 (b) A covenant that a reserve account shall be created in the
26 ((~~bond retirement fund~~)) University of Washington building account to
27 secure the payment of the principal of and interest on all bonds issued
28 and a provision made that certain amounts be set aside and maintained
29 therein;

30 ~~(c) ((A covenant that sufficient moneys may be transferred from the~~
31 ~~University of Washington building account to the bond retirement fund~~
32 ~~when ordered by the board of regents in the event there is ever an~~
33 ~~insufficient amount of money in the bond retirement fund to pay any~~
34 ~~installment of interest or principal and interest coming due on the~~
35 ~~bonds or any of them;~~

36 ~~(d))~~ A covenant fixing conditions under which bonds on a parity
37 with any bonds outstanding may be issued.

1 The proceeds of the sale of all bonds(~~(, exclusive of accrued~~
2 ~~interest which shall be deposited in the bond retirement fund,~~) shall
3 be deposited in the state treasury to the credit of the University of
4 Washington building account and shall be used solely for paying the
5 costs of the projects.

6 **Sec. 6.** RCW 28B.20.721 and 1969 ex.s. c 223 s 28B.20.721 are each
7 amended to read as follows:

8 All moneys received from the lease or rental of lands set apart by
9 the enabling act for university purposes; all interest or income
10 arising from the proceeds of the sale of such lands or of the timber,
11 fallen timber, stone, gravel, or other valuable material thereon; and
12 all moneys received as interest on deferred payments on contracts for
13 the sale of such lands shall be deposited in the ((~~^~~))University of
14 Washington (~~((bond retirement fund" to be expended for the purposes set~~
15 ~~forth in RCW 28B.20.720)) building account.~~

16 **Sec. 7.** RCW 28B.20.725 and 1969 ex.s. c 223 s 28B.20.725 are each
17 amended to read as follows:

18 The board is hereby empowered:

19 (1) To reserve the right to issue bonds later on a parity with any
20 bonds being issued;

21 (2) To authorize the investing of moneys in the ((~~bond retirement~~
22 ~~fund~~)) University of Washington building account and any reserve
23 account therein;

24 (3) (~~To authorize the transfer of money from the University of~~
25 ~~Washington building account to the bond retirement fund when necessary~~
26 ~~to prevent a default in the payments required to be made out of such~~
27 ~~fund;~~

28 (~~4~~)) To create a reserve account or accounts in the ((~~bond~~
29 ~~retirement fund~~)) University of Washington building account to secure
30 the payment of the principal of and interest on any bonds((~~;~~

31 (~~5~~) ~~To authorize the transfer to the University of Washington~~
32 ~~building account of any money on deposit in the bond retirement fund in~~
33 ~~excess of debt service for a period of three years from the date of~~
34 ~~such transfer on all outstanding bonds payable out of such fund)).~~

1 **Sec. 8.** RCW 28B.20.810 and 1991 sp.s. c 13 s 78 are each amended
2 to read as follows:

3 The board of regents of the University of Washington is empowered
4 to authorize from time to time the transfer from the state university
5 permanent fund to be held in reserve in the (~~bond retirement fund~~
6 ~~created by RCW 28B.20.720~~) University of Washington building account
7 any unobligated funds and investments derived from lands set apart for
8 the support of the university by chapter 91, Laws of 1903 and section
9 9, chapter 122, Laws of 1893, to the extent required to comply with
10 bond covenants regarding principal and interest payments and reserve
11 requirements for bonds payable out of the (~~bond retirement fund up to~~
12 ~~a total amount of five million dollars, and to transfer any or all of~~
13 ~~said unobligated funds and investments in excess of five million~~
14 ~~dollars to the university building account created by RCW~~
15 ~~43.79.330(22). Any funds transferred to the bond retirement fund~~
16 ~~pursuant to this section shall be replaced by moneys first available~~
17 ~~out of the moneys required to be deposited in such fund pursuant to RCW~~
18 ~~28B.20.800~~) University of Washington building account. The board is
19 further empowered to direct the state finance committee to convert any
20 investments in such permanent fund acquired with funds derived from
21 such lands into cash or obligations of or guaranteed by the United
22 States of America prior to the transfer of such funds and investments
23 to (~~such reserve account or~~) the University of Washington building
24 account.

25 **Sec. 9.** RCW 28B.20.820 and 1969 ex.s. c 223 s 28B.20.820 are each
26 amended to read as follows:

27 Nothing contained in RCW (~~28B.20.800 through~~) 28B.20.810,
28 28B.20.820, and 43.79.201 is intended to amend or modify RCW 79.64.040
29 (section 4, chapter 178, Laws of 1961).

30 **Sec. 10.** RCW 28B.30.730 and 2002 c 238 s 302 are each amended to
31 read as follows:

32 For the purpose of financing the cost of any projects, the board is
33 hereby authorized to adopt the resolution or resolutions and prepare
34 all other documents necessary for the issuance, sale and delivery of
35 the bonds or any part thereof at such time or times as it shall deem
36 necessary and advisable. Said bonds:

1 (1) Shall not constitute:
2 (a) An obligation, either general or special, of the state; or
3 (b) A general obligation of Washington State University or of the
4 board;
5 (2) Shall be:
6 (a) Either registered or in coupon form; and
7 (b) Issued in denominations of not less than one hundred dollars;
8 and
9 (c) Fully negotiable instruments under the laws of this state; and
10 (d) Signed on behalf of the university by the president of the
11 board, attested by the secretary or the treasurer of the board, have
12 the seal of the university impressed thereon or a facsimile of such
13 seal printed or lithographed in the bottom border thereof, and the
14 coupons attached thereto shall be signed with the facsimile signatures
15 of such president and secretary;
16 (3) Shall state:
17 (a) The date of issue; and
18 (b) The series of the issue and be consecutively numbered within
19 the series; and
20 (c) That the bond is payable both principal and interest solely out
21 of the ((~~bond retirement fund~~)) Washington State University building
22 account;
23 (4) Each series of bonds shall bear interest, payable either
24 annually or semiannually, as the board may determine;
25 (5) Shall be payable both principal and interest out of the ((~~bond~~
26 ~~retirement fund~~)) Washington State University building account;
27 (6) Shall be payable at such times over a period of not to exceed
28 forty years from date of issuance, at such place or places, and with
29 such reserved rights of prior redemption, as the board may prescribe;
30 (7) Shall be sold in such manner and at such price as the board may
31 prescribe;
32 (8) Shall be issued under and subject to such terms, conditions and
33 covenants providing for the payment of the principal thereof and
34 interest thereon and such other terms, conditions, covenants and
35 protective provisions safeguarding such payment, not inconsistent with
36 RCW 28B.30.700 through 28B.30.780, and as found to be necessary by the
37 board for the most advantageous sale thereof, which may include but not
38 be limited to:

1 (a) A covenant that the building fees shall be established,
2 maintained and collected in such amounts that will provide money
3 sufficient to pay the principal of and interest on all bonds payable
4 out of the (~~bond retirement~~) Washington State University building
5 account, to set aside and maintain the reserves required to secure the
6 payment of such principal and interest, and to maintain any coverage
7 which may be required over such principal and interest;

8 (b) A covenant that a reserve account shall be created in the
9 (~~bond retirement fund~~) Washington State University building account
10 to secure the payment of the principal of and interest on all bonds
11 issued and a provision made that certain amounts be set aside and
12 maintained therein;

13 (~~(c) (A covenant that sufficient moneys may be transferred from the~~
14 ~~Washington State University building account to the bond retirement~~
15 ~~account when ordered by the board of regents in the event there is ever~~
16 ~~an insufficient amount of money in the bond retirement account to pay~~
17 ~~any installment of interest or principal and interest coming due on the~~
18 ~~bonds or any of them;~~

19 ~~(d))~~ A covenant fixing conditions under which bonds on a parity
20 with any bonds outstanding may be issued.

21 The proceeds of the sale of all bonds shall be deposited in the
22 state treasury to the credit of the Washington State University
23 building account and shall be used solely for paying the costs of the
24 projects. The Washington State University building account shall be
25 credited with the investment income derived pursuant to RCW 43.84.080
26 on the (~~investible~~) investable balances of scientific permanent fund
27 and agricultural permanent fund, less the allocation to the state
28 treasurer's service fund pursuant to RCW 43.08.190. (~~During the 2001-~~
29 ~~2003 fiscal biennium, the legislature may transfer from the Washington~~
30 ~~State University building account to the state general fund such~~
31 ~~amounts as reflect the excess fund balance of the account.))~~

32 **Sec. 11.** RCW 28B.30.740 and 1985 c 390 s 44 are each amended to
33 read as follows:

34 For the purpose of paying and securing the payment of the principal
35 of and interest on the bonds as the same shall become due, there shall
36 be paid into the state treasury and credited to (~~a special trust fund~~

1 ~~to be known as~~) the Washington State University (~~bond retirement~~
2 ~~fund, which fund is hereby created in the state treasury~~) building
3 account, the following:

4 (1) One-half of such building fees as the board may from time to
5 time determine, or such larger portion as may be necessary to prevent
6 default in the payments required to be made out of the bond retirement
7 fund;

8 (2) Any grants which may be made, or may become available, for the
9 purpose of furthering the construction of any authorized projects, or
10 for the repayment of the costs thereof;

11 (3) Such additional funds as the legislature may provide.

12 Said bond retirement fund shall be kept segregated from all moneys
13 in the state treasury and shall, while any of such bonds or any
14 interest thereon remain unpaid, be available solely for the payment
15 thereof (~~except as provided in subdivision (5) of RCW 28B.30.750~~).
16 As a part of the contract of sale of such bonds, the board shall
17 undertake to charge and collect building fees and to deposit the
18 portion of such fees in the (~~bond retirement fund~~) building account
19 in amounts which will be sufficient to pay the principal of, and
20 interest on all such bonds outstanding.

21 **Sec. 12.** RCW 28B.30.750 and 1969 ex.s. c 223 s 28B.30.750 are each
22 amended to read as follows:

23 The board is hereby empowered:

24 (1) To reserve the right to issue bonds later on a parity with any
25 bonds being issued;

26 (2) To authorize the investing of moneys in the (~~bond retirement~~
27 ~~fund~~) Washington State University building account and any reserve
28 account therein;

29 (~~To authorize the transfer of money from the Washington State~~
30 ~~University building account to the bond retirement fund when necessary~~
31 ~~to prevent a default in the payments required to be made out of such~~
32 ~~fund;~~

33 (~~4~~) To create a reserve account or accounts in the (~~bond~~
34 ~~retirement fund~~) Washington State University building account to
35 secure the payment of the principal of and interest on any bonds(~~;~~

36 (~~5~~) To authorize the transfer to the Washington State University

1 ~~building account of any money on deposit in the bond retirement fund in~~
2 ~~excess of debt service for a period of three years from the date of~~
3 ~~such transfer on all outstanding bonds payable out of such fund)).~~

4 **Sec. 13.** RCW 28B.31.070 and 1977 ex.s. c 344 s 7 are each amended
5 to read as follows:

6 On or before June 30th of each year the board of regents of
7 Washington State University shall cause to be accumulated in the
8 Washington State University building account(~~(, from moneys transferred~~
9 ~~into said account from the Washington State University bond retirement~~
10 ~~fund pursuant to RCW 28B.30.750(5),~~) an amount at least equal to the
11 amount required in the next succeeding twelve months for the payment of
12 the principal of and interest on the bonds issued pursuant to this
13 chapter. Not less than thirty days prior to the date on which any such
14 interest or principal and interest payment is due, the board of regents
15 of Washington State University shall cause the amount so computed to be
16 paid out of such building account to the state treasurer, for deposit
17 into the general fund of the state treasury.

18 **Sec. 14.** RCW 28B.31.100 and 1985 c 390 s 45 are each amended to
19 read as follows:

20 No provision of this chapter shall be deemed to repeal, override,
21 or limit any provision of RCW 28B.15.310 or 28B.30.700 through
22 28B.30.780, nor any provision or covenant of the proceedings of the
23 board of regents of Washington State University heretofore or hereafter
24 taken in the issuance of its revenue bonds secured by a pledge of its
25 building fees and/or other revenues pursuant to such statutes. The
26 obligation of the board of regents of Washington State University to
27 make the transfers provided for in RCW 28B.31.070 shall be subject and
28 subordinate to the lien and charge of such revenue bonds, and any
29 revenue bonds hereafter issued, on such building fees and/or other
30 revenues pledged to secure such bonds, and on the moneys in the
31 Washington State University building account (~~(and the Washington State~~
32 ~~University bond retirement fund)).~~

33 **Sec. 15.** RCW 43.84.092 and 2003 c 361 s 602, 2003 c 324 s 1, 2003
34 c 150 s 2, and 2003 c 48 s 2 are each reenacted and amended to read as
35 follows:

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

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

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

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

31 (a) The following accounts and funds shall receive their
32 proportionate share of earnings based upon each account's and fund's
33 average daily balance for the period: The capitol building
34 construction account, the Cedar River channel construction and
35 operation account, the Central Washington University capital projects
36 account, the charitable, educational, penal and reformatory
37 institutions account, the common school construction fund, the county
38 criminal justice assistance account, the county sales and use tax

1 equalization account, the data processing building construction
2 account, the deferred compensation administrative account, the deferred
3 compensation principal account, the department of retirement systems
4 expense account, the drinking water assistance account, the drinking
5 water assistance administrative account, the drinking water assistance
6 repayment account, the Eastern Washington University capital projects
7 account, the education construction fund, the election account, the
8 emergency reserve fund, The Evergreen State College capital projects
9 account, the federal forest revolving account, the health services
10 account, the public health services account, the health system capacity
11 account, the personal health services account, the state higher
12 education construction account, the higher education construction
13 account, the highway infrastructure account, the industrial insurance
14 premium refund account, the judges' retirement account, the judicial
15 retirement administrative account, the judicial retirement principal
16 account, the local leasehold excise tax account, the local real estate
17 excise tax account, the local sales and use tax account, the medical
18 aid account, the mobile home park relocation fund, the multimodal
19 transportation account, the municipal criminal justice assistance
20 account, the municipal sales and use tax equalization account, the
21 natural resources deposit account, the oyster reserve land account, the
22 perpetual surveillance and maintenance account, the public employees'
23 retirement system plan 1 account, the public employees' retirement
24 system combined plan 2 and plan 3 account, the public facilities
25 construction loan revolving account beginning July 1, 2004, the public
26 health supplemental account, the public works assistance account, the
27 Puyallup tribal settlement account, the regional transportation
28 investment district account, the resource management cost account, the
29 site closure account, the special wildlife account, the state
30 employees' insurance account, the state employees' insurance reserve
31 account, the state investment board expense account, the state
32 investment board commingled trust fund accounts, the supplemental
33 pension account, the Tacoma Narrows toll bridge account, the teachers'
34 retirement system plan 1 account, the teachers' retirement system
35 combined plan 2 and plan 3 account, the tobacco prevention and control
36 account, the tobacco settlement account, the transportation
37 infrastructure account, the tuition recovery trust fund, (~~the~~
38 ~~University of Washington bond retirement fund,~~) the University of

1 Washington building account, the volunteer fire fighters' and reserve
2 officers' relief and pension principal fund, the volunteer fire
3 fighters' and reserve officers' administrative fund, the Washington
4 fruit express account, the Washington judicial retirement system
5 account, the Washington law enforcement officers' and fire fighters'
6 system plan 1 retirement account, the Washington law enforcement
7 officers' and fire fighters' system plan 2 retirement account, the
8 Washington school employees' retirement system combined plan 2 and 3
9 account, the Washington state health insurance pool account, the
10 Washington state patrol retirement account, the Washington State
11 University building account, (~~the Washington State University bond
12 retirement fund,~~) the water pollution control revolving fund, and the
13 Western Washington University capital projects account. Earnings
14 derived from investing balances of the agricultural permanent fund, the
15 normal school permanent fund, the permanent common school fund, the
16 scientific permanent fund, and the state university permanent fund
17 shall be allocated to their respective beneficiary accounts. All
18 earnings to be distributed under this subsection (4)(a) shall first be
19 reduced by the allocation to the state treasurer's service fund
20 pursuant to RCW 43.08.190.

21 (b) The following accounts and funds shall receive eighty percent
22 of their proportionate share of earnings based upon each account's or
23 fund's average daily balance for the period: The aeronautics account,
24 the aircraft search and rescue account, the county arterial
25 preservation account, the department of licensing services account, the
26 essential rail assistance account, the ferry bond retirement fund, the
27 grade crossing protective fund, the high capacity transportation
28 account, the highway bond retirement fund, the highway safety account,
29 the motor vehicle fund, the motorcycle safety education account, the
30 pilotage account, the public transportation systems account, the Puget
31 Sound capital construction account, the Puget Sound ferry operations
32 account, the recreational vehicle account, the rural arterial trust
33 account, the safety and education account, the special category C
34 account, the state patrol highway account, the transportation 2003
35 account (nickel account), the transportation equipment fund, the
36 transportation fund, the transportation improvement account, the
37 transportation improvement board bond retirement account, and the urban
38 arterial trust account.

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

4 **Sec. 16.** RCW 43.84.092 and 2004 c 242 s 60 are each amended to
5 read as follows:

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

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

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

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

36 (a) The following accounts and funds shall receive their
37 proportionate share of earnings based upon each account's and fund's

1 average daily balance for the period: The capitol building
2 construction account, the Cedar River channel construction and
3 operation account, the Central Washington University capital projects
4 account, the charitable, educational, penal and reformatory
5 institutions account, the common school construction fund, the county
6 criminal justice assistance account, the county sales and use tax
7 equalization account, the data processing building construction
8 account, the deferred compensation administrative account, the deferred
9 compensation principal account, the department of retirement systems
10 expense account, the drinking water assistance account, the drinking
11 water assistance administrative account, the drinking water assistance
12 repayment account, the Eastern Washington University capital projects
13 account, the education construction fund, the election account, the
14 emergency reserve fund, The Evergreen State College capital projects
15 account, the federal forest revolving account, the health services
16 account, the public health services account, the health system capacity
17 account, the personal health services account, the state higher
18 education construction account, the higher education construction
19 account, the highway infrastructure account, the industrial insurance
20 premium refund account, the judges' retirement account, the judicial
21 retirement administrative account, the judicial retirement principal
22 account, the local leasehold excise tax account, the local real estate
23 excise tax account, the local sales and use tax account, the medical
24 aid account, the mobile home park relocation fund, the multimodal
25 transportation account, the municipal criminal justice assistance
26 account, the municipal sales and use tax equalization account, the
27 natural resources deposit account, the oyster reserve land account, the
28 perpetual surveillance and maintenance account, the public employees'
29 retirement system plan 1 account, the public employees' retirement
30 system combined plan 2 and plan 3 account, the public facilities
31 construction loan revolving account beginning July 1, 2004, the public
32 health supplemental account, the public works assistance account, the
33 Puyallup tribal settlement account, the regional transportation
34 investment district account, the resource management cost account, the
35 site closure account, the special wildlife account, the state
36 employees' insurance account, the state employees' insurance reserve
37 account, the state investment board expense account, the state
38 investment board commingled trust fund accounts, the supplemental

1 pension account, the Tacoma Narrows toll bridge account, the teachers'
2 retirement system plan 1 account, the teachers' retirement system
3 combined plan 2 and plan 3 account, the tobacco prevention and control
4 account, the tobacco settlement account, the transportation
5 infrastructure account, the tuition recovery trust fund, (~~the~~
6 ~~University of Washington bond retirement fund,~~) the University of
7 Washington building account, the volunteer fire fighters' and reserve
8 officers' relief and pension principal fund, the volunteer fire
9 fighters' and reserve officers' administrative fund, the Washington
10 fruit express account, the Washington judicial retirement system
11 account, the Washington law enforcement officers' and fire fighters'
12 system plan 1 retirement account, the Washington law enforcement
13 officers' and fire fighters' system plan 2 retirement account, the
14 Washington public safety employees' plan 2 retirement account, the
15 Washington school employees' retirement system combined plan 2 and 3
16 account, the Washington state health insurance pool account, the
17 Washington state patrol retirement account, the Washington State
18 University building account, (~~the Washington State University bond~~
19 ~~retirement fund,~~) the water pollution control revolving fund, and the
20 Western Washington University capital projects account. Earnings
21 derived from investing balances of the agricultural permanent fund, the
22 normal school permanent fund, the permanent common school fund, the
23 scientific permanent fund, and the state university permanent fund
24 shall be allocated to their respective beneficiary accounts. All
25 earnings to be distributed under this subsection (4)(a) shall first be
26 reduced by the allocation to the state treasurer's service fund
27 pursuant to RCW 43.08.190.

28 (b) The following accounts and funds shall receive eighty percent
29 of their proportionate share of earnings based upon each account's or
30 fund's average daily balance for the period: The aeronautics account,
31 the aircraft search and rescue account, the county arterial
32 preservation account, the department of licensing services account, the
33 essential rail assistance account, the ferry bond retirement fund, the
34 grade crossing protective fund, the high capacity transportation
35 account, the highway bond retirement fund, the highway safety account,
36 the motor vehicle fund, the motorcycle safety education account, the
37 pilotage account, the public transportation systems account, the Puget
38 Sound capital construction account, the Puget Sound ferry operations

1 account, the recreational vehicle account, the rural arterial trust
2 account, the safety and education account, the special category C
3 account, the state patrol highway account, the transportation 2003
4 account (nickel account), the transportation equipment fund, the
5 transportation fund, the transportation improvement account, the
6 transportation improvement board bond retirement account, and the urban
7 arterial trust account.

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

11 NEW SECTION. **Sec. 17.** On the effective date of this section, any
12 funds remaining in the University of Washington bond retirement fund
13 shall be deposited in the University of Washington building account,
14 and any funds remaining in the Washington State University bond
15 retirement fund shall be deposited in the Washington State University
16 building account.

17 NEW SECTION. **Sec. 18.** The following acts or parts of acts are
18 each repealed:

19 (1) RCW 28B.14C.080 (Chapter as affecting University of Washington
20 building revenue bond redemption) and 1985 c 390 s 3 & 1977 ex.s. c 354
21 s 8;

22 (2) RCW 28B.14C.090 (Chapter as affecting Washington State
23 University building revenue bond redemption) and 1985 c 390 s 4 & 1977
24 ex.s. c 354 s 9;

25 (3) RCW 28B.20.720 (University of Washington bond retirement fund--
26 Composition--Pledge of building fees) and 1985 c 390 s 39 & 1969 ex.s.
27 c 223 s 28B.20.720;

28 (4) RCW 28B.20.800 (Revenues derived from certain university lands
29 and income from university permanent fund deposited in University of
30 Washington bond retirement fund--Covenant) and 1991 sp.s. c 13 s 97 &
31 1969 ex.s. c 223 s 28B.20.800; and

32 (5) RCW 28B.20.805 (Revenues derived from certain university lands
33 and income from university permanent fund deposited in University of
34 Washington bond retirement fund--Ratification of previous transfers)
35 and 1969 ex.s. c 223 s 28B.20.805.

1 NEW SECTION. **Sec. 19.** Section 15 of this act expires July 1,
2 2006.

3 NEW SECTION. **Sec. 20.** Section 16 of this act takes effect July 1,
4 2006.

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