
HOUSE BILL 2727

State of Washington

54th Legislature

1996 Regular Session

By Representatives K. Schmidt and Blanton

Read first time 01/17/96. Referred to Committee on Transportation.

1 AN ACT Relating to establishing a state infrastructure bank;
2 reenacting and amending RCW 43.84.092; adding a new section to chapter
3 82.44 RCW; adding a new section to chapter 46.68 RCW; creating a new
4 section; and declaring an emergency.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that new financing
7 mechanisms are necessary to provide greater flexibility and additional
8 funds for needed transportation infrastructure projects in the state.
9 The creation of a financing mechanism, like the one contained in
10 section 350 of the national highway system designation act of 1995,
11 P.L. 104-59, relating to a state infrastructure bank program, will
12 enable the state and local jurisdictions to use federal, state, local,
13 or private funds to construct surface transportation projects for
14 various modes of transportation. It is the intent of the legislature
15 that accounts be created in the state treasury and dedicated funding
16 sources be established to generate revenue to support transportation
17 projects financed with the proceeds of bonds or other financial
18 instruments issued against this dedicated revenue and other revenues
19 which may be available to these accounts. P.L. 104-59 allows the

1 deposit of certain federal highway and transit funds into these
2 accounts to leverage other forms of investment in transportation
3 infrastructure by expanding the eligible uses of the federal funds.
4 Other public and private entities may also deposit funds into these
5 accounts to leverage transportation investments. The purpose of this
6 act is to provide, from these accounts, authorization for loans,
7 grants, or other means of assistance, in amounts equal to all or part
8 of the cost, to public or private entities building surface
9 transportation facilities in this state. It is the further intent of
10 the legislature that projects representing critical mobility or
11 economic development needs and involving various transportation modes
12 and jurisdictions receive top priority in the use of these funds.
13 Funds from the accounts created in this act may be used to support the
14 issuance of public or private debt, to provide credit enhancement for
15 such debt, for direct loans to public or private entities, or for other
16 purposes necessary to facilitate investment in surface transportation
17 facilities in this state.

18 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.44 RCW
19 to read as follows:

20 The transportation infrastructure account is hereby created in the
21 transportation fund. Public and private entities may deposit moneys in
22 the transportation infrastructure account from federal, state, local,
23 or private sources. Proceeds from bonds or other financial instruments
24 sold to finance surface transportation projects from the transportation
25 infrastructure account shall be deposited into the account. Principal
26 and interest payments made on loans from the transportation
27 infrastructure account shall be deposited into the account and shall be
28 available for purposes specified in section 1 of this act.
29 Expenditures from the transportation infrastructure account shall be
30 subject to appropriation by the legislature. To the extent required by
31 federal law or regulations promulgated by the United States secretary
32 of transportation, the state treasurer is authorized to create separate
33 subaccounts within the transportation infrastructure account.

34 NEW SECTION. **Sec. 3.** A new section is added to chapter 46.68 RCW
35 to read as follows:

36 The highway infrastructure account is hereby created in the motor
37 vehicle fund. Public and private entities may deposit moneys in the

1 highway infrastructure account from federal, state, local, or private
2 sources. Proceeds from bonds or other financial instruments sold to
3 finance surface transportation projects from the highway infrastructure
4 account shall be deposited into the account. Principal and interest
5 payments made on loans from the highway infrastructure account shall be
6 deposited into the account and shall be available for purposes
7 specified in section 1 of this act. Expenditures from the highway
8 infrastructure account shall be subject to appropriation by the
9 legislature. To the extent required by federal law or regulations
10 promulgated by the United States secretary of transportation, the state
11 treasurer is authorized to create separate subaccounts within the
12 highway infrastructure account.

13 **Sec. 4.** RCW 43.84.092 and 1995 c 394 s 1 and 1995 c 122 s 12 are
14 each reenacted and amended to read as follows:

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

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

33 (3) Except for the provisions of RCW 43.84.160, the treasury income
34 account may be utilized for the payment of purchased banking services
35 on behalf of treasury funds including, but not limited to, depository,
36 safekeeping, and disbursement functions for the state treasury and
37 affected state agencies. The treasury income account is subject in all
38 respects to chapter 43.88 RCW, but no appropriation is required for

1 payments to financial institutions. Payments shall occur prior to
2 distribution of earnings set forth in subsection (4) of this section.

3 (4) Monthly, the state treasurer shall distribute the earnings
4 credited to the treasury income account. The state treasurer shall
5 credit the general fund with all the earnings credited to the treasury
6 income account except:

7 (a) The following accounts and funds shall receive their
8 proportionate share of earnings based upon each account's and fund's
9 average daily balance for the period: The capitol building
10 construction account, the Cedar River channel construction and
11 operation account, the Central Washington University capital projects
12 account, the charitable, educational, penal and reformatory
13 institutions account, the common school construction fund, the county
14 criminal justice assistance account, the county sales and use tax
15 equalization account, the data processing building construction
16 account, the deferred compensation administrative account, the deferred
17 compensation principal account, the department of retirement systems
18 expense account, the Eastern Washington University capital projects
19 account, the education construction fund, the emergency reserve fund,
20 the federal forest revolving account, the health services account, the
21 public health services account, the health system capacity account, the
22 personal health services account, the highway infrastructure account,
23 the industrial insurance premium refund account, the judges' retirement
24 account, the judicial retirement administrative account, the judicial
25 retirement principal account, the local leasehold excise tax account,
26 the local real estate excise tax account, the local sales and use tax
27 account, the medical aid account, the mobile home park relocation fund,
28 the municipal criminal justice assistance account, the municipal sales
29 and use tax equalization account, the natural resources deposit
30 account, the perpetual surveillance and maintenance account, the public
31 employees' retirement system plan I account, the public employees'
32 retirement system plan II account, the Puyallup tribal settlement
33 account, the resource management cost account, the site closure
34 account, the special wildlife account, the state employees' insurance
35 account, the state employees' insurance reserve account, the state
36 investment board expense account, the state investment board commingled
37 trust fund accounts, the supplemental pension account, the teachers'
38 retirement system plan I account, the teachers' retirement system plan
39 II account, the transportation infrastructure account, the tuition

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

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

1 transportation improvement account, the transportation revolving loan
2 account, and the urban arterial trust account.

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

6 NEW SECTION. **Sec. 5.** This act is necessary for the immediate
7 preservation of the public peace, health, or safety, or support of the
8 state government and its existing public institutions, and shall take
9 effect immediately.

--- END ---