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HOUSE BILL 1010

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State of Washington

55th Legislature

1997 Regular Session

By Representatives Mitchell, Hankins, Cairnes, Skinner and Mielke

Read first time 01/13/97. Referred to Committee on Transportation Policy & Budget.

1 AN ACT Relating to reimbursable transportation expenditures;  
2 amending RCW 43.79A.040; adding a new section to chapter 47.04 RCW;  
3 creating a new section; providing an effective date; and declaring an  
4 emergency.

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

6 NEW SECTION. **Sec. 1.** Federal funds that are administered by the  
7 department of transportation and are passed through to municipal  
8 corporations or political subdivisions of the state and moneys that are  
9 received as total reimbursement for goods, services, or projects  
10 constructed by the department of transportation are removed from the  
11 transportation budget. To process and account for these expenditures  
12 a new treasury trust account is created to be used for all department  
13 of transportation one hundred percent federal and local reimbursable  
14 transportation expenditures. This new account is nonbudgeted and  
15 nonappropriated. At the same time, federal and private local  
16 appropriations and full-time equivalents in subprograms R2, R3, T6, Y6,  
17 and Z2 processed through this new account are removed from the  
18 department of transportation's 1997-99 budget.

1 The department of transportation may make expenditures from the  
2 account before receiving federal and local reimbursements. However, at  
3 the end of each biennium, the account must maintain a zero or positive  
4 cash balance. In the twenty-fourth month of each biennium the  
5 department of transportation shall calculate and transfer sufficient  
6 cash from either the motor vehicle fund or the transportation fund to  
7 cover any negative cash balances. The amount transferred is calculated  
8 based on expenditures from each fund. In addition, any interest  
9 charges accruing to the new account must be distributed to the motor  
10 vehicle fund and the transportation fund.

11 The department of transportation shall provide an annual report to  
12 the legislative transportation committee and the office of financial  
13 management on expenditures and full-time equivalents processed through  
14 the new account. The report must also include recommendations for  
15 process changes, if needed.

16 NEW SECTION. **Sec. 2.** A new section is added to chapter 47.04 RCW  
17 to read as follows:

18 (1) The miscellaneous transportation programs account is created in  
19 the custody of the state treasurer.

20 (2) Moneys from the account may be used only for the costs of:

21 (a) Miscellaneous transportation services provided by the  
22 department that are reimbursed by other public and private entities;

23 (b) Local transportation projects for which the department is a  
24 conduit for federal reimbursement to a municipal corporation or  
25 political subdivision; or

26 (c) Other reimbursable activities as recommended by the legislative  
27 transportation committee and approved by the office of financial  
28 management.

29 (3) Moneys received as reimbursement for expenditures under  
30 subsection (2) of this section must be deposited into the account.

31 (4) No appropriation is required for expenditures from this  
32 account. This fund is not subject to allotment procedures provided  
33 under chapter 43.88 RCW.

34 (5) Only the secretary of transportation or the secretary's  
35 designee may authorize expenditures from the account.

36 (6) It is the intent of the legislature that this account maintain  
37 a zero or positive cash balance at the end of each biennium. Toward  
38 this purpose the department may make expenditures from the account

1 before receiving reimbursements under subsection (2) of this section.  
2 Before the end of the biennium, the department shall transfer  
3 sufficient cash to cover any negative cash balances from the motor  
4 vehicle and transportation funds to the miscellaneous transportation  
5 programs account for unrecovered reimbursements. The department shall  
6 calculate the distribution of this transfer based on expenditures. In  
7 the ensuing biennium the department shall transfer the reimbursements  
8 received in the miscellaneous transportation programs account back to  
9 the motor vehicle and transportation funds to the extent of the cash  
10 transferred at biennium end. The department shall also distribute any  
11 interest charges accruing to the miscellaneous transportation programs  
12 account to the motor vehicle and transportation funds. Adjustments for  
13 any indirect cost recoveries may also be made at this time.

14 (7) The department shall provide an annual report to the  
15 legislative transportation committee and the office of financial  
16 management on the expenditures and full-time equivalents processed  
17 through the miscellaneous transportation programs account. The report  
18 must also include recommendations for changes to the process, if  
19 needed.

20 **Sec. 3.** RCW 43.79A.040 and 1996 c 253 s 409 are each amended to  
21 read as follows:

22 (1) Money in the treasurer's trust fund may be deposited, invested  
23 and reinvested by the state treasurer in accordance with RCW 43.84.080  
24 in the same manner and to the same extent as if the money were in the  
25 state treasury.

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

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

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

4 (b) The following accounts and funds shall receive their  
5 proportionate share of earnings based upon each account's or fund's  
6 average daily balance for the period: The agricultural local fund, the  
7 American Indian scholarship endowment fund, the Washington  
8 international exchange scholarship endowment fund, the energy account,  
9 the fair fund, the game farm alternative account, the grain inspection  
10 revolving fund, the rural rehabilitation account, (~~and~~) the self-  
11 insurance revolving fund, and the miscellaneous transportation programs  
12 account. However, the earnings to be distributed shall first be  
13 reduced by the allocation to the state treasurer's service fund  
14 pursuant to RCW 43.08.190.

15 (c) The following accounts and funds shall receive eighty percent  
16 of their proportionate share of earnings based upon each account's or  
17 fund's average daily balance for the period: The advanced right of way  
18 revolving fund, the federal narcotics asset forfeitures account, the  
19 high occupancy vehicle account, and the local rail service assistance  
20 account.

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

24 NEW SECTION. **Sec. 4.** This act is necessary for the immediate  
25 preservation of the public peace, health, or safety, or support of the  
26 state government and its existing public institutions, and takes effect  
27 July 1, 1997.

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