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HOUSE BILL 1294

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State of Washington

55th Legislature

1997 Regular Session

By Representatives Boldt, Pennington, Mulliken, Dunn, Carrell, Mielke, Backlund and Thompson

Read first time 01/21/97. Referred to Committee on Appropriations.

1 AN ACT Relating to requiring approval by a two-thirds vote of each  
2 house to amend Initiative 601; amending RCW 43.84.092 and 43.88.033;  
3 and adding a new section to chapter 43.135 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.135 RCW  
6 to read as follows:

7 The legislature may amend chapter 2, Laws of 1994 (Initiative 601)  
8 only with approval by a two-thirds vote of each house.

9 **Sec. 2.** RCW 43.84.092 and 1996 c 262 s 4 are each amended to read  
10 as follows:

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

14 (2) The treasury income account shall be utilized to pay or receive  
15 funds associated with federal programs as required by the federal cash  
16 management improvement act of 1990. The treasury income account is  
17 subject in all respects to chapter 43.88 RCW, but no appropriation is  
18 required for refunds or allocations of interest earnings required by

1 the cash management improvement act. Refunds of interest to the  
2 federal treasury required under the cash management improvement act  
3 fall under RCW 43.88.180 and shall not require appropriation. The  
4 office of financial management shall determine the amounts due to or  
5 from the federal government pursuant to the cash management improvement  
6 act. The office of financial management may direct transfers of funds  
7 between accounts as deemed necessary to implement the provisions of the  
8 cash management improvement act, and this subsection. Refunds or  
9 allocations shall occur prior to the distributions of earnings set  
10 forth in subsection (4) of this section.

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

19 (4) Monthly, the state treasurer shall distribute the earnings  
20 credited to the treasury income account. The state treasurer shall  
21 credit the general fund with all the earnings credited to the treasury  
22 income account except:

23 (a) The following accounts and funds shall receive their  
24 proportionate share of earnings based upon each account's and fund's  
25 average daily balance for the period: The capitol building  
26 construction account, the Cedar River channel construction and  
27 operation account, the Central Washington University capital projects  
28 account, the charitable, educational, penal and reformatory  
29 institutions account, the common school construction fund, the county  
30 criminal justice assistance account, the county sales and use tax  
31 equalization account, the data processing building construction  
32 account, the deferred compensation administrative account, the deferred  
33 compensation principal account, the department of retirement systems  
34 expense account, the Eastern Washington University capital projects  
35 account, the education construction fund, the emergency reserve fund,  
36 the federal forest revolving account, the health services account, the  
37 public health services account, the health system capacity account, the  
38 personal health services account, the highway infrastructure account,  
39 the industrial insurance premium refund account, the judges' retirement

1 account, the judicial retirement administrative account, the judicial  
2 retirement principal account, the local leasehold excise tax account,  
3 the local real estate excise tax account, the local sales and use tax  
4 account, the medical aid account, the mobile home park relocation fund,  
5 the municipal criminal justice assistance account, the municipal sales  
6 and use tax equalization account, the natural resources deposit  
7 account, the perpetual surveillance and maintenance account, the public  
8 employees' retirement system plan I account, the public employees'  
9 retirement system plan II account, the Puyallup tribal settlement  
10 account, the resource management cost account, the site closure  
11 account, the special wildlife account, the state employees' insurance  
12 account, the state employees' insurance reserve account, the state  
13 investment board expense account, the state investment board commingled  
14 trust fund accounts, the supplemental pension account, the teachers'  
15 retirement system plan I account, the teachers' retirement system plan  
16 II account, the transportation infrastructure account, the tuition  
17 recovery trust fund, the University of Washington bond retirement fund,  
18 the University of Washington building account, the volunteer fire  
19 fighters' relief and pension principal account, the volunteer fire  
20 fighters' relief and pension administrative account, the Washington  
21 judicial retirement system account, the Washington law enforcement  
22 officers' and fire fighters' system plan I retirement account, the  
23 Washington law enforcement officers' and fire fighters' system plan II  
24 retirement account, the Washington state patrol retirement account, the  
25 Washington State University building account, the Washington State  
26 University bond retirement fund, the water pollution control revolving  
27 fund, and the Western Washington University capital projects account.  
28 Earnings derived from investing balances of the agricultural permanent  
29 fund, the normal school permanent fund, the permanent common school  
30 fund, the scientific permanent fund, and the state university permanent  
31 fund shall be allocated to their respective beneficiary accounts. All  
32 earnings to be distributed under this subsection (4)(a) shall first be  
33 reduced by the allocation to the state treasurer's service fund  
34 pursuant to RCW 43.08.190.

35 (b) The following accounts and funds shall receive eighty percent  
36 of their proportionate share of earnings based upon each account's or  
37 fund's average daily balance for the period: The aeronautics account,  
38 the aircraft search and rescue account, the central Puget Sound public  
39 transportation account, the city hardship assistance account, the

1 county arterial preservation account, the department of licensing  
2 services account, the economic development account, the essential rail  
3 assistance account, the essential rail banking account, the ferry bond  
4 retirement fund, the gasohol exemption holding account, the grade  
5 crossing protective fund, the high capacity transportation account, the  
6 highway bond retirement fund, the highway construction stabilization  
7 account, the highway safety account, the marine operating fund, the  
8 motor vehicle fund, the motorcycle safety education account, the  
9 pilotage account, the public transportation systems account, the Puget  
10 Sound capital construction account, the Puget Sound ferry operations  
11 account, the recreational vehicle account, the rural arterial trust  
12 account, the safety and education account, the small city account, the  
13 special category C account, the state patrol highway account, the  
14 transfer relief account, the transportation capital facilities account,  
15 the transportation equipment fund, the transportation fund, the  
16 transportation improvement account, the transportation revolving loan  
17 account, and the urban arterial trust account.

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

21 (6) Section 1 of this act applies to this section.

22 **Sec. 3.** RCW 43.88.033 and 1994 c 2 s 7 are each amended to read as  
23 follows:

24 The budget document submitted by the governor to the legislature  
25 under RCW 43.88.030 shall reflect the state expenditure limit  
26 established under chapter 43.135 RCW and shall not propose expenditures  
27 in excess of that limit.

28 Section 1 of this act applies to this section.

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