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HOUSE BILL 3093

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State of Washington

56th Legislature

2000 Regular Session

By Representatives Dunshee, H. Sommers, Miloscia, Quall, Kenney, Constantine, Santos and Keiser; by request of Governor Locke

Read first time 01/28/2000. Referred to Committee on Appropriations.

1 AN ACT Relating to directing excess balances in the emergency  
2 reserve fund to specific funds to be used partly for education  
3 construction and partly for tax relief for individuals; amending RCW  
4 43.135.045, 81.104.170, and 43.135.035; reenacting and amending RCW  
5 43.84.092, 43.84.092, and 43.84.092; adding a new section to chapter  
6 82.08 RCW; adding a new section to chapter 82.12 RCW; adding a new  
7 section to chapter 82.14 RCW; providing effective dates; and providing  
8 an expiration date.

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

10 **Sec. 1.** RCW 43.135.045 and 1994 c 2 s 3 are each amended to read  
11 as follows:

12 (1) The emergency reserve fund is established in the state  
13 treasury. During each fiscal year, the state treasurer shall deposit  
14 in the emergency reserve fund all general fund--state revenues in  
15 excess of the state expenditure limit for that fiscal year. Deposits  
16 shall be made at the end of each fiscal quarter based on projections of  
17 state revenues and the state expenditure limit.

18 (2) The legislature may appropriate moneys from the emergency  
19 reserve fund only with approval of at least two-thirds of the members

1 of each house of the legislature, and then only if the appropriation  
2 does not cause total expenditures to exceed the state expenditure limit  
3 under this chapter.

4 (3) The emergency reserve fund balance shall not exceed five  
5 percent of (~~biennial~~) annual general fund--state revenues as  
6 projected by the official state revenue forecast. Any balance in  
7 excess of five percent shall be transferred on a quarterly basis by the  
8 state treasurer, half to the education construction fund hereby created  
9 in the treasury, and half to the tax reduction fund hereby created in  
10 the treasury.

11 (4)(a) Funds may be appropriated from the education construction  
12 fund exclusively for common school construction or higher education  
13 construction.

14 (b) Funds in the tax reduction fund shall be used exclusively for  
15 the tax exemption for individuals under sections 2 and 3 of this act.  
16 The state treasurer shall transfer from the tax reduction fund to the  
17 general fund such amounts as are necessary for the department of  
18 revenue to cover the remittance under sections 2 and 3 of this act.

19 (c) Funds may be appropriated for any other purpose from the funds  
20 only if approved by a two-thirds vote of each house of the legislature  
21 and if approved by a vote of the people at the next general election.  
22 An appropriation approved by the people under this subsection shall  
23 result in an adjustment to the state expenditure limit only for the  
24 fiscal period for which the appropriation is made and shall not affect  
25 any subsequent fiscal period.

26 NEW SECTION. Sec. 2. A new section is added to chapter 82.08 RCW  
27 to read as follows:

28 (1) The purpose of the exemption under this section is to share the  
29 state's prosperity with individuals on a widespread basis, while at the  
30 same time keeping state administrative costs down and not burdening  
31 retailers. Therefore:

32 (a) The exemption is limited to those years in which the state has  
33 excess revenues as indicated solely by the amount of funds in the tax  
34 reduction fund. During any year in which the balance in the tax  
35 reduction fund exceeds two hundred million dollars, an exemption in the  
36 form of a remittance shall be provided to all qualifying individuals;  
37 and

1 (b) For the purposes of determining eligibility under this section,  
2 the legislature finds that based on economic information detailing  
3 consumer expenditures for necessities and other goods and services, an  
4 individual is eligible for the exemption regardless of that  
5 individual's ability to substantiate qualifying transactions, except as  
6 otherwise provided in subsection (4) of this section.

7 (2) An individual is eligible for a sales tax exemption in the form  
8 of a remittance, subject to the conditions of this section. The  
9 exemption is for the state share of sales tax only. The amount of the  
10 remittance is equal to the state sales tax rate multiplied by an amount  
11 as determined in subsection (3) of this section.

12 (3) The department shall determine the amount of the exempted  
13 transactions for which the exemption is allowed, not to exceed one  
14 thousand dollars. The amount is the result of the following fraction:  
15 The numerator is the amount in the tax reduction fund divided by the  
16 state population in the previous year. The denominator is the state  
17 sales or use tax rate. The resulting quotient is the amount of taxable  
18 transactions exempt from tax. The office of financial management shall  
19 provide the department with the most recently published population  
20 data.

21 (4) A nonresident is eligible for the exemption in the form of a  
22 remittance under this section if the individual can establish that he  
23 or she paid Washington state sales and use tax the previous year equal  
24 to or greater than the amount of the remittance. Nonresident  
25 eligibility shall be determined based on information provided by the  
26 nonresident and through audit and other administrative records.

27 (5) The office of financial management and the department shall  
28 jointly administer this section and section 3 of this act, using the  
29 services of a contractor to identify eligible individuals.

30 (6) For purposes of this section and section 3 of this act,  
31 "qualifying individual" means a natural person who is either (a) a  
32 resident of the state or (b) a nonresident who meets the requirements  
33 of subsection (4) of this section.

34 (7) The exemption in this section is in addition to any other  
35 exemption provided by law. However, no person may receive a remittance  
36 under both this section and section 3 of this act.

37 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.12 RCW  
38 to read as follows:

1 (1) An individual is eligible for an exemption in the form of a  
2 remittance from the tax imposed under this chapter, subject to the  
3 conditions of this section and section 2 (2), (3), and (4) of this act.  
4 The amount of the remittance is equal to the state use tax rate  
5 multiplied by the amount in section 2(3) of this act, not to exceed one  
6 thousand dollars. The exemption is for the state share of use tax  
7 only.

8 (2) The exemption in this section is in addition to any other  
9 exemption provided by law. However, no person may receive a remittance  
10 under both this section and section 2 of this act.

11 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.14 RCW  
12 to read as follows:

13 The exemptions in sections 2 and 3 of this act are for the state  
14 portion of the sales and use tax and do not extend to the tax imposed  
15 in this chapter.

16 **Sec. 5.** RCW 81.104.170 and 1997 c 450 s 5 are each amended to read  
17 as follows:

18 Cities that operate transit systems, county transportation  
19 authorities, metropolitan municipal corporations, public transportation  
20 benefit areas, and regional transit authorities may submit an  
21 authorizing proposition to the voters and if approved by a majority of  
22 persons voting, fix and impose a sales and use tax in accordance with  
23 the terms of this chapter, solely for the purpose of providing high  
24 capacity transportation service.

25 The tax authorized pursuant to this section shall be in addition to  
26 the tax authorized by RCW 82.14.030 and shall be collected from those  
27 persons who are taxable by the state pursuant to chapters 82.08 and  
28 82.12 RCW upon the occurrence of any taxable event within the taxing  
29 district. The maximum rate of such tax shall be approved by the voters  
30 and shall not exceed one percent of the selling price (in the case of  
31 a sales tax) or value of the article used (in the case of a use tax).  
32 The maximum rate of such tax that may be imposed shall not exceed  
33 nine-tenths of one percent in any county that imposes a tax under RCW  
34 82.14.340, or within a regional transit authority if any county within  
35 the authority imposes a tax under RCW 82.14.340. The exemptions in RCW  
36 82.08.820 (~~and~~), 82.12.820, and sections 2 and 3 of this act are for

1 the state portion of the sales and use tax and do not extend to the tax  
2 authorized in this section.

3 **Sec. 6.** RCW 43.135.035 and 1994 c 2 s 4 are each amended to read  
4 as follows:

5 (1) After July 1, 1995, any action or combination of actions by the  
6 legislature that raises state revenue or requires revenue-neutral tax  
7 shifts may be taken only if approved by a two-thirds vote of each  
8 house, and then only if state expenditures in any fiscal year,  
9 including the new revenue, will not exceed the state expenditure limits  
10 established under this chapter.

11 (2)(a) If the legislative action under subsection (1) of this  
12 section will result in expenditures in excess of the state expenditure  
13 limit, then the action of the legislature shall not take effect until  
14 approved by a vote of the people at a November general election. The  
15 office of financial management shall adjust the state expenditure limit  
16 by the amount of additional revenue approved by the voters under this  
17 section. This adjustment shall not exceed the amount of revenue  
18 generated by the legislative action during the first full fiscal year  
19 in which it is in effect. The state expenditure limit shall be  
20 adjusted downward upon expiration or repeal of the legislative action.

21 (b) The ballot title for any vote of the people required under this  
22 section shall be substantially as follows:

23 "Shall taxes be imposed on . . . . . in order to allow a  
24 spending increase above last year's authorized spending adjusted for  
25 inflation and population increases?"

26 (3)(a) The state expenditure limit may be exceeded upon declaration  
27 of an emergency for a period not to exceed twenty-four months by a law  
28 approved by a two-thirds vote of each house of the legislature and  
29 signed by the governor. The law shall set forth the nature of the  
30 emergency, which is limited to natural disasters that require immediate  
31 government action to alleviate human suffering and provide humanitarian  
32 assistance. The state expenditure limit may be exceeded for no more  
33 than twenty-four months following the declaration of the emergency and  
34 only for the purposes contained in the emergency declaration.

35 (b) Additional taxes required for an emergency under this section  
36 may be imposed only until thirty days following the next general  
37 election, unless an extension is approved at that general election.

1 The additional taxes shall expire upon expiration of the declaration of  
2 emergency. The legislature shall not impose additional taxes for  
3 emergency purposes under this subsection unless funds in the education  
4 construction fund and the tax reduction fund have been exhausted.

5 (c) The state or any political subdivision of the state shall not  
6 impose any tax on intangible property listed in RCW 84.36.070 as that  
7 statute exists on January 1, 1993.

8 (4) If the cost of any state program or function is shifted from  
9 the state general fund on or after January 1, 1993, to another source  
10 of funding, or if moneys are transferred from the state general fund to  
11 another fund or account, the office of financial management shall lower  
12 the state expenditure limit to reflect the shift.

13 **Sec. 7.** RCW 43.84.092 and 1999 c 380 s 8, 1999 c 309 s 928, 1999  
14 c 268 s 4, and 1999 c 94 s 2 are each reenacted and amended to read as  
15 follows:

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

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

34 (3) Except for the provisions of RCW 43.84.160, the treasury income  
35 account may be utilized for the payment of purchased banking services  
36 on behalf of treasury funds including, but not limited to, depository,  
37 safekeeping, and disbursement functions for the state treasury and  
38 affected state agencies. The treasury income account is subject in all

1 respects to chapter 43.88 RCW, but no appropriation is required for  
2 payments to financial institutions. Payments shall occur prior to  
3 distribution of earnings set forth in subsection (4) of this section.

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

8 (a) The following accounts and funds shall receive their  
9 proportionate share of earnings based upon each account's and fund's  
10 average daily balance for the period: The capitol building  
11 construction account, the Cedar River channel construction and  
12 operation account, the Central Washington University capital projects  
13 account, the charitable, educational, penal and reformatory  
14 institutions account, the common school construction fund, the county  
15 criminal justice assistance account, the county sales and use tax  
16 equalization account, the data processing building construction  
17 account, the deferred compensation administrative account, the deferred  
18 compensation principal account, the department of retirement systems  
19 expense account, the drinking water assistance account, the Eastern  
20 Washington University capital projects account, the education  
21 construction fund, the emergency reserve fund, the federal forest  
22 revolving account, the health services account, the public health  
23 services account, the health system capacity account, the personal  
24 health services account, the state higher education construction  
25 account, the higher education construction account, the highway  
26 infrastructure account, the industrial insurance premium refund  
27 account, the judges' retirement account, the judicial retirement  
28 administrative account, the judicial retirement principal account, the  
29 local leasehold excise tax account, the local real estate excise tax  
30 account, the local sales and use tax account, the medical aid account,  
31 the mobile home park relocation fund, the municipal criminal justice  
32 assistance account, the municipal sales and use tax equalization  
33 account, the natural resources deposit account, the perpetual  
34 surveillance and maintenance account, the public employees' retirement  
35 system plan 1 account, the public employees' retirement system plan 2  
36 account, the Puyallup tribal settlement account, the resource  
37 management cost account, the site closure account, the special wildlife  
38 account, the state employees' insurance account, the state employees'  
39 insurance reserve account, the state investment board expense account,

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

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



1 fund, the transportation improvement account, the transportation  
2 improvement board bond retirement account, and the urban arterial trust  
3 account.

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

7 **Sec. 8.** RCW 43.84.092 and 1999 c 380 s 8, 1999 c 309 s 928, 1999  
8 c 268 s 4, 1999 c 94 s 3, and 1999 c 94 s 2 are each reenacted and  
9 amended to read as follows:

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

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

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

36 (4) Monthly, the state treasurer shall distribute the earnings  
37 credited to the treasury income account. The state treasurer shall

1 credit the general fund with all the earnings credited to the treasury  
2 income account except:

3 (a) The following accounts and funds shall receive their  
4 proportionate share of earnings based upon each account's and fund's  
5 average daily balance for the period: The capitol building  
6 construction account, the Cedar River channel construction and  
7 operation account, the Central Washington University capital projects  
8 account, the charitable, educational, penal and reformatory  
9 institutions account, the common school construction fund, the county  
10 criminal justice assistance account, the county sales and use tax  
11 equalization account, the data processing building construction  
12 account, the deferred compensation administrative account, the deferred  
13 compensation principal account, the department of retirement systems  
14 expense account, the drinking water assistance account, the Eastern  
15 Washington University capital projects account, the education  
16 construction fund, the emergency reserve fund, the federal forest  
17 revolving account, the health services account, the public health  
18 services account, the health system capacity account, the personal  
19 health services account, the state higher education construction  
20 account, the higher education construction account, the highway  
21 infrastructure account, the industrial insurance premium refund  
22 account, the judges' retirement account, the judicial retirement  
23 administrative account, the judicial retirement principal account, the  
24 local leasehold excise tax account, the local real estate excise tax  
25 account, the local sales and use tax account, the medical aid account,  
26 the mobile home park relocation fund, the municipal criminal justice  
27 assistance account, the municipal sales and use tax equalization  
28 account, the natural resources deposit account, the perpetual  
29 surveillance and maintenance account, the public employees' retirement  
30 system plan 1 account, the public employees' retirement system plan 2  
31 account, the Puyallup tribal settlement account, the resource  
32 management cost account, the site closure account, the special wildlife  
33 account, the state employees' insurance account, the state employees'  
34 insurance reserve account, the state investment board expense account,  
35 the state investment board commingled trust fund accounts, the  
36 supplemental pension account, the tax reduction fund, the teachers'  
37 retirement system plan 1 account, the teachers' retirement system plan  
38 2 account, the tobacco prevention and control account, the tobacco  
39 settlement account, the transportation infrastructure account, the

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

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

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

1       **Sec. 9.** RCW 43.84.092 and 1999 c 380 s 9, 1999 c 309 s 929, 1999  
2 c 268 s 5, and 1999 c 94 s 4 are each reenacted and amended to read as  
3 follows:

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

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

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

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

34       (a) The following accounts and funds shall receive their  
35 proportionate share of earnings based upon each account's and fund's  
36 average daily balance for the period: The capitol building  
37 construction account, the Cedar River channel construction and  
38 operation account, the Central Washington University capital projects  
39 account, the charitable, educational, penal and reformatory

1 institutions account, the common school construction fund, the county  
2 criminal justice assistance account, the county sales and use tax  
3 equalization account, the data processing building construction  
4 account, the deferred compensation administrative account, the deferred  
5 compensation principal account, the department of retirement systems  
6 expense account, the drinking water assistance account, the Eastern  
7 Washington University capital projects account, the education  
8 construction fund, the emergency reserve fund, the federal forest  
9 revolving account, the health services account, the public health  
10 services account, the health system capacity account, the personal  
11 health services account, the state higher education construction  
12 account, the higher education construction account, the highway  
13 infrastructure account, the industrial insurance premium refund  
14 account, the judges' retirement account, the judicial retirement  
15 administrative account, the judicial retirement principal account, the  
16 local leasehold excise tax account, the local real estate excise tax  
17 account, the local sales and use tax account, the medical aid account,  
18 the mobile home park relocation fund, the municipal criminal justice  
19 assistance account, the municipal sales and use tax equalization  
20 account, the natural resources deposit account, the perpetual  
21 surveillance and maintenance account, the public employees' retirement  
22 system plan 1 account, the public employees' retirement system plan 2  
23 account, the Puyallup tribal settlement account, the resource  
24 management cost account, the site closure account, the special wildlife  
25 account, the state employees' insurance account, the state employees'  
26 insurance reserve account, the state investment board expense account,  
27 the state investment board commingled trust fund accounts, the  
28 supplemental pension account, the tax reduction fund, the teachers'  
29 retirement system plan 1 account, the teachers' retirement system  
30 combined plan 2 and plan 3 account, the tobacco prevention and control  
31 account, the tobacco settlement account, the transportation  
32 infrastructure account, the tuition recovery trust fund, the University  
33 of Washington bond retirement fund, the University of Washington  
34 building account, the volunteer fire fighters' and reserve officers'  
35 relief and pension principal ((~~account~~)) fund, the volunteer fire  
36 fighters' ((~~relief and pension~~)) and reserve officers' administrative  
37 ((~~account~~)) fund, the Washington judicial retirement system account,  
38 the Washington law enforcement officers' and fire fighters' system plan  
39 1 retirement account, the Washington law enforcement officers' and fire

1 fighters' system plan 2 retirement account, the Washington school  
2 employees' retirement system combined plan 2 and 3 account, the  
3 Washington state patrol retirement account, the Washington State  
4 University building account, the Washington State University bond  
5 retirement fund, the water pollution control revolving fund, and the  
6 Western Washington University capital projects account. Earnings  
7 derived from investing balances of the agricultural permanent fund, the  
8 normal school permanent fund, the permanent common school fund, the  
9 scientific permanent fund, and the state university permanent fund  
10 shall be allocated to their respective beneficiary accounts. All  
11 earnings to be distributed under this subsection (4)(a) shall first be  
12 reduced by the allocation to the state treasurer's service fund  
13 pursuant to RCW 43.08.190.

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

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

34 NEW SECTION. **Sec. 10.** (1) Sections 1 through 8 of this act take  
35 effect July 1, 2000.

36 (2) Section 9 of this act takes effect September 1, 2000.

1        NEW SECTION.    **Sec. 11.**    Sections 7 and 8 of this act expire  
2    September 1, 2000.

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