
HOUSE BILL 3150

State of Washington

56th Legislature

2000 Regular Session

By Representatives Dunshee, H. Sommers, Doumit, Dickerson, Eickmeyer, Edmonds, Edwards, Kenney, McIntire, Kastama, Wolfe, Schual-Berke, Ruderman, Kessler, Anderson, Hatfield, Wood, Morris, Lovick, Conway, Miloscia, Romero, Ogden, Fisher, Linville, Kagi, Haigh, Cooper, Lantz, Hurst, Keiser, Rockefeller, O'Brien and Stensen

Read first time 02/28/2000. Referred to Committee on Appropriations.

1 AN ACT Relating to credits against state taxes; amending RCW
2 84.36.381 and 84.36.383; reenacting and amending RCW 43.84.092; adding
3 new sections to chapter 82.14 RCW; adding new sections to chapter 84.55
4 RCW; creating new sections; providing a contingent effective date; and
5 providing an effective date.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.14 RCW
8 to read as follows:

9 (1) The legislative authority of a county may impose a sales and
10 use tax in accordance with the terms of this chapter. The rate of this
11 tax shall not exceed six and one-half percent of the selling price in
12 the case of a sales tax or value of the article used in the case of a
13 use tax.

14 (2) Taxes imposed under this section are in addition to other taxes
15 authorized by law and shall be collected from those persons who are
16 taxable by the state under chapters 82.08 and 82.12 RCW upon the
17 occurrence of any taxable event within the county. Taxes imposed under
18 this section shall be deducted from the amount of tax otherwise
19 required to be collected or paid over to the department under chapter

1 82.08 or 82.12 RCW. The department shall perform the collection of
2 such taxes on behalf of the county at no cost to the county.

3 (3) Before a county may impose the tax under this section, the
4 county must make an application to the transportation commission in a
5 form and manner prescribed by the commission. The transportation
6 commission shall identify and prioritize local transportation
7 improvement projects eligible for funding from the tax authorized under
8 this section. The commission shall approve applications from counties
9 in which a local transportation improvement project identified by the
10 transportation commission is located. The commission shall not approve
11 an application if approval would cause the total amount of all
12 approvals to exceed thirty million dollars for the 2001 fiscal year,
13 and forty-six million two hundred fifty thousand dollars for each
14 fiscal year 2002 through 2005.

15 (4) A tax imposed under this section shall expire when the revenue
16 from the tax is equal to the amount approved by the transportation
17 commission for each identified local transportation improvement project
18 located in the county, but not later than July 1, 2005.

19 (5) All revenues collected on behalf of a county under this section
20 shall be deposited in the local transportation improvement account
21 hereby created in the custody of the state treasurer. Only the
22 secretary of transportation or the secretary's designee may authorize
23 expenditures from the account. The account is subject to allotment
24 procedures under chapter 43.88 RCW, but appropriations are not required
25 for expenditures from the account. Moneys in the account may be used
26 only to pay for local transportation improvement projects identified by
27 the transportation commission. Money received from a county may be
28 used only for an identified local transportation improvement project
29 within that county.

30 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.14 RCW
31 to read as follows:

32 (1) The legislative authority of any county with a population less
33 than five hundred thousand may impose an annual sales and use tax in
34 accordance with the terms of this chapter. The rate of tax shall not
35 exceed six and one-half percent of the selling price in the case of a
36 sales tax or value of the article used in the case of a use tax. The
37 tax shall take effect on or after July 1st of each year. The tax shall
38 expire when the revenue from the tax for the county equals one thousand

1 four hundred fifty-five dollars and four cents multiplied by the miles
2 of shorelines in the county, but not later than June 30th of the
3 following year. For the purposes of this section, "miles of shorelines
4 in the county" means the number of miles of shorelines of the state, as
5 defined in RCW 90.58.030, in the county as of January 1, 2000.

6 (2) Taxes imposed under this section are in addition to other taxes
7 authorized by law and shall be collected from those persons who are
8 taxable by the state under chapters 82.08 and 82.12 RCW upon the
9 occurrence of any taxable event within the county. Taxes imposed under
10 this section shall be deducted from the amount of tax otherwise
11 required to be collected or paid over to the department of revenue
12 under chapter 82.08 or 82.12 RCW. The department shall perform the
13 collection of such taxes on behalf of the county at no cost to the
14 county.

15 (3) A county must have an approved shoreline master program, as
16 defined in RCW 90.58.030, before expending any moneys collected under
17 this section. If a county does not have an approved shoreline master
18 program before July 1, 2005, all moneys collected under this section
19 for the county shall be deposited in the state general fund.

20 (4) Moneys collected under this section shall be used for:

21 (a) Fish habitat restoration projects; or

22 (b) Acquisition and preservation of riparian habitat, however any
23 acquisitions must occur in the following manner:

24 (i) Riparian parcels located within a county-designated critical
25 area under chapter 36.70A RCW or within a county's shoreline management
26 jurisdiction under chapter 90.58 RCW, may be acquired in fee simple.
27 A county may also acquire less than fee simple interests to be held in
28 perpetuity, including conservation easements, and conservation futures
29 as defined by RCW 84.34.220 in such areas; or

30 (ii) Less than fee simple interests to be held in perpetuity,
31 including conservation easements, and conservation futures as defined
32 by RCW 84.34.220, may be acquired in other riparian properties.

33 (5) In making acquisition decisions counties shall consult with a
34 designated lead entity that has been established under RCW 75.46.060,
35 and shall give priority to riparian properties that:

36 (a) Can be acquired in coordination with acquisitions made by the
37 interagency committee for outdoor recreation according to chapter
38 43.99A RCW; or

1 (b) Have been designated by the United States national marine
2 fisheries service or the United States fish and wildlife service as
3 critical habitat for threatened or endangered species according to 16
4 U.S.C. Sec. 1533(a)(3).

5 (6) Once acquired, property or interests in property may be held
6 and managed by the county, transferred to an appropriate state agency
7 or local governmental entity, or transferred to a private nonprofit
8 nature conservation corporation as defined by RCW 64.04.130.

9 (7) All taxes imposed under this section expire July 1, 2005.

10 NEW SECTION. **Sec. 3.** The legislature recognizes that existing
11 transportation facilities in the central Puget Sound region are
12 inadequate to address mobility needs of the area. The geography of the
13 region, growth in demand for travel, and public resistance to new
14 roadways combine to further necessitate the rapid development of
15 alternative modes of travel.

16 The legislature has found and declared in RCW 47.06.140 that
17 transportation facilities and services of high-capacity transportation
18 systems are of state-wide significance. Pursuant to RCW 81.104.140,
19 the legislature has also declared that agencies authorized to provide
20 high-capacity transportation service, including regional transit
21 authorities, should seek other funds in addition to dedicated funding
22 sources, including federal, state, local, and private sector
23 assistance.

24 The imposition of state taxes on the purchase of the goods,
25 services, and activities necessary to construct a multicounty high-
26 capacity transportation system reduces the revenues available to
27 successfully implement such a system. The credit provided by section
28 4 of this act would facilitate the expansion of high-capacity
29 transportation services by offsetting the taxes paid by regional
30 transit authorities.

31 The legislature intends that the savings resulting from the credit
32 provided in section 4 of this act will provide additional funds for the
33 planning and construction of high-capacity transportation systems.

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

36 (1) The legislative authority of a regional transit authority may
37 impose a sales and use tax in accordance with the terms of this

1 chapter. The tax is in addition to other taxes authorized by law and
2 shall be collected from those persons who are taxable by the state
3 under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable
4 event within the regional transit authority district. The rate shall
5 not exceed 0.065 percent of the selling price in the case of a sales
6 tax or value of the article used in the case of a use tax.

7 (2) The tax imposed under subsection (1) of this section shall be
8 deducted from the amount of tax otherwise required to be collected or
9 paid over to the department of revenue under chapter 82.08 or 82.12
10 RCW. The department of revenue shall perform the collection of such
11 taxes on behalf of the regional transit authority at no cost to the
12 regional transit authority.

13 (3) Moneys collected under this section shall only be used for the
14 purpose of planning and constructing a high-capacity transportation
15 system.

16 (4) A tax imposed under this section shall expire when the revenue
17 from the tax equals two hundred fourteen million dollars, but not later
18 than January 1, 2007.

19 (5) As used in this section:

20 (a) "Regional transit authority" means an authority authorized
21 under chapter 81.112 RCW; and

22 (b) "High-capacity transportation system" has the same meaning as
23 provided in RCW 81.104.015.

24 **Sec. 5.** RCW 84.36.381 and 1998 c 333 s 1 are each amended to read
25 as follows:

26 A person shall be exempt from any legal obligation to pay all or a
27 portion of the amount of excess and regular real property taxes due and
28 payable in the year following the year in which a claim is filed, and
29 thereafter, in accordance with the following:

30 (1) The property taxes must have been imposed upon a residence
31 which was occupied by the person claiming the exemption as a principal
32 place of residence as of the time of filing(~~(:—PROVIDED, That)~~). Any
33 person who sells, transfers, or is displaced from his or her residence
34 may transfer his or her exemption status to a replacement residence,
35 but no claimant shall receive an exemption on more than one residence
36 in any year(~~(:—PROVIDED FURTHER, That)~~). Confinement of the person to
37 a hospital, adult family home, boarding home, or nursing home shall not
38 disqualify the claim of exemption if:

1 (a) The residence is temporarily unoccupied;
2 (b) The residence is occupied by a spouse and/or a person
3 financially dependent on the claimant for support; or

4 (c) The residence is rented for the purpose of paying nursing home,
5 adult family home, boarding home, or hospital costs;

6 (2) The person claiming the exemption must have owned, at the time
7 of filing, in fee, as a life estate, or by contract purchase, the
8 residence on which the property taxes have been imposed or if the
9 person claiming the exemption lives in a cooperative housing
10 association, corporation, or partnership, (~~such~~) the person must own
11 a share therein representing the unit or portion of the structure in
12 which (~~he or she~~) the person resides. For purposes of this
13 subsection, a residence owned by a marital community or owned by
14 cotenants shall be deemed to be owned by each spouse or cotenant, and
15 any lease for life shall be deemed a life estate;

16 (3) The person claiming the exemption must be sixty-one years of
17 age or older on December 31st of the year in which the exemption claim
18 is filed, or must have been, at the time of filing, retired from
19 regular gainful employment by reason of physical disability(~~(+~~
20 ~~PROVIDED, That any~~)). A surviving spouse of (~~a~~) the person who was
21 receiving an exemption at the time of the person's death shall qualify
22 if the surviving spouse is fifty-seven years of age or older and
23 otherwise meets the requirements of this section;

24 (4) The amount that the person shall be exempt from an obligation
25 to pay shall be calculated on the basis of combined disposable income,
26 as defined in RCW 84.36.383. If the person claiming the exemption was
27 retired for two months or more of the assessment year, the combined
28 disposable income of (~~such~~) the person shall be calculated by
29 multiplying the average monthly combined disposable income of (~~such~~)
30 the person during the months (~~such~~) the person was retired by twelve.
31 If the income of the person claiming exemption is reduced for two or
32 more months of the assessment year by reason of the death of the
33 person's spouse, or when other substantial changes occur in disposable
34 income that are likely to continue for an indefinite period of time,
35 the combined disposable income of (~~such~~) the person shall be
36 calculated by multiplying the average monthly combined disposable
37 income of (~~such~~) the person after (~~such~~) the occurrences by twelve.
38 If it is necessary to estimate income to comply with this subsection,

1 the assessor may require confirming documentation of (~~such~~) the
2 income prior to May 31st of the year following application;

3 (5)(a) A person who otherwise qualifies under this section and has
4 a combined disposable income of thirty thousand dollars or less shall
5 be exempt from all excess property taxes; and

6 (b)(i) A person who otherwise qualifies under this section and has
7 a combined disposable income of twenty-four thousand dollars or less
8 but greater than eighteen thousand dollars shall be exempt from all
9 regular property taxes on the greater of forty thousand dollars or
10 thirty-five percent of the valuation of (~~his or her~~) the residence,
11 but not to exceed sixty thousand dollars of the valuation of (~~his or~~
12 ~~her~~) the residence; or

13 (ii) A person who otherwise qualifies under this section and has a
14 combined disposable income of eighteen thousand dollars or less shall
15 be exempt from all regular property taxes on the greater of fifty
16 thousand dollars or sixty percent of the valuation of (~~his or her~~)
17 the residence; and

18 (6) For a person who otherwise qualifies under this section and has
19 a combined disposable income of thirty thousand dollars or less, the
20 valuation of the residence shall be the assessed value of the residence
21 on the later of January 1, 1995, or January 1st of the assessment year
22 the person first qualifies under this section. If the person
23 subsequently fails to qualify under this section only for one year
24 because of high income, this same valuation shall be used upon
25 requalification. If the person fails to qualify for more than one year
26 in succession because of high income or fails to qualify for any other
27 reason, the valuation upon requalification shall be the assessed value
28 on January 1st of the assessment year in which the person requalifies.
29 If the person transfers the exemption under this section to a different
30 residence, the valuation of the different residence shall be the
31 assessed value of the different residence on January 1st of the
32 assessment year in which the person transfers the exemption.

33 In no event may the valuation under this subsection be greater than
34 the true and fair value of the residence on January 1st of the
35 assessment year.

36 This subsection does not apply to subsequent improvements to the
37 property in the year in which the improvements are made. Subsequent
38 improvements to the property shall be added to the value otherwise

1 determined under this subsection at their true and fair value in the
2 year in which they are made.

3 All taxpayers who qualify for exemption under this section shall be
4 allowed a credit against the state levy equal to the tax imposed on the
5 assessed value of the owner-occupied residential property for the state
6 levy.

7 **Sec. 6.** RCW 84.36.383 and 1999 c 358 s 18 are each amended to read
8 as follows:

9 As used in RCW 84.36.381 through 84.36.389, except where the
10 context clearly indicates a different meaning:

11 (1) The term "residence" means a single family dwelling unit
12 whether such unit be separate or part of a multiunit dwelling,
13 including the land on which such dwelling stands not to exceed one
14 acre. The term shall also include a share ownership in a cooperative
15 housing association, corporation, or partnership if the person claiming
16 exemption can establish that his or her share represents the specific
17 unit or portion of such structure in which he or she resides. The term
18 shall also include a single family dwelling situated upon lands the fee
19 of which is vested in the United States or any instrumentality thereof
20 including an Indian tribe or in the state of Washington, and
21 notwithstanding the provisions of RCW 84.04.080 and 84.04.090, such a
22 residence shall be deemed real property.

23 (2) The term "real property" shall also include a mobile home which
24 has substantially lost its identity as a mobile unit by virtue of its
25 being fixed in location upon land owned or leased by the owner of the
26 mobile home and placed on a foundation (posts or blocks) with fixed
27 pipe, connections with sewer, water, or other utilities. A mobile home
28 located on land leased by the owner of the mobile home is subject, for
29 tax billing, payment, and collection purposes, only to the personal
30 property provisions of chapter 84.56 RCW and RCW 84.60.040.

31 (3) "Department" means the state department of revenue.

32 (4) "Combined disposable income" means the disposable income of the
33 person claiming the exemption, plus the disposable income of his or her
34 spouse, and the disposable income of each cotenant occupying the
35 residence for the assessment year, less amounts paid by the person
36 claiming the exemption or his or her spouse during the assessment year
37 for:

1 (a) Drugs supplied by prescription of a medical practitioner
2 authorized by the laws of this state or another jurisdiction to issue
3 prescriptions; (~~and~~)

4 (b) The treatment or care of either person received in the home or
5 in a nursing home, adult family home, or boarding home; and

6 (c) Health care insurance of either person, including any deduction
7 for medicare under Title XVIII of the social security act.

8 (5) "Disposable income" means adjusted gross income as defined in
9 the federal internal revenue code, as amended prior to January 1, 1989,
10 or such subsequent date as the director may provide by rule consistent
11 with the purpose of this section, plus all of the following items to
12 the extent they are not included in or have been deducted from adjusted
13 gross income:

14 (a) Capital gains, other than gain excluded from income under
15 section 121 of the federal internal revenue code to the extent it is
16 reinvested in a new principal residence;

17 (b) Amounts deducted for loss;

18 (c) Amounts deducted for depreciation;

19 (d) Pension and annuity receipts;

20 (e) Military pay and benefits other than attendant-care and
21 medical-aid payments;

22 (f) Veterans benefits, other than (i) attendant-care and medical-
23 aid payments or (ii) benefits for disabilities related to the
24 performance of military duties received by veterans of the armed forces
25 of the United States with service-connected disabilities of at least
26 fifty percent;

27 (g) Federal social security act and railroad retirement benefits;

28 (h) Dividend receipts; and

29 (i) Interest received on state and municipal bonds.

30 (6) "Cotenant" means a person who resides with the person claiming
31 the exemption and who has an ownership interest in the residence.

32 (7) "Adult family home" means a home licensed under chapter 70.128
33 RCW.

34 (8) "Boarding home" means a facility licensed under chapter 18.20
35 RCW.

36 (9) "Hospital" means a facility licensed under chapter 70.41 RCW.

37 (10) "Nursing home" means a facility licensed under chapter 18.51
38 RCW.

1 NEW SECTION. **Sec. 7.** A new section is added to chapter 84.55 RCW
2 to read as follows:

3 The levy for a taxing district in any year shall be reduced as
4 necessary to prevent increased exemptions resulting from the 2000
5 amendments to RCW 84.36.381 in section 5 of this act and to RCW
6 84.36.383 in section 6 of this act from resulting in a higher tax rate
7 than would have occurred without this amendment.

8 NEW SECTION. **Sec. 8.** A new section is added to chapter 82.14 RCW
9 to read as follows:

10 (1) The legislative authority of a county may impose an annual
11 sales and use tax in accordance with the terms of this chapter. The
12 rate of tax shall not exceed six and one-half percent of the selling
13 price in the case of a sales tax or value of the article used in the
14 case of a use tax. The tax shall take effect on or after January 1st
15 of each year. The tax shall expire when the revenue from the tax is
16 equal to the total amount of revenue reductions for the year for all
17 taxing districts in the county, other than the state, resulting from
18 the 2000 amendments to RCW 84.36.381 in section 5 of this act and to
19 RCW 84.36.383 in section 6 of this act, but not later than the end of
20 the calendar year.

21 (2) Taxes imposed under this section are in addition to other taxes
22 authorized by law and shall be collected from those persons who are
23 taxable by the state under chapters 82.08 and 82.12 RCW upon the
24 occurrence of any taxable event within the county. Taxes imposed under
25 this section shall be deducted from the amount of tax otherwise
26 required to be collected or paid over to the department under chapter
27 82.08 or 82.12 RCW. The department shall perform the collection of
28 such taxes on behalf of the county at no cost to the county.

29 (3) All revenues collected under this section shall be distributed
30 to taxing districts in the county, other than the state, in proportion
31 to the revenue reductions for the year resulting from the 2000
32 amendments to RCW 84.36.381 in section 5 of this act and to RCW
33 84.36.383 in section 6 of this act.

34 NEW SECTION. **Sec. 9.** A new section is added to chapter 84.55 RCW
35 to read as follows:

36 The levy for a taxing district in any year shall be reduced as
37 necessary to prevent limited values under RCW 84.40.0305 from resulting

1 in a higher tax rate than would apply if properties were valued without
2 reference to that section.

3 NEW SECTION. **Sec. 10.** A new section is added to chapter 82.14 RCW
4 to read as follows:

5 (1) The legislative authority of a county may impose an annual
6 sales and use tax in accordance with the terms of this chapter. The
7 rate of tax shall not exceed six and one-half percent of the selling
8 price in the case of a sales tax or value of the article used in the
9 case of a use tax. The tax shall take effect on or after January 1st
10 of each year. The tax shall expire when the revenue from the tax is
11 equal to the total amount of revenue reductions for the year for all
12 taxing districts in the county, other than the state, resulting from
13 limited values under RCW 84.40.0305, but not later than the end of the
14 calendar year.

15 (2) Taxes imposed under this section are in addition to other taxes
16 authorized by law and shall be collected from those persons who are
17 taxable by the state under chapters 82.08 and 82.12 RCW upon the
18 occurrence of any taxable event within the county. Taxes imposed under
19 this section shall be deducted from the amount of tax otherwise
20 required to be collected or paid over to the department under chapter
21 82.08 or 82.12 RCW. The department shall perform the collection of
22 such taxes on behalf of the county at no cost to the county.

23 (3) All revenues collected under this section shall be distributed
24 to taxing districts in the county, other than the state, in proportion
25 to the revenue reductions for the year resulting from limited values
26 under RCW 84.40.0305.

27 **Sec. 11.** RCW 43.84.092 and 1999 c 380 s 9, 1999 c 309 s 929, 1999
28 c 268 s 5, and 1999 c 94 s 4 are each reenacted and amended to read as
29 follows:

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

33 (2) The treasury income account shall be utilized to pay or receive
34 funds associated with federal programs as required by the federal cash
35 management improvement act of 1990. The treasury income account is
36 subject in all respects to chapter 43.88 RCW, but no appropriation is
37 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 drinking water assistance account, the Eastern
35 Washington University capital projects account, the education
36 construction fund, the emergency reserve fund, the federal forest
37 revolving account, the health services account, the public health
38 services account, the health system capacity account, the personal
39 health services account, the state higher education construction

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

1 reduced by the allocation to the state treasurer's service fund
2 pursuant to RCW 43.08.190.

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

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

23 NEW SECTION. **Sec. 12.** The rates of taxes imposed in a county
24 under sections 1, 2, 4, 8, and 10 of this act shall be ratably reduced
25 as necessary so that the total rate of the taxes imposed in a county
26 under RCW 82.14.0485, 82.14.0494, 82.14.370, 82.14.390, sections 1, 2,
27 4, 8, and 10 of this act do not exceed six and one-half percent at any
28 time.

29 NEW SECTION. **Sec. 13.** Section 11 of this act takes effect
30 September 1, 2000.

31 NEW SECTION. **Sec. 14.** Sections 9 and 10 of this act take effect
32 January 1, 2002, if the proposed amendment to Article VII of the state
33 Constitution allowing property valuation increases to be spread over
34 time (House Joint Resolution No. . . .) is validly submitted to and is
35 approved and ratified by the voters at a general election held in

1 November 2000. If the proposed amendment is not approved and ratified,
2 these sections are void in their entirety.

3 NEW SECTION. **Sec. 15.** Sections 5 and 6 of this act apply to taxes
4 levied for collection in 2001 and thereafter.

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