

1 **SB 6828** - H AMD TO H AMD (H-4864.3/02)**Failed 3-12-02 0563**

2 By Representative ____

3 Beginning on page 1, line 7 of the amendment, strike all material
4 through line 19 on page 9

5 Renumber remaining sections consecutively and correct title and
6 internal references accordingly.

7 On page 9 of the amendment, beginning with "except" on line 26,
8 strike all material through "act)" on line 27

9 On page 9, line 31 of the amendment, after "RCW 43.72.900" insert
10 "to the health care endowment trust fund established in section 2 of
11 this act,"

12 On page 10, after line 7 of the amendment, insert the following:
13 "(4) The treasurer shall transfer twenty percent of all moneys
14 received by the tobacco settlement account to the health care endowment
15 trust fund created in section 2 of this act."

16 On page 10 of the amendment, after line 7, insert the following:
17 "NEW SECTION. Sec. 2. A new section is added to chapter 43.79 to
18 read as follows:

19 (1) The health care endowment trust fund is created in the
20 custody of the state treasurer.

21 (2) The purpose of the fund is to provide a perpetual source of
22 funding for maintaining and enhancing the quality of health care for
23 children and the elderly, and expenditures from the fund may be made
24 only for these purposes.

25 (3) The health care endowment governing board is established to
26 design and administer the health care endowment. The board consists of
27 five members appointed by the governor.

28 (4) Only the governing board or the governing board's designee
29 may authorize expenditures from the account.

30 (5) (a) The state investment board has the full power to invest,
31 reinvest, manage, contract, sell, or exchange investment money in the

1 health care endowment trust fund. All investment and operating costs
2 associated with the investment of money shall be paid under RCW
3 43.33A.160 and 43.84.160. With the exception of these expenses, the
4 earning from the investment of the fund shall be retained by the fund.

5 (b) All investments made by the state investment board shall be
6 made with the exercise of that degree of judgment and care under RCW
7 43.33A.140 and the investment policy established by the state
8 investment board.

9 (c) As deemed appropriate by the investment board, money in the
10 fund may be commingled for investment with other funds subject to
11 investment by the board.

12 (d) The authority to establish all policies relating to the fund,
13 other than the investment policies as set forth in subsections (a)
14 through (c) of this section, resides with the governing board acting in
15 accordance with the principles set forth in this section. With the
16 exception of expenses of the state treasurer in RCW 43.330.200 and the
17 investment board set forth in subsection (a) of this section,
18 disbursements from the fund shall be made only on the authorization of
19 the governing board or the board's designee, and money in the fund may
20 be spent only for the purposes of the health care endowment program as
21 specified in this section.

22 (5) The investment board shall routinely consult and communicate
23 with the governing board on the investment policy, earnings of the
24 trust, and related needs of the program.

25 **Sec. 3.** RCW 43.79A.040 and 2001 c 201 s 4 and 2001 c 184 s 4 are
26 each reenacted and amended to read as follows:

27 (1) Money in the treasurer's trust fund may be deposited,
28 invested, and reinvested by the state treasurer in accordance with RCW
29 43.84.080 in the same manner and to the same extent as if the money
30 were in the state treasury.

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

34 (3) The investment income account may be utilized for the payment
35 of purchased banking services on behalf of treasurer's trust funds
36 including, but not limited to, depository, safekeeping, and
37 disbursement functions for the state treasurer or affected state
38 agencies. The investment income account is subject in all respects to
39 chapter 43.88 RCW, but no appropriation is required for payments to

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

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

6 (b) The following accounts and funds shall receive their
7 proportionate share of earnings based upon each account's or fund's
8 average daily balance for the period: The college savings program
9 account, the Washington advanced college tuition payment program
10 account, the agricultural local fund, the American Indian scholarship
11 endowment fund, the basic health plan self-insurance reserve account,
12 the Washington international exchange scholarship endowment fund, the
13 developmental disabilities endowment trust fund, the energy account,
14 the fair fund, the game farm alternative account, the grain inspection
15 revolving fund, the health care endowment trust fund, the juvenile
16 accountability incentive account, the rural rehabilitation account, the
17 stadium and exhibition center account, the youth athletic facility
18 account, the self-insurance revolving fund, the sulfur dioxide
19 abatement account, and the children's trust fund. However, the
20 earnings to be distributed shall first be reduced by the allocation to
21 the state treasurer's service fund pursuant to RCW 43.08.190.

22 (c) The following accounts and funds shall receive eighty percent
23 of their proportionate share of earnings based upon each account's or
24 fund's average daily balance for the period: The advanced right of way
25 revolving fund, the advanced environmental mitigation revolving
26 account, the city and county advance right-of-way revolving fund, the
27 federal narcotics asset forfeitures account, the high occupancy vehicle
28 account, the local rail service assistance account, and the
29 miscellaneous transportation programs account.

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

33 Renumber remaining sections consecutively and correct title and
34 internal references accordingly.

EFFECT: Removes the provisions authorizing issuance of bonds and sale of a portion of the state's revenues from the tobacco settlement. Establishes a health care endowment trust fund, overseen by a governing board and invested by the state investment board, into which twenty percent of the state's revenues from the Master Settlement Agreement must be deposited. The trust fund may be used only for health care for children and the elderly.