
SUBSTITUTE HOUSE BILL 2705

State of Washington

58th Legislature

2004 Regular Session

By House Committee on Capital Budget (originally sponsored by Representatives Dunshee, Alexander, Lovick, Armstrong, Wallace, Miloscia, Jarrett, Murray, Hankins, Schual-Berke, Boldt, O'Brien, Newhouse, Eickmeyer, Orcutt, Hunt, Kagi, Simpson, G., Clibborn, Grant, Sehlin, Pearson, Tom, Moeller, Romero, Nixon, Anderson, Talcott, Conway, Kenney, Upthegrove, Morrell and Wood)

READ FIRST TIME 02/05/04.

1 AN ACT Relating to the developmental disabilities community trust
2 account; reenacting and amending RCW 43.84.092 and 43.84.092; adding
3 new sections to chapter 71A.20 RCW; creating a new section; providing
4 an effective date; providing an expiration date; and declaring an
5 emergency.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that: There are unmet
8 needs for community-based services for persons with developmental
9 disabilities and excess resources at residential habilitation centers
10 unrelated to current residential habilitation center operations;
11 funding shortfalls in the 2003-2005 biennium and beyond may adversely
12 impact the ability of the state to fund programs for growing numbers of
13 unserved persons with developmental disabilities who need
14 community-based services; and statistics generated by the department of
15 social and health services' division of developmental disabilities
16 demonstrate a growing caseload with insufficient funding and planning
17 to address this growth.

18 The December 4, 2002, capital study of the division of
19 developmental disabilities residential habilitation centers by the

1 joint legislative audit and review committee identifies options to
2 dispose of excess property at Lakeland Village, Rainier School, and
3 Yakima Valley School that would not impact current residential
4 habilitation center operations.

5 It is the intent of the legislature to allow use of these excess
6 capital properties at residential habilitation centers for persons with
7 developmental disabilities and to place the proceeds from their use
8 into a perpetual trust account for unserved persons with developmental
9 disabilities waiting for community-based developmental disability
10 services.

11 NEW SECTION. **Sec. 2.** A new section is added to chapter 71A.20 RCW
12 to read as follows:

13 (1) Excess property identified in the 2002 joint legislative audit
14 and review committee capital study of the division of developmental
15 disabilities residential habilitation centers must be managed to
16 provide as much income as feasible and this income deposited into the
17 developmental disabilities community trust account created in section
18 3 of this act. Income may come from lease of the land, conservation
19 easements, sale of timber, or other activities short of sale of the
20 property.

21 (2) The department shall report on its efforts and strategies to
22 provide income to the developmental disabilities community trust
23 account from the excess property identified in subsection (1) of this
24 section from the lease of the property, sale of timber, or other
25 activity short of sale of the property. The department shall report by
26 June 30, 2005.

27 (3) This section and section 3 of this act shall not apply to the
28 portion of excess property at Rainier school under the cognizance and
29 control of Washington State University used for extension services and
30 not a dairy.

31 NEW SECTION. **Sec. 3.** A new section is added to chapter 71A.20 RCW
32 to read as follows:

33 The developmental disabilities community trust account is created
34 in the state treasury. All income from the use of excess property
35 identified in the 2002 joint legislative audit and review committee
36 capital study of the division of developmental disabilities residential

1 habilitation centers, any building, facility, or tract of land not held
2 in trust at any of the residential habilitation centers identified in
3 this chapter, or sale of timber on these excess lands, must be
4 deposited into this account. Only investment income from the principal
5 of the proceeds deposited into the trust account may be spent from the
6 account. Investment income from the account may be spent only after
7 appropriation and must be used solely for community developmental
8 disability services for persons with developmental disabilities who are
9 unserved. Moneys in the account may not be used to supplant ongoing
10 expenditures for community services to persons with developmental
11 disabilities.

12 **Sec. 4.** RCW 43.84.092 and 2003 c 361 s 602, 2003 c 324 s 1, and
13 2003 c 48 s 2 are each reenacted and amended to read as follows:

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

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

32 (3) Except for the provisions of RCW 43.84.160, the treasury income
33 account may be utilized for the payment of purchased banking services
34 on behalf of treasury funds including, but not limited to, depository,
35 safekeeping, and disbursement functions for the state treasury and
36 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 developmental disabilities community trust
20 account, the drinking water assistance account, the drinking water
21 assistance administrative account, the drinking water assistance
22 repayment account, the Eastern Washington University capital projects
23 account, the education construction fund, the election account, the
24 emergency reserve fund, The Evergreen State College capital projects
25 account, the federal forest revolving account, the health services
26 account, the public health services account, the health system capacity
27 account, the personal health services account, the state higher
28 education construction account, the higher education construction
29 account, the highway infrastructure account, the industrial insurance
30 premium refund account, the judges' retirement account, the judicial
31 retirement administrative account, the judicial retirement principal
32 account, the local leasehold excise tax account, the local real estate
33 excise tax account, the local sales and use tax account, the medical
34 aid account, the mobile home park relocation fund, the multimodal
35 transportation account, the municipal criminal justice assistance
36 account, the municipal sales and use tax equalization account, the
37 natural resources deposit account, the oyster reserve land account, the
38 perpetual surveillance and maintenance account, the public employees'

1 retirement system plan 1 account, the public employees' retirement
2 system combined plan 2 and plan 3 account, the public facilities
3 construction loan revolving account beginning July 1, 2004, the public
4 health supplemental account, the Puyallup tribal settlement account,
5 the regional transportation investment district account, the resource
6 management cost account, the site closure account, the special wildlife
7 account, the state employees' insurance account, the state employees'
8 insurance reserve account, the state investment board expense account,
9 the state investment board commingled trust fund accounts, the
10 supplemental pension account, the Tacoma Narrows toll bridge account,
11 the teachers' retirement system plan 1 account, the teachers'
12 retirement system combined plan 2 and plan 3 account, the tobacco
13 prevention and control account, the tobacco settlement account, the
14 transportation infrastructure account, the tuition recovery trust fund,
15 the University of Washington bond retirement fund, the University of
16 Washington building account, the volunteer fire fighters' and reserve
17 officers' relief and pension principal fund, the volunteer fire
18 fighters' and reserve officers' administrative fund, the Washington
19 fruit express account, the Washington judicial retirement system
20 account, the Washington law enforcement officers' and fire fighters'
21 system plan 1 retirement account, the Washington law enforcement
22 officers' and fire fighters' system plan 2 retirement account, the
23 Washington school employees' retirement system combined plan 2 and 3
24 account, the Washington state health insurance pool account, the
25 Washington state patrol retirement account, the Washington State
26 University building account, the Washington State University bond
27 retirement fund, the water pollution control revolving fund, and the
28 Western Washington University capital projects account. Earnings
29 derived from investing balances of the agricultural permanent fund, the
30 normal school permanent fund, the permanent common school fund, the
31 scientific permanent fund, and the state university permanent fund
32 shall be allocated to their respective beneficiary accounts. All
33 earnings to be distributed under this subsection (4)(a) shall first be
34 reduced by the allocation to the state treasurer's service fund
35 pursuant to RCW 43.08.190.

36 (b) The following accounts and funds shall receive eighty percent
37 of their proportionate share of earnings based upon each account's or
38 fund's average daily balance for the period: The aeronautics account,

1 the aircraft search and rescue account, the county arterial
2 preservation account, the department of licensing services account, the
3 essential rail assistance account, the ferry bond retirement fund, the
4 grade crossing protective fund, the high capacity transportation
5 account, the highway bond retirement fund, the highway safety account,
6 the motor vehicle fund, the motorcycle safety education account, the
7 pilotage account, the public transportation systems account, the Puget
8 Sound capital construction account, the Puget Sound ferry operations
9 account, the recreational vehicle account, the rural arterial trust
10 account, the safety and education account, the special category C
11 account, the state patrol highway account, the transportation 2003
12 account (nickel account), the transportation equipment fund, the
13 transportation fund, the transportation improvement account, the
14 transportation improvement board bond retirement account, and the urban
15 arterial trust account.

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

19 **Sec. 5.** RCW 43.84.092 and 2003 c 361 s 602, 2003 c 324 s 1, 2003
20 c 150 s 2, and 2003 c 48 s 2 are each reenacted and amended to read as
21 follows:

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

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

1 cash management improvement act, and this subsection. Refunds or
2 allocations shall occur prior to the distributions of earnings set
3 forth in subsection (4) of this section.

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

12 (4) Monthly, the state treasurer shall distribute the earnings
13 credited to the treasury income account. The state treasurer shall
14 credit the general fund with all the earnings credited to the treasury
15 income account except:

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

1 retirement administrative account, the judicial retirement principal
2 account, the local leasehold excise tax account, the local real estate
3 excise tax account, the local sales and use tax account, the medical
4 aid account, the mobile home park relocation fund, the multimodal
5 transportation account, the municipal criminal justice assistance
6 account, the municipal sales and use tax equalization account, the
7 natural resources deposit account, the oyster reserve land account, the
8 perpetual surveillance and maintenance account, the public employees'
9 retirement system plan 1 account, the public employees' retirement
10 system combined plan 2 and plan 3 account, the public facilities
11 construction loan revolving account beginning July 1, 2004, the public
12 health supplemental account, the public works assistance account, the
13 Puyallup tribal settlement account, the regional transportation
14 investment district account, the resource management cost account, the
15 site closure account, the special wildlife account, the state
16 employees' insurance account, the state employees' insurance reserve
17 account, the state investment board expense account, the state
18 investment board commingled trust fund accounts, the supplemental
19 pension account, the Tacoma Narrows toll bridge account, the teachers'
20 retirement system plan 1 account, the teachers' retirement system
21 combined plan 2 and plan 3 account, the tobacco prevention and control
22 account, the tobacco settlement account, the transportation
23 infrastructure account, the tuition recovery trust fund, the University
24 of Washington bond retirement fund, the University of Washington
25 building account, the volunteer fire fighters' and reserve officers'
26 relief and pension principal fund, the volunteer fire fighters' and
27 reserve officers' administrative fund, the Washington fruit express
28 account, the Washington judicial retirement system account, the
29 Washington law enforcement officers' and fire fighters' system plan 1
30 retirement account, the Washington law enforcement officers' and fire
31 fighters' system plan 2 retirement account, the Washington school
32 employees' retirement system combined plan 2 and 3 account, the
33 Washington state health insurance pool account, the Washington state
34 patrol retirement account, the Washington State University building
35 account, the Washington State University bond retirement fund, the
36 water pollution control revolving fund, and the Western Washington
37 University capital projects account. Earnings derived from investing
38 balances of the agricultural permanent fund, the normal school

1 permanent fund, the permanent common school fund, the scientific
2 permanent fund, and the state university permanent fund shall be
3 allocated to their respective beneficiary accounts. All earnings to be
4 distributed under this subsection (4)(a) shall first be reduced by the
5 allocation to the state treasurer's service fund pursuant to RCW
6 43.08.190.

7 (b) The following accounts and funds shall receive eighty percent
8 of their proportionate share of earnings based upon each account's or
9 fund's average daily balance for the period: The aeronautics account,
10 the aircraft search and rescue account, the county arterial
11 preservation account, the department of licensing services account, the
12 essential rail assistance account, the ferry bond retirement fund, the
13 grade crossing protective fund, the high capacity transportation
14 account, the highway bond retirement fund, the highway safety account,
15 the motor vehicle fund, the motorcycle safety education account, the
16 pilotage account, the public transportation systems account, the Puget
17 Sound capital construction account, the Puget Sound ferry operations
18 account, the recreational vehicle account, the rural arterial trust
19 account, the safety and education account, the special category C
20 account, the state patrol highway account, the transportation 2003
21 account (nickel account), the transportation equipment fund, the
22 transportation fund, the transportation improvement account, the
23 transportation improvement board bond retirement account, and the urban
24 arterial trust account.

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

28 NEW SECTION. **Sec. 6.** This act is necessary for the immediate
29 preservation of the public peace, health, or safety, or support of the
30 state government and its existing public institutions, and takes effect
31 immediately, except for section 5 of this act which takes effect July
32 1, 2005.

33 NEW SECTION. **Sec. 7.** Section 4 of this act expires July 1, 2005.

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