
HOUSE BILL 3174

State of Washington 58th Legislature 2004 Regular Session

By Representatives Cooper, Conway, Simpson, G. and Chase

Read first time 02/03/2004. Referred to Committee on Appropriations.

1 AN ACT Relating to creating a medical account for the catastrophic
2 illnesses of law enforcement officers' and fire fighters' retirement
3 system plan 1 members and beneficiaries; reenacting and amending RCW
4 43.79A.040; adding new sections to chapter 41.26 RCW; and creating a
5 new section.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 41.26 RCW
8 under the subchapter heading "plan 1" to read as follows:

9 The law enforcement officers' and fire fighters' retirement system
10 plan 1 medical account is created in the custody of the state
11 treasurer. All receipts from contributions under section 2 of this act
12 must be deposited into the account. Expenditures from the account may
13 be used only for the catastrophic medical expenses of employers for the
14 benefit of members or beneficiaries as defined in rule under section 3
15 of this act. Only the director of retirement systems or the director's
16 designee may authorize expenditures from the account. The account is
17 subject to allotment procedures under chapter 43.88 RCW, but an
18 appropriation is not required for expenditures.

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 41.26 RCW
2 under the subchapter heading "plan 1" to read as follows:

3 (1) Every member shall have deducted from each payroll a sum equal
4 to six percent of basic salary minus any member contribution deducted
5 under RCW 41.26.080 for deposit into the law enforcement officers' and
6 fire fighters' retirement system plan 1 medical account under section
7 1 of this act.

8 (2) Every employer shall contribute monthly a sum equal to six
9 percent of basic salary for each plan 1 employee minus any employer
10 contribution made under RCW 41.26.080 for deposit into the law
11 enforcement officers' and fire fighters' retirement system plan 1
12 medical account under section 1 of this act.

13 NEW SECTION. **Sec. 3.** The director of retirement systems shall
14 adopt rules governing the qualifications necessary for the receipt of
15 distributions from the law enforcement officers' and fire fighters'
16 retirement system plan 1 medical account.

17 **Sec. 4.** RCW 43.79A.040 and 2003 c 403 s 9, 2003 c 313 s 10, 2003
18 c 191 s 7, 2003 c 148 s 15, 2003 c 92 s 8, and 2003 c 19 s 12 are each
19 reenacted and amended to read as follows:

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

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

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

35 (4)(a) Monthly, the state treasurer shall distribute the earnings

1 credited to the investment income account to the state general fund
2 except under (b) and (c) of this subsection.

3 (b) The following accounts and funds shall receive their
4 proportionate share of earnings based upon each account's or fund's
5 average daily balance for the period: The Washington promise
6 scholarship account, the college savings program account, the
7 Washington advanced college tuition payment program account, the
8 agricultural local fund, the American Indian scholarship endowment
9 fund, the students with dependents grant account, the basic health plan
10 self-insurance reserve account, the contract harvesting revolving
11 account, the Washington state combined fund drive account, the
12 Washington international exchange scholarship endowment fund, the
13 developmental disabilities endowment trust fund, the energy account,
14 the fair fund, the fruit and vegetable inspection account, the game
15 farm alternative account, the grain inspection revolving fund, the
16 juvenile accountability incentive account, the law enforcement
17 officers' and fire fighters' retirement system plan 1 medical account,
18 the law enforcement officers' and fire fighters' plan 2 expense fund,
19 the local tourism promotion account, the produce railcar pool account,
20 the rural rehabilitation account, the stadium and exhibition center
21 account, the youth athletic facility account, the self-insurance
22 revolving fund, the sulfur dioxide abatement account, and the
23 children's trust fund(~~(, and the investing in innovation account)~~).
24 However, the earnings to be distributed shall first be reduced by the
25 allocation to the state treasurer's service fund pursuant to RCW
26 43.08.190.

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

35 (5) In conformance with Article II, section 37 of the state
36 Constitution, no trust accounts or funds shall be allocated earnings

1 without the specific affirmative directive of this section.

--- END ---