
SUBSTITUTE SENATE BILL 5912

State of Washington

58th Legislature

2003 Regular Session

By Senate Committee on Highways & Transportation (originally sponsored by Senators Mulliken, Haugen, Sheahan, Horn, Parlette, Rasmussen and Spanel)

READ FIRST TIME 03/07/03.

1 AN ACT Relating to a state produce railcar pool; reenacting and
2 amending RCW 43.84.092; adding new sections to chapter 47.76 RCW; and
3 creating a new section.

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

5 NEW SECTION. **Sec. 1.** FINDINGS AND INTENT. The legislature finds
6 that an actively coordinated and cooperatively facilitated railcar pool
7 for transportation of perishable agricultural commodities is necessary
8 for the continued viability and competitiveness of Washington's
9 agricultural industry. The legislature also finds that the rail
10 transportation model established by the Washington Grain Train program
11 has been successful in serving the shipping needs of the wheat
12 industry.

13 It is, therefore, the intent of the legislature to authorize and
14 direct the Washington department of transportation to develop a railcar
15 program for Washington's perishable commodity industries to be known as
16 the Washington Produce Railcar Pool. This railcar program should be
17 modeled from the Washington Grain Train program, but be made flexible
18 enough to work with entities outside state government in order to

1 fulfill its mission, including, but not limited to, the federal and
2 local governments, commodity commissions, and private entities.

3 NEW SECTION. **Sec. 2.** DEFINITION. As used in this act "short line
4 railroad" means a Class II or Class III railroad as defined by the
5 United States Surface Transportation Board.

6 NEW SECTION. **Sec. 3.** DEPARTMENTAL AUTHORITY. In addition to
7 powers otherwise granted by law, the department may establish a
8 Washington Produce Railcar Pool to promote viable, cost-effective rail
9 service for Washington produce, including but not limited to apples,
10 onions, pears, and potatoes, both processed and fresh.

11 To the extent that funds are appropriated, the department may:

12 (1) Operate the Washington Produce Railcar Pool program while
13 working in close coordination with the department of agriculture,
14 interested commodity commissions, port districts, and other interested
15 parties;

16 (2) For the purposes of this program:

17 (a) Purchase or lease new or used refrigerated railcars;

18 (b) Accept donated refrigerated railcars; and

19 (c) Refurbish and remodel the railcars.

20 (3) Hire, in consultation with affected stakeholders, including but
21 not limited to short line railroads, commodity commissions, and port
22 districts, a transportation management firm to perform the function
23 outlined in section 5 of this act; and

24 (4) Contribute the efforts of a short line rail-financing expert to
25 find funding for the project to help interested short line railroads in
26 this state to accomplish the necessary operating arrangements once the
27 railcars are ready for service.

28 NEW SECTION. **Sec. 4.** FUNDING. To the extent that funds are
29 appropriated, the department shall fund the program as follows: The
30 department may accept funding from the federal government, or other
31 public or private sources, to purchase or lease new or used railcars
32 and to refurbish and remodel the railcars as needed. Nothing in this
33 section precludes other entities, including but not limited to short
34 line railroads, from performing the remodeling under sections 1 through
35 6 of this act.

1 NEW SECTION. **Sec. 5.** RAILCAR POOL MANAGEMENT. (1) The
2 transportation management firm hired under section 3(3) of this act
3 shall manage the day-to-day operations of the railcars, such as
4 monitoring the location of the cars, returning them to this state,
5 distributing them, arranging for pretrips and repairs, and arranging
6 for per diem, mileage allowances, and other freight billing charges
7 with the railroads.

8 (2) The railcar pool must be managed over the life of the railcars
9 so that the railcars will be distributed to railroads and port
10 districts around the state for produce loadings as market conditions
11 warrant or to other users, including out-of-state users by contractual
12 agreement, during times of excess capacity.

13 (3) To maximize railcar availability and use, the department or the
14 transportation management firm may make agreements with the
15 transcontinental railroad systems to pool Washington-owned or
16 Washington-managed railcars with those of the railroads. In such
17 instances, the railroad must agree to provide immediately an equal
18 number of railcars to the Washington railcar pool.

19 (4) The department shall act in an oversight role to verify that
20 the railcar pool is managed in accordance with subsections (2) and (3)
21 of this section.

22 NEW SECTION. **Sec. 6.** PRODUCE RAILCAR POOL ACCOUNT. The produce
23 railcar pool account is created in the custody of the state treasurer.
24 All receipts from per diem charges, mileage charges, and freight
25 billing charges paid by railroads and shippers that use the railcars in
26 the Washington Produce Railcar Pool must be deposited into the account.
27 Expenditures from the account may be used only for the purposes of
28 sections 1 through 5 of this act. Only the secretary of transportation
29 or the secretary's designee may authorize expenditures from the
30 account. The account is subject to allotment procedures under chapter
31 43.88 RCW, but an appropriation is not required for expenditures.

32 **Sec. 7.** RCW 43.84.092 and 2002 c 242 s 2, 2002 c 114 s 24, and
33 2002 c 56 s 402 are each reenacted and amended to read as follows:

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

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

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

24 (4) Monthly, the state treasurer shall distribute the earnings
25 credited to the treasury income account. The state treasurer shall
26 credit the general fund with all the earnings credited to the treasury
27 income account except:

28 (a) The following accounts and funds shall receive their
29 proportionate share of earnings based upon each account's and fund's
30 average daily balance for the period: The capitol building
31 construction account, the Cedar River channel construction and
32 operation account, the Central Washington University capital projects
33 account, the charitable, educational, penal and reformatory
34 institutions account, the common school construction fund, the county
35 criminal justice assistance account, the county sales and use tax
36 equalization account, the data processing building construction
37 account, the deferred compensation administrative account, the deferred
38 compensation principal account, the department of retirement systems

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

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

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

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

36 NEW SECTION. **Sec. 8.** Section captions used in this act are not
37 part of the law.

1 NEW SECTION. **Sec. 9.** Sections 1 through 6 of this act are each
2 added to chapter 47.76 RCW.

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