
SENATE BILL 6687

State of Washington 58th Legislature 2004 Regular Session

By Senators Murray, T. Sheldon, Benton and Roach

Read first time 01/29/2004. Referred to Committee on Ways & Means.

1 AN ACT Relating to the state expenditure limit; amending RCW
2 43.135.025 and 43.135.045; reenacting and amending RCW 43.135.035,
3 43.135.045, 43.84.092, and 43.84.092; repealing RCW 43.33A.220 and
4 43.135.051; providing effective dates; and providing expiration dates.

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

6 **Sec. 1.** RCW 43.135.025 and 2000 2nd sp.s. c 2 s 1 are each amended
7 to read as follows:

8 (1) The state shall not expend from the general fund and related
9 funds during any fiscal year state moneys in excess of the state
10 expenditure limit established under this chapter.

11 (2) Except pursuant to a declaration of emergency under RCW
12 43.135.035 or pursuant to an appropriation under RCW 43.135.045(~~(+4)~~)
13 (2)(b), the state treasurer shall not issue or redeem any check,
14 warrant, or voucher that will result in a state general fund or related
15 fund expenditure for any fiscal year in excess of the state expenditure
16 limit established under this chapter. A violation of this subsection
17 constitutes a violation of RCW 43.88.290 and shall subject the state
18 treasurer to the penalties provided in RCW 43.88.300.

1 (3) The state expenditure limit for any fiscal year shall be the
2 previous fiscal year's state expenditure limit increased by a
3 percentage rate that equals the fiscal growth factor.

4 (4) For purposes of computing the state expenditure limit for the
5 fiscal year beginning July 1, ~~((1995))~~ 2004, the phrase "the previous
6 fiscal year's state expenditure limit" means the total state
7 expenditures from the state general fund and related funds, not
8 including federal funds, for the fiscal year beginning July 1, ~~((1989))~~
9 2003, plus the fiscal growth factor. ~~((This calculation is then
10 computed for the state expenditure limit for fiscal years 1992, 1993,
11 1994, and 1995, and as required under RCW 43.135.035(4).))~~

12 (5) A state expenditure limit committee is established for the
13 purpose of determining and adjusting the state expenditure limit as
14 provided in this chapter. The members of the state expenditure limit
15 committee are the director of financial management, the attorney
16 general or the attorney general's designee, and the chairs and ranking
17 minority members of the senate committee on ways and means and the
18 house of representatives committee on appropriations. All actions of
19 the state expenditure limit committee taken pursuant to this chapter
20 require an affirmative vote of at least ~~((three))~~ four members.

21 (6) Each November, the state expenditure limit committee shall
22 adjust the expenditure limit for the preceding fiscal year based on
23 actual expenditures and known changes in the fiscal growth factor and
24 then project an expenditure limit for the next two fiscal years. If,
25 by November 30th, the state expenditure limit committee has not adopted
26 the expenditure limit adjustment and projected expenditure limit as
27 provided in subsection (5) of this section, the attorney general or his
28 or her designee shall adjust or project the expenditure limit, as
29 necessary.

30 (7) "Fiscal growth factor" means the average of the sum of
31 inflation and population change for each of the prior three fiscal
32 years.

33 (8) "Inflation" means the percentage change in the implicit price
34 deflator for the United States for each fiscal year as published by the
35 federal bureau of labor statistics.

36 (9) "Population change" means the percentage change in state
37 population for each fiscal year as reported by the office of financial
38 management.

1 (b) Additional taxes required for an emergency under this section
2 may be imposed only until thirty days following the next general
3 election, unless an extension is approved at that general election.
4 The additional taxes shall expire upon expiration of the declaration of
5 emergency. The legislature shall not impose additional taxes for
6 emergency purposes under this subsection unless funds in the education
7 construction fund have been exhausted.

8 (c) The state or any political subdivision of the state shall not
9 impose any tax on intangible property listed in RCW 84.36.070 as that
10 statute exists on January 1, 1993.

11 (4) If the cost of any state program or function is shifted from
12 the state general fund (~~((on or after January 1, 1993,))~~) or related fund
13 to another source of funding, or if moneys are transferred from the
14 state general fund or related fund to another fund or account, the
15 state expenditure limit committee, acting pursuant to RCW
16 43.135.025(5), shall lower the state expenditure limit to reflect the
17 shift. For the purposes of this section, a transfer of money from the
18 state general fund or related fund to another fund or account includes
19 any state legislative action (~~((taken after July 1, 2000,))~~) that has the
20 effect of reducing revenues from a particular source, where such
21 revenues would otherwise be deposited into the state general fund or
22 related fund, while increasing the revenues from that particular source
23 to another state or local government account. For purposes of this
24 section, a shift of program costs includes the shift of any portion of
25 the program's cost, including the shift of any expenditure growth in
26 the program. This subsection does not apply to the dedication or use
27 of lottery revenues under RCW 67.70.240(3) or property taxes under RCW
28 84.52.068, in support of education or education expenditures.

29 (5) If the cost of any state program or function (~~((is))~~) and the
30 ongoing revenue necessary to fund the program or function are shifted
31 to the state general fund or related fund on or after January 1,
32 (~~((2000, from another source of funding, or if moneys are transferred to~~
33 ~~the state general fund from another fund or account))~~) 2004, the state
34 expenditure limit committee, acting pursuant to RCW 43.135.025(5),
35 shall increase the state expenditure limit to reflect the shift.

36 **Sec. 3.** RCW 43.135.045 and 2003 1st sp.s. c 26 s 919 and 2003 1st
37 sp.s. c 25 s 920 are each reenacted and amended to read as follows:

1 (1) ~~((The emergency reserve fund is established in the state~~
2 ~~treasury. During each fiscal year, the state treasurer shall deposit~~
3 ~~in the emergency reserve fund all general fund state revenues in~~
4 ~~excess of the state expenditure limit for that fiscal year. Deposits~~
5 ~~shall be made at the end of each fiscal quarter based on projections of~~
6 ~~state revenues and the state expenditure limit. The treasurer shall~~
7 ~~make transfers between these accounts as necessary to reconcile actual~~
8 ~~annual revenues and the expenditure limit for fiscal year 2000 and~~
9 ~~thereafter.~~

10 ~~(2) The legislature may appropriate moneys from the emergency~~
11 ~~reserve fund only with approval of at least two thirds of the members~~
12 ~~of each house of the legislature, and then only if the appropriation~~
13 ~~does not cause total expenditures to exceed the state expenditure limit~~
14 ~~under this chapter.~~

15 ~~(3) The emergency reserve fund balance shall not exceed five~~
16 ~~percent of annual general fund state revenues as projected by the~~
17 ~~official state revenue forecast. Any balance in excess of five percent~~
18 ~~shall be transferred on a quarterly basis by the state treasurer as~~
19 ~~follows: Seventy five percent to)) The student achievement fund is~~
20 ~~hereby created in the state treasury ((and twenty five percent to the~~
21 ~~general fund balance. The treasurer shall make transfers between these~~
22 ~~accounts as necessary to reconcile actual annual revenues for fiscal~~
23 ~~year 2000 and thereafter. When per student state funding for the~~
24 ~~maintenance and operation of K-12 education meets a level of no less~~
25 ~~than ninety percent of the national average of total funding from all~~
26 ~~sources per student as determined by the most recent published data~~
27 ~~from the national center for education statistics of the United States~~
28 ~~department of education, as calculated by the office of financial~~
29 ~~management, further deposits to the student achievement fund shall be~~
30 ~~required only to the extent necessary to maintain the ninety percent~~
31 ~~level. Remaining funds are part of the general fund balance and these~~
32 ~~funds are subject to the expenditure limits of this chapter)).~~

33 ~~((+4))~~ (2) The education construction fund is hereby created in
34 the state treasury.

35 (a) Funds may be appropriated from the education construction fund
36 exclusively for common school construction or higher education
37 construction. During the fiscal years beginning July 1, 2003, and

1 ending June 30, 2005, funds may also be used for higher education
2 facilities preservation and maintenance.

3 (b) Funds may be appropriated for any other purpose only if
4 approved by a two-thirds vote of each house of the legislature and if
5 approved by a vote of the people at the next general election. An
6 appropriation approved by the people under this subsection shall result
7 in an adjustment to the state expenditure limit only for the fiscal
8 period for which the appropriation is made and shall not affect any
9 subsequent fiscal period.

10 ~~((+5))~~ (3) Funds from the student achievement fund shall be
11 appropriated to the superintendent of public instruction strictly for
12 distribution to school districts to meet the provisions set out in the
13 student achievement act. Allocations shall be made on an equal per
14 full-time equivalent student basis to each school district.

15 ~~((+6) Earnings of the emergency reserve fund under RCW
16 43.84.092(4)(a) shall be transferred quarterly to the multimodal
17 transportation account, except for those earnings that are in excess of
18 thirty five million dollars each fiscal year. Within thirty days
19 following any fiscal year in which earnings transferred to the
20 multimodal transportation account under this subsection did not total
21 thirty five million dollars, the state treasurer shall transfer from
22 the emergency reserve fund an amount necessary to bring the total
23 deposited in the multimodal transportation account under this
24 subsection to thirty five million dollars. The revenues to the
25 multimodal transportation account reflected in this subsection provide
26 ongoing support for the transportation programs of the state. However,
27 it is the intent of the legislature that any new long term financial
28 support that may be subsequently provided for transportation programs
29 will be used to replace and supplant the revenues reflected in this
30 subsection, thereby allowing those revenues to be returned to the
31 purposes to which they were previously dedicated.))~~

32 (4) No transfers from the emergency reserve fund to the multimodal
33 fund shall be made during the 2003-05 fiscal biennium.

34 **Sec. 4.** RCW 43.135.045 and 2003 1st sp.s. c 25 s 920 are each
35 amended to read as follows:

36 (1) ~~((The emergency reserve fund is established in the state
37 treasury. During each fiscal year, the state treasurer shall deposit~~

1 ~~in the emergency reserve fund all general fund state revenues in~~
2 ~~excess of the state expenditure limit for that fiscal year. Deposits~~
3 ~~shall be made at the end of each fiscal quarter based on projections of~~
4 ~~state revenues and the state expenditure limit. The treasurer shall~~
5 ~~make transfers between these accounts as necessary to reconcile actual~~
6 ~~annual revenues and the expenditure limit for fiscal year 2000 and~~
7 ~~thereafter.~~

8 ~~(2) The legislature may appropriate moneys from the emergency~~
9 ~~reserve fund only with approval of at least two thirds of the members~~
10 ~~of each house of the legislature, and then only if the appropriation~~
11 ~~does not cause total expenditures to exceed the state expenditure limit~~
12 ~~under this chapter.~~

13 ~~(3) The emergency reserve fund balance shall not exceed five~~
14 ~~percent of annual general fund state revenues as projected by the~~
15 ~~official state revenue forecast. Any balance in excess of five percent~~
16 ~~shall be transferred on a quarterly basis by the state treasurer as~~
17 ~~follows: Seventy five percent to))~~ The student achievement fund is
18 hereby created in the state treasury and twenty-five percent to the
19 general fund balance. The treasurer shall make transfers between these
20 accounts as necessary to reconcile actual annual revenues for fiscal
21 year 2000 and thereafter. When per-student state funding for the
22 maintenance and operation of K-12 education meets a level of no less
23 than ninety percent of the national average of total funding from all
24 sources per student as determined by the most recent published data
25 from the national center for education statistics of the United States
26 department of education, as calculated by the office of financial
27 management, further deposits to the student achievement fund shall be
28 required only to the extent necessary to maintain the ninety-percent
29 level. Remaining funds are part of the general fund balance and these
30 funds are subject to the expenditure limits of this chapter.

31 ~~((4))~~ (2) The education construction fund is hereby created in
32 the state treasury.

33 (a) Funds may be appropriated from the education construction fund
34 exclusively for common school construction or higher education
35 construction.

36 (b) Funds may be appropriated for any other purpose only if
37 approved by a two-thirds vote of each house of the legislature and if
38 approved by a vote of the people at the next general election. An

1 appropriation approved by the people under this subsection shall result
2 in an adjustment to the state expenditure limit only for the fiscal
3 period for which the appropriation is made and shall not affect any
4 subsequent fiscal period.

5 ~~((5))~~ (3) Funds from the student achievement fund shall be
6 appropriated to the superintendent of public instruction strictly for
7 distribution to school districts to meet the provisions set out in the
8 student achievement act. Allocations shall be made on an equal per
9 full-time equivalent student basis to each school district.

10 ~~((6) Earnings of the emergency reserve fund under RCW
11 43.84.092(4)(a) shall be transferred quarterly to the multimodal
12 transportation account, except for those earnings that are in excess of
13 thirty five million dollars each fiscal year. Within thirty days
14 following any fiscal year in which earnings transferred to the
15 multimodal transportation account under this subsection did not total
16 thirty five million dollars, the state treasurer shall transfer from
17 the emergency reserve fund an amount necessary to bring the total
18 deposited in the multimodal transportation account under this
19 subsection to thirty five million dollars. The revenues to the
20 multimodal transportation account reflected in this subsection provide
21 ongoing support for the transportation programs of the state. However,
22 it is the intent of the legislature that any new long term financial
23 support that may be subsequently provided for transportation programs
24 will be used to replace and supplant the revenues reflected in this
25 subsection, thereby allowing those revenues to be returned to the
26 purposes to which they were previously dedicated.))~~

27 (4) No transfers from the emergency reserve fund to the multimodal
28 fund shall be made during the 2003-05 fiscal biennium.

29 **Sec. 5.** RCW 43.84.092 and 2003 c 361 s 602, 2003 c 324 s 1, and
30 2003 c 48 s 2 are each reenacted and amended to read as follows:

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

34 (2) The treasury income account shall be utilized to pay or receive
35 funds associated with federal programs as required by the federal cash
36 management improvement act of 1990. The treasury income account is
37 subject in all respects to chapter 43.88 RCW, but no appropriation is

1 required for refunds or allocations of interest earnings required by
2 the cash management improvement act. Refunds of interest to the
3 federal treasury required under the cash management improvement act
4 fall under RCW 43.88.180 and shall not require appropriation. The
5 office of financial management shall determine the amounts due to or
6 from the federal government pursuant to the cash management improvement
7 act. The office of financial management may direct transfers of funds
8 between accounts as deemed necessary to implement the provisions of the
9 cash management improvement act, and this subsection. Refunds or
10 allocations shall occur prior to the distributions of earnings set
11 forth in subsection (4) of this section.

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

20 (4) Monthly, the state treasurer shall distribute the earnings
21 credited to the treasury income account. The state treasurer shall
22 credit the general fund with all the earnings credited to the treasury
23 income account except:

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

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

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

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

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

34 **Sec. 6.** RCW 43.84.092 and 2003 c 361 s 602, 2003 c 324 s 1, 2003
35 c 150 s 2, and 2003 c 48 s 2 are each reenacted and amended to read as
36 follows:

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

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

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

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

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

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

1 building account, the volunteer fire fighters' and reserve officers'
2 relief and pension principal fund, the volunteer fire fighters' and
3 reserve officers' administrative fund, the Washington fruit express
4 account, the Washington judicial retirement system account, the
5 Washington law enforcement officers' and fire fighters' system plan 1
6 retirement account, the Washington law enforcement officers' and fire
7 fighters' system plan 2 retirement account, the Washington school
8 employees' retirement system combined plan 2 and 3 account, the
9 Washington state health insurance pool account, the Washington state
10 patrol retirement account, the Washington State University building
11 account, the Washington State University bond retirement fund, the
12 water pollution control revolving fund, and the Western Washington
13 University capital projects account. Earnings derived from investing
14 balances of the agricultural permanent fund, the normal school
15 permanent fund, the permanent common school fund, the scientific
16 permanent fund, and the state university permanent fund shall be
17 allocated to their respective beneficiary accounts. All earnings to be
18 distributed under this subsection (4)(a) shall first be reduced by the
19 allocation to the state treasurer's service fund pursuant to RCW
20 43.08.190.

21 (b) The following accounts and funds shall receive eighty percent
22 of their proportionate share of earnings based upon each account's or
23 fund's average daily balance for the period: The aeronautics account,
24 the aircraft search and rescue account, the county arterial
25 preservation account, the department of licensing services account, the
26 essential rail assistance account, the ferry bond retirement fund, the
27 grade crossing protective fund, the high capacity transportation
28 account, the highway bond retirement fund, the highway safety account,
29 the motor vehicle fund, the motorcycle safety education account, the
30 pilotage account, the public transportation systems account, the Puget
31 Sound capital construction account, the Puget Sound ferry operations
32 account, the recreational vehicle account, the rural arterial trust
33 account, the safety and education account, the special category C
34 account, the state patrol highway account, the transportation 2003
35 account (nickel account), the transportation equipment fund, the
36 transportation fund, the transportation improvement account, the
37 transportation improvement board bond retirement account, and the urban
38 arterial trust account.

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

4 NEW SECTION. **Sec. 7.** The following acts or parts of acts are each
5 repealed:

6 (1) RCW 43.33A.220 (Emergency reserve fund--Board's duties) and
7 1999 c 288 s 2; and

8 (2) RCW 43.135.051 (Emergency reserve fund--State investment board
9 authority to invest or manage) and 1999 c 288 s 1.

10 NEW SECTION. **Sec. 8.** Section 3 of this act expires June 30, 2005.

11 NEW SECTION. **Sec. 9.** Section 4 of this act takes effect June 30,
12 2005.

13 NEW SECTION. **Sec. 10.** Section 5 of this act expires July 1, 2005.

14 NEW SECTION. **Sec. 11.** Section 6 of this act takes effect July 1,
15 2005.

--- END ---