

E3SHB 2939 - S AMD 356

By Senator Rockefeller

ADOPTED 03/02/2006

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that:

4 (1) Washington's dependence on energy supplied from outside the
5 state and volatile global energy markets makes its economy and citizens
6 vulnerable to unpredictable and high energy prices;

7 (2) Washington's dependence on petroleum-based fuels increases
8 energy costs for citizens and businesses;

9 (3) Diesel soot from diesel engines ranks as the highest toxic air
10 pollutant in Washington, leading to hundreds of premature deaths and
11 increasing rates of asthma and other lung diseases;

12 (4) The use of biodiesel results in significantly less air
13 pollution than traditional diesel fuels;

14 (5) Improper disposal and treatment of organic waste from farms and
15 livestock operations can have a significant negative impact on water
16 quality;

17 (6) Washington has abundant supplies of organic wastes from farms
18 that can be used for energy production and abundant farmland where
19 crops could be grown to supplement or supplant petroleum-based fuels;

20 (7) The use of energy and fuel derived from these sources can help
21 citizens and businesses conserve energy and reduce the use of
22 petroleum-based fuels, would improve air and water quality in
23 Washington, reduce environmental risks from farm wastes, create new
24 markets for farm products, and provide new industries and jobs for
25 Washington citizens;

26 (8) The bioenergy industry is a new and developing industry that
27 is, in part, limited by the availability of capital for the
28 construction of facilities for converting farm and forest products into
29 energy and fuels;

1 (9) Instead of leaving our economy at the mercy of global events,
2 and the policies of foreign nations, Washington state should adopt a
3 policy of energy independence; and

4 (10) The energy freedom program is meant to lead Washington state
5 towards energy independence.

6 Therefore, the legislature finds that it is in the public interest
7 to encourage the rapid adoption and use of bioenergy, to develop a
8 viable bioenergy industry within Washington state, to promote public
9 research and development in bioenergy sources and markets, and to
10 support a viable agriculture industry to grow bioenergy crops. To
11 accomplish this, the energy freedom program is established to promote
12 public research and development in bioenergy, and to stimulate the
13 construction of facilities in Washington to generate energy from farm
14 sources or convert organic matter into fuels.

15 NEW SECTION. **Sec. 2.** The definitions in this section apply
16 throughout this chapter unless the context clearly requires otherwise.

17 (1) "Applicant" means any political subdivision of the state,
18 including port districts, counties, cities, towns, special purpose
19 districts, and other municipal corporations or quasi-municipal
20 corporations. "Applicant" may also include federally recognized tribes
21 and state institutions of higher education with appropriate research
22 capabilities.

23 (2) "Assistance" includes loans, leases, product purchases, or
24 other forms of financial or technical assistance.

25 (3) "Department" means the department of agriculture.

26 (4) "Director" means the director of the department of agriculture.

27 (5) "Peer review committee" means a board, appointed by the
28 director, that includes bioenergy specialists, energy conservation
29 specialists, scientists, and individuals with specific recognized
30 expertise.

31 (6) "Project" means the construction of facilities, including the
32 purchase of equipment, to convert farm products or wastes into
33 electricity or gaseous or liquid fuels or other coproducts associated
34 with such conversion. These specifically include fixed or mobile
35 facilities to generate electricity or methane from the anaerobic
36 digestion of organic matter, and fixed or mobile facilities for
37 extracting oils from canola, rape, mustard, and other oilseeds.

1 "Project" may also include the construction of facilities associated
2 with such conversion for the distribution and storage of such
3 feedstocks and fuels.

4 (7) "Research and development project" means research and
5 development, by an institution of higher education as defined in
6 subsection (1) of this section, relating to:

7 (a) Bioenergy sources including but not limited to biomass and
8 associated gases; or

9 (b) The development of markets for bioenergy coproducts.

10 NEW SECTION. **Sec. 3.** (1) The energy freedom program is
11 established within the department. The director may establish policies
12 and procedures necessary for processing, reviewing, and approving
13 applications made under this chapter.

14 (2) When reviewing applications submitted under this program, the
15 director shall consult with those agencies having expertise and
16 knowledge to assess the technical and business feasibility of the
17 project and probability of success. These agencies may include, but
18 are not limited to, Washington State University, the University of
19 Washington, the department of ecology, the department of community,
20 trade, and economic development, and the Washington state conservation
21 commission.

22 (3) The director, in cooperation with the department of community,
23 trade, and economic development, may approve an application only if the
24 director finds:

25 (a) The project will convert farm products or wastes directly into
26 electricity or into gaseous or liquid fuels or other coproducts
27 associated with such conversion;

28 (b) The project demonstrates technical feasibility and directly
29 assists in moving a commercially viable project into the marketplace
30 for use by Washington state citizens;

31 (c) The facility will produce long-term economic benefits to the
32 state, a region of the state, or a particular community in the state;

33 (d) The project does not require continuing state support;

34 (e) The assistance will result in new jobs, job retention, or
35 higher incomes for citizens of the state;

36 (f) The state is provided an option under the assistance agreement

1 to purchase a portion of the fuel or feedstock to be produced by the
2 project, exercisable by the department of general administration;

3 (g) The project will increase energy independence or diversity for
4 the state;

5 (h) The project will use feedstocks produced in the state, if
6 feasible, except this criterion does not apply to the construction of
7 facilities used to distribute and store fuels that are produced from
8 farm products or wastes;

9 (i) Any product produced by the project will be suitable for its
10 intended use, will meet accepted national or state standards, and will
11 be stored and distributed in a safe and environmentally sound manner;

12 (j) The application provides for adequate reporting or disclosure
13 of financial and employment data to the director, and permits the
14 director to require an annual or other periodic audit of the project
15 books; and

16 (k) For research and development projects, the application has been
17 independently reviewed by a peer review committee as defined in section
18 2 of this act and the findings delivered to the director.

19 (4) The director may approve an application for assistance up to
20 five million dollars. In no circumstances shall this assistance
21 constitute more than fifty percent of the total project cost.

22 (5) The director shall enter into agreements with approved
23 applicants to fix the terms and rates of the assistance to minimize the
24 costs to the applicants, and to encourage establishment of a viable
25 bioenergy industry. The agreement shall include provisions to protect
26 the state's investment, including a requirement that a successful
27 applicant enter into contracts with any partners that may be involved
28 in the use of any assistance provided under this program, including
29 services, facilities, infrastructure, or equipment. Contracts with any
30 partners shall become part of the application record.

31 (6) The director may defer any payments for up to twenty-four
32 months or until the project starts to receive revenue from operations,
33 whichever is sooner.

34 NEW SECTION. **Sec. 4.** (1) Upon written notice to the recipient of
35 any assistance under this program, the director may suspend or cancel
36 the assistance if any of the following occur:

1 (a) The recipient fails to make satisfactory and reasonable
2 progress to complete the project, or the director concludes the
3 recipient will be unable to complete the project or any portion of it;
4 or

5 (b) The recipient has made misrepresentations in any information
6 furnished to the director in connection with the project.

7 (2) In the event that any assistance has been awarded to the
8 recipient under this program at the time of breach, or failure of the
9 recipient to satisfactorily perform, the director may require that the
10 full amount or value of the assistance, or a portion thereof, be repaid
11 within a period specified by the director.

12 NEW SECTION. **Sec. 5.** If the total requested dollar amount of
13 assistance exceeds the amount available in the energy freedom account
14 created in section 6 of this act, the applications must be prioritized
15 based upon the following criteria:

16 (1) The extent to which the project will help reduce dependence on
17 petroleum fuels and imported energy either directly or indirectly;

18 (2) The extent to which the project will reduce air and water
19 pollution either directly or indirectly;

20 (3) The extent to which the project will establish a viable
21 bioenergy production capacity in Washington;

22 (4) The benefits to Washington's agricultural producers; and

23 (5) The number and quality of jobs and economic benefits created by
24 the project.

25 NEW SECTION. **Sec. 6.** The energy freedom account is created in the
26 state treasury. All receipts from appropriations made to the account
27 and any loan payments of principal and interest derived from loans made
28 under this chapter must be deposited into the account. Moneys in the
29 account may be spent only after appropriation. Expenditures from the
30 account may be used only for assistance for projects consistent with
31 this chapter. Administrative costs of the department may not exceed
32 three percent of the total funds available for this program.

33 NEW SECTION. **Sec. 7.** The director shall report to the legislature
34 and governor on the status of the energy freedom program created under
35 this chapter, on or before December 1, 2006, and annually thereafter.

1 This report must include information on the projects that have been
2 funded, the status of these projects, and their environmental, energy
3 savings, and job creation benefits.

4 **Sec. 8.** RCW 42.56.270 and 2005 c 274 s 407 are each amended to
5 read as follows:

6 The following financial, commercial, and proprietary information is
7 exempt from disclosure under this chapter:

8 (1) Valuable formulae, designs, drawings, computer source code or
9 object code, and research data obtained by any agency within five years
10 of the request for disclosure when disclosure would produce private
11 gain and public loss;

12 (2) Financial information supplied by or on behalf of a person,
13 firm, or corporation for the purpose of qualifying to submit a bid or
14 proposal for (a) a ferry system construction or repair contract as
15 required by RCW 47.60.680 through 47.60.750 or (b) highway construction
16 or improvement as required by RCW 47.28.070;

17 (3) Financial and commercial information and records supplied by
18 private persons pertaining to export services provided under chapters
19 43.163 and 53.31 RCW, and by persons pertaining to export projects
20 under RCW 43.23.035;

21 (4) Financial and commercial information and records supplied by
22 businesses or individuals during application for loans or program
23 services provided by chapters 43.-- (sections 2 through 7, 11, and 15
24 of this act), 43.163, 43.160, 43.330, and 43.168 RCW, or during
25 application for economic development loans or program services provided
26 by any local agency;

27 (5) Financial information, business plans, examination reports, and
28 any information produced or obtained in evaluating or examining a
29 business and industrial development corporation organized or seeking
30 certification under chapter 31.24 RCW;

31 (6) Financial and commercial information supplied to the state
32 investment board by any person when the information relates to the
33 investment of public trust or retirement funds and when disclosure
34 would result in loss to such funds or in private loss to the providers
35 of this information;

36 (7) Financial and valuable trade information under RCW 51.36.120;

1 (8) Financial, commercial, operations, and technical and research
2 information and data submitted to or obtained by the clean Washington
3 center in applications for, or delivery of, program services under
4 chapter 70.95H RCW;

5 (9) Financial and commercial information requested by the public
6 stadium authority from any person or organization that leases or uses
7 the stadium and exhibition center as defined in RCW 36.102.010;

8 (10) Financial information, including but not limited to account
9 numbers and values, and other identification numbers supplied by or on
10 behalf of a person, firm, corporation, limited liability company,
11 partnership, or other entity related to an application for a liquor
12 license, gambling license, or lottery retail license;

13 (11) Proprietary data, trade secrets, or other information that
14 relates to: (a) A vendor's unique methods of conducting business; (b)
15 data unique to the product or services of the vendor; or (c)
16 determining prices or rates to be charged for services, submitted by
17 any vendor to the department of social and health services for purposes
18 of the development, acquisition, or implementation of state purchased
19 health care as defined in RCW 41.05.011; and

20 (12)(a) When supplied to and in the records of the department of
21 community, trade, and economic development:

22 (i) Financial and proprietary information collected from any person
23 and provided to the department of community, trade, and economic
24 development pursuant to RCW 43.330.050(8) and 43.330.080(4); and

25 (ii) Financial or proprietary information collected from any person
26 and provided to the department of community, trade, and economic
27 development or the office of the governor in connection with the
28 siting, recruitment, expansion, retention, or relocation of that
29 person's business and until a siting decision is made, identifying
30 information of any person supplying information under this subsection
31 and the locations being considered for siting, relocation, or expansion
32 of a business;

33 (b) When developed by the department of community, trade, and
34 economic development based on information as described in (a)(i) of
35 this subsection, any work product is not exempt from disclosure;

36 (c) For the purposes of this subsection, "siting decision" means
37 the decision to acquire or not to acquire a site;

1 (d) If there is no written contact for a period of sixty days to
2 the department of community, trade, and economic development from a
3 person connected with siting, recruitment, expansion, retention, or
4 relocation of that person's business, information described in (a)(ii)
5 of this subsection will be available to the public under this chapter.

6 **Sec. 9.** RCW 43.84.092 and 2005 c 514 s 1105, 2005 c 353 s 3, 2005
7 c 339 s 22, 2005 c 314 s 109, 2005 c 312 s 7, and 2005 c 94 s 1 are
8 each reenacted and amended to read as follows:

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

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

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

35 (4) Monthly, the state treasurer shall distribute the earnings
36 credited to the treasury income account. The state treasurer shall

1 credit the general fund with all the earnings credited to the treasury
2 income account except:

3 (a) The following accounts and funds shall receive their
4 proportionate share of earnings based upon each account's and fund's
5 average daily balance for the period: The capitol building
6 construction account, the Cedar River channel construction and
7 operation account, the Central Washington University capital projects
8 account, the charitable, educational, penal and reformatory
9 institutions account, the common school construction fund, the county
10 criminal justice assistance account, the county sales and use tax
11 equalization account, the data processing building construction
12 account, the deferred compensation administrative account, the deferred
13 compensation principal account, the department of retirement systems
14 expense account, the developmental disabilities community trust
15 account, the drinking water assistance account, the drinking water
16 assistance administrative account, the drinking water assistance
17 repayment account, the Eastern Washington University capital projects
18 account, the education construction fund, the education legacy trust
19 account, the election account, the emergency reserve fund, the energy
20 freedom account, The Evergreen State College capital projects account,
21 the federal forest revolving account, the freight mobility investment
22 account, the health services account, the public health services
23 account, the health system capacity account, the personal health
24 services account, the state higher education construction account, the
25 higher education construction account, the highway infrastructure
26 account, the high-occupancy toll lanes operations account, the
27 industrial insurance premium refund account, the judges' retirement
28 account, the judicial retirement administrative account, the judicial
29 retirement principal account, the local leasehold excise tax account,
30 the local real estate excise tax account, the local sales and use tax
31 account, the medical aid account, the mobile home park relocation fund,
32 the multimodal transportation account, the municipal criminal justice
33 assistance account, the municipal sales and use tax equalization
34 account, the natural resources deposit account, the oyster reserve land
35 account, the perpetual surveillance and maintenance account, the public
36 employees' retirement system plan 1 account, the public employees'
37 retirement system combined plan 2 and plan 3 account, the public
38 facilities construction loan revolving account beginning July 1, 2004,

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

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

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

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

18 **Sec. 10.** RCW 43.84.092 and 2006 c 6 s 8 are each amended to read
19 as follows:

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

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

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

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

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

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

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

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

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

31 NEW SECTION. **Sec. 11.** Sections 1 through 7 of this act expire
32 June 30, 2016. Any moneys in the energy freedom account on that date
33 and any moneys received pursuant to assistance made under this chapter
34 must be deposited in the general fund.

35 NEW SECTION. **Sec. 12.** Sections 2 through 7, 11, and 15 of this
36 act constitute a new chapter in Title 15 RCW.

1 NEW SECTION. **Sec. 13.** Sections 8 and 10 of this act take effect
2 July 1, 2006.

3 NEW SECTION. **Sec. 14.** Section 9 of this act expires July 1, 2006.

4 NEW SECTION. **Sec. 15.** If any provision of this act or its
5 application to any person or circumstance is held invalid, the
6 remainder of the act or the application of the provision to other
7 persons or circumstances is not affected."

E3SHB 2939 - S AMD
By Senator Rockefeller

ADOPTED 03/02/2006

8 On page 1, line 1 of the title, after "program;" strike the
9 remainder of the title and insert "amending RCW 42.56.270 and
10 43.84.092; reenacting and amending RCW 43.84.092; adding a new chapter
11 to Title 15 RCW; creating new sections; providing an effective date;
12 and providing expiration dates."

EFFECT: The underlying bill is stricken and the text of ESSB 6501 is inserted and modified with language from E3SHB 2939. Findings concerning energy independence and public research and development are added. Definitions for "applicant," "peer review committee," and "research and development project" are added. "Coproducts" and "fixed or mobile" facilities are added to the definition of "project." Eligible applicants are limited to political subdivisions, federally recognized tribes, and certain state institutions of higher education. A peer review process is added for research and development projects by higher education institutions. A requirement concerning the "business success" of a project is changed to emphasize "commercial viability" in the "marketplace." Two criteria are removed and replaced with a requirement that assistance may not exceed fifty percent of the total assistance granted for the project. Contracts are required with the partners of successful applicants and shall become part of the application record. The deferral period for payments is extended from 12 to 24 months. The director is also required to submit annual

reports to the governor and legislature. Accountability penalties are added. Legislative findings are not codified. Technical changes are made.

--- END ---