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**SUBSTITUTE HOUSE BILL 2422**

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**State of Washington                      59th Legislature                      2006 Regular Session**

**By** House Committee on Natural Resources, Ecology & Parks (originally sponsored by Representatives B. Sullivan, Chase and Conway)

READ FIRST TIME 01/27/06.

1            AN ACT Relating to providing funding for state and local parks;  
2 amending RCW 82.45.060 and 43.99N.060; reenacting and amending RCW  
3 43.84.092; adding new sections to chapter 79A.05 RCW; adding a new  
4 section to chapter 43.33A RCW; creating a new section; providing an  
5 effective date; and providing an expiration date.

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

7            NEW SECTION.    **Sec. 1.** The legislature finds that the state parks  
8 and recreation commission has identified over three hundred million  
9 dollars in projects to eliminate the backlog of deferred maintenance  
10 projects, improve state park facilities, and provide new investments to  
11 implement the state park's centennial 2013 plan. The legislature  
12 further finds that significant investments in state parks facilities  
13 are necessary to protect public health and safety, reduce current  
14 operating and maintenance costs, improve basic park services, and  
15 protect valuable cultural and natural resources. The legislature  
16 further finds that revenues to the youth athletic facilities account to  
17 fund local parks projects have not materialized. Therefore, the  
18 legislature finds that new revenue sources are needed to support state  
19 and local parks for the benefit of all Washington citizens.

1       **Sec. 2.** RCW 82.45.060 and 2005 c 450 s 1 are each amended to read  
2 as follows:

3       (1) There is imposed an excise tax upon each sale of real property  
4 at the rate of one and twenty-eight one-hundredths percent of the  
5 selling price. An amount equal to six and one-tenth percent of the  
6 proceeds of this tax to the state treasurer shall be deposited in the  
7 public works assistance account created in RCW 43.155.050. An amount  
8 equal to one and six-tenths percent of the proceeds of this tax to the  
9 state treasurer shall be deposited in the city-county assistance  
10 account created in RCW 43.08.290.

11       (2) Beginning July 1, 2006, for four fiscal years through June 30,  
12 2010, in addition to the distributions in subsection (1) of this  
13 section, an amount equal to one and five-tenths percent of the proceeds  
14 of the tax to the state treasurer must be deposited in the youth  
15 athletic facility account in RCW 43.99N.060 and an amount equal to one  
16 and five-tenths percent of the proceeds of the tax to the state  
17 treasurer shall be deposited in the state parks centennial account  
18 created in section 3 of this act.

19       NEW SECTION. **Sec. 3.** A new section is added to chapter 79A.05 RCW  
20 to read as follows:

21       (1) The state parks centennial account is created in the state  
22 treasury. All receipts directed to the account from RCW 82.45.060 must  
23 be deposited in the account. Expenditures from the account require an  
24 appropriation and may be made only for implementation of the state  
25 parks' 2013 centennial plan and for capital improvements of the state  
26 parks system.

27       (2) The principal of the account consists of revenues from the real  
28 estate excise tax revenues in RCW 82.45.060(2). The account retains  
29 its own interest earnings. The principal of the account may not be  
30 invaded and only the interest earnings may be appropriated.

31       NEW SECTION. **Sec. 4.** A new section is added to chapter 79A.05 RCW  
32 to read as follows:

33       (1) The state investment board has the full power to invest,  
34 reinvest, manage, contract, sell, or exchange investment moneys in the  
35 state parks centennial account created in section 3 of this act. All  
36 investment and operating costs associated with the investment of money

1 shall be paid pursuant to RCW 43.33A.160 and 43.84.160. With the  
2 exception of these expenses, the earnings from the investment of the  
3 money shall be retained by the fund.

4 (2) All investments made by the state investment board shall be  
5 made with the exercise of that degree of judgment and care pursuant to  
6 RCW 43.33A.140 and the investment policies established by the state  
7 investment board.

8 (3) As deemed appropriate by the state investment board, moneys in  
9 the fund may be commingled for investment with other funds subject to  
10 investment by the board.

11 NEW SECTION. **Sec. 5.** A new section is added to chapter 43.33A RCW  
12 to read as follows:

13 Under section 4 of this act, the state investment board shall  
14 invest moneys in the state parks centennial account established in  
15 section 3 of this act with full power to establish investment policies  
16 for the fund.

17 **Sec. 6.** RCW 43.99N.060 and 2000 c 137 s 1 are each amended to read  
18 as follows:

19 (1) The stadium and exhibition center account is created in the  
20 custody of the state treasurer. All receipts from the taxes imposed  
21 under RCW 82.14.0494 and distributions under RCW 67.70.240(5) shall be  
22 deposited into the account. Only the director of the office of  
23 financial management or the director's designee may authorize  
24 expenditures from the account. The account is subject to allotment  
25 procedures under chapter 43.88 RCW. An appropriation is not required  
26 for expenditures from this account.

27 (2) Until bonds are issued under RCW 43.99N.020, up to five million  
28 dollars per year beginning January 1, 1999, shall be used for the  
29 purposes of subsection (3)(b) of this section, all remaining moneys in  
30 the account shall be transferred to the public stadium authority,  
31 created under RCW 36.102.020, to be used for public stadium authority  
32 operations and development of the stadium and exhibition center.

33 (3) After bonds are issued under RCW 43.99N.020, all moneys in the  
34 stadium and exhibition center account shall be used exclusively for the  
35 following purposes in the following priority:

1 (a) On or before June 30th of each year, the office of financial  
2 management shall accumulate in the stadium and exhibition center  
3 account an amount at least equal to the amount required in the next  
4 succeeding twelve months for the payment of principal of and interest  
5 on the bonds issued under RCW 43.99N.020;

6 (b) An additional reserve amount not in excess of the expected  
7 average annual principal and interest requirements of bonds issued  
8 under RCW 43.99N.020 shall be accumulated and maintained in the  
9 account, subject to withdrawal by the state treasurer at any time if  
10 necessary to meet the requirements of (a) of this subsection, and,  
11 following any withdrawal, reaccumulated from the first tax revenues and  
12 other amounts deposited in the account after meeting the requirements  
13 of (a) of this subsection; and

14 (c) On or before June 30th of each year, the balance, if any, or at  
15 least five hundred thousand dollars, shall be transferred to the youth  
16 athletic facility account under subsection (4) of this section.

17 Any revenues derived from the taxes authorized by RCW 36.38.010(5)  
18 and 36.38.040 or other amounts that if used as provided under (a) and  
19 (b) of this subsection would cause the loss of any tax exemption under  
20 federal law for interest on bonds issued under RCW 43.99N.020 shall be  
21 deposited in and used exclusively for the purposes of the youth  
22 athletic facility account and shall not be used, directly or  
23 indirectly, as a source of payment of principal of or interest on bonds  
24 issued under RCW 43.99N.020, or to replace or reimburse other funds  
25 used for that purpose.

26 (4) Any moneys in the stadium and exhibition center account not  
27 required or permitted to be used for the purposes described in  
28 subsection (3)(a) and (b) of this section and moneys from the real  
29 estate excise tax under RCW 82.45.060(2) shall be deposited in the  
30 youth athletic facility account hereby created in the state treasury.  
31 Expenditures from the account may be used only for purposes of grants  
32 or loans to cities, counties, metropolitan park districts, and  
33 qualified nonprofit organizations for community outdoor athletic  
34 facilities. Only the director of the interagency committee for outdoor  
35 recreation or the director's designee may authorize expenditures from  
36 the account. The account is subject to allotment procedures under  
37 chapter 43.88 RCW, but an appropriation is not required for  
38 expenditures. The athletic facility grants or loans may be used for

1 acquiring, developing, equipping, maintaining, and improving community  
2 outdoor athletic facilities. Funds shall be divided equally between  
3 the development of new community outdoor athletic facilities, the  
4 improvement of existing community outdoor athletic facilities, and the  
5 maintenance of existing community outdoor athletic facilities. Cities,  
6 counties, and qualified nonprofit organizations must submit proposals  
7 for grants or loans from the account. To the extent that funds are  
8 available, cities, counties, and qualified nonprofit organizations must  
9 meet eligibility criteria as established by the director of the  
10 interagency committee for outdoor recreation. The grants and loans  
11 shall be awarded on a competitive application process and the amount of  
12 the grant or loan shall be in proportion to the population of the city  
13 or county for where the community outdoor athletic facility is located.  
14 Grants or loans awarded in any one year need not be distributed in that  
15 year. The director of the interagency committee for outdoor recreation  
16 may expend up to one and one-half percent of the moneys deposited in  
17 the account created in this subsection for administrative purposes.

18 **Sec. 7.** RCW 43.84.092 and 2005 c 514 s 1106, 2005 c 353 s 4, 2005  
19 c 339 s 23, 2005 c 314 s 110, 2005 c 312 s 8, and 2005 c 94 s 2 are  
20 each reenacted and amended to read as follows:

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

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

1 allocations shall occur prior to the distributions of earnings set  
2 forth in subsection (4) of this section.

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

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

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

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

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

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

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

32 NEW SECTION. **Sec. 8.** Section 2 of this act expires July 1, 2010.

33 NEW SECTION. **Sec. 9.** This act takes effect July 1, 2006.

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