
SECOND SUBSTITUTE HOUSE BILL 2422

State of Washington 59th Legislature 2006 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives B. Sullivan, Chase and Conway)

READ FIRST TIME 02/07/06.

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

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

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

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 79A.05 RCW
2 to read as follows:

3 (1) The state parks centennial account is created in the state
4 treasury. Expenditures from the account require an appropriation and
5 may be made only for implementation of the state parks' 2013 centennial
6 plan and for capital improvements of the state parks system.

7 (2) The account retains its own interest earnings. The principal
8 of the account may not be invaded and only the interest earnings may be
9 appropriated.

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

12 (1) The state investment board has the full power to invest,
13 reinvest, manage, contract, sell, or exchange investment moneys in the
14 state parks centennial account created in section 2 of this act. All
15 investment and operating costs associated with the investment of money
16 shall be paid pursuant to RCW 43.33A.160 and 43.84.160. With the
17 exception of these expenses, the earnings from the investment of the
18 money shall be retained by the fund.

19 (2) All investments made by the state investment board shall be
20 made with the exercise of that degree of judgment and care pursuant to
21 RCW 43.33A.140 and the investment policies established by the state
22 investment board.

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

26 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.33A RCW
27 to read as follows:

28 Under section 3 of this act, the state investment board shall
29 invest moneys in the state parks centennial account established in
30 section 2 of this act with full power to establish investment policies
31 for the fund.

32 **Sec. 5.** RCW 43.99N.060 and 2000 c 137 s 1 are each amended to read
33 as follows:

34 (1) The stadium and exhibition center account is created in the
35 custody of the state treasurer. All receipts from the taxes imposed

1 under RCW 82.14.0494 and distributions under RCW 67.70.240(5) shall be
2 deposited into the account. Only the director of the office of
3 financial management or the director's designee may authorize
4 expenditures from the account. The account is subject to allotment
5 procedures under chapter 43.88 RCW. An appropriation is not required
6 for expenditures from this account.

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

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

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

21 (b) An additional reserve amount not in excess of the expected
22 average annual principal and interest requirements of bonds issued
23 under RCW 43.99N.020 shall be accumulated and maintained in the
24 account, subject to withdrawal by the state treasurer at any time if
25 necessary to meet the requirements of (a) of this subsection, and,
26 following any withdrawal, reaccumulated from the first tax revenues and
27 other amounts deposited in the account after meeting the requirements
28 of (a) of this subsection; and

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

32 Any revenues derived from the taxes authorized by RCW 36.38.010(5)
33 and 36.38.040 or other amounts that if used as provided under (a) and
34 (b) of this subsection would cause the loss of any tax exemption under
35 federal law for interest on bonds issued under RCW 43.99N.020 shall be
36 deposited in and used exclusively for the purposes of the youth
37 athletic facility account and shall not be used, directly or

1 indirectly, as a source of payment of principal of or interest on bonds
2 issued under RCW 43.99N.020, or to replace or reimburse other funds
3 used for that purpose.

4 (4) Any moneys in the stadium and exhibition center account not
5 required or permitted to be used for the purposes described in
6 subsection (3)(a) and (b) of this section shall be deposited in the
7 youth athletic facility account hereby created in the state treasury.
8 Expenditures from the account may be used only for purposes of grants
9 or loans to cities, counties, metropolitan park districts, and
10 qualified nonprofit organizations for community outdoor athletic
11 facilities. Only the director of the interagency committee for outdoor
12 recreation or the director's designee may authorize expenditures from
13 the account. The account is subject to allotment procedures under
14 chapter 43.88 RCW, but an appropriation is not required for
15 expenditures. The athletic facility grants or loans may be used for
16 acquiring, developing, equipping, maintaining, and improving community
17 outdoor athletic facilities. Funds shall be divided equally between
18 the development of new community outdoor athletic facilities, the
19 improvement of existing community outdoor athletic facilities, and the
20 maintenance of existing community outdoor athletic facilities. Cities,
21 counties, and qualified nonprofit organizations must submit proposals
22 for grants or loans from the account. To the extent that funds are
23 available, cities, counties, and qualified nonprofit organizations must
24 meet eligibility criteria as established by the director of the
25 interagency committee for outdoor recreation. The grants and loans
26 shall be awarded on a competitive application process and the amount of
27 the grant or loan shall be in proportion to the population of the city
28 or county for where the community outdoor athletic facility is located.
29 Grants or loans awarded in any one year need not be distributed in that
30 year. The director of the interagency committee for outdoor recreation
31 may expend up to one and one-half percent of the moneys deposited in
32 the account created in this subsection for administrative purposes.

33 **Sec. 6.** RCW 43.84.092 and 2005 c 514 s 1106, 2005 c 353 s 4, 2005
34 c 339 s 23, 2005 c 314 s 110, 2005 c 312 s 8, and 2005 c 94 s 2 are
35 each reenacted and amended to read as follows:

36 (1) All earnings of investments of surplus balances in the state

1 treasury shall be deposited to the treasury income account, which
2 account is hereby established in the state treasury.

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

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

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

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

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

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

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

1 account, the state patrol highway account, the transportation 2003
2 account (nickel account), the transportation equipment fund, the
3 transportation fund, the transportation improvement account, the
4 transportation improvement board bond retirement account, and the urban
5 arterial trust account.

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

9 NEW SECTION. **Sec. 7.** This act takes effect July 1, 2006.

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