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**SUBSTITUTE SENATE BILL 5775**

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**State of Washington**                      **59th Legislature**                      **2005 Regular Session**

**By** Senate Committee on Transportation (originally sponsored by Senator Mulliken)

READ FIRST TIME 03/07/05.

1            AN ACT Relating to the creation of a small city or town street  
2 improvement program; amending RCW 43.84.092; reenacting and amending  
3 RCW 43.84.092; adding new sections to chapter 47.26 RCW; creating new  
4 sections; providing effective dates; providing an expiration date; and  
5 declaring an emergency.

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

7            NEW SECTION.    **Sec. 1.** The state legislature finds that it is in  
8 the state's interest to support the economic vitality of all cities and  
9 towns and recognizes that those cities and towns with a population of  
10 less than five thousand are unable to fully maintain and preserve their  
11 street system. Therefore, the legislature finds it is necessary to  
12 create a small city pavement and sidewalk account.

13            NEW SECTION.    **Sec. 2.** A new section is added to chapter 47.26 RCW  
14 to read as follows:

15            The small city pavement and sidewalk account is created in the  
16 state treasury. All state money allocated to the small city pavement  
17 and sidewalk account for the ongoing support of cities and towns must  
18 be deposited into the account. Money in the account may be spent only

1 after appropriation. Expenditures from the account must be used for  
2 small city pavement and sidewalk projects or improvements selected by  
3 the board in accordance with section 3 of this act, to pay principal  
4 and interest on bonds authorized for these projects or improvements, to  
5 make grants or loans in accordance with this chapter, or to pay for  
6 engineering feasibility studies selected by the board.

7 NEW SECTION. **Sec. 3.** A new section is added to chapter 47.26 RCW  
8 to read as follows:

9 All cities and towns with a population of less than five thousand  
10 are eligible to receive money from the small city pavement and sidewalk  
11 account created under section 2 of this act for maintenance, repair,  
12 and resurfacing of city and town streets. The board shall determine  
13 the allocation of money based on:

14 (1) The amount of available funds within the small city pavement  
15 and sidewalk account;

16 (2) Whether the city or town meets one or more of the following  
17 criteria:

18 (a) The city or town has identified a street in a six-year  
19 transportation improvement plan, as defined by RCW 35.77.010, or a  
20 project identified through the use of a pavement management system;

21 (b) The city or town has provided pavement rating information on  
22 the proposed street improvement or street network improvement;

23 (c) The city or town has provided sidewalk information on the  
24 proposed sidewalk system improvement;

25 (d) The city or town has provided information, where available, on  
26 traffic conditions for truck routes, bus routes, and traffic volumes;

27 (e) The city or town has the ability to provide a local match as  
28 demonstrated by one or more of the following:

29 (i) A funding match based upon a city's assessed valuation;

30 (ii) Community involvement and support, including volunteer  
31 participation, such as landscaping and maintaining landscaping along  
32 the street or sidewalk system; or

33 (iii) Partnership efforts with federal or other state programs,  
34 including the department of community, trade, and economic development  
35 mainstreet program.

1       **Sec. 4.** RCW 43.84.092 and 2003 c 361 s 602, 2003 c 324 s 1, 2003  
2 c 150 s 2, and 2003 c 48 s 2 are each reenacted and amended to read as  
3 follows:

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

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

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

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

34       (a) The following accounts and funds shall receive their  
35 proportionate share of earnings based upon each account's and fund's  
36 average daily balance for the period: The capitol building  
37 construction account, the Cedar River channel construction and  
38 operation account, the Central Washington University capital projects

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

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

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

1 transportation fund, the transportation improvement account, the  
2 transportation improvement board bond retirement account, and the urban  
3 arterial trust account.

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

7 **Sec. 5.** RCW 43.84.092 and 2004 c 242 s 60 are each amended to read  
8 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,  
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6 construction account, the Cedar River channel construction and  
7 operation account, the Central Washington University capital projects  
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9 institutions account, the common school construction fund, the county  
10 criminal justice assistance account, the county sales and use tax  
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7 teachers' retirement system combined plan 2 and plan 3 account, the  
8 tobacco prevention and control account, the tobacco settlement account,  
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10 fund, the University of Washington bond retirement fund, the University  
11 of Washington building account, the volunteer fire fighters' and  
12 reserve officers' relief and pension principal fund, the volunteer fire  
13 fighters' and reserve officers' administrative fund, the Washington  
14 fruit express account, the Washington judicial retirement system  
15 account, the Washington law enforcement officers' and fire fighters'  
16 system plan 1 retirement account, the Washington law enforcement  
17 officers' and fire fighters' system plan 2 retirement account, the  
18 Washington public safety employees' plan 2 retirement account, the  
19 Washington school employees' retirement system combined plan 2 and 3  
20 account, the Washington state health insurance pool account, the  
21 Washington state patrol retirement account, the Washington State  
22 University building account, the Washington State University bond  
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5 account, the recreational vehicle account, the rural arterial trust  
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8 account (nickel account), the transportation equipment fund, the  
9 transportation fund, the transportation improvement account, the  
10 transportation improvement board bond retirement account, and the urban  
11 arterial trust account.

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

15 NEW SECTION. **Sec. 6.** Except for section 5 of this act which takes  
16 effect July 1, 2006, this act is necessary for the immediate  
17 preservation of the public peace, health, or safety, or support of the  
18 state government and its existing public institutions, and takes effect  
19 July 1, 2005.

20 NEW SECTION. **Sec. 7.** Section 4 of this act expires July 1, 2006.

21 NEW SECTION. **Sec. 8.** If specific funding for the purposes of this  
22 act, referencing this act by bill or chapter number, is not provided by  
23 June 30, 2005, in the transportation appropriations act, this act is  
24 null and void.

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