

---

ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1773

---

State of Washington

60th Legislature

2008 Regular Session

By House Transportation (originally sponsored by Representatives  
Clibborn and Jarrett)

READ FIRST TIME 02/04/08.

1 AN ACT Relating to the imposition of tolls; amending RCW 47.56.030,  
2 47.56.040, 47.56.070, 47.56.076, 47.56.078, 47.56.120, 47.56.240,  
3 35.74.050, 36.120.050, 36.73.040, 47.29.060, 47.58.030, 47.60.010, and  
4 53.34.010; reenacting and amending RCW 43.84.092, 43.84.092, and  
5 43.84.092; adding new sections to chapter 47.56 RCW; repealing RCW  
6 47.56.0761 and 47.56.080; providing effective dates; and providing  
7 expiration dates.

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

9 NEW SECTION. **Sec. 1.** The legislature finds and declares that it  
10 is the policy of the state of Washington to use tolling to provide a  
11 source of transportation funding and to encourage effective use of the  
12 transportation system.

13 The legislature intends that the policy framework created by this  
14 act will guide subsequent legislation and decisions regarding the  
15 tolling of specific facilities and corridors. For each state-owned  
16 facility or corridor, the legislature intends that it will authorize  
17 the budget and finance plan. Specific issues that may be addressed in  
18 the finance plan and budget authorization legislation include the

1 amount of financing required for a facility or corridor, the budget for  
2 any construction and operations financed by tolling, whether and how  
3 variable pricing will be applied, and the timing of tolling.

4 The legislature also intends that while the transportation  
5 commission, as the toll-setting authority, may set toll rates for  
6 facilities, corridors, or systems thereof, the legislature reserves the  
7 authority to impose tolls on any state transportation route or  
8 facility. Similarly, local or quasi-local entities that retain the  
9 power to impose tolls may do so as long as the effect of those tolls on  
10 the state highway system is consistent with the policy guidelines  
11 detailed in this act. If the imposition of tolls could have an impact  
12 on state facilities, the state tolling authority must review and  
13 approve such tolls.

14 NEW SECTION. **Sec. 2.** This subchapter applies only to all state  
15 toll bridges and other state toll facilities, excluding the Washington  
16 state ferries, first authorized within this state after July 1, 2008.

17 NEW SECTION. **Sec. 3.** The definitions in this section apply  
18 throughout this subchapter unless the context clearly requires  
19 otherwise:

20 (1) "Tolling authority" means the governing body that is legally  
21 empowered to review and adjust toll rates. Unless otherwise delegated,  
22 the transportation commission is the tolling authority for all state  
23 highways.

24 (2) "Eligible toll facility" or "eligible toll facilities" means  
25 portions of the state highway system specifically identified by the  
26 legislature including, but not limited to, transportation corridors,  
27 bridges, crossings, interchanges, on-ramps, off-ramps, approaches,  
28 bistate facilities, and interconnections between highways.

29 NEW SECTION. **Sec. 4.** (1) Unless otherwise delegated, only the  
30 legislature may authorize the imposition of tolls on eligible toll  
31 facilities.

32 (2) All revenue from an eligible toll facility must be used only to  
33 construct, improve, preserve, maintain, manage, or operate the eligible  
34 toll facility on or in which the revenue is collected. Expenditures of  
35 toll revenues are subject to appropriation and must be made only:

1 (a) To cover the operating costs of the eligible toll facility,  
2 including necessary maintenance, preservation, administration, and toll  
3 enforcement by public law enforcement within the boundaries of the  
4 facility;

5 (b) To meet obligations for the repayment of debt and interest on  
6 the eligible toll facilities, and any other associated financing costs  
7 including, but not limited to, required reserves and insurance;

8 (c) To meet any other obligations to provide funding contributions  
9 for any projects or operations on the eligible toll facilities;

10 (d) To provide for the operations of conveyances of people or  
11 goods; or

12 (e) For any other improvements to the eligible toll facilities.

13 NEW SECTION. **Sec. 5.** Any proposal for the establishment of  
14 eligible toll facilities shall consider the following policy  
15 guidelines:

16 (1) Overall direction. Washington should use tolling to encourage  
17 effective use of the transportation system and provide a source of  
18 transportation funding.

19 (2) When to use tolling. Tolling should be used when it can be  
20 demonstrated to contribute a significant portion of the cost of a  
21 project that cannot be funded solely with existing sources or optimize  
22 the performance of the transportation system. Such tolling should, in  
23 all cases, be fairly and equitably applied in the context of the  
24 statewide transportation system and not have significant adverse  
25 impacts through the diversion of traffic to other routes that cannot  
26 otherwise be reasonably mitigated. Such tolling should also consider  
27 relevant social equity, environmental, and economic issues, and should  
28 be directed at making progress toward the state's greenhouse gas  
29 reduction goals.

30 (3) Use of toll revenue. All revenue from an eligible toll  
31 facility must be used only to improve, preserve, manage, or operate the  
32 eligible toll facility on or in which the revenue is collected.  
33 Additionally, toll revenue should provide for and encourage the  
34 inclusion of recycled and reclaimed construction materials.

35 (4) Setting toll rates. Toll rates, which may include variable  
36 pricing, must be set to meet anticipated funding obligations. To the

1 extent possible, the toll rates should be set to optimize system  
2 performance, recognizing necessary trade-offs to generate revenue.

3 (5) Duration of toll collection. Because transportation  
4 infrastructure projects have costs and benefits that extend well beyond  
5 those paid for by initial construction funding, tolls on future toll  
6 facilities may remain in place to fund additional capacity, capital  
7 rehabilitation, maintenance, management, and operations, and to  
8 optimize performance of the system.

9 NEW SECTION. **Sec. 6.** (1) A tolling advisory committee may be  
10 created at the direction of the tolling authority for any eligible toll  
11 facilities. The tolling authority shall appoint nine members to the  
12 committee, all of whom must be permanent residents of the affected  
13 project area as defined for each project. Members of the committee  
14 shall serve without receiving compensation.

15 (2) The tolling advisory committee shall serve in an advisory  
16 capacity to the tolling authority on all matters related to the  
17 imposition of tolls including, but not limited to: (a) The feasibility  
18 of providing discounts; (b) the trade-off of lower tolls versus the  
19 early retirement of debt; and (c) consideration of variable or time of  
20 day pricing.

21 (3) In setting toll rates, the tolling authority shall consider  
22 recommendations of the tolling advisory committee.

23 NEW SECTION. **Sec. 7.** (1) Unless these powers are otherwise  
24 delegated by the legislature, the transportation commission is the  
25 tolling authority for the state. The tolling authority shall:

26 (a) Set toll rates, establish appropriate exemptions, if any, and  
27 make adjustments as conditions warrant on eligible toll facilities;

28 (b) Review toll collection policies, toll operations policies, and  
29 toll revenue expenditures on the eligible toll facilities and report  
30 annually on this review to the legislature.

31 (2) The tolling authority, in determining toll rates, shall  
32 consider the policy guidelines established in section 5 of this act.

33 (3) Unless otherwise directed by the legislature, in setting and  
34 periodically adjusting toll rates, the tolling authority must ensure  
35 that toll rates will generate revenue sufficient to:

1 (a) Meet the operating costs of the eligible toll facilities,  
2 including necessary maintenance, preservation, administration, and toll  
3 enforcement by public law enforcement;

4 (b) Meet obligations for the repayment of debt and interest on the  
5 eligible toll facilities, and any other associated financing costs  
6 including, but not limited to, required reserves, minimum debt coverage  
7 or other appropriate contingency funding, and insurance; and

8 (c) Meet any other obligations of the tolling authority to provide  
9 its proportionate share of funding contributions for any projects or  
10 operations of the eligible toll facilities.

11 (4) The established toll rates may include variable pricing, and  
12 should be set to optimize system performance, recognizing necessary  
13 trade-offs to generate revenue for the purposes specified in subsection  
14 (3) of this section. Tolls may vary for type of vehicle, time of day,  
15 traffic conditions, or other factors designed to improve performance of  
16 the system.

17 **Sec. 8.** RCW 47.56.030 and 2002 c 114 s 19 are each amended to read  
18 as follows:

19 (1) Except as permitted under chapter 47.29 or 47.46 RCW:

20 (a) Unless otherwise delegated, and subject to section 4 of this  
21 act, the department of transportation shall have full charge of the  
22 planning, analysis, and construction of all toll bridges and other toll  
23 facilities including the Washington state ferries, and the operation  
24 and maintenance thereof.

25 (b) The transportation commission shall determine and establish the  
26 tolls and charges thereon(~~(, and shall perform all duties and exercise~~  
27 ~~all powers relating to the financing, refinancing, and fiscal~~  
28 ~~management of all toll bridges and other toll facilities including the~~  
29 ~~Washington state ferries, and bonded indebtedness in the manner~~  
30 ~~provided by law)).~~

31 (c) Unless otherwise delegated, and subject to section 4 of this  
32 act, the department shall have full charge of planning, analysis, and  
33 design of all toll facilities. The department may conduct the  
34 planning, analysis, and design of toll facilities as necessary to  
35 support the legislature's consideration of toll authorization.

36 (d) The department shall utilize and administer toll collection  
37 systems that are simple, unified, and interoperable. To the extent

1 practicable, the department shall avoid the use of toll booths. The  
2 department shall set the statewide standards and protocols for all toll  
3 facilities within the state, including those authorized by local  
4 authorities.

5 (e) Except as provided in this section, the department shall  
6 proceed with the construction of such toll bridges and other facilities  
7 and the approaches thereto by contract in the manner of state highway  
8 construction immediately upon there being made available funds for such  
9 work and shall prosecute such work to completion as rapidly as  
10 practicable. The department is authorized to negotiate contracts for  
11 any amount without bid under ~~((d)(i))~~ (e)(i) and (ii) of this  
12 subsection:

13 (i) Emergency contracts, in order to make repairs to ferries or  
14 ferry terminal facilities or removal of such facilities whenever  
15 continued use of ferries or ferry terminal facilities constitutes a  
16 real or immediate danger to the traveling public or precludes prudent  
17 use of such ferries or facilities; and

18 (ii) Single source contracts for vessel dry dockings, when there is  
19 clearly and legitimately only one available bidder to conduct dry dock-  
20 related work for a specific class or classes of vessels. The contracts  
21 may be entered into for a single vessel dry docking or for multiple  
22 vessel dry dockings for a period not to exceed two years.

23 (2) The department shall proceed with the procurement of materials,  
24 supplies, services, and equipment needed for the support, maintenance,  
25 and use of a ferry, ferry terminal, or other facility operated by  
26 Washington state ferries, in accordance with chapter 43.19 RCW except  
27 as follows:

28 ~~((Except as provided in (d) of this subsection,))~~ When the  
29 secretary of the department of transportation determines in writing  
30 that the use of invitation for bid is either not practicable or not  
31 advantageous to the state and it may be necessary to make competitive  
32 evaluations, including technical or performance evaluations among  
33 acceptable proposals to complete the contract award, a contract may be  
34 entered into by use of a competitive sealed proposals method, and a  
35 formal request for proposals solicitation. Such formal request for  
36 proposals solicitation shall include a functional description of the  
37 needs and requirements of the state and the significant factors.

1 (b) When purchases are made through a formal request for proposals  
2 solicitation the contract shall be awarded to the responsible proposer  
3 whose competitive sealed proposal is determined in writing to be the  
4 most advantageous to the state taking into consideration price and  
5 other evaluation factors set forth in the request for proposals. No  
6 significant factors may be used in evaluating a proposal that are not  
7 specified in the request for proposals. Factors that may be considered  
8 in evaluating proposals include but are not limited to: Price;  
9 maintainability; reliability; commonality; performance levels; life  
10 cycle cost if applicable under this section; cost of transportation or  
11 delivery; delivery schedule offered; installation cost; cost of spare  
12 parts; availability of parts and service offered; and the following:

13 (i) The ability, capacity, and skill of the proposer to perform the  
14 contract or provide the service required;

15 (ii) The character, integrity, reputation, judgment, experience,  
16 and efficiency of the proposer;

17 (iii) Whether the proposer can perform the contract within the time  
18 specified;

19 (iv) The quality of performance of previous contracts or services;

20 (v) The previous and existing compliance by the proposer with laws  
21 relating to the contract or services;

22 (vi) Objective, measurable criteria defined in the request for  
23 proposal. These criteria may include but are not limited to items such  
24 as discounts, delivery costs, maintenance services costs, installation  
25 costs, and transportation costs; and

26 (vii) Such other information as may be secured having a bearing on  
27 the decision to award the contract.

28 (c) When purchases are made through a request for proposal process,  
29 proposals received shall be evaluated based on the evaluation factors  
30 set forth in the request for proposal. When issuing a request for  
31 proposal for the procurement of propulsion equipment or systems that  
32 include an engine, the request for proposal must specify the use of a  
33 life cycle cost analysis that includes an evaluation of fuel  
34 efficiency. When a life cycle cost analysis is used, the life cycle  
35 cost of a proposal shall be given at least the same relative importance  
36 as the initial price element specified in the request of proposal  
37 documents. The department may reject any and all proposals received.  
38 If the proposals are not rejected, the award shall be made to the

1 proposer whose proposal is most advantageous to the department,  
2 considering price and the other evaluation factors set forth in the  
3 request for proposal.

4 ~~((d) If the department is procuring large equipment or systems  
5 (e.g., electrical, propulsion) needed for the support, maintenance, and  
6 use of a ferry operated by Washington state ferries, the department  
7 shall proceed with a formal request for proposal solicitation under  
8 this subsection (2) without a determination of necessity by the  
9 secretary.))~~

10 **Sec. 9.** RCW 47.56.040 and 1984 c 7 s 248 are each amended to read  
11 as follows:

12 The department is empowered, in accordance with the provisions of  
13 this chapter, to provide for the establishment and construction of toll  
14 bridges upon any public highways of this state together with approaches  
15 thereto wherever it is considered necessary or advantageous and  
16 practicable for crossing any stream, body of water, gulch, navigable  
17 water, swamp, or other topographical formation whether that formation  
18 is within this state or constitutes a boundary between this state and  
19 an adjoining state or country. ~~((The necessity or advantage and  
20 practicability of any such toll bridge shall be determined by the  
21 department, and the feasibility of financing any toll bridge in the  
22 manner provided by this chapter shall be a primary consideration and  
23 determined according to the best judgment of the department.))~~ For the  
24 purpose of obtaining information for the consideration of the  
25 department upon the construction of any toll bridge or any other  
26 matters pertaining thereto, any cognizant officer or employee of the  
27 state shall, upon the request of the department, make reasonable  
28 examination, investigation, survey, or reconnaissance for the  
29 determination of material facts pertaining thereto and report this to  
30 the department. The cost of any such examination, investigation,  
31 survey, or reconnaissance shall be borne by the department or office  
32 conducting these activities from the funds provided for that department  
33 or office for its usual functions.

34 **Sec. 10.** RCW 47.56.070 and 1977 ex.s. c 151 s 67 are each amended  
35 to read as follows:

36 The department of transportation may, ~~((with the approval of the~~



1 ~~transportation commission~~) in accordance with this chapter, provide  
2 for the ~~((establishment,))~~ construction~~((,))~~ and operation of toll  
3 tunnels, toll roads, and other facilities necessary for their  
4 construction and connection with public highways of the state. It may  
5 cause surveys to be made to determine the propriety of their  
6 ~~((establishment,))~~ construction~~((,))~~ and operation, and may acquire  
7 rights-of-way and other facilities necessary to carry out the  
8 provisions hereof; and may issue, sell, and redeem bonds, and deposit  
9 and expend them; secure and remit financial and other assistance in the  
10 construction thereof; carry insurance thereon; and handle any other  
11 matters pertaining thereto, all of which shall be conducted in the same  
12 manner and under the same procedure as provided for the  
13 ~~((establishing,))~~ constructing, operating, and maintaining of toll  
14 bridges by the department, insofar as reasonably consistent and  
15 applicable. ~~((No toll facility, toll bridge, toll road, or toll  
16 tunnel, shall be combined with any other toll facility for the purpose  
17 of financing unless such facilities form a continuous project, to the  
18 end that each such facility or project be self liquidating and self-  
19 sustaining.))~~

20 **Sec. 11.** RCW 47.56.076 and 2006 c 311 s 19 are each amended to  
21 read as follows:

22 (1) Upon approval of a majority of the voters within its boundaries  
23 voting on the ballot proposition, ~~((and with the approval of the state~~  
24 ~~transportation commission or its successor statewide tolling~~  
25 ~~authority,))~~ a regional transportation investment district may  
26 authorize vehicle tolls on a local or regional arterial or a state or  
27 federal highway within the boundaries of the district. The department  
28 shall administer the collection of vehicle tolls authorized on  
29 designated facilities unless otherwise specified in law or by contract,  
30 and the commission or its successor statewide tolling authority shall  
31 set and impose the tolls in amounts sufficient to implement the  
32 regional transportation investment plan under RCW 36.120.020.

33 (2) Consistent with section 4 of this act, vehicle tolls must first  
34 be authorized by the legislature if the tolls are imposed on a state  
35 route.

36 (3) Consistent with section 7 of this act, vehicle tolls, including  
37 any change in an existing toll rate, must first be reviewed and

1 approved by the tolling authority designated in section 7 of this act  
2 if the tolls, or change in toll rate, would have a significant impact,  
3 as determined by the tolling authority, on the operation of any state  
4 facility.

5 **Sec. 12.** RCW 47.56.078 and 2005 c 336 s 25 are each amended to  
6 read as follows:

7 (1) Subject to the provisions under chapter 36.73 RCW, a  
8 transportation benefit district may authorize vehicle tolls on state  
9 routes or federal highways, city streets, or county roads, within the  
10 boundaries of the district, unless otherwise prohibited by law. The  
11 department of transportation shall administer the collection of vehicle  
12 tolls authorized on state routes or federal highways, unless otherwise  
13 specified in law or by contract, and the state transportation  
14 commission, or its successor, may approve, set, and impose the tolls in  
15 amounts sufficient to implement the district's transportation  
16 improvement finance plan. The district shall administer the collection  
17 of vehicle tolls authorized on city streets or county roads, and shall  
18 set and impose the tolls, only with approval of the transportation  
19 commission, in amounts sufficient to implement the district's  
20 transportation improvement plan. Tolls may vary for type of vehicle,  
21 for time of day, for traffic conditions, and/or other factors designed  
22 to improve performance of the facility or the transportation network.

23 (2) Consistent with section 4 of this act, vehicle tolls must first  
24 be authorized by the legislature if the tolls are imposed on a state  
25 route.

26 (3) Consistent with section 7 of this act, vehicle tolls, including  
27 any change in an existing toll rate, must first be reviewed and  
28 approved by the tolling authority designated in section 7 of this act  
29 if the tolls, or change in toll rate, would have a significant impact,  
30 as determined by the tolling authority, on the operation of any state  
31 facility.

32 **Sec. 13.** RCW 47.56.120 and 1977 ex.s. c 151 s 70 are each amended  
33 to read as follows:

34 In the event that (~~the transportation commission should determine~~  
35 ~~that~~) any toll bridge should be constructed, all cost thereof

1 including right-of-way, survey, and engineering shall be paid out of  
2 any funds available for payment of the cost of such toll bridge under  
3 this chapter.

4 **Sec. 14.** RCW 47.56.240 and 1984 c 7 s 265 are each amended to read  
5 as follows:

6 Except as otherwise provided in section 7 of this act, the  
7 commission is hereby empowered to fix the rates of toll and other  
8 charges for all toll bridges built under the terms of this chapter.  
9 Toll charges so fixed may be changed from time to time as conditions  
10 warrant. The commission, in establishing toll charges, shall give due  
11 consideration to the cost of operating and maintaining such toll bridge  
12 or toll bridges including the cost of insurance, and to the amount  
13 required annually to meet the redemption of bonds and interest payments  
14 on them. The tolls and charges shall be at all times fixed at rates to  
15 yield annual revenue equal to annual operating and maintenance expenses  
16 including insurance costs and all redemption payments and interest  
17 charges of the bonds issued for any particular toll bridge or toll  
18 bridges as the bonds become due. The bond redemption and interest  
19 payments constitute a first direct (~~and exclusive~~) charge and lien on  
20 all such tolls and other revenues and interest thereon. Sinking funds  
21 created therefrom received from the use and operation of the toll  
22 bridge or toll bridges, and such tolls and revenues together with the  
23 interest earned thereon shall constitute a trust fund for the security  
24 and payment of such bonds and shall not be used or pledged for any  
25 other purpose as long as any of these bonds are outstanding and unpaid.

26 **Sec. 15.** RCW 35.74.050 and 1965 c 7 s 35.74.050 are each amended  
27 to read as follows:

28 A city or town may build and maintain toll bridges and charge and  
29 collect tolls thereon, and to that end may provide a system and elect  
30 or appoint persons to operate the same, or the said bridges may be made  
31 free, as it may elect.

32 Consistent with section 7 of this act, any toll proposed under this  
33 section, including any change in an existing toll rate, must first be  
34 reviewed and approved by the tolling authority designated in section 7  
35 of this act if the toll, or change in toll rate, would have a

1 significant impact, as determined by the tolling authority, on the  
2 operation of any state facility.

3 **Sec. 16.** RCW 36.120.050 and 2006 c 311 s 13 are each amended to  
4 read as follows:

5 (1) A regional transportation investment district planning  
6 committee may, as part of a regional transportation investment plan,  
7 recommend the imposition or authorization of some or all of the  
8 following revenue sources, which a regional transportation investment  
9 district may impose or authorize upon approval of the voters as  
10 provided in this chapter:

11 (a) A regional sales and use tax, as specified in RCW 82.14.430, of  
12 up to 0.1 percent of the selling price, in the case of a sales tax, or  
13 value of the article used, in the case of a use tax, upon the  
14 occurrence of any taxable event in the regional transportation  
15 investment district;

16 (b) A local option vehicle license fee, as specified under RCW  
17 82.80.100, of up to one hundred dollars per vehicle registered in the  
18 district. As used in this subsection, "vehicle" means motor vehicle as  
19 defined in RCW 46.04.320. Certain classes of vehicles, as defined  
20 under chapter 46.04 RCW, may be exempted from this fee;

21 (c) A parking tax under RCW 82.80.030;

22 (d) A local motor vehicle excise tax under RCW 81.100.060;

23 (e) A local option fuel tax under RCW 82.80.120;

24 (f) An employer excise tax under RCW 81.100.030; and

25 (g) Vehicle tolls on new or reconstructed local or regional  
26 arterials or state (~~or federal highways~~) routes within the boundaries  
27 of the district, if the following conditions are met:

28 (i) (~~Any such toll must be approved by the state transportation~~  
29 ~~commission or its successor statewide tolling authority;~~

30 ~~(ii))~~ Consistent with section 4 of this act, the vehicle toll must  
31 first be authorized by the legislature if the toll is imposed on a  
32 state route;

33 (ii) Consistent with section 7 of this act, the vehicle toll,  
34 including any change in an existing toll rate, must first be reviewed  
35 and approved by the tolling authority designated in section 7 of this  
36 act if the toll, or change in toll rate, would have a significant

1 impact, as determined by the tolling authority, on the operation of any  
2 state facility;

3 (iii) The regional transportation investment plan must identify the  
4 facilities that may be tolled; and

5 ~~((iii))~~ (iv) Unless otherwise specified by law, the department  
6 shall administer the collection of vehicle tolls on designated  
7 facilities, and the state transportation commission, or its successor,  
8 shall be the tolling authority, and shall act in accordance with  
9 section 7 of this act.

10 (2) Taxes, fees, and tolls may not be imposed or authorized without  
11 an affirmative vote of the majority of the voters within the boundaries  
12 of the district voting on a ballot proposition as set forth in RCW  
13 36.120.070. Revenues from these taxes and fees may be used only to  
14 implement the plan as set forth in this chapter. A district may  
15 contract with the state department of revenue or other appropriate  
16 entities for administration and collection of any of the taxes or fees  
17 authorized in this section.

18 (3) Existing statewide motor vehicle fuel and special fuel taxes,  
19 at the distribution rates in effect on January 1, 2001, are not  
20 intended to be altered by this chapter.

21 **Sec. 17.** RCW 36.73.040 and 2005 c 336 s 4 are each amended to read  
22 as follows:

23 (1) A transportation benefit district is a quasi-municipal  
24 corporation, an independent taxing "authority" within the meaning of  
25 Article VII, section 1 of the state Constitution, and a "taxing  
26 district" within the meaning of Article VII, section 2 of the state  
27 Constitution.

28 (2) A transportation benefit district constitutes a body corporate  
29 and possesses all the usual powers of a corporation for public purposes  
30 as well as all other powers that may now or hereafter be specifically  
31 conferred by statute, including, but not limited to, the authority to  
32 hire employees, staff, and services, to enter into contracts, to  
33 acquire, hold, and dispose of real and personal property, and to sue  
34 and be sued. Public works contract limits applicable to the  
35 jurisdiction that established the district apply to the district.

36 (3) To carry out the purposes of this chapter, and subject to the

1 provisions of RCW 36.73.065, a district is authorized to impose the  
2 following taxes, fees, charges, and tolls:

3 (a) A sales and use tax in accordance with RCW 82.14.0455;

4 (b) A vehicle fee in accordance with RCW 82.80.140;

5 (c) A fee or charge in accordance with RCW 36.73.120. However, if  
6 a county or city within the district area is levying a fee or charge  
7 for a transportation improvement, the fee or charge shall be credited  
8 against the amount of the fee or charge imposed by the district.  
9 Developments consisting of less than twenty residences are exempt from  
10 the fee or charge under RCW 36.73.120; and

11 (d) Vehicle tolls on state routes (~~(or federal highways)~~), city  
12 streets, or county roads, within the boundaries of the district, unless  
13 otherwise prohibited by law. However, consistent with section 4 of  
14 this act, the vehicle toll must first be authorized by the legislature  
15 if the toll is imposed on a state route. The department of  
16 transportation shall administer the collection of vehicle tolls  
17 authorized on state routes (~~(or federal highways)~~), unless otherwise  
18 specified in law or by contract, and the state transportation  
19 commission, or its successor, may approve, set, and impose the tolls in  
20 amounts sufficient to implement the district's transportation  
21 improvement finance plan. The district shall administer the collection  
22 of vehicle tolls authorized on city streets or county roads, and shall  
23 set and impose(~~(, only with approval of the transportation commission,~~  
24 ~~or its successor,)~~) the tolls in amounts sufficient to implement the  
25 district's transportation improvement plan. However, consistent with  
26 section 7 of this act, the vehicle toll, including any change in an  
27 existing toll rate, must first be reviewed and approved by the tolling  
28 authority designated in section 7 of this act if the toll, or change in  
29 toll rate, would have a significant impact, as determined by the  
30 tolling authority, on the operation of any state facility.

31 **Sec. 18.** RCW 47.29.060 and 2005 c 317 s 6 are each amended to read  
32 as follows:

33 (1) Subject to the limitations in this section, the department may,  
34 in connection with the evaluation of eligible projects, consider any  
35 financing mechanisms identified under subsections (3) through (5) of  
36 this section or any other lawful source, either integrated as part of

1 a project proposal or as a separate, stand-alone proposal to finance a  
2 project. Financing may be considered for all or part of a proposed  
3 project. A project may be financed in whole or in part with:

4 (a) The proceeds of grant anticipation revenue bonds authorized by  
5 23 U.S.C. Sec. 122 and applicable state law. Legislative authorization  
6 and appropriation is required in order to use this source of financing;

7 (b) Grants, loans, loan guarantees, lines of credit, revolving  
8 lines of credit, or other financing arrangements available under the  
9 Transportation Infrastructure Finance and Innovation Act under 23  
10 U.S.C. Sec. 181 et seq., or any other applicable federal law;

11 (c) Infrastructure loans or assistance from the state  
12 infrastructure bank established by RCW 82.44.195;

13 (d) Federal, state, or local revenues, subject to appropriation by  
14 the applicable legislative authority;

15 (e) User fees, tolls, fares, lease proceeds, rents, gross or net  
16 receipts from sales, proceeds from the sale of development rights,  
17 franchise fees, or any other lawful form of consideration. However,  
18 projects financed by tolls or equivalent funding sources must first be  
19 authorized by the legislature under section 4 of this act.

20 (2) As security for the payment of financing described in this  
21 section, the revenues from the project may be pledged, but no such  
22 pledge of revenues constitutes in any manner or to any extent a general  
23 obligation of the state. Any financing described in this section may  
24 be structured on a senior, parity, or subordinate basis to any other  
25 financing.

26 (3) For any transportation project developed under this chapter  
27 that is owned, leased, used, or operated by the state, as a public  
28 facility, if indebtedness is issued, it must be issued by the state  
29 treasurer for the transportation project.

30 (4) For other public projects defined in RCW 47.29.050(2) that are  
31 developed in conjunction with a transportation project, financing  
32 necessary to develop, construct, or operate the public project must be  
33 approved by the state finance committee or by the governing board of a  
34 public benefit corporation as provided in the federal Internal Revenue  
35 Code section 63-20;

36 (5) For projects that are developed in conjunction with a  
37 transportation project but are not themselves a public facility or  
38 public project, any lawful means of financing may be used.

1       **Sec. 19.** RCW 47.58.030 and 1984 c 7 s 290 are each amended to read  
2 as follows:

3       Except as otherwise provided in section 7 of this act, the  
4 secretary shall have full charge of the construction of all such  
5 improvements and reconstruction work and the construction of any  
6 additional bridge, including approaches and connecting highways, that  
7 may be authorized under this chapter and the operation of such bridge  
8 or bridges, as well as the collection of tolls and other charges for  
9 services and facilities thereby afforded. The schedule of charges for  
10 the services and facilities shall be fixed and revised from time to  
11 time by the commission so that the tolls and revenues collected will  
12 yield annual revenue and income sufficient, after payment or allowance  
13 for all operating, maintenance, and repair expenses, to pay the  
14 interest on all revenue bonds outstanding under the provisions of this  
15 chapter for account of the project and to create a sinking fund for the  
16 retirement of the revenue bonds at or prior to maturity. The charges  
17 shall be continued until all such bonds and interest thereon and unpaid  
18 advancements, if any, have been paid.

19       **Sec. 20.** RCW 47.60.010 and 1984 c 18 s 1 are each amended to read  
20 as follows:

21       The department is authorized to acquire by lease, charter,  
22 contract, purchase, condemnation, or construction, and partly by any or  
23 all of such means, and to thereafter operate, improve, and extend, a  
24 system of ferries on and crossing Puget Sound and any of its tributary  
25 waters and connections thereof, and connecting with the public streets  
26 and highways in the state. The system of ferries shall include such  
27 boats, vessels, wharves, docks, approaches, landings, franchises,  
28 licenses, and appurtenances as shall be determined by the department to  
29 be necessary or desirable for efficient operation of the ferry system  
30 and best serve the public. Subject to section 4 of this act, the  
31 department may in like manner acquire by purchase, condemnation, or  
32 construction and include in the ferry system such toll bridges,  
33 approaches, and connecting roadways as may be deemed by the department  
34 advantageous in channeling traffic to points served by the ferry  
35 system. In addition to the powers of acquisition granted by this  
36 section, the department is empowered to enter into any contracts,  
37 agreements, or leases with any person, firm, or corporation and to



1 thereby provide, on such terms and conditions as it shall determine,  
2 for the operation of any ferry or ferries or system thereof, whether  
3 acquired by the department or not.

4 The authority of the department to sell and lease back any state  
5 ferry, for federal tax purposes only, as authorized by 26 U.S.C., Sec.  
6 168(f)(8) is confirmed. Legal title and all incidents of legal title  
7 to any ferry sold and leased back (except for the federal tax benefits  
8 attributable to the ownership thereof) shall remain in the state of  
9 Washington.

10 **Sec. 21.** RCW 53.34.010 and 1984 c 7 s 365 are each amended to read  
11 as follows:

12 In addition to all other powers granted to port districts, any such  
13 district may, with the consent of the department of transportation,  
14 acquire by condemnation, purchase, lease, or gift, and may construct,  
15 reconstruct, maintain, operate, furnish, equip, improve, better, add  
16 to, extend, and lease to others in whole or in part and sell in whole  
17 or in part any one or more of the following port projects, within or  
18 without or partially within and partially without the corporate limits  
19 of the district whenever the commission of the district determines that  
20 any one or more of such projects are necessary for or convenient to the  
21 movement of commercial freight and passenger traffic a part of which  
22 traffic moves to, from, or through the territory of the district:

- 23 (1) Toll bridges;
- 24 (2) Tunnels under or upon the beds of any river, stream, or other  
25 body of water, or through mountain ranges.

26 In connection with the acquisition or construction of any one or  
27 more of such projects the port districts may, with the consent of the  
28 state department of transportation, further acquire or construct,  
29 maintain, operate, or improve limited or unlimited access highway  
30 approaches of such length as the commission of such district deems  
31 advisable to provide means of interconnection of the facilities with  
32 public highways and of ingress and egress to any such project,  
33 including plazas and toll booths, and to construct and maintain under,  
34 along, over, or across any such project telephone, telegraph, or  
35 electric transmission wires and cables, fuel lines, gas transmission  
36 lines or mains, water transmission lines or mains, and other mechanical

1 equipment not inconsistent with the appropriate use of the project, all  
2 for the purpose of obtaining revenues for the payment of the cost of  
3 the project.

4 Consistent with section 7 of this act, any toll, including any  
5 change in an existing toll rate, proposed under this section must first  
6 be reviewed and approved by the tolling authority designated in section  
7 7 of this act if the toll, or change in toll rate, would have a  
8 significant impact, as determined by the tolling authority, on the  
9 operation of any state facility.

10 NEW SECTION. **Sec. 22.** The following acts or parts of acts are  
11 each repealed:

- 12 (1) RCW 47.56.0761 (Regional transportation investment district--  
13 Tolls on Lake Washington bridges) and 2006 c 311 s 20; and
- 14 (2) RCW 47.56.080 (Construction of toll bridges and issuance of  
15 bonds authorized) and 1977 ex.s. c 151 s 68 & 1961 c 13 s 47.56.080.

16 NEW SECTION. **Sec. 23.** A new section is added to chapter 47.56 RCW  
17 to read as follows:

18 The toll collection account is created in the state treasury. All  
19 receipts from prepaid customer tolls must be deposited into the  
20 account. Moneys in the account may be spent only after appropriation.  
21 Expenditures from the account may be used only to refund customers'  
22 prepaid tolls or for distributions into the appropriate toll facility  
23 account under this chapter.

24 **Sec. 24.** RCW 43.84.092 and 2007 c 514 s 3 and 2007 c 356 s 9 are  
25 each reenacted and amended to read as follows:

- 26 (1) All earnings of investments of surplus balances in the state  
27 treasury shall be deposited to the treasury income account, which  
28 account is hereby established in the state treasury.
- 29 (2) The treasury income account shall be utilized to pay or receive  
30 funds associated with federal programs as required by the federal cash  
31 management improvement act of 1990. The treasury income account is  
32 subject in all respects to chapter 43.88 RCW, but no appropriation is  
33 required for refunds or allocations of interest earnings required by  
34 the cash management improvement act. Refunds of interest to the  
35 federal treasury required under the cash management improvement act

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

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

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

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

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

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

20 (b) The following accounts and funds shall receive eighty percent  
21 of their proportionate share of earnings based upon each account's or  
22 fund's average daily balance for the period: The aeronautics account,  
23 the aircraft search and rescue account, the county arterial  
24 preservation account, the department of licensing services account, the  
25 essential rail assistance account, the ferry bond retirement fund, the  
26 grade crossing protective fund, the high capacity transportation  
27 account, the highway bond retirement fund, the highway safety account,  
28 the motor vehicle fund, the motorcycle safety education account, the  
29 pilotage account, the public transportation systems account, the Puget  
30 Sound capital construction account, the Puget Sound ferry operations  
31 account, the recreational vehicle account, the rural arterial trust  
32 account, the safety and education account, the special category C  
33 account, the state patrol highway account, the transportation 2003  
34 account (nickel account), the transportation equipment fund, the  
35 transportation fund, the transportation improvement account, the  
36 transportation improvement board bond retirement account, and the urban  
37 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 **Sec. 25.** RCW 43.84.092 and 2007 c 514 s 3, 2007 c 484 s 4, and  
5 2007 c 356 s 9 are each reenacted and amended to read as follows:

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

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

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

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

36 (a) The following accounts and funds shall receive their  
37 proportionate share of earnings based upon each account's and fund's

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

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

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



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

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

19 **Sec. 26.** RCW 43.84.092 and 2007 c 514 s 3, 2007 c 513 s 1, 2007 c  
20 484 s 4, and 2007 c 356 s 9 are each reenacted and amended to read as  
21 follows:

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

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

1 cash management improvement act, and this subsection. Refunds or  
2 allocations shall occur prior to the distributions of earnings set  
3 forth in subsection (4) of this section.

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

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

16 The following accounts and funds shall receive their proportionate  
17 share of earnings based upon each account's and fund's average daily  
18 balance for the period: The aeronautics account, the aircraft search  
19 and rescue account, the budget stabilization account, the capitol  
20 building construction account, the Cedar River channel construction and  
21 operation account, the Central Washington University capital projects  
22 account, the charitable, educational, penal and reformatory  
23 institutions account, the Columbia river basin water supply development  
24 account, the common school construction fund, the county arterial  
25 preservation account, the county criminal justice assistance account,  
26 the county sales and use tax equalization account, the data processing  
27 building construction account, the deferred compensation administrative  
28 account, the deferred compensation principal account, the department of  
29 licensing services account, the department of retirement systems  
30 expense account, the developmental disabilities community trust  
31 account, the drinking water assistance account, the drinking water  
32 assistance administrative account, the drinking water assistance  
33 repayment account, the Eastern Washington University capital projects  
34 account, the education construction fund, the education legacy trust  
35 account, the election account, the energy freedom account, the  
36 essential rail assistance account, The Evergreen State College capital  
37 projects account, the federal forest revolving account, the ferry bond  
38 retirement fund, the freight congestion relief account, the freight

1 mobility investment account, the freight mobility multimodal account,  
2 the grade crossing protective fund, the health services account, the  
3 public health services account, the health system capacity account, the  
4 personal health services account, the high capacity transportation  
5 account, the state higher education construction account, the higher  
6 education construction account, the highway bond retirement fund, the  
7 highway infrastructure account, the highway safety account, the high-  
8 occupancy toll lanes operations account, the industrial insurance  
9 premium refund account, the judges' retirement account, the judicial  
10 retirement administrative account, the judicial retirement principal  
11 account, the local leasehold excise tax account, the local real estate  
12 excise tax account, the local sales and use tax account, the medical  
13 aid account, the mobile home park relocation fund, the motor vehicle  
14 fund, the motorcycle safety education account, the multimodal  
15 transportation account, the municipal criminal justice assistance  
16 account, the municipal sales and use tax equalization account, the  
17 natural resources deposit account, the oyster reserve land account, the  
18 pension funding stabilization account, the perpetual surveillance and  
19 maintenance account, the pilotage account, the public employees'  
20 retirement system plan 1 account, the public employees' retirement  
21 system combined plan 2 and plan 3 account, the public facilities  
22 construction loan revolving account beginning July 1, 2004, the public  
23 health supplemental account, the public transportation systems account,  
24 the public works assistance account, the Puget Sound capital  
25 construction account, the Puget Sound ferry operations account, the  
26 Puyallup tribal settlement account, the real estate appraiser  
27 commission account, the recreational vehicle account, the regional  
28 mobility grant program account, the resource management cost account,  
29 the rural arterial trust account, the rural Washington loan fund, the  
30 safety and education account, the site closure account, the small city  
31 pavement and sidewalk account, the special category C account, the  
32 special wildlife account, the state employees' insurance account, the  
33 state employees' insurance reserve account, the state investment board  
34 expense account, the state investment board commingled trust fund  
35 accounts, the state patrol highway account, the supplemental pension  
36 account, the Tacoma Narrows toll bridge account, the teachers'  
37 retirement system plan 1 account, the teachers' retirement system  
38 combined plan 2 and plan 3 account, the tobacco prevention and control

1 account, the tobacco settlement account, the toll collection account,  
2 the transportation 2003 account (nickel account), the transportation  
3 equipment fund, the transportation fund, the transportation improvement  
4 account, the transportation improvement board bond retirement account,  
5 the transportation infrastructure account, the transportation  
6 partnership account, the traumatic brain injury account, the tuition  
7 recovery trust fund, the University of Washington bond retirement fund,  
8 the University of Washington building account, the urban arterial trust  
9 account, the volunteer firefighters' and reserve officers' relief and  
10 pension principal fund, the volunteer firefighters' and reserve  
11 officers' administrative fund, the Washington fruit express account,  
12 the Washington judicial retirement system account, the Washington law  
13 enforcement officers' and firefighters' system plan 1 retirement  
14 account, the Washington law enforcement officers' and firefighters'  
15 system plan 2 retirement account, the Washington public safety  
16 employees' plan 2 retirement account, the Washington school employees'  
17 retirement system combined plan 2 and 3 account, the Washington state  
18 health insurance pool account, the Washington state patrol retirement  
19 account, the Washington State University building account, the  
20 Washington State University bond retirement fund, the water pollution  
21 control revolving fund, and the Western Washington University capital  
22 projects account. Earnings derived from investing balances of the  
23 agricultural permanent fund, the normal school permanent fund, the  
24 permanent common school fund, the scientific permanent fund, and the  
25 state university permanent fund shall be allocated to their respective  
26 beneficiary accounts. All earnings to be distributed under this  
27 subsection (4)(a) shall first be reduced by the allocation to the state  
28 treasurer's service fund pursuant to RCW 43.08.190.

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. 27.** (1) Section 25 of this act takes effect  
33 July 1, 2008.

34 (2) Section 26 of this act takes effect July 1, 2009.

35 NEW SECTION. **Sec. 28.** (1) Section 24 of this act expires July 1,  
36 2008.

1 (2) Section 25 of this act expires July 1, 2009.

2 NEW SECTION. **Sec. 29.** Sections 1 through 7 of this act are each  
3 added to chapter 47.56 RCW under the subchapter heading "toll  
4 facilities created after July 1, 2008."

--- END ---