
HOUSE BILL 2138

State of Washington 60th Legislature 2007 Regular Session

By Representatives Simpson, B. Sullivan, Sells, Flannigan and
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Read first time 02/09/2007. Referred to Committee on Transportation.

1 AN ACT Relating to fuel tax rate indexing; reenacting and amending
2 RCW 43.84.092; adding a new section to chapter 82.36 RCW; adding a new
3 section to chapter 82.38 RCW; adding a new section to chapter 46.68
4 RCW; creating a new section; providing an effective date; and declaring
5 an emergency.

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

7 NEW SECTION. **Sec. 1.** It is the intent of the legislature to
8 ensure that the highway infrastructure meets the growing needs of the
9 state's citizens and maintains pace with inflation. It is also the
10 intent of the legislature to keep improving highway safety and
11 improving the movement of persons and freight on the state's highways.

12 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.36 RCW
13 to read as follows:

14 Beginning on July 1, 2009, and each July 1st thereafter, the fuel
15 tax rate as computed under RCW 82.36.025 on each gallon of motor
16 vehicle fuel shall be indexed utilizing the implicit price deflator
17 published by the federal bureau of economic analysis. The fuel tax
18 rate for the preceding year in which the fuel tax rate was calculated

1 is multiplied by the index, and the result is added to the preceding
2 year's fuel tax rate, which is then rounded up to the next half cent.
3 The resulting fuel tax rate may not be lower than the fuel tax rate
4 enacted in the immediately preceding year. The difference between
5 thirty-seven and one-half cents per gallon and the new tax rate
6 computed each July 1st shall be deposited monthly into the highway
7 project account created in section 4 of this act.

8 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.38 RCW
9 to read as follows:

10 Beginning on July 1, 2009, and each July 1st thereafter, the fuel
11 tax rate as computed under RCW 82.38.030 on each gallon of special fuel
12 shall be indexed utilizing the implicit price deflator published by the
13 federal bureau of economic analysis. The fuel tax rate for the
14 preceding year in which the fuel tax rate was calculated is multiplied
15 by the index, and the result is added to the preceding year's fuel tax
16 rate, which is then rounded up to the next half cent. The resulting
17 fuel tax rate may not be lower than the fuel tax rate enacted in the
18 immediately preceding year. The difference between thirty-seven and
19 one-half cents per gallon and the new tax rate computed each July 1st
20 shall be deposited monthly into the highway project account created in
21 section 4 of this act.

22 NEW SECTION. **Sec. 4.** A new section is added to chapter 46.68 RCW
23 to read as follows:

24 The highway project account is created in the state treasury. Fuel
25 tax indexing amounts directed for deposit into the account under
26 sections 2 and 3 of this act must be deposited into the account. Money
27 in the account may be spent only after appropriation. Expenditures
28 from the account may only be used for projects or improvements
29 identified as 2003 nickel projects, 2005 transportation partnership
30 projects, or regional transportation investment district projects in
31 the omnibus transportation appropriations act, including any principal
32 and interest on bonds authorized for the projects or improvements.

33 **Sec. 5.** RCW 43.84.092 and 2006 c 337 s 11, 2006 c 311 s 23, 2006
34 c 171 s 10, 2006 c 56 s 10, and 2006 c 6 s 8 are each reenacted and
35 amended to read as follows:

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

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

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

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

31 (a) The following accounts and funds shall receive their
32 proportionate share of earnings based upon each account's and fund's
33 average daily balance for the period: The capitol building
34 construction account, the Cedar River channel construction and
35 operation account, the Central Washington University capital projects
36 account, the charitable, educational, penal and reformatory
37 institutions account, the Columbia river basin water supply development
38 account, the common school construction fund, the county criminal

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

1 expense account, the state investment board commingled trust fund
2 accounts, the supplemental pension account, the Tacoma Narrows toll
3 bridge account, the teachers' retirement system plan 1 account, the
4 teachers' retirement system combined plan 2 and plan 3 account, the
5 tobacco prevention and control account, the tobacco settlement account,
6 the transportation infrastructure account, the transportation
7 partnership account, the tuition recovery trust fund, the University of
8 Washington bond retirement fund, the University of Washington building
9 account, the volunteer fire fighters' and reserve officers' relief and
10 pension principal fund, the volunteer fire fighters' 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 fire fighters' system plan 1 retirement
14 account, the Washington law enforcement officers' and fire fighters'
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 (b) The following accounts and funds shall receive eighty percent
30 of their proportionate share of earnings based upon each account's or
31 fund's average daily balance for the period: The aeronautics account,
32 the aircraft search and rescue account, the county arterial
33 preservation account, the department of licensing services account, the
34 essential rail assistance account, the ferry bond retirement fund, the
35 grade crossing protective fund, the high capacity transportation
36 account, the highway bond retirement fund, the highway safety account,
37 the motor vehicle fund, the motorcycle safety education account, the
38 pilotage account, the public transportation systems account, the Puget

1 Sound capital construction account, the Puget Sound ferry operations
2 account, the recreational vehicle account, the rural arterial trust
3 account, the safety and education account, the special category C
4 account, the state patrol highway account, the transportation 2003
5 account (nickel account), the transportation equipment fund, the
6 transportation fund, the transportation improvement account, the
7 transportation improvement board bond retirement account, and the urban
8 arterial trust account.

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

12 NEW SECTION. **Sec. 6.** This act is necessary for the immediate
13 preservation of the public peace, health, or safety, or support of the
14 state government and its existing public institutions, and takes effect
15 July 1, 2007.

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