

**SB 6833** - H COMM AMD  
By Committee on Ways & Means

ADOPTED 03/10/2010

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature recognizes the significant  
4 financial benefits realized by the state through consolidated cash  
5 management activities. It is the intent of this act to encourage and,  
6 when financially advantageous, to expand those activities.

7 **Sec. 2.** RCW 43.08.150 and 2009 c 549 s 5045 are each amended to  
8 read as follows:

9 As soon as possible after the close of each calendar month, the  
10 state treasurer shall prepare a report as to the state of the general  
11 fund and every other fund under his or her control itemized as to:

12 (1) The amount in the fund at the close of business at the end of  
13 the preceding month;

14 (2) The amount of revenue deposited or transferred to the credit of  
15 each fund during the current month;

16 (3) The amount of withdrawals or transfers from each fund during  
17 the current month; and

18 (4) The amount on hand in each fund at the close of business at the  
19 end of the current month.

20 One copy of each report shall be provided promptly to those  
21 requesting them so long as the supply lasts. The report shall be  
22 posted on the official web site of the state treasurer. The report  
23 shall also include a graphical display of month end balances, for both  
24 the current and previous fiscal year, for the general fund, total funds  
25 in the treasury, total funds in the treasurer's trust fund, and total  
26 funds managed by the state treasurer.

27 **Sec. 3.** RCW 43.08.190 and 2009 c 564 s 926 are each amended to  
28 read as follows:

1           There is hereby created a fund within the state treasury to be  
2 known as the "state treasurer's service fund." Such fund shall be used  
3 solely for the payment of costs and expenses incurred in the operation  
4 and administration of the state treasurer's office.

5           Moneys shall be allocated monthly and placed in the state  
6 treasurer's service fund equivalent to a maximum of one percent of the  
7 trust and treasury average daily cash balances from the earnings  
8 generated under the authority of RCW 43.79A.040 and 43.84.080 other  
9 than earnings generated from investment of balances in funds and  
10 accounts specified in RCW 43.79A.040 (~~(or 43.84.092(4))~~) (4)(c). The  
11 allocation shall precede the distribution of the remaining earnings as  
12 prescribed under RCW 43.79A.040 and 43.84.092. The state treasurer  
13 shall establish a uniform allocation rate (~~(based on the appropriations~~  
14 ~~for the treasurer's office)~~) for all funds and accounts; except that  
15 the state treasurer may negotiate a different allocation rate with any  
16 state agency that has independent authority over funds not statutorily  
17 required to be held in the state treasury or in the custody of the  
18 state treasurer. In no event shall the rate be less than the actual  
19 costs incurred by the state treasurer's office. If no rate is  
20 separately negotiated, the default rate for any funds held shall be the  
21 rate set for funds held pursuant to statute.

22           During the 2009-2011 fiscal biennium, the legislature may transfer  
23 from the state treasurer's service fund to the state general fund such  
24 amounts as reflect the excess fund balance of the fund.

25           **Sec. 4.** RCW 43.79A.040 and 2009 c 87 s 4 are each amended to read  
26 as follows:

27           (1) Money in the treasurer's trust fund may be deposited, invested,  
28 and reinvested by the state treasurer in accordance with RCW 43.84.080  
29 in the same manner and to the same extent as if the money were in the  
30 state treasury, and may be commingled with moneys in the state treasury  
31 for cash management and cash balance purposes.

32           (2) All income received from investment of the treasurer's trust  
33 fund shall be set aside in an account in the treasury trust fund to be  
34 known as the investment income account.

35           (3) The investment income account may be utilized for the payment  
36 of purchased banking services on behalf of treasurer's trust funds  
37 including, but not limited to, depository, safekeeping, and

1 disbursement functions for the state treasurer or affected state  
2 agencies. The investment income account is subject in all respects to  
3 chapter 43.88 RCW, but no appropriation is required for payments to  
4 financial institutions. Payments shall occur prior to distribution of  
5 earnings set forth in subsection (4) of this section.

6 (4)(a) Monthly, the state treasurer shall distribute the earnings  
7 credited to the investment income account to the state general fund  
8 except under (b) (~~and~~), (c), and (d) of this subsection.

9 (b) The following accounts and funds shall receive their  
10 proportionate share of earnings based upon each account's or fund's  
11 average daily balance for the period: The Washington promise  
12 scholarship account, the college savings program account, the  
13 Washington advanced college tuition payment program account, the  
14 agricultural local fund, the American Indian scholarship endowment  
15 fund, the foster care scholarship endowment fund, the foster care  
16 endowed scholarship trust fund, the students with dependents grant  
17 account, the basic health plan self-insurance reserve account, the  
18 contract harvesting revolving account, the Washington state combined  
19 fund drive account, the commemorative works account, the Washington  
20 international exchange scholarship endowment fund, the toll collection  
21 account, the developmental disabilities endowment trust fund, the  
22 energy account, the fair fund, the family leave insurance account, the  
23 food animal veterinarian conditional scholarship account, the fruit and  
24 vegetable inspection account, the future teachers conditional  
25 scholarship account, the game farm alternative account, the GET ready  
26 for math and science scholarship account, the grain inspection  
27 revolving fund, the juvenile accountability incentive account, the law  
28 enforcement officers' and firefighters' plan 2 expense fund, the local  
29 tourism promotion account, the pilotage account, the produce railcar  
30 pool account, the regional transportation investment district account,  
31 the rural rehabilitation account, the stadium and exhibition center  
32 account, the youth athletic facility account, the self-insurance  
33 revolving fund, the sulfur dioxide abatement account, the children's  
34 trust fund, the Washington horse racing commission Washington bred  
35 owners' bonus fund and breeder awards account, the Washington horse  
36 racing commission class C purse fund account, the individual  
37 development account program account, the Washington horse racing  
38 commission operating account (earnings from the Washington horse racing

1 commission operating account must be credited to the Washington horse  
2 racing commission class C purse fund account), the life sciences  
3 discovery fund, the Washington state heritage center account, the  
4 reduced cigarette ignition propensity account, and the reading  
5 achievement account. (~~However, the earnings to be distributed shall  
6 first be reduced by the allocation to the state treasurer's service  
7 fund pursuant to RCW 43.08.190.~~)

8 (c) The following accounts and funds shall receive eighty percent  
9 of their proportionate share of earnings based upon each account's or  
10 fund's average daily balance for the period: The advanced right-of-way  
11 revolving fund, the advanced environmental mitigation revolving  
12 account, the city and county advance right-of-way revolving fund, the  
13 federal narcotics asset forfeitures account, the high occupancy vehicle  
14 account, the local rail service assistance account, and the  
15 miscellaneous transportation programs account.

16 (d) Any state agency that has independent authority over accounts  
17 or funds not statutorily required to be held in the custody of the  
18 state treasurer that deposits funds into a fund or account in the  
19 custody of the state treasurer pursuant to an agreement with the office  
20 of the state treasurer shall receive its proportionate share of  
21 earnings based upon each account's or fund's average daily balance for  
22 the period.

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

26 **Sec. 5.** RCW 43.84.092 and 2009 c 479 s 31, 2009 c 472 s 5, and  
27 2009 c 451 s 8 are each reenacted and amended to read as follows:

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

31 (2) The treasury income account shall be utilized to pay or receive  
32 funds associated with federal programs as required by the federal cash  
33 management improvement act of 1990. The treasury income account is  
34 subject in all respects to chapter 43.88 RCW, but no appropriation is  
35 required for refunds or allocations of interest earnings required by  
36 the cash management improvement act. Refunds of interest to the  
37 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 aeronautics account, the  
24 aircraft search and rescue account, the budget stabilization account,  
25 the capitol building construction account, the Cedar River channel  
26 construction and operation account, the Central Washington University  
27 capital projects account, the charitable, educational, penal and  
28 reformatory institutions account, the cleanup settlement account, the  
29 Columbia river basin water supply development account, the common  
30 school construction fund, the county arterial preservation account, the  
31 county criminal justice assistance account, the county sales and use  
32 tax equalization account, the data processing building construction  
33 account, the deferred compensation administrative account, the deferred  
34 compensation principal account, the department of licensing services  
35 account, the department of retirement systems expense account, the  
36 developmental disabilities community trust account, the drinking water  
37 assistance account, the drinking water assistance administrative  
38 account, the drinking water assistance repayment account, the Eastern

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

1 the state investment board commingled trust fund accounts, the state  
2 patrol highway account, the state route number 520 corridor account,  
3 the supplemental pension account, the Tacoma Narrows toll bridge  
4 account, the teachers' retirement system plan 1 account, the teachers'  
5 retirement system combined plan 2 and plan 3 account, the tobacco  
6 prevention and control account, the tobacco settlement account, the  
7 transportation 2003 account (nickel account), the transportation  
8 equipment fund, the transportation fund, the transportation improvement  
9 account, the transportation improvement board bond retirement account,  
10 the transportation infrastructure account, the transportation  
11 partnership account, the traumatic brain injury account, the tuition  
12 recovery trust fund, the University of Washington bond retirement fund,  
13 the University of Washington building account, the urban arterial trust  
14 account, the volunteer firefighters' and reserve officers' relief and  
15 pension principal fund, the volunteer firefighters' and reserve  
16 officers' administrative fund, the Washington fruit express account,  
17 the Washington judicial retirement system account, the Washington law  
18 enforcement officers' and firefighters' system plan 1 retirement  
19 account, the Washington law enforcement officers' and firefighters'  
20 system plan 2 retirement account, the Washington public safety  
21 employees' plan 2 retirement account, the Washington school employees'  
22 retirement system combined plan 2 and 3 account, the Washington state  
23 health insurance pool account, the Washington state patrol retirement  
24 account, the Washington State University building account, the  
25 Washington State University bond retirement fund, the water pollution  
26 control revolving fund, and the Western Washington University capital  
27 projects account. Earnings derived from investing balances of the  
28 agricultural permanent fund, the normal school permanent fund, the  
29 permanent common school fund, the scientific permanent fund, and the  
30 state university permanent fund shall be allocated to their respective  
31 beneficiary accounts. (~~All earnings to be distributed under this~~  
32 ~~subsection (4) shall first be reduced by the allocation to the state~~  
33 ~~treasurer's service fund pursuant to RCW 43.08.190.))~~

34 (b) Any state agency that has independent authority over accounts  
35 or funds not statutorily required to be held in the state treasury that  
36 deposits funds into a fund or account in the state treasury pursuant to  
37 an agreement with the office of the state treasurer shall receive its

1 proportionate share of earnings based upon each account's or fund's  
2 average daily balance for the period.

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

6 NEW SECTION. Sec. 6. A new section is added to chapter 43.79 RCW  
7 to read as follows:

8 By October 31st of each odd-numbered year, the state treasurer  
9 shall provide to the office of financial management and the appropriate  
10 fiscal committees of the legislature a list of any funds or accounts in  
11 the state treasury or in the custody of the state treasurer that he or  
12 she believes to be obsolete. The list must include the standard or  
13 process the treasurer used to determine whether an account is believed  
14 to be obsolete.

15 NEW SECTION. Sec. 7. By June 1, 2010, the office of financial  
16 management shall provide the state treasurer with a list of all funds  
17 or accounts held locally by any state agency. By October 31, 2010, the  
18 state treasurer, working with the office of financial management, shall  
19 review all locally held accounts, other than those held by institutions  
20 of higher education, and determine whether it would be financially  
21 advantageous to the state for those accounts to instead be held in the  
22 state treasury or in the custody of the state treasurer. When the  
23 treasurer deems it financially advantageous for local accounts to be  
24 held in the custody of the state treasurer or in the state treasury, he  
25 or she is encouraged to propose executive request legislation to effect  
26 those changes."

27 Correct the title.

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