
HOUSE BILL 1360

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By Representatives Ormsby, Orcutt, Simpson, Smith, Dunshee, Springer, Llias, Upthegrove, Eddy, Takko, Chase, Morrell, Moeller, and Sullivan

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1 AN ACT Relating to funding for residential infrastructure
2 development; amending RCW 82.45.060 and 82.45.180; reenacting and
3 amending RCW 43.84.092; adding a new section to chapter 43.135 RCW; and
4 adding a new chapter to Title 43 RCW.

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

6 NEW SECTION. **Sec. 1.** The definitions in this subsection apply
7 throughout this chapter unless the context clearly requires otherwise.

8 (1) "Affordable residential development" or "affordable housing"
9 means:

10 (a) For owner-occupied housing, housing that is owned and occupied
11 by a person or household with an income not exceeding (i) one hundred
12 twenty percent of the median family income, adjusted for the household
13 size, for the county where the project is located for housing located
14 outside of a high-cost area or (ii) one hundred fifty percent of the
15 median income for housing located within a high-cost area, whose
16 monthly housing costs, including utilities other than telephone, do not
17 exceed thirty percent of the household's monthly income; and

18 (b) For rental housing, housing that is rented and occupied by a
19 household with an income (i) not exceeding eighty percent of the median

1 family income, adjusted for the household size, for the county where
2 the project is located for housing located outside of a high-cost area
3 or (ii) equal to the median income for housing located within a high-
4 cost area, whose monthly housing costs, including utilities other than
5 telephone, do not exceed thirty percent of the household's monthly
6 income.

7 (2) "Comparable replacement housing" means any dwelling that is (a)
8 decent, safe, and sanitary; (b) adequate in size to accommodate the
9 occupants; (c) within the financial means of the displaced person; (d)
10 functionally equivalent; (e) in an area not subject to unreasonably
11 adverse environmental conditions; and (f) in a location generally not
12 less desirable than the location of the displaced person's dwelling
13 with respect to public utilities, facilities, services, and the
14 displaced person's place of employment.

15 (3) "Consumer price index" means, for any calendar year, that
16 year's annual average consumer price index, for Washington state, for
17 wage earners and clerical workers, all items, compiled by the bureau of
18 labor and statistics, United States department of labor.

19 (4) "Dense" refers to transit-supportive density.

20 (5) "Department" means the department of community, trade, and
21 economic development.

22 (6) "Director" means the director of the department of community,
23 trade, and economic development.

24 (7) "Eligible jurisdiction" means a county or city planning under
25 RCW 36.70A.040 or a federally recognized Indian tribe in the state of
26 Washington.

27 (8) "High capacity transit station" means a stop or station for any
28 mode of public transportation that substantially operates on a fixed
29 guideway. For purposes of this subsection, "fixed guideway" means a
30 rail system, dedicated bus lane, high occupancy vehicle lane, or high
31 occupancy toll lane.

32 (9) "High-cost area" means a county where the third quarter median
33 house price for the previous year, as reported by the Washington center
34 for real estate research at Washington State University, is equal to or
35 greater than one hundred thirty percent of the statewide median house
36 price published during the same time period.

37 (10) "Low-income household" has the same meaning as in RCW
38 43.185A.010.

1 (11) "Major transit stop" means a stop for a bus or other transit
2 mode providing fixed route service in intervals of at least every
3 thirty minutes during peak hours of operation.

4 (12) "Market rate" means the current average market interest rate
5 that is determined at the time an individual loan is closed upon, or
6 grant is awarded, using a widely recognized current market interest
7 rate measurement to be selected for use by the department. This
8 interest rate must be noted in an attachment to the closing documents
9 for any loan and in any grant contract for reference if the loan or
10 grant must be repaid with interest.

11 (13) "Nonprofit organization" means an organization that is tax
12 exempt, or not required to apply for an exemption, under section
13 501(c)(3) of the federal internal revenue code, or similar successor
14 provisions.

15 (14) "Rural and resource land transfer of development rights
16 program" means a program for awarding bonuses or regulatory flexibility
17 in exchange for purchasing development rights through a transfer of
18 development rights bank or from a landowner who is a willing
19 development rights seller. Bonuses include, but are not limited to,
20 increased height, density, or floor area ratio. Options for
21 regulations on which a jurisdiction could award increased flexibility
22 include, but are not limited to, parking requirements, impervious
23 surface limits, or setbacks.

24 (15) "Transfer of development rights receiving site" means an area
25 within the urban growth boundary in which a city or county has
26 established a rural and resource land transfer of development rights
27 program.

28 (16) "Transit-proximate" means within one-half mile of a high
29 capacity transit station or within one-quarter mile of another major
30 transit stop.

31 (17) "Transit-supportive density" means a minimum of fifty units of
32 development for each acre of land within one-half mile of a high
33 capacity transit station and a minimum of ten development units for
34 each acre of land within one-quarter mile of another major transit
35 stop.

36 (18) "Very low-income household" means a single person, family, or
37 unrelated persons living together whose adjusted income is less than

1 fifty percent of the median family income, adjusted for household size,
2 for the county where the project is located.

3 NEW SECTION. **Sec. 2.** (1) The residential infrastructure program
4 is created in the department to provide loans to eligible jurisdictions
5 and grants to nonprofit organizations for public infrastructure that
6 supports increased capacity for dense, affordable residential
7 development in transit-proximate areas.

8 (2) The department may provide direct loans to eligible
9 jurisdictions for projects meeting the requirements of subsection (3)
10 of this section or provide grants to nonprofit organizations for
11 projects meeting the requirements of subsection (4) of this section.
12 Funds allocated through the program must be used to pay for the cost of
13 public infrastructure projects, including the planning, construction,
14 repair, reconstruction, replacement, rehabilitation, or improvement of
15 sidewalks, streets and roads, bridges, publicly owned utilities,
16 drinking water systems, and storm and sanitary sewage systems. The
17 department may also provide loans to eligible jurisdictions or grants
18 to nonprofit organizations for the acquisition of real property when
19 the acquisition is directly related to the development of public
20 infrastructure projects to support dense, affordable residential
21 development in transit-proximate areas.

22 (3) An eligible jurisdiction seeking funding from the residential
23 infrastructure program must:

24 (a) Designate a project area within its urban growth area
25 designated under RCW 36.70A.110 and demonstrate with official plans
26 that overall development within the project area will increase the
27 supply of dense, affordable residential development units and that the
28 project area will meet the definitions of transit-proximate and will
29 achieve minimum transit-supportive density;

30 (b) Demonstrate that designated infrastructure projects, for which
31 an eligible jurisdiction seeks funding:

32 (i) Are contained in the eligible jurisdictions' capital facilities
33 element of the comprehensive plan under RCW 36.70A.070;

34 (ii) Maximize the use of existing infrastructure; and

35 (iii) Will increase existing system capacity to accommodate
36 projected population growth in a manner that supports infill and
37 redevelopment of existing urban areas;

1 (c) Demonstrate a commitment to promoting affordable residential
2 development within the designated project area through:

3 (i) Local funding commitments to affordable residential housing
4 projects in the proposed project area; and

5 (ii) The official adoption and implementation of policies and
6 ordinances that include affordable housing incentive initiatives, such
7 as those outlined within RCW 36.70A.540, or other incentive programs
8 intended to promote the creation of affordable housing;

9 (d) Include a plan to construct, or pay for the construction of,
10 comparable replacement housing within the eligible jurisdiction when
11 persons are displaced as a direct result of the public infrastructure
12 projects funded under this program. A residential unit lost as a
13 result of the infrastructure project must be replaced one-for-one with
14 a unit at an equal or better affordability rate, and relocation
15 assistance must be paid to any displaced households. Eligible
16 jurisdictions and nonprofit organizations receiving financing for an
17 infrastructure project through the residential infrastructure program
18 on property that was not acquired by eminent domain are exempt from the
19 requirements of and rules adopted for chapter 8.26 RCW for any
20 residential units lost as a result of the infrastructure project.
21 However, projects receiving financing from the residential
22 infrastructure program must comply with any relocation standards and
23 requirements and real property acquisition policies established by the
24 department as a condition of residential infrastructure program
25 assistance; and

26 (e) Commit to paying the prevailing wage as described under RCW
27 39.12.020 for each infrastructure project.

28 (4) A nonprofit organization seeking funding from the residential
29 infrastructure program must:

30 (a) Demonstrate that the funding will support public infrastructure
31 projects or the acquisition of property related to the development of
32 infrastructure projects, as described in subsection (2) of this
33 section, related to a specific affordable residential development that
34 has also received a commitment of funding from the Washington housing
35 trust fund under chapter 43.185 or 43.185A RCW; and

36 (b) Comply with the requirements of subsection (3)(d) and (e) of
37 this section, related to the provision of comparable replacement

1 housing, relocation standards and requirements, and prevailing wage
2 requirements.

3 (5) The department must determine each year the total amount of
4 funding available in loans and grants and must establish the total
5 amount of financial assistance to be allocated to eligible jurisdiction
6 and nonprofit organization applicants based on (a) the total amount of
7 money allocated to the program in a given year; (b) the quality of
8 applications received; and (c) the best available projections of total
9 revenue likely to be available for the program for the subsequent three
10 years. The total amount of financial assistance allocated must not
11 exceed ten million dollars per project for eligible jurisdictions and
12 not exceed one million dollars per project for nonprofit organizations.
13 The maximum project funding limits established in this section must be
14 adjusted for inflation by the office of financial management every
15 other year beginning July 1, 2011, based upon changes in the consumer
16 price index during the time period since the last adjustment. If the
17 bureau of labor and statistics develops more than one consumer price
18 index for areas within the state, the index covering the greatest
19 number of people, covering areas exclusively within the boundaries of
20 the state, and including all items shall be used for the adjustments
21 for inflation in this section. The office of financial management must
22 calculate the new maximum project funding limits and transmit those new
23 limits to the department.

24 (6) Loan interest rates must not exceed one-half of one percent a
25 year. The department shall establish policies, priorities, and
26 procedures by which all or part of a loan may be forgiven if an
27 eligible jurisdiction:

28 (a) Creates a significantly greater number of affordable
29 residential housing units within the project area than the number
30 agreed to during loan contract negotiations;

31 (b) Creates a significant number of residential units that are
32 available and affordable to households of income levels significantly
33 below the maximum income levels allowable under the program; or

34 (c) Significantly exceeds program expectations in other ways to be
35 identified by the department.

36 (7) During each fiscal year in which funds are available for use by
37 the department for the residential infrastructure program, the
38 department shall announce to all known interested parties, and through

1 major media throughout the state, a competitive application period of
2 at least ninety days' duration. This announcement must be made as
3 often as the director deems appropriate for proper utilization of
4 resources.

5 (8) The department shall establish a competitive process for loan
6 and grant awards and shall review and prioritize proposals in
7 consultation with the public works board and the transportation
8 improvement board or designees selected by those boards to represent
9 them.

10 (a) Priority must be awarded to projects that include plans to:

11 (i) Maximize capacity to accommodate growth;

12 (ii) Maximize density;

13 (iii) Maximize overall affordability of the housing;

14 (iv) Maintain the affordability of the housing for the longest
15 period of time;

16 (v) Maximize affordability to low-income households and very low-
17 income households;

18 (vi) Maximize public transit ridership; and

19 (vii) Demonstrate readiness to proceed.

20 (b) The department shall prioritize projects that increase the
21 number of units, maximize density, or maximize affordability in the
22 greatest proportion relative to the existing current residential
23 capacity, transit use, and density capacity within jurisdictions.

24 (c) The department shall also consider projects that demonstrate a
25 commitment to creating receiving areas for rural and resource land
26 transfer of development rights, which may be demonstrated through one
27 of the following actions, listed in order of highest value and
28 priority:

29 (i) The jurisdiction has in place, at the time of application and
30 within the area specified by the application, designated receiving
31 sites for rural and resource land transfer of development rights
32 established through an ordinance by the jurisdiction and an interlocal
33 agreement with a sending site jurisdiction that enables transfers from
34 rural and resource lands;

35 (ii) The jurisdiction has in place at the time of application and
36 within the area specified by the application, designated receiving
37 sites for rural and resource land transfer of development rights
38 established through an ordinance by the jurisdiction; or

1 (iii) The jurisdiction states in its comprehensive plan at the time
2 of application a commitment to consider the development and
3 implementation of a rural and resource land transfer of development
4 rights program.

5 (9) Eligible jurisdictions and nonprofit organizations that receive
6 support from the residential infrastructure program must report to the
7 department annually by December 31st of each year following the date of
8 the receipt of the loan or grant until ten years after the completion
9 of the infrastructure project.

10 (a) Reporting before and during the construction of the
11 infrastructure project must include information on the status of the
12 project, the estimated completion date, and any variations from the
13 approved proposal.

14 (b) Reporting after completion of the project must include a
15 description of how the project area is transit-proximate and has
16 achieved transit-supportive density requirements or how the eligible
17 jurisdiction or nonprofit organization is working toward complying with
18 those requirements. The report must also include information about the
19 status of the residential development occurring within the project
20 area, including:

21 (i) The total number of residential units developed or under
22 construction; and

23 (ii) The total number of residential units meeting the definition
24 of affordable residential development.

25 (10)(a) If an infrastructure project funded by the residential
26 infrastructure program is not completed by the agreed upon date or
27 varies substantially from the approved proposal in a way that will
28 result in the creation of less affordable residential development than
29 that agreed to at the time of the project funding award as a condition
30 of the funding, the eligible jurisdiction or nonprofit organization
31 associated with the project shall make the necessary project
32 adjustments as determined by the department or refund all or a portion
33 of the loan or grant amount.

34 (b) If an eligible jurisdiction rescinds its public commitment to
35 promoting affordable residential development within the designated
36 project area by changing officially adopted policies and ordinances or
37 failing to implement these policies and ordinances, eligible

1 jurisdictions may be required to refund all or a portion of the
2 principal loan amount plus compounded interest calculated at the
3 current market rate.

4 (c) If a nonprofit organization fails to produce the agreed upon
5 number of affordable residential units within its designated project,
6 the nonprofit organizations may be required to refund all or a portion
7 of its grant amount plus compounded interest calculated at the current
8 market rate.

9 (d) The department may grant a partial or total exemption from the
10 repayment requirement under this section if the department determines
11 that a project is substantially complete or that the property has been
12 substantially used in keeping with the original affordable residential
13 housing purpose of the loan or grant.

14 NEW SECTION. **Sec. 3.** The residential infrastructure account is
15 created in the state treasury. All receipts from transfers to the
16 account under section 4 of this act, repayments of loans or grants made
17 under section 2 of this act, and other sources identified by the
18 legislature must be deposited into the account. Moneys in the account
19 may be spent only after appropriation. Expenditures from the account
20 may be used only for the purposes identified in section 2 of this act.

21 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.135 RCW
22 to read as follows:

23 (1) By August 31, 2010, and by August 31st of every year
24 thereafter, the state treasurer shall transfer from the general fund
25 into the residential infrastructure account created in section 3 of
26 this act the lesser of fifty million dollars or the excess real estate
27 excise tax growth amount.

28 (2) By August 1, 2010, and by August 1st of each year thereafter,
29 the director of the office of financial management shall notify the
30 state treasurer of the amount to be transferred to the residential
31 infrastructure account.

32 (3) RCW 43.135.035(4) does not apply to the transfers required
33 under this section.

34 (4) For the purposes of this section:

35 (a) "Excess growth factor" means the difference between the annual
36 growth in real estate excise tax collections and the fiscal growth

1 factor for the current fiscal year, as determined under this chapter.
2 If the difference is at or below zero, the excess growth factor is
3 zero.

4 (b) "Excess real estate excise tax growth amount" means the dollar
5 amount derived by multiplying real estate excise tax collections by the
6 excess growth factor.

7 (c) "Prior fiscal year" means the fiscal year prior to the fiscal
8 year in which the transfer under subsection (1) of this section is
9 made.

10 (d) "Real estate excise tax collections" means the excise tax
11 collections under chapter 82.45 RCW that are deposited into the general
12 fund under RCW 82.45.060(2)(c) in the prior fiscal year.

13 **Sec. 5.** RCW 82.45.060 and 2005 c 450 s 1 are each amended to read
14 as follows:

15 (1) There is imposed an excise tax upon each sale of real property
16 at the rate of one and twenty-eight one-hundredths percent of the
17 selling price.

18 (2) The tax imposed under subsection (1) of this section shall be
19 distributed as provided in this subsection.

20 (a) An amount equal to six and one-tenth percent of the proceeds of
21 this tax to the state treasurer shall be deposited in the public works
22 assistance account created in RCW 43.155.050.

23 (b) An amount equal to one and six-tenths percent of the proceeds
24 of this tax to the state treasurer shall be deposited in the city-
25 county assistance account created in RCW 43.08.290.

26 (c) The remainder shall be deposited in the general fund.

27 **Sec. 6.** RCW 82.45.180 and 2006 c 312 s 1 are each amended to read
28 as follows:

29 (1)(a) For taxes collected by the county under this chapter, the
30 county treasurer shall collect a five-dollar fee on all transactions
31 required by this chapter where the transaction does not require the
32 payment of tax. A total of five dollars shall be collected in the form
33 of a tax and fee, where the calculated tax payment is less than five
34 dollars. Through June 30, 2006, the county treasurer shall place one
35 percent of the taxes collected by the county under this chapter and the
36 treasurer's fee in the county current expense fund to defray costs of

1 collection. After June 30, 2006, the county treasurer shall place one
2 and three-tenths percent of the taxes collected by the county under
3 this chapter and the treasurer's fee in the county current expense fund
4 to defray costs of collection. For taxes collected by the county under
5 this chapter before July 1, 2006, the county treasurer shall pay over
6 to the state treasurer and account to the department of revenue for the
7 proceeds at the same time the county treasurer remits funds to the
8 state under RCW 84.56.280. For taxes collected by the county under
9 this chapter after June 30, 2006, on a monthly basis the county
10 treasurer shall pay over to the state treasurer the month's
11 transmittal. The month's transmittal must be received by the state
12 treasurer by 12:00 p.m. on the last working day of each month. The
13 county treasurer shall account to the department for the month's
14 transmittal by the twentieth day of the month following the month in
15 which the month's transmittal was paid over to the state treasurer.
16 The state treasurer shall deposit the proceeds (~~(in the general fund)~~)
17 as provided in RCW 82.45.060(2).

18 (b) For purposes of this subsection, the definitions in this
19 subsection apply.

20 (i) "Close of business" means the time when the county treasurer
21 makes his or her daily deposit of proceeds.

22 (ii) "Month's transmittal" means all proceeds deposited by the
23 county through the close of business of the day that is two working
24 days before the last working day of the month. This definition of
25 "month's transmittal" shall not be construed as requiring any change in
26 a county's practices regarding the timing of its daily deposits of
27 proceeds.

28 (iii) "Proceeds" means moneys collected and receipted by the county
29 from the taxes imposed by this chapter, less the county's share of the
30 proceeds used to defray the county's costs of collection allowable in
31 (a) of this subsection.

32 (iv) "Working day" means a calendar day, except Saturdays, Sundays,
33 and all legal holidays as provided in RCW 1.16.050.

34 (2) For taxes collected by the department of revenue under this
35 chapter, the department shall remit the tax to the state treasurer who
36 shall deposit the proceeds of any state tax (~~(in the general fund)~~) as
37 provided in RCW 82.45.060(2). The state treasurer shall deposit the
38 proceeds of any local taxes imposed under chapter 82.46 RCW in the

1 local real estate excise tax account hereby created in the state
2 treasury. Moneys in the local real estate excise tax account may be
3 spent only for distribution to counties, cities, and towns imposing a
4 tax under chapter 82.46 RCW. Except as provided in RCW 43.08.190, all
5 earnings of investments of balances in the local real estate excise tax
6 account shall be credited to the local real estate excise tax account
7 and distributed to the counties, cities, and towns monthly. Monthly
8 the state treasurer shall make distribution from the local real estate
9 excise tax account to the counties, cities, and towns the amount of tax
10 collected on behalf of each taxing authority. The state treasurer
11 shall make the distribution under this subsection without
12 appropriation.

13 (3)(a) The real estate excise tax electronic technology account is
14 created in the custody of the state treasurer. An appropriation is not
15 required for expenditures and the account is not subject to allotment
16 procedures under chapter 43.88 RCW.

17 (b) Through June 30, 2010, the county treasurer shall collect an
18 additional five-dollar fee on all transactions required by this
19 chapter, regardless of whether the transaction requires the payment of
20 tax. The county treasurer shall remit this fee to the state treasurer
21 at the same time the county treasurer remits funds to the state under
22 subsection (1) of this section. The state treasurer shall place money
23 from this fee in the real estate excise tax electronic technology
24 account. By the twentieth day of the subsequent month, the state
25 treasurer shall distribute to each county treasurer according to the
26 following formula: Three-quarters of the funds available shall be
27 equally distributed among the thirty-nine counties; and the balance
28 shall be ratably distributed among the counties in direct proportion to
29 their population as it relates to the total state's population based on
30 most recent statistics by the office of financial management.

31 (c) When received by the county treasurer, the funds shall be
32 placed in a special real estate excise tax electronic technology fund
33 held by the county treasurer to be used exclusively for the
34 development, implementation, and maintenance of an electronic
35 processing and reporting system for real estate excise tax affidavits.
36 Funds may be expended to make the system compatible with the automated
37 real estate excise tax system developed by the department and
38 compatible with the processes used in the offices of the county

1 assessor and county auditor. Any funds held in the account that are
2 not expended by July 1, 2015, revert to the county capital improvements
3 fund in accordance with RCW 82.46.010.

4 **Sec. 7.** RCW 43.84.092 and 2008 c 128 s 19 and 2008 c 106 s 4 are
5 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 The following accounts and funds shall receive their proportionate
37 share of earnings based upon each account's and fund's average daily

1 balance for the period: The aeronautics account, the aircraft search
2 and rescue account, the budget stabilization account, the capitol
3 building construction account, the Cedar River channel construction and
4 operation account, the Central Washington University capital projects
5 account, the charitable, educational, penal and reformatory
6 institutions account, the cleanup settlement account, the Columbia
7 river basin water supply development account, the common school
8 construction fund, the county arterial preservation account, the county
9 criminal justice assistance account, the county sales and use tax
10 equalization account, the data processing building construction
11 account, the deferred compensation administrative account, the deferred
12 compensation principal account, the department of licensing services
13 account, the department of retirement systems expense account, the
14 developmental disabilities community trust account, the drinking water
15 assistance account, the drinking water assistance administrative
16 account, the drinking water assistance repayment account, the Eastern
17 Washington University capital projects account, the education
18 construction fund, the education legacy trust account, the election
19 account, the energy freedom account, the essential rail assistance
20 account, The Evergreen State College capital projects account, the
21 federal forest revolving account, the ferry bond retirement fund, the
22 freight congestion relief account, the freight mobility investment
23 account, the freight mobility multimodal account, the grade crossing
24 protective fund, the health services account, the public health
25 services account, the health system capacity account, the personal
26 health services account, the high capacity transportation account, the
27 state higher education construction account, the higher education
28 construction account, the highway bond retirement fund, the highway
29 infrastructure account, the highway safety account, the high occupancy
30 toll lanes operations account, the industrial insurance premium refund
31 account, the judges' retirement account, the judicial retirement
32 administrative account, the judicial retirement principal account, the
33 local leasehold excise tax account, the local real estate excise tax
34 account, the local sales and use tax account, the medical aid account,
35 the mobile home park relocation fund, the motor vehicle fund, the
36 motorcycle safety education account, the multimodal transportation
37 account, the municipal criminal justice assistance account, the
38 municipal sales and use tax equalization account, the natural resources

1 deposit account, the oyster reserve land account, the pension funding
2 stabilization account, the perpetual surveillance and maintenance
3 account, the public employees' retirement system plan 1 account, the
4 public employees' retirement system combined plan 2 and plan 3 account,
5 the public facilities construction loan revolving account beginning
6 July 1, 2004, the public health supplemental account, the public
7 transportation systems account, the public works assistance account,
8 the Puget Sound capital construction account, the Puget Sound ferry
9 operations account, the Puyallup tribal settlement account, the real
10 estate appraiser commission account, the recreational vehicle account,
11 the regional mobility grant program account, the residential
12 infrastructure account, the resource management cost account, the rural
13 arterial trust account, the rural Washington loan fund, the safety and
14 education account, the site closure account, the small city pavement
15 and sidewalk account, the special category C account, the special
16 wildlife account, the state employees' insurance account, the state
17 employees' insurance reserve account, the state investment board
18 expense account, the state investment board commingled trust fund
19 accounts, the state patrol highway account, the supplemental pension
20 account, the Tacoma Narrows toll bridge account, the teachers'
21 retirement system plan 1 account, the teachers' retirement system
22 combined plan 2 and plan 3 account, the tobacco prevention and control
23 account, the tobacco settlement account, the transportation 2003
24 account (nickel account), the transportation equipment fund, the
25 transportation fund, the transportation improvement account, the
26 transportation improvement board bond retirement account, the
27 transportation infrastructure account, the transportation partnership
28 account, the traumatic brain injury account, the tuition recovery trust
29 fund, the University of Washington bond retirement fund, the University
30 of Washington building account, the urban arterial trust account, the
31 volunteer firefighters' and reserve officers' relief and pension
32 principal fund, the volunteer firefighters' and reserve officers'
33 administrative fund, the Washington fruit express account, the
34 Washington judicial retirement system account, the Washington law
35 enforcement officers' and firefighters' system plan 1 retirement
36 account, the Washington law enforcement officers' and firefighters'
37 system plan 2 retirement account, the Washington public safety
38 employees' plan 2 retirement account, the Washington school employees'

1 retirement system combined plan 2 and 3 account, the Washington state
2 health insurance pool account, the Washington state patrol retirement
3 account, the Washington State University building account, the
4 Washington State University bond retirement fund, the water pollution
5 control revolving fund, and the Western Washington University capital
6 projects account. Earnings derived from investing balances of the
7 agricultural permanent fund, the normal school permanent fund, the
8 permanent common school fund, the scientific permanent fund, and the
9 state university permanent fund shall be allocated to their respective
10 beneficiary accounts. All earnings to be distributed under this
11 subsection (4)(a) shall first be reduced by the allocation to the state
12 treasurer's service fund pursuant to RCW 43.08.190.

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

16 NEW SECTION. **Sec. 8.** Sections 1 through 3 of this act constitute
17 a new chapter in Title 43 RCW.

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