
SENATE BILL 5377

State of Washington 61st Legislature 2009 Regular Session

By Senators Kilmer, McCaslin, Kastama, Fairley, Swecker, and Marr

Read first time 01/21/09. Referred to Committee on Economic Development, Trade & Innovation.

1 AN ACT Relating to funding for residential infrastructure
2 development; amending RCW 43.330.010, 82.45.060, and 82.45.180;
3 reenacting and amending RCW 43.84.092; adding new sections to chapter
4 43.330 RCW; and adding a new section to chapter 43.135 RCW.

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

6 **Sec. 1.** RCW 43.330.010 and 2007 c 322 s 2 are each amended to read
7 as follows:

8 Unless the context clearly requires otherwise, the definitions in
9 this section apply throughout this chapter.

10 (1) "Affordable residential development" or "affordable housing"
11 means housing that is owned or rented where monthly housing costs,
12 including utilities other than telephone, do not exceed thirty percent
13 of the household's monthly income.

14 (2) "Associate development organization" means a local economic
15 development nonprofit corporation that is broadly representative of
16 community interests.

17 ((+2)) (3) "Comparable replacement housing" means any dwelling
18 that is (a) decent, safe, and sanitary; (b) adequate in size to
19 accommodate the occupants; (c) within the financial means of the

1 displaced person; (d) functionally equivalent; (e) in an area not
2 subject to unreasonably adverse environmental conditions; and (f) in a
3 location generally not less desirable than the location of the
4 displaced person's dwelling with respect to public utilities,
5 facilities, services, and the displaced person's place of employment.

6 (4) "Consumer price index" means, for any calendar year, that
7 year's annual average consumer price index, for Washington state, for
8 wage earners and clerical workers, all items, compiled by the bureau of
9 labor and statistics, United States department of labor.

10 (5) "Dense" means the same as transit-supportive density.

11 (6) "Department" means the department of community, trade, and
12 economic development.

13 ((+3)) (7) "Director" means the director of the department of
14 community, trade, and economic development.

15 ((+4)) (8) "Eligible jurisdiction" means a county or city planning
16 under RCW 36.70A.040 or a federally recognized Indian tribe in the
17 state of Washington.

18 (9) "Financial institution" means a bank, trust company, mutual
19 savings bank, savings and loan association, or credit union authorized
20 to do business in this state under state or federal law.

21 ((+5)) (10) "High capacity transit station" means a stop or
22 station for public transportation that operates on a fixed guideway
23 rail system or designated bus rapid transit line.

24 (11) "Low-income household" has the same meaning as in RCW
25 43.185A.010.

26 (12) "Major transit stop" means a stop for a bus or other transit
27 mode providing fixed route service in intervals of at least every
28 thirty minutes during peak hours of operation.

29 (13) "Market rate" means the current average market interest rate
30 that is determined at the time an individual loan is closed upon, or
31 grant is awarded, using a widely recognized current market interest
32 rate measurement to be selected for use by the department. This
33 interest rate must be noted in an attachment to the closing documents
34 for any loan and in any grant contract for reference if the loan or
35 grant must be repaid with interest.

36 (14) "Microenterprise development organization" means a community
37 development corporation, a nonprofit development organization, a

1 nonprofit social services organization or other locally operated
2 nonprofit entity that provides services to low-income entrepreneurs.

3 ~~((+6+))~~ (15) "Nonprofit organization" means an organization that is
4 tax exempt, or not required to apply for an exemption, under section
5 501(c)(3) of the federal internal revenue code, or similar successor
6 provisions.

7 (16) "Statewide microenterprise association" means a nonprofit
8 entity with microenterprise development organizations as members that
9 serves as an intermediary between the department of community, trade,
10 and economic development and local microenterprise development
11 organizations.

12 (17) "Transfer of development rights" or "rural and resource land
13 transfer of development rights" includes methods for protecting land
14 from development by voluntarily removing the development rights from a
15 transfer of development rights sending site and transferring them to a
16 transfer of development receiving site for the purpose of increasing
17 development density in the receiving site. Methods for protecting
18 sending sites and increasing the development density in receiving sites
19 include awarding bonuses or regulatory flexibility to receiving sites
20 when persons within a receiving site purchase development rights from
21 a sending site through a transfer of development rights bank or from a
22 landowner who is a willing development rights seller. Bonuses include,
23 but are not limited to, increased height, density, or floor area ratio.
24 Options for regulations on which a jurisdiction could award increased
25 flexibility include, but are not limited to, parking requirements,
26 impervious surface limits, or setbacks.

27 (18) "Transfer of development rights receiving site" or "transfer
28 of development rights sending site" means an area that a city or county
29 has designated as either a receiving site or sending site in accordance
30 with a rural and resource land transfer of development rights program.

31 (19) "Transit-proximate" means within one-half mile of a high
32 capacity transit station or within one-quarter mile of another major
33 transit stop.

34 (20) "Transit-supportive density" means a net minimum of fifty
35 units of residential development for each acre of land within one-half
36 mile of a high capacity transit station and a net minimum of ten
37 residential development units for each acre of land within one-quarter

1 mile of another major transit stop where units for each acre of land
2 are measured as net zoned density.

3 (21) "Very low-income household" means a single person, family, or
4 unrelated persons living together whose adjusted income is less than
5 fifty percent of the median family income, adjusted for household size,
6 for the county where the project is located.

7 NEW SECTION. Sec. 2. A new section is added to chapter 43.330 RCW
8 to read as follows:

9 (1) The residential infrastructure program is created in the
10 department to provide loans to eligible jurisdictions and grants to
11 nonprofit organizations for public infrastructure that supports
12 increased capacity for dense, affordable residential development in
13 transit-proximate areas.

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

29 (3) An eligible jurisdiction seeking funding from the residential
30 infrastructure program must:

31 (a) Designate a project area within its urban growth area
32 designated under RCW 36.70A.110 and demonstrate with official plans
33 that overall development within the project area will increase the
34 supply of dense, affordable residential development units and that the
35 project area currently, or will within eight years of the loan award,
36 meets the definitions of transit-proximate and will achieve minimum
37 transit-supportive density;

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

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

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

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

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

11 (i) Local funding commitments to affordable residential housing
12 projects in the proposed project area; or

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

17 (d) Include a plan to construct, or pay for the construction of,
18 comparable replacement housing within the eligible jurisdiction when
19 housing units are lost as a direct result of the public infrastructure
20 projects funded under this program. A residential unit lost as a
21 result of the infrastructure project must be replaced one-for-one with
22 a unit at an equal or better affordability rate, and relocation
23 assistance must be paid to any displaced households. Projects
24 receiving financing from the residential infrastructure program must
25 comply with any relocation standards and requirements and real property
26 acquisition policies established by the department as a condition of
27 residential infrastructure program assistance; and

28 (e) Commit to paying the prevailing wage as described under RCW
29 39.12.020 for each infrastructure project.

30 (4) A nonprofit organization seeking funding from the residential
31 infrastructure program must:

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

1 (b) Demonstrate that the area in which the infrastructure project
2 will take place is within an urban growth area designated by a local
3 jurisdiction under RCW 36.70A.110, and demonstrate with official plans
4 from the jurisdiction that overall development within the project area
5 will increase the supply of dense, affordable residential development
6 and that the project area currently, or will within eight years of the
7 grant award, meets the definitions of transit-proximate and will
8 achieve minimum transit-supportive density;

9 (c) Demonstrate that the specific affordable housing development
10 described in (a) of this subsection will, within eight years of the
11 grant award, contribute to an increase in the supply of dense,
12 affordable residential development within the area referenced in (b) of
13 this subsection; and

14 (d) Comply with the requirements of subsection (3)(d) of this
15 section, related to the provision of comparable replacement housing and
16 relocation standards and requirements.

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

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

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

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

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

13 (7) During each fiscal year in which funds are available for use by
14 the department for the residential infrastructure program, the
15 department shall announce to all known interested parties, and through
16 major media throughout the state, a competitive application period of
17 at least ninety days' duration. This announcement must be made as
18 often as the director deems appropriate for proper utilization of
19 resources.

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

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

26 (i) Maximize capacity to accommodate growth;

27 (ii) Maximize residential density;

28 (iii) Maximize the number of affordable housing units;

29 (iv) Maintain the affordability of the housing for the longest
30 period of time;

31 (v) Maximize affordability to low-income households and very low-
32 income households;

33 (vi) Maximize access to public transit; and

34 (vii) Demonstrate readiness to proceed.

35 (b) The department shall give additional consideration to
36 jurisdictions that demonstrate a commitment to creating receiving areas
37 for rural and resource land transfer of development rights, which may

1 be demonstrated through one of the following actions, listed in order
2 of highest value and priority:

3 (i) The jurisdiction has in place at the time of application,
4 within the area specified by the application or in other areas within
5 the jurisdiction, designated receiving sites for rural and resource
6 land transfer of development rights established through an ordinance by
7 the jurisdiction and an interlocal agreement with a sending site
8 jurisdiction that enables transfers from rural and resource lands;

9 (ii) The jurisdiction has in place at the time of application,
10 within the area specified by the application or in other areas within
11 the jurisdiction, designated receiving sites for rural and resource
12 land transfer of development rights established through an ordinance by
13 the jurisdiction; or

14 (iii) The jurisdiction states in its comprehensive plan at the time
15 of application a commitment to consider the development and
16 implementation of a rural and resource land transfer of development
17 rights program.

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

23 (a) Reporting before and during the construction of the
24 infrastructure project must include information on the status of the
25 project, the estimated completion date, and any variations from the
26 approved proposal.

27 (b) Reporting after completion of the project must include a
28 description of how the project area is transit-proximate and has
29 achieved transit-supportive density requirements or how the eligible
30 jurisdiction or nonprofit organization is working toward complying with
31 those requirements. The report must also include information about the
32 status of the residential development occurring within the project
33 area, including:

34 (i) The total number of residential units developed or under
35 construction; and

36 (ii) The total number of residential units meeting the definition
37 of affordable residential development.

1 (10)(a) If an infrastructure project funded by the residential
2 infrastructure program is not completed by the agreed upon date or
3 varies substantially from the approved proposal in a way that will
4 result in the creation of less affordable residential development than
5 that agreed to at the time of the project funding award as a condition
6 of the funding, the eligible jurisdiction or nonprofit organization
7 associated with the project shall make the necessary project
8 adjustments as determined by the department or refund all or a portion
9 of the loan or grant amount.

10 (b) If an eligible jurisdiction rescinds its public commitment to
11 promoting affordable residential development within the designated
12 project area by changing officially adopted policies and ordinances or
13 failing to implement these policies and ordinances, eligible
14 jurisdictions may be required to refund all or a portion of the
15 principal loan amount plus compounded interest calculated at the
16 current market rate.

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

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

27 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.330 RCW
28 to read as follows:

29 The residential infrastructure account is created in the state
30 treasury. All receipts from transfers to the account under section 4
31 of this act, repayments of loans or grants made under section 2 of this
32 act, and other sources identified by the legislature must be deposited
33 into the account. Moneys in the account may be spent only after
34 appropriation. Expenditures from the account may be used only for the
35 purposes identified in section 2 of this act.

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

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

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

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

14 (4) For the purposes of this section:

15 (a) "Excess growth factor" means the difference between the annual
16 growth in real estate excise tax collections and the fiscal growth
17 factor for the current fiscal year, as determined under this chapter.
18 If the difference is at or below zero, the excess growth factor is
19 zero.

20 (b) "Excess real estate excise tax growth amount" means the dollar
21 amount derived by multiplying real estate excise tax collections by the
22 excess growth factor.

23 (c) "Prior fiscal year" means the fiscal year prior to the fiscal
24 year in which the transfer under subsection (1) of this section is
25 made.

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

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

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

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

36 (a) An amount equal to six and one-tenth percent of the proceeds of

1 this tax to the state treasurer shall be deposited in the public works
2 assistance account created in RCW 43.155.050.

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

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

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

9 (1)(a) For taxes collected by the county under this chapter, the
10 county treasurer shall collect a five-dollar fee on all transactions
11 required by this chapter where the transaction does not require the
12 payment of tax. A total of five dollars shall be collected in the form
13 of a tax and fee, where the calculated tax payment is less than five
14 dollars. Through June 30, 2006, the county treasurer shall place one
15 percent of the taxes collected by the county under this chapter and the
16 treasurer's fee in the county current expense fund to defray costs of
17 collection. After June 30, 2006, the county treasurer shall place one
18 and three-tenths percent of the taxes collected by the county under
19 this chapter and the treasurer's fee in the county current expense fund
20 to defray costs of collection. For taxes collected by the county under
21 this chapter before July 1, 2006, the county treasurer shall pay over
22 to the state treasurer and account to the department of revenue for the
23 proceeds at the same time the county treasurer remits funds to the
24 state under RCW 84.56.280. For taxes collected by the county under
25 this chapter after June 30, 2006, on a monthly basis the county
26 treasurer shall pay over to the state treasurer the month's
27 transmittal. The month's transmittal must be received by the state
28 treasurer by 12:00 p.m. on the last working day of each month. The
29 county treasurer shall account to the department for the month's
30 transmittal by the twentieth day of the month following the month in
31 which the month's transmittal was paid over to the state treasurer.
32 The state treasurer shall deposit the proceeds (~~in the general fund~~)
33 as provided in RCW 82.45.060(2).

34 (b) For purposes of this subsection, the definitions in this
35 subsection apply.

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

1 (ii) "Month's transmittal" means all proceeds deposited by the
2 county through the close of business of the day that is two working
3 days before the last working day of the month. This definition of
4 "month's transmittal" shall not be construed as requiring any change in
5 a county's practices regarding the timing of its daily deposits of
6 proceeds.

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

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

13 (2) For taxes collected by the department of revenue under this
14 chapter, the department shall remit the tax to the state treasurer who
15 shall deposit the proceeds of any state tax (~~(in the general fund)~~) as
16 provided in RCW 82.45.060(2). The state treasurer shall deposit the
17 proceeds of any local taxes imposed under chapter 82.46 RCW in the
18 local real estate excise tax account hereby created in the state
19 treasury. Moneys in the local real estate excise tax account may be
20 spent only for distribution to counties, cities, and towns imposing a
21 tax under chapter 82.46 RCW. Except as provided in RCW 43.08.190, all
22 earnings of investments of balances in the local real estate excise tax
23 account shall be credited to the local real estate excise tax account
24 and distributed to the counties, cities, and towns monthly. Monthly
25 the state treasurer shall make distribution from the local real estate
26 excise tax account to the counties, cities, and towns the amount of tax
27 collected on behalf of each taxing authority. The state treasurer
28 shall make the distribution under this subsection without
29 appropriation.

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

34 (b) Through June 30, 2010, the county treasurer shall collect an
35 additional five-dollar fee on all transactions required by this
36 chapter, regardless of whether the transaction requires the payment of
37 tax. The county treasurer shall remit this fee to the state treasurer
38 at the same time the county treasurer remits funds to the state under

1 subsection (1) of this section. The state treasurer shall place money
2 from this fee in the real estate excise tax electronic technology
3 account. By the twentieth day of the subsequent month, the state
4 treasurer shall distribute to each county treasurer according to the
5 following formula: Three-quarters of the funds available shall be
6 equally distributed among the thirty-nine counties; and the balance
7 shall be ratably distributed among the counties in direct proportion to
8 their population as it relates to the total state's population based on
9 most recent statistics by the office of financial management.

10 (c) When received by the county treasurer, the funds shall be
11 placed in a special real estate excise tax electronic technology fund
12 held by the county treasurer to be used exclusively for the
13 development, implementation, and maintenance of an electronic
14 processing and reporting system for real estate excise tax affidavits.
15 Funds may be expended to make the system compatible with the automated
16 real estate excise tax system developed by the department and
17 compatible with the processes used in the offices of the county
18 assessor and county auditor. Any funds held in the account that are
19 not expended by July 1, 2015, revert to the county capital improvements
20 fund in accordance with RCW 82.46.010.

21 **Sec. 7.** RCW 43.84.092 and 2008 c 128 s 19 and 2008 c 106 s 4 are
22 each reenacted and amended to read as follows:

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

26 (2) The treasury income account shall be utilized to pay or receive
27 funds associated with federal programs as required by the federal cash
28 management improvement act of 1990. The treasury income account is
29 subject in all respects to chapter 43.88 RCW, but no appropriation is
30 required for refunds or allocations of interest earnings required by
31 the cash management improvement act. Refunds of interest to the
32 federal treasury required under the cash management improvement act
33 fall under RCW 43.88.180 and shall not require appropriation. The
34 office of financial management shall determine the amounts due to or
35 from the federal government pursuant to the cash management improvement
36 act. The office of financial management may direct transfers of funds
37 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 cleanup settlement account, the Columbia
24 river basin water supply development account, the common school
25 construction fund, the county arterial preservation account, the county
26 criminal justice assistance account, the county sales and use tax
27 equalization account, the data processing building construction
28 account, the deferred compensation administrative account, the deferred
29 compensation principal account, the department of licensing services
30 account, the department of retirement systems expense account, the
31 developmental disabilities community trust account, the drinking water
32 assistance account, the drinking water assistance administrative
33 account, the drinking water assistance repayment account, the Eastern
34 Washington University capital projects account, the education
35 construction fund, the education legacy trust account, the election
36 account, the energy freedom account, the essential rail assistance
37 account, The Evergreen State College capital projects account, the
38 federal forest revolving account, the ferry bond retirement fund, the

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

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

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

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