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HOUSE BILL 2474

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State of Washington

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By Representatives Springer, Harris, Sullivan, Haler, Takko, Johnson, Fagan, Tharinger, Walsh, Pettigrew, Goodman, Clibborn, Tarleton, Manweller, Kagi, Moeller, Appleton, Jinkins, Habib, Bergquist, Morrell, Cody, Magendanz, Santos, Pollet, and Freeman

Read first time 01/17/14. Referred to Committee on Appropriations.

1 AN ACT Relating to creating the save toward a retirement today  
2 state retirement savings plan; amending RCW 43.33A.070; reenacting and  
3 amending RCW 43.84.092 and 43.84.092; adding new sections to chapter  
4 41.50 RCW; providing a contingent effective date; and providing a  
5 contingent expiration date.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that the majority of  
8 small and medium sized businesses are not offering retirement plans to  
9 their employees. Reasons cited by small businesses for not offering  
10 retirement plans are complexity and costs. Businesses offering  
11 retirement plans have a better ability to recruit and retain employees.  
12 The start retirement savings plan provides a simple and cost-effective  
13 way for employers to offer an important employee benefit. The  
14 legislature also finds that many employees do not have access to an  
15 employment-based retirement plan. On their own, few people contribute  
16 to an individual retirement account and those that do often make poor  
17 investment choices. Barriers such as not knowing where to find a  
18 quality product and selecting between the complex array of investment  
19 choices contribute to inaction. The complexity of investment options

1 also leads many people to pick the safest, lowest-return products,  
2 which means losing the traditional long-term gains of the market and is  
3 particularly troublesome for younger and mid-career employees. One in  
4 six seniors retire in poverty today and access to retirement savings  
5 vehicles and pensions is on the decline. Employees who are unable to  
6 build up pensions and savings risk living on low incomes in their old  
7 age and are more likely to become dependent on state services. It is  
8 in the financial best interest of the state to address this problem  
9 quickly. The start retirement savings plan provides a simple and  
10 inexpensive way for small business owners and their employees to save  
11 for retirement.

12 NEW SECTION. **Sec. 2.** The definitions in this section apply  
13 throughout this subchapter unless the context clearly requires  
14 otherwise.

15 (1) "Enrollee" means any employer or employee in this state that is  
16 enrolled in the start retirement savings plan.

17 (2) "Eligible employer" means a person engaged in a business, an  
18 industry, a profession, a trade, or any other enterprise in the state,  
19 whether for profit or not for profit, that satisfies the requirements  
20 to establish or participate in the start retirement savings plan.

21 (3) "Participating employer" means any private or nonprofit  
22 employer with employees enrolled in the start retirement savings plan.

23 (4) "Qualified default investment alternative" means types of  
24 investments identified by the federal internal revenue service for  
25 employees that do not make an investment choice or are automatically  
26 enrolled in a retirement plan.

27 (5) "Qualified employee" means those workers that are defined by  
28 the federal internal revenue service to be eligible to participate in  
29 a specific retirement plan.

30 (6) "Start principal account" means the account created in section  
31 7(6) of this act.

32 (7) "Start retirement savings plan" means the retirement savings  
33 plan created in section 3 of this act.

34 NEW SECTION. **Sec. 3.** (1)(a) The start retirement savings plan is  
35 created. The director is responsible for the design, implementation,  
36 and operation of the start retirement savings plan, directly or by

1 contract. The director may employ a staff and hire consultants,  
2 administrators, and other professionals as necessary to help implement,  
3 maintain, and administer the start retirement savings plan.

4 (b) The start retirement savings plan must ultimately be self-  
5 sustaining, with funding derived from the fees paid by individual  
6 account holders. State general fund dollars may be allocated to the  
7 department for the start retirement savings plan operations until it  
8 reaches self-sustainability. The start retirement savings plan may use  
9 other sources for startup capital. At no time shall funds from the  
10 department of retirement systems expense account be used to administer  
11 the start retirement savings plan or to obtain funding. At no time may  
12 the start retirement savings plan funds be commingled with public  
13 sector employee retirement funds.

14 (2)(a) The start retirement savings plan shall consist of a two-  
15 tier system with one or more: Internal revenue service approved  
16 employer plans open to all employers who choose to contribute to their  
17 employees' accounts, and internal revenue service approved workplace-  
18 based individual retirement accounts open to all employees of  
19 participating employers.

20 (b) Any employer sponsored plan shall be open only to employers  
21 employing fewer than one hundred qualified employees at the time of  
22 enrollment. Self-employed individuals, independent contractors, and  
23 sole proprietorships without employees are also eligible to  
24 participate.

25 (c) Prior to the enrollment of any private or nonprofit sector  
26 employee or employer in the start retirement savings plan, the director  
27 shall develop a plan for the structure and operation of the start  
28 retirement savings plan. The director shall seek approval, if  
29 necessary, from the federal internal revenue service to operate the  
30 plans and to offer the plans and accounts to Washington employers and  
31 employees on a tax-qualified basis.

32 (d) The department shall design the start retirement savings plan  
33 to limit liability to the state and participating businesses. The  
34 department shall determine if section 404(c) of the federal employee  
35 retirement income security act of 1974 applies to the start retirement  
36 savings plan and, if so, shall take advantage of safe harbor provisions  
37 whenever possible. These provisions shall include the use of target  
38 date or other similar funds, the asset allocations and maturities of

1 which are designed to coincide with the expected date of retirement as  
2 the qualified default investment alternative, and as few additional  
3 investment options as possible while still meeting the federal  
4 requirements of providing a broad range of investment alternatives.

5 (e) Participation in the start retirement savings plan must be  
6 voluntary for employers. Employers can choose to participate by  
7 offering a plan that allows for their contribution to employee accounts  
8 or may establish a plan that only allows for employee contributions.  
9 Participation by employees is optional, though they may be  
10 automatically enrolled in employer plans that allow it. Employees  
11 automatically enrolled may choose not to participate by opting out.  
12 The plans and accounts must include the option for enrollees to roll  
13 pretax contributions into an individual retirement account or another  
14 eligible retirement plan after ceasing participation in the start  
15 retirement savings plan.

16 (3) The department shall determine reasonable administrative fee  
17 levels for participant accounts.

18 (4) Enrollment in the start retirement savings plan is not an  
19 entitlement and must not result in expenditures that exceed the amount  
20 available in the start principal account.

21 NEW SECTION. **Sec. 4.** (1) The department may periodically review  
22 participation levels and fund balances in order to make projections of  
23 start retirement savings plan self-sustainability.

24 (2)(a) At any time after the fourth year after the start retirement  
25 savings plan first began accepting participating employers, the  
26 department determines based on projections that the start retirement  
27 savings plan will not reach sustainable levels the start retirement  
28 savings plan may be terminated.

29 (b) If at the end of the tenth year after the start retirement  
30 savings plan first began accepting participating employers, the start  
31 retirement savings plan has not reached the size necessary to be self-  
32 supporting with an appropriate level of administrative fees, the start  
33 retirement savings plan terminates.

34 (c) In the event that the start retirement savings plan is  
35 terminated, the director shall, to the extent permitted by federal law,  
36 enable members to transfer accumulated funds into other tax-qualified  
37 retirement accounts.

1        NEW SECTION.    **Sec. 5.**    Following the design and approval of the  
2 start retirement savings plan under section 3 of this act, the director  
3 shall adopt all rules necessary for the implementation and operation of  
4 the start retirement savings plan. Rules shall be written to comply  
5 with federal standards and may incorporate federal recommendations that  
6 are in the best interests of enrollees and the operations of the plan.  
7 As part of the rule development process, the director shall consult  
8 with employers, employees, private and nonprofit sector retirement plan  
9 administrators and providers, and any other individuals or entities  
10 that the director determines relevant to the development of an  
11 effective and efficient method for operating the start retirement  
12 savings plan.

13        NEW SECTION.    **Sec. 6.**    The director may enter into agreements with  
14 and pay a fee to organizations and individuals that market and sell the  
15 start retirement savings plan, including but not limited to financial  
16 services companies, credit unions, and independent brokers and agents.  
17 The fee may vary based on the size of the business enrolled.

18        NEW SECTION.    **Sec. 7.**    (1) The start principal account is created  
19 in the state treasury and shall be administered in compliance with  
20 applicable federal law and as set forth in this section. The  
21 department may make arrangements with financial institutions to serve  
22 as trustees or custodians of the start retirement savings plan as may  
23 be required or advisable to comply with applicable federal law and to  
24 provide for the efficient implementation and administration of the  
25 start retirement savings plan.

26        (2) The contributions elected by participating employees in  
27 accordance with section 3 of this act shall be paid into the start  
28 principal account and shall be sufficient to cover costs of  
29 administration and staffing in addition to such other amounts as may be  
30 determined by the director. The account shall be used to carry out the  
31 purposes of this subchapter.

32        (3) All moneys in the start principal account and the start  
33 administrative account, all property and rights purchased therewith,  
34 and all income attributable thereto, shall be held in trust by the  
35 state investment board, as set forth under RCW 43.33A.030, for the  
36 exclusive benefit of the start retirement savings plan participants and

1 their beneficiaries, and, notwithstanding any other provision of this  
2 or related acts, shall be held separate from other types of funds to  
3 the extent required by federal law. Neither the participating  
4 employee, nor the participant's beneficiary or beneficiaries, nor any  
5 other designee, has any right to commute, sell, assign, transfer, or  
6 otherwise convey the right to receive any payments under the start  
7 retirement savings plan. These payments and rights are nonassignable  
8 and nontransferable. Account balances are not subject to attachment,  
9 garnishment, or execution and are not transferable by operation of law  
10 in event of bankruptcy or insolvency, except to the extent otherwise  
11 required by law.

12 (4) The state investment board has the full power to invest moneys  
13 in the start principal account and the start administrative account in  
14 accordance with RCW 43.84.150, 43.33A.140, and this subchapter, and  
15 cumulative investment directions received under this subchapter. All  
16 investment and operating costs of the state investment board associated  
17 with the investment of the start retirement savings plan assets shall  
18 be paid under RCW 43.33A.160 and 43.84.160. With the exception of  
19 these expenses, one hundred percent of all earnings from these  
20 investments shall accrue directly to the start principal account.

21 (5)(a) No state board, commission, or agency, or any officer,  
22 employee, or member thereof is liable for any loss or deficiency  
23 resulting from participant investments selected under this subchapter.

24 (b) The state investment board, or any officer, employee, or member  
25 thereof is not liable for any loss or deficiency resulting from  
26 reasonable efforts to implement investment directions under this  
27 subchapter.

28 (6) The start administrative account is created in the state  
29 treasury. Federal appropriations or philanthropic grants received  
30 specifically for the start retirement savings plan shall be deposited  
31 in the start administrative account. Expenses of the department  
32 pertaining to the start retirement savings plan including staffing and  
33 administrative expenses shall be paid out of the start administrative  
34 account. Any excess balances credited to this account over  
35 administrative expenses disbursed from this account shall be  
36 transferred to the start principal account at such time and in such  
37 amounts as may be determined by the director with the approval of the  
38 director of financial management. Any deficiency in the start

1 administrative account caused by an excess of administrative expenses  
2 disbursed from this account shall be transferred to this account from  
3 the start principal account.

4 (7)(a)(i) The director shall keep or cause to be kept full and  
5 adequate accounts and records of the assets of each individual  
6 participant, and obligations, transactions, and affairs of the start  
7 retirement savings plan. The department shall account for and report  
8 on the investment of the start retirement savings plan assets or may  
9 enter into an agreement with the state investment board for accounting  
10 and reporting.

11 (ii) The director's duties related to individual participant  
12 accounts include conducting the activities of trade instruction,  
13 settlement activities, and direction of cash movement and related wire  
14 transfers with the custodian bank and outside investment firms.

15 (iii) The director may establish contracts with recordkeepers to  
16 fulfill the duties of sections 1 through 7 of this act. The director  
17 has sole responsibility for contracting with any recordkeepers and  
18 shall manage the performance of recordkeepers under those contracts.  
19 In establishing contracts, the director shall give consideration to  
20 contracts that assign primary liability for all tort and contract  
21 actions to the contractor. In establishing such contracts, the  
22 department shall assume secondary liability and joint and several  
23 liability shall be preserved. When considering a contract that assigns  
24 primary liability to the contractor, the director shall determine the  
25 potential liability and the costs and benefits of adding this provision  
26 to contract language.

27 (b) The director may contract with private sector financial  
28 services firms to enroll eligible private and nonprofit sector  
29 employers and employees in the start retirement savings plan. The  
30 director may establish contracts with financial services firms for this  
31 function.

32 (c)(i) The director's duties under (a)(ii) of this subsection do  
33 not limit the authority of the state investment board to conduct its  
34 responsibilities for asset management and balancing of the start  
35 retirement savings plan funds.

36 (ii) The state investment board has sole responsibility for  
37 contracting with outside investment firms to provide investment  
38 management for the start retirement savings plan funds and shall manage

1 the performance of investment managers under those contracts. In  
2 establishing contracts, the state investment board shall give  
3 consideration to contracts that assign primary liability for all tort  
4 and contract actions to the contractor. In establishing such  
5 contracts, the state investment board shall assume secondary liability  
6 and joint and several liability shall be preserved. When considering  
7 a contract that assigns primary liability to the contractor, the state  
8 investment board shall determine the potential liability and the costs  
9 and benefits of adding this provision to contract language.

10 (d) The state treasurer shall designate and define the terms of  
11 engagement for the custodial banks.

12 NEW SECTION. **Sec. 8.** Private and nonprofit employers may provide  
13 employees with the opportunity to enroll in the start retirement  
14 savings plan, including providing for payroll deductions for those  
15 employees that enroll in the start retirement savings plan. Employers  
16 with employees enrolled in the start retirement savings plan are  
17 authorized to contract with the enrolled employees to defer or  
18 contribute a portion of the enrolled employees' compensation, in  
19 accordance with the start retirement savings plan rules.

20 NEW SECTION. **Sec. 9.** The director shall report biennially to the  
21 relevant committees of the legislature on the effectiveness and  
22 efficiency of the start retirement savings plan, including the levels  
23 of enrollment, the financial status of the start retirement savings  
24 plan, and the retirement savings levels of participating enrollees.

25 NEW SECTION. **Sec. 10.** If any part of this act is found to be in  
26 conflict with federal requirements that are a prescribed condition to  
27 the allocation of federal funds to the state, the conflicting part of  
28 this act is inoperative solely to the extent of the conflict and with  
29 respect to the agencies directly affected, and this finding does not  
30 affect the operation of the remainder of this act in its application to  
31 the agencies concerned. Rules adopted under this act must meet federal  
32 requirements that are a necessary condition to the receipt of federal  
33 funds by the state.



1       **Sec. 11.** RCW 43.33A.070 and 1981 c 3 s 7 are each amended to read  
2 as follows:

3       No member of the state investment board is liable for the  
4 negligence, default, or failure of any other person or other member of  
5 the board to perform the duties of the member's office and no member of  
6 the board shall be considered or held to be an insurer of the funds or  
7 assets of any of the trust and retirement funds, including funds or  
8 assets of the start retirement savings plan, nor is any nonvoting  
9 member liable for actions performed with the exercise of reasonable  
10 diligence within the scope of the member's authorized activities as a  
11 member of the board.

12       **Sec. 12.** RCW 43.84.092 and 2013 2nd sp.s. c 23 s 24 and 2013 2nd  
13 sp.s. c 11 s 15 are each reenacted and amended to read as follows:

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

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

32       (3) Except for the provisions of RCW 43.84.160, the treasury income  
33 account may be utilized for the payment of purchased banking services  
34 on behalf of treasury funds including, but not limited to, depository,  
35 safekeeping, and disbursement functions for the state treasury and  
36 affected state agencies. The treasury income account is subject in all

1 respects to chapter 43.88 RCW, but no appropriation is required for  
2 payments to financial institutions. Payments shall occur prior to  
3 distribution of earnings set forth in subsection (4) of this section.

4 (4) Monthly, the state treasurer shall distribute the earnings  
5 credited to the treasury income account. The state treasurer shall  
6 credit the general fund with all the earnings credited to the treasury  
7 income account except:

8 (a) The following accounts and funds shall receive their  
9 proportionate share of earnings based upon each account's and fund's  
10 average daily balance for the period: The aeronautics account, the  
11 aircraft search and rescue account, the Alaskan Way viaduct replacement  
12 project account, the brownfield redevelopment trust fund account, the  
13 budget stabilization account, the capital vessel replacement account,  
14 the capitol building construction account, the Cedar River channel  
15 construction and operation account, the Central Washington University  
16 capital projects account, the charitable, educational, penal and  
17 reformatory institutions account, the cleanup settlement account, the  
18 Columbia river basin water supply development account, the Columbia  
19 river basin taxable bond water supply development account, the Columbia  
20 river basin water supply revenue recovery account, the common school  
21 construction fund, the county arterial preservation account, the county  
22 criminal justice assistance account, the deferred compensation  
23 administrative account, the deferred compensation principal account,  
24 the department of licensing services account, the department of  
25 retirement systems expense account, the developmental disabilities  
26 community trust account, the drinking water assistance account, the  
27 drinking water assistance administrative account, the drinking water  
28 assistance repayment account, the Eastern Washington University capital  
29 projects account, the Interstate 405 express toll lanes operations  
30 account, the education construction fund, the education legacy trust  
31 account, the election account, the energy freedom account, the energy  
32 recovery act account, the essential rail assistance account, The  
33 Evergreen State College capital projects account, the federal forest  
34 revolving account, the ferry bond retirement fund, the freight mobility  
35 investment account, the freight mobility multimodal account, the grade  
36 crossing protective fund, the public health services account, the high  
37 capacity transportation account, the state higher education  
38 construction account, the higher education construction account, the

1 highway bond retirement fund, the highway infrastructure account, the  
2 highway safety fund, the high occupancy toll lanes operations account,  
3 the hospital safety net assessment fund, the industrial insurance  
4 premium refund account, the judges' retirement account, the judicial  
5 retirement administrative account, the judicial retirement principal  
6 account, the local leasehold excise tax account, the local real estate  
7 excise tax account, the local sales and use tax account, the marine  
8 resources stewardship trust account, the medical aid account, the  
9 mobile home park relocation fund, the motor vehicle fund, the  
10 motorcycle safety education account, the multimodal transportation  
11 account, the multiuse roadway safety account, the municipal criminal  
12 justice assistance account, the natural resources deposit account, the  
13 oyster reserve land account, the pension funding stabilization account,  
14 the perpetual surveillance and maintenance account, the public  
15 employees' retirement system plan 1 account, the public employees'  
16 retirement system combined plan 2 and plan 3 account, the public  
17 facilities construction loan revolving account beginning July 1, 2004,  
18 the public health supplemental account, the public works assistance  
19 account, the Puget Sound capital construction account, the Puget Sound  
20 ferry operations account, the real estate appraiser commission account,  
21 the recreational vehicle account, the regional mobility grant program  
22 account, the resource management cost account, the rural arterial trust  
23 account, the rural mobility grant program account, the rural Washington  
24 loan fund, the site closure account, the skilled nursing facility  
25 safety net trust fund, the small city pavement and sidewalk account,  
26 the special category C account, the special wildlife account, the start  
27 administrative account, the start principal account, the state  
28 employees' insurance account, the state employees' insurance reserve  
29 account, the state investment board expense account, the state  
30 investment board commingled trust fund accounts, the state patrol  
31 highway account, the state route number 520 civil penalties account,  
32 the state route number 520 corridor account, the state wildlife  
33 account, the supplemental pension account, the Tacoma Narrows toll  
34 bridge account, the teachers' retirement system plan 1 account, the  
35 teachers' retirement system combined plan 2 and plan 3 account, the  
36 tobacco prevention and control account, the tobacco settlement account,  
37 the toll facility bond retirement account, the transportation 2003  
38 account (nickel account), the transportation equipment fund, the

1 transportation fund, the transportation improvement account, the  
2 transportation improvement board bond retirement account, the  
3 transportation infrastructure account, the transportation partnership  
4 account, the traumatic brain injury account, the tuition recovery trust  
5 fund, the University of Washington bond retirement fund, the University  
6 of Washington building account, the volunteer firefighters' and reserve  
7 officers' relief and pension principal fund, the volunteer  
8 firefighters' and reserve officers' administrative fund, the Washington  
9 judicial retirement system account, the Washington law enforcement  
10 officers' and firefighters' system plan 1 retirement account, the  
11 Washington law enforcement officers' and firefighters' system plan 2  
12 retirement account, the Washington public safety employees' plan 2  
13 retirement account, the Washington school employees' retirement system  
14 combined plan 2 and 3 account, the Washington state economic  
15 development commission account, the Washington state health insurance  
16 pool account, the Washington state patrol retirement account, the  
17 Washington State University building account, the Washington State  
18 University bond retirement fund, the water pollution control revolving  
19 administration account, the water pollution control revolving fund, the  
20 Western Washington University capital projects account, the Yakima  
21 integrated plan implementation account, the Yakima integrated plan  
22 implementation revenue recovery account, and the Yakima integrated plan  
23 implementation taxable bond account. Earnings derived from investing  
24 balances of the agricultural permanent fund, the normal school  
25 permanent fund, the permanent common school fund, the scientific  
26 permanent fund, the state university permanent fund, and the state  
27 reclamation revolving account shall be allocated to their respective  
28 beneficiary accounts.

29 (b) Any state agency that has independent authority over accounts  
30 or funds not statutorily required to be held in the state treasury that  
31 deposits funds into a fund or account in the state treasury pursuant to  
32 an agreement with the office of the state treasurer shall receive its  
33 proportionate share of earnings based upon each account's or fund's  
34 average daily balance for the period.

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

1           **Sec. 13.** RCW 43.84.092 and 2013 2nd sp.s. c 23 s 25 and 2013 2nd  
2 sp.s. c 11 s 16 are each reenacted and amended to read as follows:

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

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

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

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

33           (a) The following accounts and funds shall receive their  
34 proportionate share of earnings based upon each account's and fund's  
35 average daily balance for the period: The aeronautics account, the  
36 aircraft search and rescue account, the Alaskan Way viaduct replacement  
37 project account, the brownfield redevelopment trust fund account, the  
38 budget stabilization account, the capital vessel replacement account,

1 the capitol building construction account, the Cedar River channel  
2 construction and operation account, the Central Washington University  
3 capital projects account, the charitable, educational, penal and  
4 reformatory institutions account, the cleanup settlement account, the  
5 Columbia river basin water supply development account, the Columbia  
6 river basin taxable bond water supply development account, the Columbia  
7 river basin water supply revenue recovery account, the Columbia river  
8 crossing project account, the common school construction fund, the  
9 county arterial preservation account, the county criminal justice  
10 assistance account, the deferred compensation administrative account,  
11 the deferred compensation principal account, the department of  
12 licensing services account, the department of retirement systems  
13 expense account, the developmental disabilities community trust  
14 account, the drinking water assistance account, the drinking water  
15 assistance administrative account, the drinking water assistance  
16 repayment account, the Eastern Washington University capital projects  
17 account, the Interstate 405 express toll lanes operations account, the  
18 education construction fund, the education legacy trust account, the  
19 election account, the energy freedom account, the energy recovery act  
20 account, the essential rail assistance account, The Evergreen State  
21 College capital projects account, the federal forest revolving account,  
22 the ferry bond retirement fund, the freight mobility investment  
23 account, the freight mobility multimodal account, the grade crossing  
24 protective fund, the public health services account, the high capacity  
25 transportation account, the state higher education construction  
26 account, the higher education construction account, the highway bond  
27 retirement fund, the highway infrastructure account, the highway safety  
28 fund, the high occupancy toll lanes operations account, the hospital  
29 safety net assessment fund, the industrial insurance premium refund  
30 account, the judges' retirement account, the judicial retirement  
31 administrative account, the judicial retirement principal account, the  
32 local leasehold excise tax account, the local real estate excise tax  
33 account, the local sales and use tax account, the marine resources  
34 stewardship trust account, the medical aid account, the mobile home  
35 park relocation fund, the motor vehicle fund, the motorcycle safety  
36 education account, the multimodal transportation account, the multiuse  
37 roadway safety account, the municipal criminal justice assistance  
38 account, the natural resources deposit account, the oyster reserve land

1 account, the pension funding stabilization account, the perpetual  
2 surveillance and maintenance account, the public employees' retirement  
3 system plan 1 account, the public employees' retirement system combined  
4 plan 2 and plan 3 account, the public facilities construction loan  
5 revolving account beginning July 1, 2004, the public health  
6 supplemental account, the public works assistance account, the Puget  
7 Sound capital construction account, the Puget Sound ferry operations  
8 account, the real estate appraiser commission account, the recreational  
9 vehicle account, the regional mobility grant program account, the  
10 resource management cost account, the rural arterial trust account, the  
11 rural mobility grant program account, the rural Washington loan fund,  
12 the site closure account, the skilled nursing facility safety net trust  
13 fund, the small city pavement and sidewalk account, the special  
14 category C account, the special wildlife account, the start  
15 administrative account, the start principal account, the state  
16 employees' insurance account, the state employees' insurance reserve  
17 account, the state investment board expense account, the state  
18 investment board commingled trust fund accounts, the state patrol  
19 highway account, the state route number 520 civil penalties account,  
20 the state route number 520 corridor account, the state wildlife  
21 account, the supplemental pension account, the Tacoma Narrows toll  
22 bridge account, the teachers' retirement system plan 1 account, the  
23 teachers' retirement system combined plan 2 and plan 3 account, the  
24 tobacco prevention and control account, the tobacco settlement account,  
25 the toll facility bond retirement account, the transportation 2003  
26 account (nickel account), the transportation equipment fund, the  
27 transportation fund, the transportation improvement account, the  
28 transportation improvement board bond retirement account, the  
29 transportation infrastructure account, the transportation partnership  
30 account, the traumatic brain injury account, the tuition recovery trust  
31 fund, the University of Washington bond retirement fund, the University  
32 of Washington building account, the volunteer firefighters' and reserve  
33 officers' relief and pension principal fund, the volunteer  
34 firefighters' and reserve officers' administrative fund, the Washington  
35 judicial retirement system account, the Washington law enforcement  
36 officers' and firefighters' system plan 1 retirement account, the  
37 Washington law enforcement officers' and firefighters' system plan 2  
38 retirement account, the Washington public safety employees' plan 2

1 retirement account, the Washington school employees' retirement system  
2 combined plan 2 and 3 account, the Washington state economic  
3 development commission account, the Washington state health insurance  
4 pool account, the Washington state patrol retirement account, the  
5 Washington State University building account, the Washington State  
6 University bond retirement fund, the water pollution control revolving  
7 administration account, the water pollution control revolving fund, the  
8 Western Washington University capital projects account, the Yakima  
9 integrated plan implementation account, the Yakima integrated plan  
10 implementation revenue recovery account, and the Yakima integrated plan  
11 implementation taxable bond account. Earnings derived from investing  
12 balances of the agricultural permanent fund, the normal school  
13 permanent fund, the permanent common school fund, the scientific  
14 permanent fund, the state university permanent fund, and the state  
15 reclamation revolving account shall be allocated to their respective  
16 beneficiary accounts.

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

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

26 NEW SECTION. **Sec. 14.** Section 12 of this act expires on the date  
27 the requirements set out in section 7, chapter 36, Laws of 2012 are  
28 met.

29 NEW SECTION. **Sec. 15.** Section 13 of this act takes effect on the  
30 date the requirements set out in section 7, chapter 36, Laws of 2012  
31 are met.

32 NEW SECTION. **Sec. 16.** Sections 1 through 10 of this act are each  
33 added to chapter 41.50 RCW and codified with the subchapter heading of



1 "save toward a retirement today."

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