
SUBSTITUTE SENATE BILL 6285

State of Washington

64th Legislature

2016 Regular Session

By Senate Ways & Means (originally sponsored by Senators Fain, Hobbs, and Roach)

READ FIRST TIME 02/04/16.

1 AN ACT Relating to the operating and reserve accounts of the
2 horse racing commission; amending RCW 67.16.280; reenacting and
3 amending RCW 43.79A.040 and 43.84.092; adding a new section to
4 chapter 67.16 RCW; and providing an effective date.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 67.16
7 RCW to read as follows:

8 The Washington horse racing commission operating reserve account
9 is created in the custody of the state treasurer. All receipts from
10 legislative appropriations and other sources as directed by the
11 legislature must be deposited into the account. Expenditures from the
12 account may be used only for operating expenses of the commission.
13 Only the commission or the commission's designee may authorize
14 expenditures from the account. The account is subject to the
15 allotment procedures under chapter 43.88 RCW, but an appropriation is
16 not required for expenditures.

17 **Sec. 2.** RCW 67.16.280 and 2013 c 88 s 2 are each amended to read
18 as follows:

19 (1) The Washington horse racing commission operating account is
20 created in ((the custody of)) the state ((treasurer)) treasury. All

1 receipts collected by the commission under RCW 67.16.105(2) must be
2 deposited into the account. The commission has the authority to
3 receive such gifts, grants, and endowments from public or private
4 sources as may be made from time to time in trust or otherwise for
5 the use and purpose of regulating or supporting nonprofit race meets
6 as set forth in RCW 67.16.130 and 67.16.105(1); such gifts, grants,
7 and endowments must also be deposited into the account and expended
8 according to the terms of such gift, grant, or endowment. Moneys in
9 the account may be spent only after appropriation. Except as provided
10 in subsection (2) of this section, expenditures from the account may
11 be used only for operating expenses of the commission.

12 (2) In order to provide funding in support of the legislative
13 findings in RCW 67.16.101 (1) through (3), and to provide additional
14 necessary support to the nonprofit race meets beyond the funding
15 provided by RCW 67.16.101(4) and 67.16.102(2), the commission is
16 authorized to spend up to three hundred thousand dollars per fiscal
17 year from its operating account for the purpose of developing the
18 equine industry, maintaining and upgrading racing facilities, and
19 assisting equine health research. When determining how to allocate
20 the funds available for these purposes, the commission must give
21 first consideration to uses that regulate and assist the nonprofit
22 race meets and equine health research. These expenditures may occur
23 only when sufficient funds remain for the continued operations of the
24 horse racing commission.

25 **Sec. 3.** RCW 43.79A.040 and 2013 c 251 s 5 and 2013 c 88 s 1 are
26 each reenacted and amended to read as follows:

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

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

35 (3) The investment income account may be utilized for the payment
36 of purchased banking services on behalf of treasurer's trust funds
37 including, but not limited to, depository, safekeeping, and
38 disbursement functions for the state treasurer or affected state
39 agencies. The investment income account is subject in all respects to

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

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

7 (b) The following accounts and funds must receive their
8 proportionate share of earnings based upon each account's or fund's
9 average daily balance for the period: The Washington promise
10 scholarship account, the Washington advanced college tuition payment
11 program account, the accessible communities account, the community
12 and technical college innovation account, the agricultural local
13 fund, the American Indian scholarship endowment fund, the foster care
14 scholarship endowment fund, the foster care endowed scholarship trust
15 fund, the contract harvesting revolving account, the Washington state
16 combined fund drive account, the commemorative works account, the
17 county enhanced 911 excise tax account, the toll collection account,
18 the developmental disabilities endowment trust fund, the energy
19 account, the fair fund, the family leave insurance account, the food
20 animal veterinarian conditional scholarship account, the fruit and
21 vegetable inspection account, the future teachers conditional
22 scholarship account, the game farm alternative account, the GET ready
23 for math and science scholarship account, the Washington global
24 health technologies and product development account, the grain
25 inspection revolving fund, the industrial insurance rainy day fund,
26 the juvenile accountability incentive account, the law enforcement
27 officers' and firefighters' plan 2 expense fund, the local tourism
28 promotion account, the multiagency permitting team account, the
29 pilotage account, the produce railcar pool account, the regional
30 transportation investment district account, the rural rehabilitation
31 account, the stadium and exhibition center account, the youth
32 athletic facility account, the self-insurance revolving fund, the
33 children's trust fund, the Washington horse racing commission
34 Washington bred owners' bonus fund and breeder awards account, the
35 Washington horse racing commission class C purse fund account, the
36 individual development account program account, the Washington horse
37 racing commission operating reserve account, the life sciences
38 discovery fund, the Washington state heritage center account, the
39 reduced cigarette ignition propensity account, the center for
40 childhood deafness and hearing loss account, the school for the blind

1 account, the Millersylvania park trust fund, the public employees'
2 and retirees' insurance reserve fund, and the radiation perpetual
3 maintenance fund.

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

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

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

21 **Sec. 4.** RCW 43.84.092 and 2015 3rd sp.s. c 44 s 107 and 2015 3rd
22 sp.s. c 12 s 3 are 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
27 receive funds associated with federal programs as required by the
28 federal cash management improvement act of 1990. The treasury income
29 account is subject in all respects to chapter 43.88 RCW, but no
30 appropriation is required for refunds or allocations of interest
31 earnings required by the cash management improvement act. Refunds of
32 interest to the federal treasury required under the cash management
33 improvement act fall under RCW 43.88.180 and shall not require
34 appropriation. The office of financial management shall determine the
35 amounts due to or from the federal government pursuant to the cash
36 management improvement act. The office of financial management may
37 direct transfers of funds between accounts as deemed necessary to
38 implement the provisions of the cash management improvement act, and
39 this subsection. Refunds or allocations shall occur prior to the

1 distributions of earnings set forth in subsection (4) of this
2 section.

3 (3) Except for the provisions of RCW 43.84.160, the treasury
4 income account may be utilized for the payment of purchased banking
5 services on behalf of treasury funds including, but not limited to,
6 depository, safekeeping, and disbursement functions for the state
7 treasury and affected state agencies. The treasury income account is
8 subject in all respects to chapter 43.88 RCW, but no appropriation is
9 required for payments to financial institutions. Payments shall occur
10 prior to distribution of earnings set forth in subsection (4) of this
11 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
15 treasury income account except:

16 (a) The following accounts and funds shall receive their
17 proportionate share of earnings based upon each account's and fund's
18 average daily balance for the period: The aeronautics account, the
19 aircraft search and rescue account, the Alaskan Way viaduct
20 replacement project account, the brownfield redevelopment trust fund
21 account, the budget stabilization account, the capital vessel
22 replacement account, the capitol building construction account, the
23 Cedar River channel construction and operation account, the Central
24 Washington University capital projects account, the charitable,
25 educational, penal and reformatory institutions account, the cleanup
26 settlement account, the Columbia river basin water supply development
27 account, the Columbia river basin taxable bond water supply
28 development account, the Columbia river basin water supply revenue
29 recovery account, the common school construction fund, the community
30 forest trust account, the connecting Washington account, the county
31 arterial preservation account, the county criminal justice assistance
32 account, the deferred compensation administrative account, the
33 deferred compensation principal account, the department of licensing
34 services account, the department of retirement systems expense
35 account, the developmental disabilities community trust account, the
36 diesel idle reduction account, the drinking water assistance account,
37 the drinking water assistance administrative account, the drinking
38 water assistance repayment account, the Eastern Washington University
39 capital projects account, the Interstate 405 express toll lanes
40 operations account, the education construction fund, the education

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

1 number 520 civil penalties account, the state route number 520
2 corridor account, the state wildlife account, the supplemental
3 pension account, the Tacoma Narrows toll bridge account, the
4 teachers' retirement system plan 1 account, the teachers' retirement
5 system combined plan 2 and plan 3 account, the tobacco prevention and
6 control account, the tobacco settlement account, the toll facility
7 bond retirement account, the transportation 2003 account (nickel
8 account), the transportation equipment fund, the transportation fund,
9 the transportation future funding program account, the transportation
10 improvement account, the transportation improvement board bond
11 retirement account, the transportation infrastructure account, the
12 transportation partnership account, the traumatic brain injury
13 account, the tuition recovery trust fund, the University of
14 Washington bond retirement fund, the University of Washington
15 building account, the volunteer firefighters' and reserve officers'
16 relief and pension principal fund, the volunteer firefighters' and
17 reserve officers' administrative fund, the Washington horse racing
18 commission operating account, the Washington judicial retirement
19 system account, the Washington law enforcement officers' and
20 firefighters' system plan 1 retirement account, the Washington law
21 enforcement officers' and firefighters' system plan 2 retirement
22 account, the Washington public safety employees' plan 2 retirement
23 account, the Washington school employees' retirement system combined
24 plan 2 and 3 account, the Washington state health insurance pool
25 account, the Washington state patrol retirement account, the
26 Washington State University building account, the Washington State
27 University bond retirement fund, the water pollution control
28 revolving administration account, the water pollution control
29 revolving fund, the Western Washington University capital projects
30 account, the Yakima integrated plan implementation account, the
31 Yakima integrated plan implementation revenue recovery account, and
32 the Yakima integrated plan implementation taxable bond account.
33 Earnings derived from investing balances of the agricultural
34 permanent fund, the normal school permanent fund, the permanent
35 common school fund, the scientific permanent fund, the state
36 university permanent fund, and the state reclamation revolving
37 account shall be allocated to their respective beneficiary accounts.

38 (b) Any state agency that has independent authority over accounts
39 or funds not statutorily required to be held in the state treasury
40 that deposits funds into a fund or account in the state treasury

1 pursuant to an agreement with the office of the state treasurer shall
2 receive its proportionate share of earnings based upon each account's
3 or fund's average daily balance for the period.

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

7 NEW SECTION. **Sec. 5.** This act takes effect July 1, 2016.

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