
SUBSTITUTE SENATE BILL 5511

State of Washington

66th Legislature

2019 Regular Session

By Senate Environment, Energy & Technology (originally sponsored by Senators Wellman, Sheldon, Carlyle, Short, McCoy, Nguyen, Takko, Cleveland, Darneille, Dhingra, Lias, Mullet, Saldaña, and Frockt; by request of Office of the Governor)

READ FIRST TIME 02/18/19.

1 AN ACT Relating to expanding affordable, resilient broadband
2 service to enable economic development, public safety, health care,
3 and education in Washington's communities; amending RCW 54.16.300,
4 54.16.330, 54.16.420, 53.08.370, 80.36.630, 80.36.650, 80.36.660,
5 80.36.670, 80.36.680, 80.36.690, and 80.36.700; amending 2013 2nd
6 sp.s. c 8 ss 212 and 303 (uncodified); reenacting and amending RCW
7 43.84.092; adding new sections to chapter 43.330 RCW; adding new
8 sections to chapter 43.155 RCW; creating a new section; repealing RCW
9 43.330.415, 43.330.418, and 80.36.620; and providing expiration
10 dates.

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

12 NEW SECTION. **Sec. 1.** The legislature finds that:

13 (1) Access to broadband is critical to full participation in
14 society and the modern economy;

15 (2) Increasing broadband access to unserved and underserved areas
16 of the state serves a fundamental governmental purpose and function
17 and provides a public benefit to the citizens of Washington by
18 enabling access to health care, education, and essential services,
19 providing economic opportunities, and enhancing public health and
20 safety;

1 (3) Achieving affordable and quality broadband access for all
2 Washingtonians will require additional and sustained investment,
3 research, local and community participation, and partnerships between
4 private, public, and nonprofit entities;

5 (4) The federal communications commission has adopted a national
6 broadband plan that includes recommendations directed to federal,
7 state, and local governments, including recommendations to:

8 (a) Design policies to ensure robust competition and maximize
9 consumer welfare, innovation, and investment;

10 (b) Ensure efficient allocation and management of assets that the
11 government controls or influences to encourage network upgrades and
12 competitive entry;

13 (c) Reform current universal service mechanisms to support
14 deployment in high-cost areas, ensuring that low-income Americans can
15 afford broadband, and supporting efforts to boost adoption and
16 utilization; and

17 (d) Reform laws, policies, standards, and incentives to maximize
18 the benefits of broadband in sectors that government influences
19 significantly, such as public education, health care, and government
20 operations;

21 (5) Extensive investments have been made by the
22 telecommunications industry and the public sector, as well as
23 policies and programs adopted to provide affordable broadband
24 services throughout the state, that will provide a foundation to
25 build a comprehensive statewide framework for additional actions
26 needed to advance the state's broadband goals; and

27 (6) Providing additional funding mechanisms to increase broadband
28 access in unserved and underserved areas is in the best interest of
29 the state. To that end, this act establishes a grant and loan program
30 that will support the extension of broadband infrastructure to
31 unserved and underserved areas. To ensure this program primarily
32 serves the public interest, the legislature intends that any grant or
33 loan provided to a private entity under this program must be
34 conditioned on a guarantee that the asset or infrastructure to be
35 developed will be maintained for public use for a period of at least
36 fifteen years.

37 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.330
38 RCW to read as follows:

1 The definitions in this section apply throughout this section and
2 sections 3 through 6 of this act unless the context clearly requires
3 otherwise.

4 (1) "Board" means the public works board established in RCW
5 43.155.030.

6 (2) "Broadband" or "broadband service" means any service
7 providing advanced telecommunications capability and internet access
8 with transmission speeds that, at a minimum, provide twenty-five
9 megabits per second download and three megabits per second upload.

10 (3) "Broadband infrastructure" means networks of deployed
11 telecommunications equipment and technologies necessary to provide
12 high-speed internet access and other advanced telecommunications
13 services to end users.

14 (4) "Department" means the department of commerce.

15 (5) "Last mile infrastructure" means broadband infrastructure
16 that serves as the final connection from a broadband service
17 provider's network to the end-use customer's on-premises
18 telecommunications equipment.

19 (6) "Local government" includes cities, towns, counties,
20 municipal corporations, public port districts, quasi-municipal
21 corporations, special purpose districts, and multiparty entities
22 comprised of public entity members.

23 (7) "Middle mile infrastructure" means broadband infrastructure
24 that links a broadband service provider's core network infrastructure
25 to last mile infrastructure.

26 (8) "Office" means the governor's statewide broadband office
27 established in section 3 of this act.

28 (9) "Tribe" means any federally recognized Indian tribe whose
29 traditional lands and territories included parts of Washington.

30 (10) "Underserved areas" means areas of Washington in which
31 households or businesses lack adequate access to broadband service,
32 as defined by the office.

33 (11) "Unserved areas" means areas of Washington in which
34 households and businesses lack access to broadband service, as
35 defined by the office.

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

38 (1) The governor's statewide broadband office is established. The
39 director of the office must be appointed by the governor. The office

1 may employ staff necessary to carry out the office's duties as
2 prescribed by this act, subject to the availability of amounts
3 appropriated for this specific purpose.

4 (2) The purpose of the office is to encourage, foster, develop,
5 and improve affordable, quality broadband within the state in order
6 to:

7 (a) Drive job creation, promote innovation, improve economic
8 vitality, and expand markets for Washington businesses;

9 (b) Serve the ongoing and growing needs of Washington's education
10 systems, health care systems, public safety systems, industries and
11 business, governmental operations, and citizens; and

12 (c) Improve broadband accessibility for unserved and underserved
13 communities and populations.

14 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.330
15 RCW to read as follows:

16 (1) The office has the power and duty to:

17 (a) Serve as the central broadband planning body for the state of
18 Washington;

19 (b) Coordinate with local governments, tribes, public and private
20 entities, nonprofit organizations, and consumer-owned and investor-
21 owned utilities to develop strategies and plans for deployment of
22 broadband infrastructure and greater broadband access;

23 (c) Review existing broadband initiatives, policies, and public
24 and private investments;

25 (d) Develop, recommend, and implement a statewide plan to
26 encourage cost-effective broadband access and to make recommendations
27 for increased usage, particularly in rural and other unserved and
28 underserved areas;

29 (e) Update the state's broadband goals and definitions for
30 broadband service in unserved and underserved areas as technology
31 advances, except that the state's definition for broadband service
32 may not be actual speeds less than twenty-five megabits per second
33 download and three megabits per second upload; and

34 (f) Encourage public-private partnerships to increase deployment
35 and adoption of broadband services and applications.

36 (2) When developing plans or strategies for broadband deployment,
37 the office must consider:

1 (a) Partnerships between communities, tribes, nonprofit
2 organizations, consumer-owned and investor-owned utilities, and
3 public and private entities;

4 (b) Funding opportunities that provide for the coordination of
5 public, private, state, and federal funds for the purposes of making
6 broadband infrastructure or broadband services available to rural,
7 unserved, and underserved areas of the state;

8 (c) Barriers to the adoption and utilization of broadband
9 service, including affordability of service; and

10 (d) Requiring minimum broadband service of twenty-five megabits
11 per second download and three megabits per second upload speed, that
12 is scalable to faster service.

13 (3) The office may take all appropriate steps to seek federal
14 funding in order to maximize investment in broadband deployment and
15 adoption in the state.

16 (4) The office may assist applicants to the grant and loan
17 program created in section 7 of this act with seeking federal funding
18 or matching grants and other grant opportunities for deploying
19 broadband services.

20 (5) The office may apply for federal funds and other grants or
21 accept donations and must deposit the funds in the statewide
22 broadband account created in section 8 of this act.

23 (6) In carrying out its purpose, the office may collaborate with
24 the utilities and transportation commission, the office of the chief
25 information officer, the department of commerce, the community
26 economic revitalization board, the public works board, the state
27 librarian, and all other relevant state agencies.

28 NEW SECTION. **Sec. 5.** A new section is added to chapter 43.330
29 RCW to read as follows:

30 It is a goal of the state of Washington that:

31 (1) By 2024, all Washington businesses and residences have access
32 to high-speed broadband that provides minimum download speeds of at
33 least twenty-five megabits per second and minimum upload speeds of at
34 least three megabits per second;

35 (2) By 2026, all Washington communities have access to at least
36 one gigabit per second symmetrical broadband service via anchor
37 institutions like schools, hospitals, libraries, and government
38 buildings; and

1 (3) By 2028, all Washington businesses and residences have access
2 to at least one provider of broadband with download speeds of at
3 least one hundred fifty megabits per second and upload speeds of at
4 least one hundred fifty megabits per second.

5 NEW SECTION. **Sec. 6.** A new section is added to chapter 43.330
6 RCW to read as follows:

7 (1) Beginning January 1, 2021, and biennially thereafter, the
8 office shall report to the legislative committees with jurisdiction
9 over broadband policy and finance on the office's activities during
10 the previous two years.

11 (2) The report must, at a minimum, contain:

12 (a) An analysis of the current availability and use of broadband,
13 including average broadband speeds, within the state;

14 (b) Information gathered from schools, libraries, hospitals, and
15 public safety facilities across the state, determining the actual
16 speed and capacity of broadband currently in use and the need, if
17 any, for increases in speed and capacity to meet current or
18 anticipated needs;

19 (c) An overview of incumbent broadband infrastructure within the
20 state;

21 (d) A summary of the office's activities in coordinating
22 broadband infrastructure development with the public works board,
23 including a summary of funds awarded under section 7 of this act;

24 (e) Suggested policies, incentives, and legislation designed to
25 accelerate the achievement of the goals under section 5 of this act;
26 and

27 (f) Any proposed legislative and policy initiatives.

28 NEW SECTION. **Sec. 7.** A new section is added to chapter 43.155
29 RCW to read as follows:

30 (1) The board shall establish a competitive grant and loan
31 program to award funding to eligible applicants in order to promote
32 the expansion of access to broadband service in unserved and
33 underserved areas of the state.

34 (2)(a) Grants and loans may be awarded under this section to
35 assist in funding acquisition, installation, and construction of
36 middle mile and last mile infrastructure that supports broadband
37 services and to assist in funding strategic planning for deploying
38 broadband service in unserved and underserved areas.

1 (b) The board may choose to fund all or part of an application
2 for funding, provided that the application meets the requirements of
3 subsection (9) of this section.

4 (3) Eligible applicants for grants and loans awarded under this
5 section include:

6 (a) Local governments;

7 (b) Tribes;

8 (c) Nonprofit organizations;

9 (d) Cooperative associations;

10 (e) Multiparty entities comprised of public entity members;

11 (f) Limited liability corporations organized for the purpose of
12 expanding broadband access; and

13 (g) Incorporated businesses or partnerships.

14 (4) (a) The board shall develop administrative procedures
15 governing the application and award process. The board shall act as
16 fiscal agent for the program and is responsible for receiving and
17 reviewing applications and awarding funds under this section.

18 (b) At least thirty days prior to the first day applications may
19 be submitted each fiscal year, the office and the board must publish
20 on their web sites the specific criteria and any quantitative
21 weighting scheme or scoring system that the board will use to
22 evaluate or rank applications and award funding.

23 (5) An applicant for a grant or loan under this section must
24 provide the following information on the application:

25 (a) The location of the project;

26 (b) The kind and amount of broadband infrastructure to be
27 purchased for the project;

28 (c) Evidence regarding the unserved or underserved nature of the
29 community in which the project is to be located;

30 (d) Evidence that proposed infrastructure will be capable of
31 scaling to greater download and upload speeds;

32 (e) The number of households passed that will gain access to
33 broadband service as a result of the project or whose broadband
34 service will be upgraded as a result of the project;

35 (f) The estimated cost of retail services to end users
36 facilitated by a project;

37 (g) The proposed actual download and upload speeds experienced by
38 end users;

39 (h) Evidence of significant community institutions that will
40 benefit from the proposed project;

1 (i) Anticipated economic, educational, health care, or public
2 safety benefits created by the project;

3 (j) Evidence of community support for the project;

4 (k) If available, a description of the applicant's user adoption
5 assistance program and efforts to promote the use of newly available
6 broadband services created by the project;

7 (l) The estimated total cost of the project;

8 (m) Other sources of funding for the project that will supplement
9 any grant or loan award;

10 (n) A demonstration of the project's long-term sustainability,
11 including the applicant's financial soundness, organizational
12 capacity, and technical expertise;

13 (o) A strategic plan to maintain long-term operation of the
14 infrastructure;

15 (p) Evidence that no later than six weeks before submission of
16 the application, the applicant contacted, in writing, all entities
17 providing broadband service near the proposed project area to ask
18 each broadband service provider's plan to upgrade broadband service
19 in the project area to speeds that meet or exceed the state's
20 definition for broadband service as defined in section 2 of this act,
21 within the time frame specified in the proposed grant or loan
22 activities;

23 (q) If applicable, the broadband service providers' written
24 responses to the inquiry made under (p) of this subsection; and

25 (r) Any additional information requested by the board.

26 (6) (a) Within thirty days of the close of the grant and loan
27 application process, the board shall publish on its web site the
28 proposed geographic broadband service area and the proposed broadband
29 speeds for each application submitted.

30 (b) Any existing broadband service provider near the proposed
31 project area may, within thirty days of publication of the
32 information under (a) of this subsection, submit in writing to the
33 board an objection to an application. An objection must contain
34 information demonstrating that:

35 (i) The project would result in overbuild, meaning that the
36 objecting provider currently provides, or has begun construction to
37 provide, broadband service to end users in the proposed project area
38 at speeds equal to or greater than the state speed goals contained in
39 section 5 of this act; or

1 (ii) The objecting provider commits to complete construction of
2 broadband infrastructure and provide broadband service to end users
3 in the proposed project area at speeds equal to or greater than the
4 state speed goals contained in section 5 of this act, no later than
5 twenty-four months after the date awards are made under this section
6 for the grant and loan cycle under which the application was
7 submitted.

8 (c) Objections submitted to the board under this subsection must
9 be certified by affidavit.

10 (d) The board may evaluate the information submitted under this
11 section by the objecting provider and must consider it in making a
12 determination on the application objected to. The board may request
13 clarification or additional information. The board may choose to not
14 fund a project if the board determines that the objecting provider's
15 commitment to provide broadband service that meets the requirements
16 of (b) of this subsection in the proposed project area is credible.
17 In assessing the commitment, the board may consider whether the
18 objecting provider has or will provide a bond, letter of credit, or
19 other indicia of financial commitment guaranteeing the project's
20 completion.

21 (e) If the board denies funding to an applicant as a result of a
22 broadband service provider's objection made under this section, and
23 the broadband service provider does not fulfill its commitment to
24 provide broadband service in the project area, then for the following
25 two grant and loan cycles, the board is prohibited from denying
26 funding to an applicant on the basis of a challenge by the same
27 broadband service provider, unless the board determines that the
28 broadband service provider's failure to fulfill the provider's
29 commitment was the result of factors beyond the broadband service
30 provider's control. The board is not prohibited from denying funding
31 to an applicant for reasons other than an objection by the same
32 broadband service provider.

33 (f) An applicant or broadband service provider that objected to
34 the application may request a debriefing conference regarding the
35 board's decision on the application. Requests for debriefing must be
36 coordinated by the office and must be submitted in writing in
37 accordance with procedure specified by the office.

38 (g) Confidential business and financial information submitted by
39 an objecting provider under this subsection is exempt from disclosure
40 under chapter 42.56 RCW.

1 (7) (a) In evaluating applications and awarding funds, the board
2 shall give priority to applications that are constructed in areas
3 identified as unserved.

4 (b) In evaluating applications and awarding funds, the board may
5 give priority to applications that:

6 (i) Are constructed in areas identified as underserved;

7 (ii) Provide assistance to public-private partnerships deploying
8 broadband infrastructure from areas currently served with broadband
9 service to areas currently lacking access to broadband services;

10 (iii) Construct infrastructure that is open-access, meaning that
11 service providers may use network services at rates, terms, and
12 conditions that are not discriminatory or preferential between
13 providers;

14 (iv) Are submitted by tribal governments whose reservations are
15 in rural and remote areas where reliable and efficient broadband
16 services are unavailable to many or most residents;

17 (v) Bring broadband service to tribal lands, particularly to
18 rural and remote tribal lands or areas servicing rural and remote
19 tribal entities;

20 (vi) Are submitted by tribal governments in rural and remote
21 areas that have spent significant amounts of tribal funds to address
22 the problem but cannot provide necessary broadband services without
23 either additional state or federal, or both, support;

24 (vii) Serve economically distressed areas of the state as the
25 term "distressed area" is defined in RCW 43.168.020;

26 (viii) Offer new or substantially upgraded broadband service to
27 important community anchor institutions including, but not limited
28 to, libraries, educational institutions, public safety facilities,
29 and health care facilities;

30 (ix) Facilitate the use of telemedicine and electronic health
31 records, especially in deliverance of behavioral health services and
32 services to veterans;

33 (x) Provide technical support and train residents, businesses,
34 and institutions in the community served by the project to utilize
35 broadband service;

36 (xi) Include a component to actively promote the adoption of
37 newly available broadband services in the community;

38 (xii) Provide evidence of strong support for the project from
39 citizens, government, businesses, and community institutions;

1 (xiii) Provide access to broadband service to a greater number of
2 unserved or underserved households and businesses;

3 (xiv) Seek the lowest amount of state investment per new location
4 served and leverage greater amounts of funding for the project from
5 other private and public sources;

6 (xv) Include evidence of a customer service plan; or

7 (xvi) Consider leveraging existing broadband infrastructure and
8 other unique solutions.

9 (c) The board shall endeavor to award funds under this section to
10 qualified applicants in all regions of the state, giving top priority
11 to tribal reservations in rural and remote regions of Washington.

12 (d) The board shall consider affordability and quality of service
13 to end users in making a determination on any application.

14 (e) The board may, in collaboration with the office, develop
15 additional rules for eligibility, project applications, the
16 associated objection process, and funding priority, as provided under
17 this subsection and subsections (3), (5), and (6) of this section.

18 (f) The board may adopt rules for a voluntary nonbinding
19 mediation between incumbent providers and applicants to the grant and
20 loan program created in this section.

21 (8) To ensure a grant or loan to a private entity under this
22 section primarily serves the public interest and benefits the public,
23 any such grant or loan must be conditioned on a guarantee that the
24 asset or infrastructure to be developed will be maintained for public
25 use for a period of at least fifteen years.

26 (9) (a) No funds awarded under this section may fund more than
27 fifty percent of the total cost of the project.

28 (b) Funds awarded to a single project under this section must not
29 exceed two million dollars unless awarded pursuant to a proposal from
30 a tribal government in a rural and remote area if the tribe provides
31 evidence of prior investments of at least two million dollars in
32 tribal funds for expanding broadband services on the reservation.
33 Awards may then be up to five million dollars per project if the
34 rural and remotely located tribal applicant provides evidence of
35 prior investments by the tribe of approximately five million dollars
36 to expand broadband services on the reservation and can show that
37 this has not adequately addressed the needs of populations unserved
38 and underserved by broadband on the reservation. No matching cash
39 funds are required of the rural and remotely located tribal applicant
40 awarded these funds. If a rural and remotely located tribal

1 government is offered loan funds for expansion of broadband services,
2 these must be no-interest or very low-interest loans.

3 (10) Prior to awarding funds under this section, the board must
4 consult with the Washington utilities and transportation commission.
5 The commission must provide to the board an assessment of the
6 economic and technical feasibility of a proposed application. The
7 board must consider the commission's assessment as part of its
8 evaluation of a proposed application.

9 (11) The definitions in section 2 of this act apply throughout
10 this section unless the context clearly requires otherwise.

11 NEW SECTION. **Sec. 8.** A new section is added to chapter 43.155
12 RCW to read as follows:

13 (1) The statewide broadband account is created in the state
14 treasury. Moneys received from appropriations by the legislature, the
15 proceeds of bond sales when authorized by the legislature, repayment
16 of loans, or any other lawful source must be deposited into the
17 account. Moneys in the account may be spent only after appropriation.

18 (2) Expenditures from the account may be used only:

19 (a) For grant and loan awards made under section 7 of this act,
20 including costs incurred by the board to administer section 7 of this
21 act;

22 (b) To contract for data acquisition, a statewide broadband
23 demand assessment, or gap analysis;

24 (c) To supplement revenues raised by bonds sold by local
25 governments for broadband structure development; or

26 (d) To provide for state match requirements under federal law.

27 (3) The board must maintain separate accounting for any federal
28 funds in the account.

29 (4) The definitions in section 2 of this act apply throughout
30 this section unless the context clearly requires otherwise.

31 **Sec. 9.** RCW 54.16.300 and 1987 c 18 s 1 are each amended to read
32 as follows:

33 A public utility district by resolution may combine two or more
34 of its separate utility functions into a single utility and combine
35 its related funds or accounts into a single fund or account. The
36 separate utility functions include electrical energy systems,
37 domestic water systems, irrigation systems, sanitary sewer systems,
38 (~~and~~) storm sewer systems, and broadband systems. All powers

1 granted to public utility districts to acquire, construct, maintain,
2 and operate such systems may be exercised in the joint acquisition,
3 construction, maintenance, and operation of such combined systems.
4 The establishment, maintenance, and operation of the combined system
5 shall be governed by the public utility district statutes relating to
6 one of the utility systems that is being combined, as specified in
7 the resolution combining the utility systems.

8 **Sec. 10.** RCW 54.16.330 and 2004 c 158 s 1 are each amended to
9 read as follows:

10 (1) (a) A public utility district in existence on June 8, 2000,
11 may construct, purchase, acquire, develop, finance, lease, license,
12 handle, provide, add to, contract for, interconnect, alter, improve,
13 repair, operate, and maintain any telecommunications facilities
14 within or without the district's limits for the following purposes:

15 ~~((a))~~ (i) For the district's internal telecommunications needs;
16 ~~((and~~

17 ~~(b))~~ (ii) For the provision of wholesale telecommunications
18 services within the district and by contract with another public
19 utility district.

20 (b) Except as provided in subsection (8) of this section, nothing
21 in this ~~((subsection))~~ section shall be construed to authorize public
22 utility districts to provide telecommunications services to end
23 users.

24 (2) A public utility district providing wholesale or retail
25 telecommunications services shall ensure that rates, terms, and
26 conditions for such services are not unduly or unreasonably
27 discriminatory or preferential. Rates, terms, and conditions are
28 discriminatory or preferential when a public utility district
29 offering rates, terms, and conditions to an entity for wholesale or
30 retail telecommunications services does not offer substantially
31 similar rates, terms, and conditions to all other entities seeking
32 substantially similar services.

33 (3) A public utility district providing wholesale or retail
34 telecommunications services shall not be required to, but may,
35 establish a separate utility system or function for such purpose.
36 ~~((In either case, a public utility district providing wholesale~~
37 ~~telecommunications services shall separately account for any revenues~~
38 ~~and expenditures for those services according to standards~~
39 ~~established by the state auditor pursuant to its authority in chapter~~

1 ~~43.09 RCW and consistent with the provisions of this title. Any~~
2 ~~revenues received from the provision of wholesale telecommunications~~
3 ~~services must be dedicated to costs incurred to build and maintain~~
4 ~~any telecommunications facilities constructed, installed, or acquired~~
5 ~~to provide such services, including payments on debt issued to~~
6 ~~finance such services, until such time as any bonds or other~~
7 ~~financing instruments executed after June 8, 2000, and used to~~
8 ~~finance such telecommunications facilities are discharged or~~
9 ~~retired.)~~)

10 (4) When a public utility district provides wholesale or retail
11 telecommunications services, all telecommunications services rendered
12 to the district for the district's internal telecommunications needs
13 shall be allocated or charged at its true and full value. A public
14 utility district may not charge its nontelecommunications operations
15 rates that are preferential or discriminatory compared to those it
16 charges entities purchasing wholesale or retail telecommunications
17 services.

18 (5) If a person or entity receiving retail telecommunications
19 services from a public utility district under this chapter has a
20 complaint regarding the reasonableness of the rates, terms,
21 conditions, or services provided, the person or entity may file a
22 complaint with the district commission.

23 (6) A public utility district shall not exercise powers of
24 eminent domain to acquire telecommunications facilities or
25 contractual rights held by any other person or entity to
26 telecommunications facilities.

27 ((+6)) (7) Except as otherwise specifically provided, a public
28 utility district may exercise any of the powers granted to it under
29 this title and other applicable laws in carrying out the powers
30 authorized under this section. Nothing in chapter 81, Laws of 2000
31 limits any existing authority of a public utility district under this
32 title.

33 (8) (a) If an internet service provider operating on
34 telecommunications facilities of a public utility district that
35 provides wholesale telecommunications services but does not provide
36 retail telecommunications services, ceases to provide access to the
37 internet to its end-use customers, and no other retail service
38 providers are willing to provide service, the public utility district
39 may provide retail telecommunications services to the end-use
40 customers of the defunct internet service provider in order for end-

1 use customers to maintain access to the internet until a replacement
2 internet service provider is, or providers are, in operation.

3 (b) Within thirty days of an internet service provider ceasing to
4 provide access to the internet, the public utility district must
5 initiate a process to find a replacement internet service provider or
6 providers to resume providing access to the internet using
7 telecommunications facilities of a public utility district.

8 (c) For a maximum period of five months, following initiation of
9 the process begun in (b) of this section, or, if earlier than five
10 months, until a replacement internet service provider is, or
11 providers are, in operation, the district commission may establish a
12 rate for providing access to the internet and charge customers to
13 cover expenses necessary to provide access to the internet.

14 **Sec. 11.** RCW 54.16.420 and 2018 c 186 s 1 are each amended to
15 read as follows:

16 (1) The definitions in this subsection apply throughout this
17 section unless the context clearly requires otherwise.

18 (a) "Broadband" means high-speed internet access and other
19 advanced telecommunications services.

20 (b) "Broadband network" means networks of deployed
21 telecommunications equipment and technologies necessary to provide
22 broadband.

23 (c) "Inadequate" means internet retail service that does not meet
24 one hundred percent of the standards detailed in the service level
25 agreement.

26 (d) "Partnership payment structure" means a group of or
27 individual property owners who agree to pay a term payment structure
28 for infrastructure improvements to their property.

29 (e) "Petition" means a formal written request for retail internet
30 service by property owners on the public utility district broadband
31 network.

32 (f) "Retail internet service" means the provision of broadband to
33 end users.

34 (g) "Service level agreement" means a standard agreement, adopted
35 during an open public meeting, between the retail internet service
36 provider and the public utility that describes the required
37 percentage of broadband download and upload speed and system
38 availability, customer service, and transmission time.

1 (2) Any public utility district that, as of June 7, 2018,
2 provides only water, sewer, and wholesale telecommunications services
3 in a county with an area less than five hundred square miles and is
4 located west of the Puget Sound may provide retail internet service
5 on the public utility district's broadband network located within the
6 public utility district boundaries only when all of the existing
7 providers of end-user internet service on the public utility
8 district's broadband network cease to provide end-user service or
9 provide inadequate end-user service as determined in the manner
10 prescribed by this section. The authority provided in this subsection
11 expires five years after June 7, 2018, for any public utility
12 district that has not either entered into a partnership payment
13 structure to finance broadband deployment or been petitioned to
14 provide retail internet service within that time period.

15 (3) Upon receiving a petition meeting the requirements of
16 subsection (4) of this section, a public utility district board of
17 commissioners may hold up to three meetings to:

18 (a) Verify the signature or signatures of the property owners on
19 the petition and certify the petition;

20 (b) Determine and submit findings that the retail internet
21 service available to the petitioners served by the public utility
22 district's broadband network is either nonexistent or inadequate as
23 defined in the service level agreement adopted by the commissioners
24 for all existing internet service providers on the public utility
25 district's broadband network;

26 (c) Receive, and either reject or accept any recommendations or
27 adjustments to, a business case plan developed in accordance with
28 subsection (7) of this section; and

29 (d) By resolution, authorize the public utility district to
30 provide retail internet service on the public utility district's
31 broadband network.

32 (4) A petition meets the requirements of subsection (3) of this
33 section if it is delivered to a public utility district board of
34 commissioners, declares that the signatories on the public utility
35 district's broadband network have no or inadequate retail internet
36 service providers, requests the public utility district to provide
37 the retail internet service, and is signed by one of the following:

38 (a) A majority of a group, including homeowners' associations, of
39 any geographical area within the public utility district, who have

1 developed a partnership payment structure to finance broadband
2 deployment with the public utility district; or

3 (b) Any individual who has developed a partnership payment
4 structure to finance broadband deployment with the public utility
5 district.

6 (5) For the purposes of this section, the adequacy of retail
7 internet service is determined by measuring retail internet service
8 to end users on the public utility district's broadband network and
9 comparing it with service standards in the public utility district
10 service level agreement used for all public utility district network
11 providers. Measurement of the existing retail internet service
12 provider's service must be quantified by measuring the service with
13 speed and capacity devices and software. Additionally, a retail
14 internet service provider may submit its own assessment of its
15 service level for consideration by the commission within thirty days
16 of the first meeting conducted under subsection (3) of this section.

17 (6) The commissioners of a public utility district may by
18 resolution authorize the public utility district to provide or
19 contract for provision of retail internet services on the public
20 utility district's broadband network:

21 (a) After development of a business case plan in accordance with
22 subsection (7) of this section; and

23 (b) When it is determined that no service or inadequate service
24 exists for the individual or petitioners identified in subsection (4)
25 of this section.

26 (7) The business case plan under subsection (6) of this section
27 must be reviewed by an independent qualified consultant. The review
28 must include the use of public funds in the provision of retail
29 internet service. Any recommendations or adjustments to the business
30 case plan made during third-party review must be received and either
31 rejected or accepted by the district board of commissioners in an
32 open meeting.

33 (8) (a) Except as provided in subsection (9) of this section, in
34 case of failure to reach an agreement on the adequacy of retail
35 internet service, the commissioners must request an appointment of an
36 administrative law judge under Title 34 RCW to hear the dispute.

37 (b) The commissioners must provide a written notice, together
38 with a copy of the dispute, and may require the disputing parties to
39 attend a hearing before the administrative law judge, at a time and
40 place to be specified in the written notice.

1 (c) The place of any such hearing may be the office of the
2 commissioners or another place designated by the commissioners. The
3 disputed information must be presented at the hearing.

4 (d) Upon review and consideration of all of the evidence, the
5 administrative law judge must determine if the retail internet
6 service is inadequate or nonexistent as defined in this section. Upon
7 making a determination, the administrative law judge must state
8 findings of fact and must issue and file a determination with the
9 commissioners.

10 (9) If a provider of end-user service is a company regulated by
11 the utilities and transportation commission, the company may choose
12 to have the commission resolve disputes concerning the service level
13 agreement under the process established in RCW 54.16.340. For the
14 purposes of this subsection, "company" includes subsidiaries or
15 affiliates.

16 (10) Any public utility district providing cable television
17 service under this section must secure a cable television franchise,
18 pay franchise fees, and any applicable taxes to the local cable
19 franchise authority as required by federal law.

20 (11) Except as provided in subsection (9) of this section,
21 nothing in this section may be construed or is intended to confer
22 upon the utilities and transportation commission any authority to
23 exercise jurisdiction over locally regulated utilities.

24 (12) All rates for retail internet services offered by a public
25 utility district under this section must be just, fair, and
26 reasonable, except the public utility district may set tiers of
27 service charges based on service demands of the end user, including
28 commercial and residential rates.

29 (13) A public utility district must not condition the
30 availability or cost of other services upon the purchase or use of
31 retail internet service.

32 (14) A public utility district authorized to provide retail
33 internet service within a specific geographical area must, upon
34 reasonable notice, furnish to all persons and entities within that
35 geographical area meeting the provisions of subsections (2) and (4)
36 of this section proper facilities and connections for retail internet
37 service as requested.

38 ~~((15) A public utility district providing retail internet~~
39 ~~service must separately account for any revenues and expenditures for~~
40 ~~those services according to standards established by the state~~

1 ~~auditor pursuant to its authority in chapter 43.09 RCW and consistent~~
2 ~~with the provisions of this title.))~~

3 **Sec. 12.** RCW 53.08.370 and 2018 c 169 s 2 are each amended to
4 read as follows:

5 (1) A port district in existence on June 8, 2000, may construct,
6 purchase, acquire, develop, finance, lease, license, handle, provide,
7 add to, contract for, interconnect, alter, improve, repair, operate,
8 and maintain any telecommunications facilities within or without the
9 district's limits for the following purposes:

10 (a) For the district's own use; and

11 (b) For the provision of wholesale telecommunications services
12 within or without the district's limits. Nothing in this subsection
13 shall be construed to authorize port districts to provide
14 telecommunications services to end users.

15 (2) Except as provided in subsection (9) of this section, a port
16 district providing wholesale telecommunications services under this
17 section shall ensure that rates, terms, and conditions for such
18 services are not unduly or unreasonably discriminatory or
19 preferential. Rates, terms, and conditions are discriminatory or
20 preferential when a port district offering such rates, terms, and
21 conditions to an entity for wholesale telecommunications services
22 does not offer substantially similar rates, terms, and conditions to
23 all other entities seeking substantially similar services.

24 (3) When a port district establishes a separate utility function
25 for the provision of wholesale telecommunications services, it shall
26 account for any and all revenues and expenditures related to its
27 wholesale telecommunications facilities and services separately from
28 revenues and expenditures related to its internal telecommunications
29 operations. Any revenues received from the provision of wholesale
30 telecommunications services must be dedicated to the utility function
31 that includes the provision of wholesale telecommunications services
32 for costs incurred to build and maintain the telecommunications
33 facilities until such time as any bonds or other financing
34 instruments executed after June 8, 2000, and used to finance the
35 telecommunications facilities are discharged or retired.

36 (4) When a port district establishes a separate utility function
37 for the provision of wholesale telecommunications services, all
38 telecommunications services rendered by the separate function to the
39 district for the district's internal telecommunications needs shall

1 be charged at its true and full value. A port district may not charge
2 its nontelecommunications operations rates that are preferential or
3 discriminatory compared to those it charges entities purchasing
4 wholesale telecommunications services.

5 (5) A port district shall not exercise powers of eminent domain
6 to acquire telecommunications facilities or contractual rights held
7 by any other person or entity to telecommunications facilities.

8 (6) Except as otherwise specifically provided, a port district
9 may exercise any of the powers granted to it under this title and
10 other applicable laws in carrying out the powers authorized under
11 this section. Nothing in chapter 81, Laws of 2000 limits any existing
12 authority of a port district under this title.

13 (7) A port district that has not exercised the authorities
14 provided in this section prior to June 7, 2018, must develop a
15 business case plan before exercising the authorities provided in this
16 section. The port district must procure an independent qualified
17 consultant to review the business case plan, including the use of
18 public funds in the provision of wholesale telecommunications
19 services. Any recommendations or adjustments to the business case
20 plan made during third-party review must be received and either
21 rejected or accepted by the port commission in an open meeting.

22 (8) A port district with telecommunications facilities for use in
23 the provision of wholesale telecommunications in accordance with
24 subsection (1)(b) of this section may be subject to local leasehold
25 excise taxes under RCW 82.29A.040.

26 (9)(a) A port district under this section may select a
27 telecommunications company to operate all or a portion of the port
28 district's telecommunications facilities.

29 (b) For the purposes of this section "telecommunications company"
30 means any for-profit entity owned by investors that sells
31 telecommunications services to end users.

32 (c) Nothing in this subsection (9) is intended to limit or
33 otherwise restrict any other authority provided by law.

34 **Sec. 13.** RCW 80.36.630 and 2013 2nd sp.s. c 8 s 202 are each
35 amended to read as follows:

36 (1) The definitions in this section apply throughout this section
37 and RCW 80.36.650 through 80.36.690 and 80.36.610 unless the context
38 clearly requires otherwise.

1 (a) "Basic residential service" means those services set out in
2 47 C.F.R. Sec. 54.101(a) (2011), as it existed on the effective date
3 of this section, and mandatory extended area service approved by the
4 commission.

5 (b) "Basic telecommunications services" means the following
6 services:

7 (i) Single-party service;

8 (ii) Voice grade access to the public switched network;

9 (iii) Support for local usage;

10 (iv) Dual tone multifrequency signaling (touch-tone);

11 (v) Access to emergency services (911);

12 (vi) Access to operator services;

13 (vii) Access to interexchange services;

14 (viii) Access to directory assistance; and

15 (ix) Toll limitation services.

16 (c) "Broadband service" means any service providing advanced
17 telecommunications capability, including internet access and access
18 to high quality voice, data, graphics, or video.

19 (d) "Communications provider" means a provider of communications
20 services that assigns a working telephone number to a final consumer
21 for intrastate wireline or wireless communications services or
22 interconnected voice over internet protocol service, and includes
23 local exchange carriers.

24 (~~(d)~~) (e) "Communications services" includes telecommunications
25 services and information services and any combination thereof.

26 (~~(e)~~) (f) "Incumbent local exchange carrier" has the same
27 meaning as set forth in 47 U.S.C. Sec. 251(h).

28 (~~(f)~~) (g) "Incumbent public network" means the network
29 established by incumbent local exchange carriers for the delivery of
30 communications services to customers that is used by communications
31 providers for origination or termination of communications services
32 by or to customers.

33 (~~(g)~~) (h) "Interconnected voice over internet protocol service"
34 means an interconnected voice over internet protocol service that:

35 (~~(a)~~—~~(i)~~) (i) Enables real-time, two-way voice communications;

36 (~~(b)~~—~~(ii)~~) (ii) requires a broadband connection from the user's
37 location; (~~(c)~~—~~(iii)~~) (iii) requires internet protocol-compatible
38 customer premises equipment; and (~~(d)~~—~~(iv)~~) (iv) permits users

39 generally to receive calls that originate on the public network and
40 to terminate calls to the public network.

1 ~~((h))~~ (i) "Program" means the state universal communications
2 services program created in RCW 80.36.650.

3 ~~((i))~~ (j) "Telecommunications" has the same meaning as defined
4 in 47 U.S.C. Sec. 153(43).

5 ~~((j))~~ (k) "Telecommunications act of 1996" means the
6 telecommunications act of 1996 (P.L. 104-104, 110 Stat. 56).

7 ~~((k) "Working telephone number" means a north American numbering
8 plan telephone number, or successor dialing protocol, that is
9 developed for use in placing calls to or from the public network,
10 that enables a consumer to make or receive calls.))~~

11 (2) This section expires July 1, ~~((2020))~~ 2025.

12 **Sec. 14.** RCW 80.36.650 and 2016 c 145 s 1 are each amended to
13 read as follows:

14 (1) A state universal communications services program is
15 established. The program is established to protect public safety and
16 welfare under the authority of the state to regulate
17 telecommunications under Article XII, section 19 of the state
18 Constitution. The purpose of the program is to support continued
19 provision of basic telecommunications services under rates, terms,
20 and conditions established by the commission ~~((during the time over
21 which incumbent communications providers in the state are adapting to
22 changes in federal universal service fund and intercarrier
23 compensation support))~~ and the provision, enhancement, and
24 maintenance of broadband services, recognizing that, historically,
25 the incumbent public network functions to provide all communications
26 services including, but not limited to, voice and broadband services.

27 (2) Under the program, eligible communications providers may
28 receive distributions from the universal communications services
29 account created in RCW 80.36.690 in exchange for the affirmative
30 agreement to provide continued telecommunications services under the
31 rates, terms, and conditions established by the commission under this
32 chapter, and broadband services, for the period covered by the
33 distribution. The commission must implement and administer the
34 program under terms and conditions established in RCW 80.36.630
35 through 80.36.690. Expenditures for the program may not exceed five
36 million dollars per fiscal year; provided, however, that if less than
37 five million dollars is expended in any fiscal year, the unexpended
38 portion must be carried over to subsequent fiscal years and, unless
39 fully expended, must be available for program expenditures in such

1 subsequent fiscal years in addition to the five million dollars
2 allotted for each of those subsequent fiscal years.

3 (3) A communications provider is eligible to receive
4 distributions from the account if:

5 (a) (i) The communications provider is: ~~((+i))~~ (A) An incumbent
6 local exchange carrier serving fewer than forty thousand access lines
7 in the state; or ~~((+ii))~~ (B) a radio communications service company
8 providing wireless two-way voice communications service and broadband
9 services to less than the equivalent of forty thousand access lines
10 in the state. For purposes of determining the access line threshold
11 in this subsection, the access lines or equivalents of all wireline
12 affiliates must be counted as a single threshold, if the lines or
13 equivalents are located in Washington;

14 ~~((+b))~~ (ii) ~~The ((customers of the communications provider are~~
15 ~~at risk of rate instability or service interruptions or cessations~~
16 ~~absent a distribution to the provider that will allow the provider to~~
17 ~~maintain rates reasonably close to the benchmark))~~ communications
18 provider has adopted a plan to provide, enhance, or maintain
19 broadband services in its service area; and

20 ~~((+e))~~ (iii) The communications provider meets any other
21 requirements established by the commission pertaining to the
22 provision of communications services, including basic
23 telecommunications services; or

24 (b) The communications provider demonstrates to the commission
25 that the communications provider is able to provide the same or
26 comparable services at the same or similar service quality standards
27 at a lower price; and: (i) Will provide communications services to
28 all customers in the exchange or exchanges in which it will provide
29 service; and (ii) submits to the commission's regulation of its
30 service as if it were the incumbent local exchange company serving
31 the exchange or exchanges for which it seeks distribution from the
32 account.

33 (4) (a) Distributions to eligible communications providers are
34 based on ~~((a benchmark))~~ criteria established by the commission.
35 ~~((The benchmark is the rate the commission determines to be a~~
36 ~~reasonable amount customers should pay for basic residential service~~
37 ~~provided over the incumbent public network. However, if an incumbent~~
38 ~~local exchange carrier is charging rates above the benchmark for the~~
39 ~~basic residential service, that provider may not seek distributions~~

1 ~~from the fund for the purpose of reducing those rates to the~~
2 ~~benchmark.))~~

3 (b) If the program does not have sufficient funds to fully fund
4 the distribution formula set out in (a) of this subsection,
5 distributions must be reduced on a pro rata basis using the amounts
6 calculated for that year's program support as the basis of the pro
7 rata calculations.

8 (c) To receive a distribution under the program, an eligible
9 communications provider must affirmatively consent to continue
10 providing communications services to its customers under rates,
11 terms, and conditions established by the commission pursuant to this
12 chapter for the period covered by the distribution.

13 (5) The program is funded from amounts deposited by the
14 legislature in the universal communications services account
15 established in RCW 80.36.690. The commission must operate the program
16 within amounts appropriated for this purpose and deposited in the
17 account.

18 (6) The commission must periodically review the accounts and
19 records of any communications provider that receives distributions
20 under the program to ensure compliance with the program and monitor
21 the providers' use of the funds.

22 (7) The commission must establish an advisory board, consisting
23 of a reasonable balance of representatives from different types of
24 stakeholders, including but not limited to communications providers
25 and consumers, to advise the commission on any rules and policies
26 governing the operation of the program.

27 (8) The program terminates on June 30, ~~((2019))~~ 2024, and no
28 distributions may be made after that date.

29 (9) This section expires July 1, ~~((2020))~~ 2025.

30 **Sec. 15.** RCW 80.36.660 and 2013 2nd sp.s. c 8 s 204 are each
31 amended to read as follows:

32 (1) To implement the program, the commission must adopt rules for
33 the following purposes:

34 (a) Operation of the program, including criteria for: Eligibility
35 for distributions; use of the funds; identification of any reports or
36 data that must be filed with the commission, including, but not
37 limited to, how a communication provider used the distributed funds;
38 and the communications provider's infrastructure;

1 (b) Operation of the universal communications services account
2 established in RCW 80.36.690;

3 (c) Establishment of the (~~benchmark~~) criteria used to calculate
4 distributions; and

5 (d) Readoption, amendment, or repeal of any existing rules
6 adopted pursuant to RCW 80.36.610 (~~and 80.36.620~~) as necessary to
7 be consistent with RCW 80.36.630 through 80.36.690 and 80.36.610.

8 (2) This section expires July 1, (~~2020~~) 2025.

9 **Sec. 16.** RCW 80.36.670 and 2013 2nd sp.s. c 8 s 205 are each
10 amended to read as follows:

11 (1) In addition to any other penalties prescribed by law, the
12 commission may impose penalties for failure to make or delays in
13 making or filing any reports required by the commission for
14 administration of the program. In addition, the commission may
15 recover amounts determined to have been improperly distributed under
16 RCW 80.36.650. For the purposes of this section, the provisions of
17 RCW 80.04.380 through 80.04.405, inclusive, apply to all companies
18 that receive support from the universal communications services
19 account created in RCW 80.36.690.

20 (2) Any action taken under this section must be taken only after
21 providing the affected communications provider with notice and an
22 opportunity for a hearing, unless otherwise provided by law.

23 (3) Any amounts recovered under this section must be deposited in
24 the universal communications services account created in RCW
25 80.36.690.

26 (4) This section expires July 1, (~~2020~~) 2025.

27 **Sec. 17.** RCW 80.36.680 and 2013 2nd sp.s. c 8 s 206 are each
28 amended to read as follows:

29 (1) The commission may delegate to the commission secretary or
30 other staff the authority to resolve disputes and make other
31 administrative decisions necessary to the administration and
32 supervision of the program consistent with the relevant statutes and
33 commission rules.

34 (2) This section expires July 1, (~~2020~~) 2025.

35 **Sec. 18.** RCW 80.36.690 and 2013 2nd sp.s. c 8 s 208 are each
36 amended to read as follows:

1 (1) The universal communications services account is created in
2 the custody of the state treasurer. Revenues to the account consist
3 of moneys deposited in the account by the legislature and any
4 penalties or other recoveries received pursuant to RCW 80.36.670.
5 Expenditures from the account may be used only for the purposes of
6 the universal communications services program established in RCW
7 80.36.650 and commission expenses related to implementation and
8 administration of the provisions of RCW 80.36.630 through 80.36.690
9 and section 212, chapter 8, Laws of 2013 2nd sp. sess. Only the
10 secretary of the commission or the secretary's designee may authorize
11 expenditures from the account. The account is subject to allotment
12 procedures under chapter 43.88 RCW, but an appropriation is not
13 required for expenditures.

14 (2) This section expires July 1, ~~((2020))~~ 2025.

15 **Sec. 19.** RCW 80.36.700 and 2013 2nd sp.s. c 8 s 211 are each
16 amended to read as follows:

17 (1) The universal communications services program established in
18 RCW 80.36.630 through 80.36.690 terminates on June 30, ~~((2019))~~ 2024.

19 (2) This section expires July 1, ~~((2020))~~ 2025.

20 **Sec. 20.** 2013 2nd sp.s. c 8 s 212 (uncodified) is amended to
21 read as follows:

22 (1) By December 1, ~~((2017))~~ 2024, and in compliance with RCW
23 43.01.036, the Washington utilities and transportation commission
24 ~~((must))~~ may report to the appropriate committees of the legislature,
25 on the following: ~~((+1))~~ (a) Whether funding levels for each small
26 telecommunications company have been adequate to maintain reliable
27 universal service; ~~((+2))~~ (b) the future impacts on small
28 telecommunications companies from the elimination of funding under
29 this act; ~~((+3))~~ (c) the impacts on customer rates from the current
30 level of funding and the future impacts when the funding terminates
31 under this act; and ~~((+4))~~ (d) the impacts on line and service
32 delivery investments when the funding is terminated under this act.
33 The report may also include an analysis of the need for future
34 program funding and recommendations on potential funding mechanisms
35 to improve the availability of communications services, including
36 broadband service, in unserved and underserved areas. Commission
37 expenses related to conducting all analysis in preparation of this

1 report must be expended from the universal communications services
2 account.

3 (2) The Washington utilities and transportation commission must
4 initiate a rule making to reform the state universal communications
5 services program no later than ninety days following the effective
6 date of this section. The rule making must address adding broadband
7 as a supported service and, consistent with the size of the fund,
8 establishing:

9 (a) Broadband provider eligibility;

10 (b) Service performance and buildout requirements for funding
11 recipients;

12 (c) Support amounts for maintaining systems that meet federal or
13 state broadband speed guidelines; and

14 (d) Methods to effectively and efficiently distribute program
15 support to eligible providers.

16 **Sec. 21.** RCW 43.84.092 and 2018 c 287 s 7, 2018 c 275 s 10, and
17 2018 c 203 s 14 are each reenacted and amended to read as follows:

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

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

37 (3) Except for the provisions of RCW 43.84.160, the treasury
38 income account may be utilized for the payment of purchased banking
39 services on behalf of treasury funds including, but not limited to,

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

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

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

1 energy recovery act account, the essential rail assistance account,
2 The Evergreen State College capital projects account, the federal
3 forest revolving account, the ferry bond retirement fund, the freight
4 mobility investment account, the freight mobility multimodal account,
5 the grade crossing protective fund, the public health services
6 account, (~~the high capacity transportation account,~~) the state
7 higher education construction account, the higher education
8 construction account, the highway bond retirement fund, the highway
9 infrastructure account, the highway safety fund, the high occupancy
10 toll lanes operations account, the hospital safety net assessment
11 fund, the industrial insurance premium refund account, the judges'
12 retirement account, the judicial retirement administrative account,
13 the judicial retirement principal account, the local leasehold excise
14 tax account, the local real estate excise tax account, the local
15 sales and use tax account, the marine resources stewardship trust
16 account, the medical aid account, the mobile home park relocation
17 fund, the money-purchase retirement savings administrative account,
18 the money-purchase retirement savings principal account, the motor
19 vehicle 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 pollution liability insurance agency underground storage
25 tank revolving account, the public employees' retirement system plan
26 1 account, the public employees' retirement system combined plan 2
27 and plan 3 account, the public facilities construction loan revolving
28 account beginning July 1, 2004, the public health supplemental
29 account, the public works assistance account, the Puget Sound capital
30 construction account, the Puget Sound ferry operations account, the
31 Puget Sound taxpayer accountability account, the real estate
32 appraiser commission account, the recreational vehicle account, the
33 regional mobility grant program account, the resource management cost
34 account, the rural arterial trust account, the rural mobility grant
35 program account, the rural Washington loan fund, the sexual assault
36 prevention and response account, the site closure account, the
37 skilled nursing facility safety net trust fund, the small city
38 pavement and sidewalk account, the special category C account, the
39 special wildlife account, the state employees' insurance account, the
40 state employees' insurance reserve account, the state investment

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

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

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

10 **Sec. 22.** 2013 2nd sp.s. c 8 s 303 (uncodified) is amended to
11 read as follows:

12 Section 209 of this act expires July 1, (~~2020~~) 2025.

13 NEW SECTION. **Sec. 23.** The following acts or parts of acts are
14 each repealed:

15 (1) RCW 43.330.415 (Washington community technology opportunity
16 account) and 2011 1st sp.s. c 43 s 608, 2009 c 509 s 8, & 2008 c 262
17 s 8;

18 (2) RCW 43.330.418 (Broadband deployment and adoption—Governor's
19 actions—Oversight and implementation by the department) and 2011 1st
20 sp.s. c 43 s 609 & 2009 c 509 s 9; and

21 (3) RCW 80.36.620 (Universal service program—Rules) and 1998 c
22 337 s 3.

23 NEW SECTION. **Sec. 24.** If any provision of this act or its
24 application to any person or circumstance is held invalid, the
25 remainder of the act or the application of the provision to other
26 persons or circumstances is not affected.

--- END ---