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**SENATE BILL 5759**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** Senators MacEwen, Nguyen, and Wellman

Read first time 03/13/23. Referred to Committee on Environment, Energy & Technology.

1 AN ACT Relating to establishing the development of renewable  
2 energy for Washington revolving loan program and account; amending  
3 RCW 43.84.092 and 43.84.092; adding new sections to chapter 43.21F  
4 RCW; creating a new section; providing an effective date; and  
5 providing an expiration date.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.21F  
8 RCW to read as follows:

9 (1) The legislature finds that providing funding to public and  
10 private entities for the purposes of the program established in this  
11 section will provide a benefit to the public.

12 (2) Subject to the availability of amounts appropriated for this  
13 specific purpose, the department may make loans to public and private  
14 entities to develop projects that will implement Washington's stated  
15 policy goals relating to the development of a prosperous clean energy  
16 economy. The loans may be used to fund all or part of projects for:

17 (a) Electric vehicle or hydrogen vehicle fleets, charging, or  
18 refueling stations;

19 (b) Siting evaluations and permitting for energy generation or  
20 transmission projects that promote the energy reliability goals of  
21 chapter 19.405 RCW;

1 (c) Installation of solar, wind, geothermal, or hydrogen  
2 infrastructure to assist with supplying the underlying applicant's  
3 energy needs;

4 (d) Buildout of advanced nuclear reactor technology including,  
5 but not limited to, small modular reactors; and

6 (e) Promoting decarbonization of an applicant's facility.

7 (3) When soliciting and evaluating proposals, awarding contracts,  
8 making loans, and monitoring projects under this section, the  
9 department must conduct due diligence activities associated with the  
10 use of public funds including, but not limited to, oversight of the  
11 project selection process, project monitoring, and ensuring that all  
12 applications, contracts, and loan agreements fully comply with all  
13 applicable laws including disclosure and conflict of interest  
14 statutes.

15 (4)(a) Pursuant to chapter 42.52 RCW, the ethics in public  
16 service act, the department must require a project applicant to  
17 identify in application materials any state of Washington employees  
18 or former state employees employed by the firm or on the firm's  
19 governing board during the past 24 months. Application materials must  
20 identify the individual by name, the agency previously or currently  
21 employing the individual, job title or position held, and separation  
22 date. If it is determined by the department that a conflict of  
23 interest exists, the applicant may be disqualified from further  
24 consideration for award of funding.

25 (b) If the department finds, after due notice and examination,  
26 that there is a violation of chapter 42.52 RCW, or any similar  
27 statute involving a recipient who received funding under this section  
28 performing under the terms and conditions of the loan, the department  
29 in its sole discretion may cancel the loan by written notice and  
30 require the recipient to repay any funds received. The department  
31 must reserve its right to pursue all available remedies under law to  
32 address the violation and repayment of any canceled loan.

33 (5) The requirements of this section must be specified in funding  
34 agreements issued by the department.

35 (6) Payments of principal and interest on loans awarded pursuant  
36 to this section must be deposited into the development of renewable  
37 energy for Washington revolving loan account created in section 2 of  
38 this act.

1        NEW SECTION.    **Sec. 2.**    A new section is added to chapter 43.21F  
2    RCW to read as follows:

3        (1) The development of renewable energy for Washington revolving  
4    loan account is created in the state treasury. All receipts from:  
5    Appropriations and transfers by the legislature; bond proceeds  
6    authorized by the legislature; federal funds, grants, and other forms  
7    of financial assistance; payment of principal and interest on loans  
8    awarded pursuant to section 1 of this act; or any other lawful source  
9    must be deposited into the account for uses consistent with this  
10   section. Moneys in the account may be spent only after appropriation.

11        (2) Expenditures from the account may be used only for loan  
12   awards made under section 1 of this act, including up to one percent  
13   of the costs incurred by the department to administer section 1 of  
14   this act.

15        (3) The department must maintain separate accounting for any  
16   federal funds in the account.

17        **Sec. 3.**    RCW 43.84.092 and 2022 c 182 s 403 are each amended to  
18   read as follows:

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

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

38        (3) Except for the provisions of RCW 43.84.160, the treasury  
39   income account may be utilized for the payment of purchased banking

1 services on behalf of treasury funds including, but not limited to,  
2 depository, safekeeping, and disbursement functions for the state  
3 treasury and affected state agencies. The treasury income account is  
4 subject in all respects to chapter 43.88 RCW, but no appropriation is  
5 required for payments to financial institutions. Payments shall occur  
6 prior to distribution of earnings set forth in subsection (4) of this  
7 section.

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

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

1 election account, the electric vehicle account, the energy freedom  
2 account, the energy recovery act account, the essential rail  
3 assistance account, The Evergreen State College capital projects  
4 account, the fair start for kids account, the ferry bond retirement  
5 fund, the fish, wildlife, and conservation account, the freight  
6 mobility investment account, the freight mobility multimodal account,  
7 the grade crossing protective fund, the public health services  
8 account, the state higher education construction account, the higher  
9 education construction account, the higher education retirement plan  
10 supplemental benefit fund, the highway bond retirement fund, the  
11 highway infrastructure account, the highway safety fund, the hospital  
12 safety net assessment fund, the Interstate 405 and state route number  
13 167 express toll lanes account, the judges' retirement account, the  
14 judicial retirement administrative account, the judicial retirement  
15 principal account, the limited fish and wildlife account, the local  
16 leasehold excise tax account, the local real estate excise tax  
17 account, the local sales and use tax account, the marine resources  
18 stewardship trust account, the medical aid account, the money-  
19 purchase retirement savings administrative account, the money-  
20 purchase retirement savings principal account, the motor vehicle  
21 fund, the motorcycle safety education account, the move ahead WA  
22 account, the move ahead WA flexible account, the multimodal  
23 transportation account, the multiuse roadway safety account, the  
24 municipal criminal justice assistance account, the oyster reserve  
25 land account, the pension funding stabilization account, the  
26 perpetual surveillance and maintenance account, the pilotage account,  
27 the pollution liability insurance agency underground storage tank  
28 revolving account, the public employees' retirement system plan 1  
29 account, the public employees' retirement system combined plan 2 and  
30 plan 3 account, the public facilities construction loan revolving  
31 account, the public health supplemental account, the public works  
32 assistance account, the Puget Sound capital construction account, the  
33 Puget Sound ferry operations account, the Puget Sound Gateway  
34 facility account, the Puget Sound taxpayer accountability account,  
35 the real estate appraiser commission account, the recreational  
36 vehicle account, the regional mobility grant program account, the  
37 resource management cost account, the rural arterial trust account,  
38 the rural mobility grant program account, the rural Washington loan  
39 fund, the sexual assault prevention and response account, the site  
40 closure account, the skilled nursing facility safety net trust fund,

1 the small city pavement and sidewalk account, the special category C  
2 account, the special wildlife account, the state investment board  
3 expense account, the state investment board commingled trust fund  
4 accounts, the state patrol highway account, the state reclamation  
5 revolving account, the state route number 520 civil penalties  
6 account, the state route number 520 corridor account, the statewide  
7 broadband account, the statewide tourism marketing account, the  
8 supplemental pension account, the Tacoma Narrows toll bridge account,  
9 the teachers' retirement system plan 1 account, the teachers'  
10 retirement system combined plan 2 and plan 3 account, the tobacco  
11 prevention and control account, the tobacco settlement account, the  
12 toll facility bond retirement account, the transportation 2003  
13 account (nickel account), the transportation equipment fund, the  
14 transportation future funding program account, the transportation  
15 improvement account, the transportation improvement board bond  
16 retirement account, the transportation infrastructure account, the  
17 transportation partnership account, the traumatic brain injury  
18 account, the University of Washington bond retirement fund, the  
19 University of Washington building account, the voluntary cleanup  
20 account, the volunteer firefighters' and reserve officers' relief and  
21 pension principal fund, the volunteer firefighters' and reserve  
22 officers' administrative fund, the vulnerable roadway user education  
23 account, the Washington judicial retirement system account, the  
24 Washington law enforcement officers' and firefighters' system plan 1  
25 retirement account, the Washington law enforcement officers' and  
26 firefighters' system plan 2 retirement account, the Washington public  
27 safety employees' plan 2 retirement account, the Washington school  
28 employees' retirement system combined plan 2 and 3 account, the  
29 Washington state patrol retirement account, the Washington State  
30 University building account, the Washington State University bond  
31 retirement fund, the water pollution control revolving administration  
32 account, the water pollution control revolving fund, the Western  
33 Washington University capital projects account, the Yakima integrated  
34 plan implementation account, the Yakima integrated plan  
35 implementation revenue recovery account, and the Yakima integrated  
36 plan implementation taxable bond account. Earnings derived from  
37 investing balances of the agricultural permanent fund, the normal  
38 school permanent fund, the permanent common school fund, the  
39 scientific permanent fund, and the state university permanent fund  
40 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. 4.** RCW 43.84.092 and 2022 c 182 s 404 are each amended to  
11 read as follows:

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

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

31 (3) Except for the provisions of RCW 43.84.160, the treasury  
32 income account may be utilized for the payment of purchased banking  
33 services on behalf of treasury funds including, but not limited to,  
34 depository, safekeeping, and disbursement functions for the state  
35 treasury and affected state agencies. The treasury income account is  
36 subject in all respects to chapter 43.88 RCW, but no appropriation is  
37 required for payments to financial institutions. Payments shall occur  
38 prior to distribution of earnings set forth in subsection (4) of this  
39 section.

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

5 (a) The following accounts and funds shall receive their  
6 proportionate share of earnings based upon each account's and fund's  
7 average daily balance for the period: The abandoned recreational  
8 vehicle disposal account, the aeronautics account, the Alaskan Way  
9 viaduct replacement project account, the brownfield redevelopment  
10 trust fund account, the budget stabilization account, the capital  
11 vessel replacement account, the capitol building construction  
12 account, the Central Washington University capital projects account,  
13 the charitable, educational, penal and reformatory institutions  
14 account, the Chehalis basin account, the Chehalis basin taxable  
15 account, the cleanup settlement account, the climate active  
16 transportation account, the climate transit programs account, the  
17 Columbia river basin water supply development account, the Columbia  
18 river basin taxable bond water supply development account, the  
19 Columbia river basin water supply revenue recovery account, the  
20 common school construction fund, the community forest trust account,  
21 the connecting Washington account, the county arterial preservation  
22 account, the county criminal justice assistance account, the deferred  
23 compensation administrative account, the deferred compensation  
24 principal account, the department of licensing services account, the  
25 department of retirement systems expense account, development of  
26 renewable energy for Washington revolving loan account, the  
27 developmental disabilities community services account, the diesel  
28 idle reduction account, the drinking water assistance account, the  
29 administrative subaccount of the drinking water assistance account,  
30 the early learning facilities development account, the early learning  
31 facilities revolving account, the Eastern Washington University  
32 capital projects account, the education construction fund, the  
33 education legacy trust account, the election account, the electric  
34 vehicle account, the energy freedom account, the energy recovery act  
35 account, the essential rail assistance account, The Evergreen State  
36 College capital projects account, the fair start for kids account,  
37 the ferry bond retirement fund, the fish, wildlife, and conservation  
38 account, the freight mobility investment account, the freight  
39 mobility multimodal account, the grade crossing protective fund, the  
40 public health services account, the state higher education



1 construction account, the higher education construction account, the  
2 higher education retirement plan supplemental benefit fund, the  
3 highway bond retirement fund, the highway infrastructure account, the  
4 highway safety fund, the hospital safety net assessment fund, the  
5 Interstate 405 and state route number 167 express toll lanes account,  
6 the judges' retirement account, the judicial retirement  
7 administrative account, the judicial retirement principal account,  
8 the limited fish and wildlife account, the local leasehold excise tax  
9 account, the local real estate excise tax account, the local sales  
10 and use tax account, the marine resources stewardship trust account,  
11 the medical aid account, the money-purchase retirement savings  
12 administrative account, the money-purchase retirement savings  
13 principal account, the motor vehicle fund, the motorcycle safety  
14 education account, the move ahead WA account, the move ahead WA  
15 flexible account, the multimodal transportation account, the multiuse  
16 roadway safety account, the municipal criminal justice assistance  
17 account, the oyster reserve land account, the pension funding  
18 stabilization account, the perpetual surveillance and maintenance  
19 account, the pilotage account, the pollution liability insurance  
20 agency underground storage tank revolving account, the public  
21 employees' retirement system plan 1 account, the public employees'  
22 retirement system combined plan 2 and plan 3 account, the public  
23 facilities construction loan revolving account, the public health  
24 supplemental account, the public works assistance account, the Puget  
25 Sound capital construction account, the Puget Sound ferry operations  
26 account, the Puget Sound Gateway facility account, the Puget Sound  
27 taxpayer accountability account, the real estate appraiser commission  
28 account, the recreational vehicle account, the regional mobility  
29 grant program account, the resource management cost account, the  
30 rural arterial trust account, the rural mobility grant program  
31 account, the rural Washington loan fund, the sexual assault  
32 prevention and response account, the site closure account, the  
33 skilled nursing facility safety net trust fund, the small city  
34 pavement and sidewalk account, the special category C account, the  
35 special wildlife account, the state investment board expense account,  
36 the state investment board commingled trust fund accounts, the state  
37 patrol highway account, the state reclamation revolving account, the  
38 state route number 520 civil penalties account, the state route  
39 number 520 corridor account, the statewide broadband account, the  
40 statewide tourism marketing account, the supplemental pension

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

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

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

4           NEW SECTION.   **Sec. 5.** Section 3 of this act expires July 1,  
5 2024.

6           NEW SECTION.   **Sec. 6.** Section 4 of this act takes effect July 1,  
7 2024.

8           NEW SECTION.   **Sec. 7.** If specific funding for the purposes of  
9 this act, referencing this act by bill or chapter number, is not  
10 provided by June 30, 2023, in the omnibus appropriations act, this  
11 act is null and void.

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