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**SUBSTITUTE SENATE BILL 6302**

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**State of Washington**

**68th Legislature**

**2024 Regular Session**

**By** Senate Transportation (originally sponsored by Senators Lias, King, Boehnke, and Nobles)

READ FIRST TIME 02/05/24.

1 AN ACT Relating to creating a Washington state supply chain  
2 competitiveness infrastructure program; reenacting and amending RCW  
3 43.79A.040, 43.79A.040, and 43.79A.040; adding new sections to  
4 chapter 47.04 RCW; creating a new section; providing effective dates;  
5 and providing expiration dates.

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

7 NEW SECTION. **Sec. 1.** It is the intent of the legislature that  
8 the state of Washington, being the most trade dependent state in the  
9 nation, maintain and expand its abilities to compete in the global  
10 trade market and be a national leader in trade. The legislature finds  
11 it is imperative to maintain and expand critical and strategic  
12 infrastructure for the transport and movement of the overall supply  
13 chain of goods from point of entry, to unload and load processes, and  
14 to transport via ground and maritime facilities, to warehouses,  
15 manufacturing facilities, and final destinations. Strategic  
16 infrastructure investments targeted at increased capacity for the  
17 supply chain is crucial to the state's public welfare of sending and  
18 receiving crucial supplies, goods, and services.

19 NEW SECTION. **Sec. 2.** A new section is added to chapter 47.04  
20 RCW to read as follows:

1       The department, in collaboration with the department of commerce,  
2 Washington state public ports associations, individual ports, and  
3 other critical supply chain stakeholders including, but not limited  
4 to, trucking companies, railroad companies, marine operators,  
5 warehouse operators, agricultural and other manufacturing  
6 representatives, and clean energy association members, shall set  
7 priorities to ensure the successful and efficient operation of a  
8 supply chain competitiveness infrastructure program to include grants  
9 and loans to public ports. The department may adopt rules under  
10 chapter 34.05 RCW to implement the supply chain competitiveness  
11 infrastructure program.

12       NEW SECTION.   **Sec. 3.**   A new section is added to chapter 47.04  
13 RCW to read as follows:

14       (1) The supply chain competitiveness infrastructure program  
15 account is created in the custody of the state treasurer. All  
16 receipts from the legislature, proceeds of bonds when authorized by  
17 the legislature, or any other lawful source must be deposited into  
18 the account. Moneys in the account may be used only for the purposes  
19 set forth in section 5 of this act. Only the department may authorize  
20 expenditures from the account. The account is subject to allotment  
21 procedures under chapter 43.88 RCW, but an appropriation is not  
22 required for expenditures. The total outstanding amount the  
23 department may dispense at any time must not exceed moneys available  
24 in the account.

25       (2) The department shall create a revolving loan program to fund  
26 projects for public port authorities that comply with the priorities  
27 identified through the stakeholder process in section 2 of this act  
28 and the project goals in section 4 of this act. The department shall  
29 establish loan terms with interest rates not to exceed the amount to  
30 cover administrative expenses of the loan program. The repayment of  
31 any loan from the supply chain competitiveness infrastructure program  
32 account under contract with a public port must be paid into the  
33 supply chain competitiveness infrastructure program account.

34       (3) The legislature intends that supply chain competitiveness  
35 infrastructure grant funds will be appropriated to the department  
36 using existing transportation accounts.

37       NEW SECTION.   **Sec. 4.**   A new section is added to chapter 47.04  
38 RCW to read as follows:

1 (1) In addition to the priorities identified through the  
2 stakeholder process in section 2 of this act, projects for the supply  
3 chain competitiveness infrastructure program must align with the  
4 following programmatic goals:

5 (a) Development or maintenance of transportation infrastructure  
6 that ensures the successful and efficient operation of the supply  
7 chain to and from the state's public ports;

8 (b) Economic, safety, or environmental advantages of efficient  
9 freight movement;

10 (c) Sustaining the state's international trade economy;

11 (d) Increased access to efficient and cost-effective transport to  
12 market for Washington's agricultural and industrial products;

13 (e) Model integration and cooperation within the regional,  
14 national, and international systems of freight distribution; and

15 (f) Mitigation of impacts of increased freight traffic on  
16 communities.

17 (2) The collaborative process in section 2 of this act shall  
18 result in the development of performance metrics that result in  
19 strengthening the state's supply chain competitiveness and evaluation  
20 criteria by which to prioritize projects for funding.

21 NEW SECTION. **Sec. 5.** A new section is added to chapter 47.04  
22 RCW to read as follows:

23 (1) Supply chain competitiveness infrastructure projects funded  
24 from the supply chain competitiveness infrastructure program shall  
25 focus on enhancing supply chain competitiveness for public ports, and  
26 the capacity of ground and maritime transportation and facilities.  
27 The department shall govern and operate the grant and revolving loan  
28 program. The collaborative process in section 2 of this act shall  
29 result in a list of project types eligible for the supply chain  
30 competitiveness infrastructure grant and loan program.

31 (2) All eligible projects must be included in a port's freight  
32 development plan as defined in RCW 53.20.055.

33 NEW SECTION. **Sec. 6.** A new section is added to chapter 47.04  
34 RCW to read as follows:

35 For the purposes of this act, public ports are those authorized  
36 under chapter 53.04 RCW.

1       **Sec. 7.** RCW 43.79A.040 and 2023 c 389 s 8, 2023 c 387 s 2, 2023  
2 c 380 s 6, 2023 c 170 s 19, and 2023 c 12 s 2 are each reenacted and  
3 amended to read as follows:

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

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

12       (3) The investment income account may be utilized for the payment  
13 of purchased banking services on behalf of treasurer's trust funds  
14 including, but not limited to, depository, safekeeping, and  
15 disbursement functions for the state treasurer or affected state  
16 agencies. The investment income account is subject in all respects to  
17 chapter 43.88 RCW, but no appropriation is required for payments to  
18 financial institutions. Payments must occur prior to distribution of  
19 earnings set forth in subsection (4) of this section.

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

23       (b) The following accounts and funds must receive their  
24 proportionate share of earnings based upon each account's or fund's  
25 average daily balance for the period: The 24/7 sobriety account, the  
26 Washington promise scholarship account, the Gina Grant Bull memorial  
27 legislative page scholarship account, the Rosa Franklin legislative  
28 internship program scholarship account, the Washington advanced  
29 college tuition payment program account, the Washington college  
30 savings program account, the accessible communities account, the  
31 Washington achieving a better life experience program account, the  
32 Washington career and college pathways innovation challenge program  
33 account, the community and technical college innovation account, the  
34 agricultural local fund, the American Indian scholarship endowment  
35 fund, the behavioral health loan repayment program account, the Billy  
36 Frank Jr. national statuary hall collection fund, the foster care  
37 scholarship endowment fund, the foster care endowed scholarship trust  
38 fund, the contract harvesting revolving account, the Washington state  
39 combined fund drive account, the commemorative works account, the  
40 county 911 excise tax account, the county road administration board

1 emergency loan account, the toll collection account, the  
2 developmental disabilities endowment trust fund, the energy account,  
3 the energy facility site evaluation council account, the fair fund,  
4 the family and medical leave insurance account, the fish and wildlife  
5 federal lands revolving account, the natural resources federal lands  
6 revolving account, the food animal veterinarian conditional  
7 scholarship account, the forest health revolving account, the fruit  
8 and vegetable inspection account, the educator conditional  
9 scholarship account, the game farm alternative account, the GET ready  
10 for math and science scholarship account, the Washington global  
11 health technologies and product development account, the grain  
12 inspection revolving fund, the Washington history day account, the  
13 industrial insurance rainy day fund, the juvenile accountability  
14 incentive account, the law enforcement officers' and firefighters'  
15 plan 2 expense fund, the local tourism promotion account, the low-  
16 income home rehabilitation account, the medication for people living  
17 with HIV rebate revenue account, the multiagency permitting team  
18 account, the northeast Washington wolf-livestock management account,  
19 the pollution liability insurance program trust account, the produce  
20 railcar pool account, the public use general aviation airport loan  
21 revolving account, the regional transportation investment district  
22 account, the rural rehabilitation account, the Washington sexual  
23 assault kit account, the stadium and exhibition center account, the  
24 youth athletic facility account, the self-insurance revolving fund,  
25 the children's trust fund, the Washington horse racing commission  
26 Washington bred owners' bonus fund and breeder awards account, the  
27 Washington horse racing commission class C purse fund account, the  
28 individual development account program account, the Washington horse  
29 racing commission operating account, the life sciences discovery  
30 fund, the Washington state library-archives building account, the  
31 reduced cigarette ignition propensity account, the center for deaf  
32 and hard of hearing youth account, the school for the blind account,  
33 the Millersylvania park trust fund, the public employees' and  
34 retirees' insurance reserve fund, the school employees' benefits  
35 board insurance reserve fund, the public employees' and retirees'  
36 insurance account, the school employees' insurance account, the long-  
37 term services and supports trust account, the radiation perpetual  
38 maintenance fund, the Indian health improvement reinvestment account,  
39 the department of licensing tuition recovery trust fund, the student  
40 achievement council tuition recovery trust fund, the tuition recovery

1 trust fund, the industrial insurance premium refund account, the  
2 mobile home park relocation fund, the natural resources deposit fund,  
3 the Washington state health insurance pool account, the federal  
4 forest revolving account, the supply chain competitiveness  
5 infrastructure program account, and the library operations account.

6 (c) The following accounts and funds must receive 80 percent of  
7 their proportionate share of earnings based upon each account's or  
8 fund's average daily balance for the period: The advance right-of-way  
9 revolving fund, the advanced environmental mitigation revolving  
10 account, the federal narcotics asset forfeitures account, the high  
11 occupancy vehicle account, the local rail service assistance account,  
12 and the miscellaneous transportation programs account.

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

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

23 **Sec. 8.** RCW 43.79A.040 and 2023 c 389 s 8, 2023 c 387 s 2, 2023  
24 c 380 s 6, 2023 c 213 s 9, 2023 c 170 s 19, and 2023 c 12 s 2 are  
25 each reenacted and amended to read as follows:

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

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

34 (3) The investment income account may be utilized for the payment  
35 of purchased banking services on behalf of treasurer's trust funds  
36 including, but not limited to, depository, safekeeping, and  
37 disbursement functions for the state treasurer or affected state  
38 agencies. The investment income account is subject in all respects to  
39 chapter 43.88 RCW, but no appropriation is required for payments to

1 financial institutions. Payments must occur prior to distribution of  
2 earnings set forth in subsection (4) of this section.

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

6 (b) The following accounts and funds must receive their  
7 proportionate share of earnings based upon each account's or fund's  
8 average daily balance for the period: The 24/7 sobriety account, the  
9 Washington promise scholarship account, the Gina Grant Bull memorial  
10 legislative page scholarship account, the Rosa Franklin legislative  
11 internship program scholarship account, the Washington advanced  
12 college tuition payment program account, the Washington college  
13 savings program account, the accessible communities account, the  
14 Washington achieving a better life experience program account, the  
15 Washington career and college pathways innovation challenge program  
16 account, the community and technical college innovation account, the  
17 agricultural local fund, the American Indian scholarship endowment  
18 fund, the behavioral health loan repayment program account, the Billy  
19 Frank Jr. national statutory hall collection fund, the foster care  
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21 fund, the contract harvesting revolving account, the Washington state  
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23 county 911 excise tax account, the county road administration board  
24 emergency loan account, the toll collection account, the  
25 developmental disabilities endowment trust fund, the energy account,  
26 the energy facility site evaluation council account, the fair fund,  
27 the family and medical leave insurance account, the fish and wildlife  
28 federal lands revolving account, the natural resources federal lands  
29 revolving account, the food animal veterinarian conditional  
30 scholarship account, the forest health revolving account, the fruit  
31 and vegetable inspection account, the educator conditional  
32 scholarship account, the game farm alternative account, the GET ready  
33 for math and science scholarship account, the Washington global  
34 health technologies and product development account, the grain  
35 inspection revolving fund, the Washington history day account, the  
36 industrial insurance rainy day fund, the juvenile accountability  
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38 plan 2 expense fund, the local tourism promotion account, the low-  
39 income home rehabilitation account, the medication for people living  
40 with HIV rebate revenue account, the homeowner recovery account, the

1 multiagency permitting team account, the northeast Washington wolf-  
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3 program trust account, the produce railcar pool account, the public  
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14 library-archives building account, the reduced cigarette ignition  
15 propensity account, the center for deaf and hard of hearing youth  
16 account, the school for the blind account, the Millersylvania park  
17 trust fund, the public employees' and retirees' insurance reserve  
18 fund, the school employees' benefits board insurance reserve fund,  
19 the public employees' and retirees' insurance account, the school  
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35 occupancy vehicle account, the local rail service assistance account,  
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37 (d) Any state agency that has independent authority over accounts  
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7 **Sec. 9.** RCW 43.79A.040 and 2023 c 389 s 8, 2023 c 387 s 2, 2023  
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2 insurance reserve fund, the public employees' and retirees' insurance  
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19 and the miscellaneous transportation programs account.

20 (d) Any state agency that has independent authority over accounts  
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23 custody of the state treasurer pursuant to an agreement with the  
24 office of the state treasurer shall receive its proportionate share  
25 of earnings based upon each account's or fund's average daily balance  
26 for the period.

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

30 NEW SECTION. **Sec. 10.** (1) Section 7 of this act expires July 1,  
31 2024.

32 (2) Section 8 of this act expires July 1, 2030.

33 NEW SECTION. **Sec. 11.** (1) Section 8 of this act takes effect  
34 July 1, 2024.

35 (2) Section 9 of this act takes effect July 1, 2030.

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