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**HOUSE BILL 1010**

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**State of Washington**

**67th Legislature**

**2021 Regular Session**

**By** Representative MacEwen

Prefiled 12/08/20.

1 AN ACT Relating to dedicating the state sales tax on motor  
2 vehicles for transportation; amending RCW 82.08.020 and 82.12.020;  
3 reenacting and amending RCW 43.84.092 and 43.84.092; adding a new  
4 section to chapter 46.68 RCW; creating a new section; providing  
5 effective dates; providing an expiration date; and declaring an  
6 emergency.

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

8 NEW SECTION. **Sec. 1.** It is the intent of the legislature to  
9 ensure Washington's transportation infrastructure can support the  
10 safe and efficient movement of people and goods. Primary funding for  
11 transportation infrastructure efforts comes from the state portion of  
12 the fuel tax and fees for registering motor vehicles, which have  
13 economic and political vulnerabilities that can limit their  
14 reliability. The legislature intends to establish an additional  
15 funding source that would not be subject to bonding, and therefore  
16 offer greater flexibility and efficiency in addressing transportation  
17 infrastructure needs. The legislature finds that dedicating the sales  
18 tax revenue on vehicle sales to the transportation budget would  
19 reinforce the state's ability to provide the twenty-first century  
20 transportation system that the people of Washington can and should  
21 expect.

1       **Sec. 2.** RCW 82.08.020 and 2014 c 140 s 12 are each amended to  
2 read as follows:

3       (1) There is levied and collected a tax equal to six and five-  
4 tenths percent of the selling price on each retail sale in this state  
5 of:

6       (a) Tangible personal property, unless the sale is specifically  
7 excluded from the RCW 82.04.050 definition of retail sale;

8       (b) Digital goods, digital codes, and digital automated services,  
9 if the sale is included within the RCW 82.04.050 definition of retail  
10 sale;

11       (c) Services, other than digital automated services, included  
12 within the RCW 82.04.050 definition of retail sale;

13       (d) Extended warranties to consumers; and

14       (e) Anything else, the sale of which is included within the RCW  
15 82.04.050 definition of retail sale.

16       (2) There is levied and collected an additional tax on each  
17 retail car rental, regardless of whether the vehicle is licensed in  
18 this state, equal to five and nine-tenths percent of the selling  
19 price. The revenue collected under this subsection must be deposited  
20 in the multimodal transportation account created in RCW 47.66.070.

21       (3) (a) Beginning July 1, 2003, there is levied and collected an  
22 additional tax of three-tenths of one percent of the selling price on  
23 each retail sale of a motor vehicle in this state, other than retail  
24 car rentals taxed under subsection (2) of this section. The revenue  
25 collected under this subsection must be deposited in the multimodal  
26 transportation account created in RCW 47.66.070.

27       (b) For purposes of this subsection (3), "motor vehicle" has the  
28 meaning provided in RCW 46.04.320, but does not include:

29       (i) Farm tractors or farm vehicles as defined in RCW 46.04.180  
30 and 46.04.181, unless the farm tractor or farm vehicle is for use in  
31 the production of marijuana;

32       (ii) Off-road vehicles as defined in RCW 46.04.365;

33       (iii) Nonhighway vehicles as defined in RCW 46.09.310; and

34       (iv) Snowmobiles as defined in RCW 46.04.546.

35       ~~(4) ((For purposes of subsection (3) of this section, "motor~~  
36 ~~vehicle" has the meaning provided in RCW 46.04.320, but does not~~  
37 ~~include:~~

38       ~~(a) Farm tractors or farm vehicles as defined in RCW 46.04.180~~  
39 ~~and 46.04.181, unless the farm tractor or farm vehicle is for use in~~  
40 ~~the production of marijuana;~~

1 ~~(b) Off-road vehicles as defined in RCW 46.04.365;~~  
2 ~~(c) Nonhighway vehicles as defined in RCW 46.09.310; and~~  
3 ~~(d) Snowmobiles as defined in RCW 46.04.546.)~~ (a) Beginning July  
4 1, 2021, and every year thereafter, ten percent of all revenue  
5 collected under subsection (1) of this section on each new and used  
6 retail sale of a vehicle in this state, including private party  
7 sales, but excluding retail car rentals taxed under subsection (2) of  
8 this section, must be deposited into the transportation preservation  
9 and maintenance account.

10 (b) Beginning July 1, 2022, and every year thereafter, an  
11 additional ten percent for a total of twenty percent of all revenue  
12 collected under subsection (1) of this section on each new and used  
13 retail sale of a vehicle in this state, including private party  
14 sales, but excluding retail car rentals taxed under subsection (2) of  
15 this section, must be deposited into the transportation preservation  
16 and maintenance account.

17 (c) Beginning July 1, 2023, and every year thereafter, an  
18 additional ten percent for a total of thirty percent of all revenue  
19 collected under subsection (1) of this section on each new and used  
20 retail sale of a vehicle in this state, including private party  
21 sales, but excluding retail car rentals taxed under subsection (2) of  
22 this section, must be deposited into the transportation preservation  
23 and maintenance account.

24 (d) Beginning July 1, 2024, and every year thereafter, an  
25 additional ten percent for a total of forty percent of all revenue  
26 collected under subsection (1) of this section on each new and used  
27 retail sale of a vehicle in this state, including private party  
28 sales, but excluding retail car rentals taxed under subsection (2) of  
29 this section, must be deposited into the transportation preservation  
30 and maintenance account.

31 (e) Beginning July 1, 2025, and every year thereafter, an  
32 additional ten percent for a total of fifty percent of all revenue  
33 collected under subsection (1) of this section on each new and used  
34 retail sale of a vehicle in this state, including private party  
35 sales, but excluding retail car rentals taxed under subsection (2) of  
36 this section, must be deposited into the transportation preservation  
37 and maintenance account.

38 (f) Beginning July 1, 2026, and every year thereafter, an  
39 additional ten percent for a total of sixty percent of all revenue  
40 collected under subsection (1) of this section on each new and used

1 retail sale of a vehicle in this state, including private party  
2 sales, but excluding retail car rentals taxed under subsection (2) of  
3 this section, must be deposited into the transportation preservation  
4 and maintenance account.

5 (g) Beginning July 1, 2027, and every year thereafter, an  
6 additional ten percent for a total of seventy percent of all revenue  
7 collected under subsection (1) of this section on each new and used  
8 retail sale of a vehicle in this state, including private party  
9 sales, but excluding retail car rentals taxed under subsection (2) of  
10 this section, must be deposited into the transportation preservation  
11 and maintenance account.

12 (h) Beginning July 1, 2028, and every year thereafter, an  
13 additional ten percent for a total of eighty percent of all revenue  
14 collected under subsection (1) of this section on each new and used  
15 retail sale of a vehicle in this state, including private party  
16 sales, but excluding retail car rentals taxed under subsection (2) of  
17 this section, must be deposited into the transportation preservation  
18 and maintenance account.

19 (i) Beginning July 1, 2029, and every year thereafter, an  
20 additional ten percent for a total of ninety percent of all revenue  
21 collected under subsection (1) of this section on each new and used  
22 retail sale of a vehicle in this state, including private party  
23 sales, but excluding retail car rentals taxed under subsection (2) of  
24 this section, must be deposited into the transportation preservation  
25 and maintenance account.

26 (j) Beginning July 1, 2030, and each fiscal year thereafter, all  
27 revenue collected under subsection (1) of this section on each new  
28 and used retail sale of a vehicle in this state, including private  
29 party sales, but excluding retail car rentals taxed under subsection  
30 (2) of this section, must be deposited into the transportation  
31 preservation and maintenance account.

32 (k) For purposes of this subsection (4), "vehicle" has the  
33 meaning provided in RCW 46.04.670 including, but not limited to,  
34 passenger vehicles, light trucks, commercial vehicles, travel  
35 trailers, recreational vehicles, intermittent use trailers,  
36 motorcycles, and campers, but "vehicle" does not include:

37 (i) Farm tractors or farm vehicles as defined in RCW 46.04.180  
38 and 46.04.181, unless the farm tractor or farm vehicle is for use in  
39 the production of marijuana;

40 (ii) Off-road vehicles as defined in RCW 46.04.365;

1 (iii) Nonhighway vehicles as defined in RCW 46.09.310;

2 (iv) Bicycles as defined in RCW 46.04.071; and

3 (v) Snowmobiles as defined in RCW 46.04.546.

4 (5) Beginning on December 8, 2005, 0.16 percent of the taxes  
5 collected under subsection (1) of this section must be dedicated to  
6 funding comprehensive performance audits required under RCW  
7 43.09.470. The revenue identified in this subsection must be  
8 deposited in the performance audits of government account created in  
9 RCW 43.09.475.

10 (6) The taxes imposed under this chapter apply to successive  
11 retail sales of the same property.

12 (7) The rates provided in this section apply to taxes imposed  
13 under chapter 82.12 RCW as provided in RCW 82.12.020.

14 **Sec. 3.** RCW 82.12.020 and 2017 c 323 s 520 are each amended to  
15 read as follows:

16 (1) There is levied and collected from every person in this state  
17 a tax or excise for the privilege of using within this state as a  
18 consumer any:

19 (a) Article of tangible personal property acquired by the user in  
20 any manner, including tangible personal property acquired at a casual  
21 or isolated sale, and including by-products used by the manufacturer  
22 thereof, except as otherwise provided in this chapter, irrespective  
23 of whether the article or similar articles are manufactured or are  
24 available for purchase within this state;

25 (b) Prewritten computer software, regardless of the method of  
26 delivery, but excluding prewritten computer software that is either  
27 provided free of charge or is provided for temporary use in viewing  
28 information, or both;

29 (c) Services defined as a retail sale in RCW 82.04.050 (2) (a) or  
30 (g) or (6)(c), excluding services defined as a retail sale in RCW  
31 82.04.050(6)(c) that are provided free of charge;

32 (d) Extended warranty; or

33 (e)(i) Digital good, digital code, or digital automated service,  
34 including the use of any services provided by a seller exclusively in  
35 connection with digital goods, digital codes, or digital automated  
36 services, whether or not a separate charge is made for such services.

37 (ii) With respect to the use of digital goods, digital automated  
38 services, and digital codes acquired by purchase, the tax imposed in  
39 this subsection (1)(e) applies in respect to:

1 (A) Sales in which the seller has granted the purchaser the right  
2 of permanent use;

3 (B) Sales in which the seller has granted the purchaser a right  
4 of use that is less than permanent;

5 (C) Sales in which the purchaser is not obligated to make  
6 continued payment as a condition of the sale; and

7 (D) Sales in which the purchaser is obligated to make continued  
8 payment as a condition of the sale.

9 (iii) With respect to digital goods, digital automated services,  
10 and digital codes acquired other than by purchase, the tax imposed in  
11 this subsection (1)(e) applies regardless of whether or not the  
12 consumer has a right of permanent use or is obligated to make  
13 continued payment as a condition of use.

14 (2) The provisions of this chapter do not apply in respect to the  
15 use of any article of tangible personal property, extended warranty,  
16 digital good, digital code, digital automated service, or service  
17 taxable under RCW 82.04.050 (2) (a) or (g) or (6)(c), if the sale to,  
18 or the use by, the present user or the present user's bailor or donor  
19 has already been subjected to the tax under chapter 82.08 RCW or this  
20 chapter and the tax has been paid by the present user or by the  
21 present user's bailor or donor.

22 (3)(a) Except as provided in this section, payment of the tax  
23 imposed by this chapter or chapter 82.08 RCW by one purchaser or user  
24 of tangible personal property, extended warranty, digital good,  
25 digital code, digital automated service, or other service does not  
26 have the effect of exempting any other purchaser or user of the same  
27 property, extended warranty, digital good, digital code, digital  
28 automated service, or other service from the taxes imposed by such  
29 chapters.

30 (b) The tax imposed by this chapter does not apply:

31 (i) If the sale to, or the use by, the present user or his or her  
32 bailor or donor has already been subjected to the tax under chapter  
33 82.08 RCW or this chapter and the tax has been paid by the present  
34 user or by his or her bailor or donor;

35 (ii) In respect to the use of any article of tangible personal  
36 property acquired by bailment and the tax has once been paid based on  
37 reasonable rental as determined by RCW 82.12.060 measured by the  
38 value of the article at time of first use multiplied by the tax rate  
39 imposed by chapter 82.08 RCW or this chapter as of the time of first  
40 use;

1 (iii) In respect to the use of any article of tangible personal  
2 property acquired by bailment, if the property was acquired by a  
3 previous bailee from the same bailor for use in the same general  
4 activity and the original bailment was prior to June 9, 1961; or

5 (iv) To the use of digital goods or digital automated services,  
6 which were obtained through the use of a digital code, if the sale of  
7 the digital code to, or the use of the digital code by, the present  
8 user or the present user's bailor or donor has already been subjected  
9 to the tax under chapter 82.08 RCW or this chapter and the tax has  
10 been paid by the present user or by the present user's bailor or  
11 donor.

12 (4) (a) Except as provided in (b) of this subsection (4), the tax  
13 is levied and must be collected in an amount equal to the value of  
14 the article used, value of the digital good or digital code used,  
15 value of the extended warranty used, or value of the service used by  
16 the taxpayer, multiplied by the applicable rates in effect for the  
17 retail sales tax under RCW 82.08.020.

18 (b) In the case of a seller required to collect use tax from the  
19 purchaser, the tax must be collected in an amount equal to the  
20 purchase price multiplied by the applicable rate in effect for the  
21 retail sales tax under RCW 82.08.020.

22 (5) For purposes of the tax imposed in this section, "person"  
23 includes anyone within the definition of "buyer," "purchaser," and  
24 "consumer" in RCW 82.08.010.

25 (6) (a) Beginning July 1, 2021, and every year thereafter ten  
26 percent of all use tax revenue collected under subsection (1) of this  
27 section on the use of each new and used vehicle in this state, but  
28 excluding retail car rentals taxed under RCW 82.08.020, must be  
29 deposited into the transportation preservation and maintenance  
30 account.

31 (b) Beginning July 1, 2022, and every year thereafter, an  
32 additional ten percent for a total of twenty percent of all use tax  
33 revenue collected under subsection (1) of this section on the use of  
34 each new and used vehicle in this state, but excluding retail car  
35 rentals taxed under RCW 82.08.020, must be deposited into the  
36 transportation preservation and maintenance account.

37 (c) Beginning July 1, 2023, and every year thereafter, an  
38 additional ten percent for a total of thirty percent of all use tax  
39 revenue collected under subsection (1) of this section on the use of  
40 each new and used vehicle in this state, but excluding retail car

1 rentals taxed under RCW 82.08.020, must be deposited into the  
2 transportation preservation and maintenance account.

3 (d) Beginning July 1, 2024, and every year thereafter, an  
4 additional ten percent for a total of forty percent of all use tax  
5 revenue collected under subsection (1) of this section on the use of  
6 each new and used vehicle in this state, but excluding retail car  
7 rentals taxed under RCW 82.08.020, must be deposited into the  
8 transportation preservation and maintenance account.

9 (e) Beginning July 1, 2025, and every year thereafter, an  
10 additional ten percent for a total of fifty percent of all use tax  
11 revenue collected under subsection (1) of this section on the use of  
12 each new and used vehicle in this state, but excluding retail car  
13 rentals taxed under RCW 82.08.020, must be deposited into the  
14 transportation preservation and maintenance account.

15 (f) Beginning July 1, 2026, and every year thereafter, an  
16 additional ten percent for a total of sixty percent of all use tax  
17 revenue collected under subsection (1) of this section on the use of  
18 each new and used vehicle in this state, but excluding retail car  
19 rentals taxed under RCW 82.08.020, must be deposited into the  
20 transportation preservation and maintenance account.

21 (g) Beginning July 1, 2027, and every year thereafter, an  
22 additional ten percent for a total of seventy percent of all use tax  
23 revenue collected under subsection (1) of this section on the use of  
24 each new and used vehicle in this state, but excluding retail car  
25 rentals taxed under RCW 82.08.020, must be deposited into the  
26 transportation preservation and maintenance account.

27 (h) Beginning July 1, 2028, and every year thereafter, an  
28 additional ten percent for a total of eighty percent of all use tax  
29 revenue collected under subsection (1) of this section on the use of  
30 each new and used vehicle in this state, but excluding retail car  
31 rentals taxed under RCW 82.08.020, must be deposited into the  
32 transportation preservation and maintenance account.

33 (i) Beginning July 1, 2029, and every year thereafter, an  
34 additional ten percent for a total of ninety percent of all use tax  
35 revenue collected under subsection (1) of this section on the use of  
36 each new and used vehicle in this state, but excluding retail car  
37 rentals taxed under RCW 82.08.020, must be deposited into the  
38 transportation preservation and maintenance account.

39 (j) Beginning July 1, 2030, and each fiscal year thereafter, all  
40 use tax revenue collected under subsection (1) of this section on the



1 use of each new and used vehicle in this state, but excluding retail  
2 car rentals taxed under RCW 82.08.020, must be deposited into the  
3 transportation preservation and maintenance account.

4 NEW SECTION. **Sec. 4.** A new section is added to chapter 46.68  
5 RCW to read as follows:

6 (1) The transportation preservation and maintenance account is  
7 created in the state treasury. Moneys in the account may be spent  
8 only after appropriation. Expenditures from the account may be used  
9 only for transportation projects, programs, or activities.

10 (2) All sales and use tax revenues on new and used vehicles  
11 deposited into the transportation preservation and maintenance  
12 account pursuant to RCW 82.08.020 and 82.12.020 must be used  
13 exclusively on a cash funding basis for transportation projects,  
14 programs, and activities, including reducing the reliance on  
15 transportation-related debt obligations pursuant to subsection (3) of  
16 this section. All sales and use tax revenues on new and used vehicles  
17 deposited into the transportation preservation and maintenance  
18 account pursuant to RCW 82.08.020 and 82.12.020 cannot be used for  
19 any new revenue bond issues or used as a source for any other type of  
20 debt or similar type of financing mechanism.

21 (3) Part of the purpose in the allocation of additional resources  
22 from the sales and use tax revenues on new and used vehicles into the  
23 transportation preservation and maintenance account pursuant to RCW  
24 82.08.020 and 82.12.020 is to lower the overall reliance on debt  
25 financing for transportation projects and infrastructure. Beginning  
26 December 1, 2023, and each two years thereafter, the state treasurer  
27 must prepare a report that shows the impact of this act on the  
28 reliance of debt financing for transportation appropriations.

29 (4) Nothing in this section may be construed so as to violate any  
30 terms or conditions contained in any highway construction bond issues  
31 now or hereafter authorized by statute and whose payment is by such  
32 statute pledged to be paid from any excise taxes on fuel.

33 **Sec. 5.** RCW 43.84.092 and 2020 c 354 s 11, 2020 c 221 s 5, 2020  
34 c 148 s 3, 2020 c 103 s 7, and 2020 c 18 s 3 are each reenacted and  
35 amended to read as follows:

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

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

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

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

30           (a) The following accounts and funds shall receive their  
31 proportionate share of earnings based upon each account's and fund's  
32 average daily balance for the period: The abandoned recreational  
33 vehicle disposal account, the aeronautics account, the Alaskan Way  
34 viaduct replacement project account, the ambulance transport fund,  
35 the brownfield redevelopment trust fund account, the budget  
36 stabilization account, the capital vessel replacement account, the  
37 capitol building construction account, the Central Washington  
38 University capital projects account, the charitable, educational,  
39 penal and reformatory institutions account, the Chehalis basin  
40 account, the Chehalis basin taxable account, the cleanup settlement

1 account, the Columbia river basin water supply development account,  
2 the Columbia river basin taxable bond water supply development  
3 account, the Columbia river basin water supply revenue recovery  
4 account, the common school construction fund, the community forest  
5 trust account, the connecting Washington account, the county arterial  
6 preservation account, the county criminal justice assistance account,  
7 the deferred compensation administrative account, the deferred  
8 compensation principal account, the department of licensing services  
9 account, the department of retirement systems expense account, the  
10 developmental disabilities community (~~trust~~) services account, the  
11 diesel idle reduction account, the drinking water assistance account,  
12 the administrative subaccount of the drinking water assistance  
13 account, the early learning facilities development account, the early  
14 learning facilities revolving account, the Eastern Washington  
15 University capital projects account, the education construction fund,  
16 the education legacy trust account, the election account, the  
17 electric vehicle account, the energy freedom account, the energy  
18 recovery act account, the essential rail assistance account, The  
19 Evergreen State College capital projects account, the ferry bond  
20 retirement fund, the fish, wildlife, and conservation account, the  
21 freight mobility investment account, the freight mobility multimodal  
22 account, the grade crossing protective fund, the public health  
23 services account, the state higher education construction account,  
24 the higher education construction account, the higher education  
25 retirement plan supplemental benefit fund, the highway bond  
26 retirement fund, the highway infrastructure account, the highway  
27 safety fund, the hospital safety net assessment fund, the Interstate  
28 405 and state route number 167 express toll lanes account, the  
29 judges' retirement account, the judicial retirement administrative  
30 account, the judicial retirement principal account, the limited fish  
31 and wildlife account, the local leasehold excise tax account, the  
32 local real estate excise tax account, the local sales and use tax  
33 account, the marine resources stewardship trust account, the medical  
34 aid account, the money-purchase retirement savings administrative  
35 account, the money-purchase retirement savings principal account, the  
36 motor vehicle fund, the motorcycle safety education account, the  
37 multimodal transportation account, the multiuse roadway safety  
38 account, the municipal criminal justice assistance account, the  
39 oyster reserve land account, the pension funding stabilization  
40 account, the perpetual surveillance and maintenance account, the

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

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

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

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

25 **Sec. 6.** RCW 43.84.092 and 2020 c 221 s 5, 2020 c 148 s 3, 2020 c  
26 103 s 7, and 2020 c 18 s 3 are each reenacted and amended to read as  
27 follows:

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

31 (2) The treasury income account shall be utilized to pay or  
32 receive funds associated with federal programs as required by the  
33 federal cash management improvement act of 1990. The treasury income  
34 account is subject in all respects to chapter 43.88 RCW, but no  
35 appropriation is required for refunds or allocations of interest  
36 earnings required by the cash management improvement act. Refunds of  
37 interest to the federal treasury required under the cash management  
38 improvement act fall under RCW 43.88.180 and shall not require  
39 appropriation. The office of financial management shall determine the

1 amounts due to or from the federal government pursuant to the cash  
2 management improvement act. The office of financial management may  
3 direct transfers of funds between accounts as deemed necessary to  
4 implement the provisions of the cash management improvement act, and  
5 this subsection. Refunds or allocations shall occur prior to the  
6 distributions of earnings set forth in subsection (4) of this  
7 section.

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

17 (4) Monthly, the state treasurer shall distribute the earnings  
18 credited to the treasury income account. The state treasurer shall  
19 credit the general fund with all the earnings credited to the  
20 treasury income account except:

21 (a) The following accounts and funds shall receive their  
22 proportionate share of earnings based upon each account's and fund's  
23 average daily balance for the period: The abandoned recreational  
24 vehicle disposal account, the aeronautics account, the Alaskan Way  
25 viaduct replacement project account, the brownfield redevelopment  
26 trust fund account, the budget stabilization account, the capital  
27 vessel replacement account, the capitol building construction  
28 account, the Central Washington University capital projects account,  
29 the charitable, educational, penal and reformatory institutions  
30 account, the Chehalis basin account, the Chehalis basin taxable  
31 account, the cleanup settlement account, the Columbia river basin  
32 water supply development account, the Columbia river basin taxable  
33 bond water supply development account, the Columbia river basin water  
34 supply revenue recovery account, the common school construction fund,  
35 the community forest trust account, the connecting Washington  
36 account, the county arterial preservation account, the county  
37 criminal justice assistance account, the deferred compensation  
38 administrative account, the deferred compensation principal account,  
39 the department of licensing services account, the department of  
40 retirement systems expense account, the developmental disabilities

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

1 vehicle account, the regional mobility grant program account, the  
2 resource management cost account, the rural arterial trust account,  
3 the rural mobility grant program account, the rural Washington loan  
4 fund, the sexual assault prevention and response account, the site  
5 closure account, the skilled nursing facility safety net trust fund,  
6 the small city pavement and sidewalk account, the special category C  
7 account, the special wildlife account, the state investment board  
8 expense account, the state investment board commingled trust fund  
9 accounts, the state patrol highway account, the state reclamation  
10 revolving account, the state route number 520 civil penalties  
11 account, the state route number 520 corridor account, the statewide  
12 broadband account, the statewide tourism marketing account, the  
13 supplemental pension account, the Tacoma Narrows toll bridge account,  
14 the teachers' retirement system plan 1 account, the teachers'  
15 retirement system combined plan 2 and plan 3 account, the tobacco  
16 prevention and control account, the tobacco settlement account, the  
17 toll facility bond retirement account, the transportation 2003  
18 account (nickel account), the transportation equipment fund, the  
19 transportation future funding program account, the transportation  
20 improvement account, the transportation improvement board bond  
21 retirement account, the transportation infrastructure account, the  
22 transportation partnership account, the transportation preservation  
23 and maintenance account, the traumatic brain injury account, the  
24 University of Washington bond retirement fund, the University of  
25 Washington building account, the voluntary cleanup account, the  
26 volunteer firefighters' and reserve officers' relief and pension  
27 principal fund, the volunteer firefighters' and reserve officers'  
28 administrative fund, the vulnerable roadway user education account,  
29 the Washington judicial retirement system account, the Washington law  
30 enforcement officers' and firefighters' system plan 1 retirement  
31 account, the Washington law enforcement officers' and firefighters'  
32 system plan 2 retirement account, the Washington public safety  
33 employees' plan 2 retirement account, the Washington school  
34 employees' retirement system combined plan 2 and 3 account, the  
35 Washington state patrol retirement account, the Washington State  
36 University building account, the Washington State University bond  
37 retirement fund, the water pollution control revolving administration  
38 account, the water pollution control revolving fund, the Western  
39 Washington University capital projects account, the Yakima integrated  
40 plan implementation account, the Yakima integrated plan



1 implementation revenue recovery account, and the Yakima integrated  
2 plan implementation taxable bond account. Earnings derived from  
3 investing balances of the agricultural permanent fund, the normal  
4 school permanent fund, the permanent common school fund, the  
5 scientific permanent fund, and the state university permanent fund  
6 shall be allocated to their respective beneficiary accounts.

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

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

16 NEW SECTION. **Sec. 7.** Section 5 of this act expires July 1,  
17 2024.

18 NEW SECTION. **Sec. 8.** Section 6 of this act takes effect July 1,  
19 2024.

20 NEW SECTION. **Sec. 9.** Sections 1 through 5 of this act are  
21 necessary for the immediate preservation of the public peace, health,  
22 or safety, or support of the state government and its existing public  
23 institutions, and take effect July 1, 2021.

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