
SUBSTITUTE HOUSE BILL 1827

State of Washington

67th Legislature

2022 Regular Session

By House Community & Economic Development (originally sponsored by Representatives Morgan, Simmons, Ormsby, Harris-Talley, and Kloba; by request of Office of the Governor)

1 AN ACT Relating to the creation of the community reinvestment
2 account and community reinvestment program; amending RCW 43.84.092
3 and 43.84.092; adding a new section to chapter 43.79 RCW; creating a
4 new section; providing an effective date; and providing an expiration
5 date.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that in order to
8 address racial, economic, and social disparities in communities
9 across the state created by the historical design and enforcement of
10 state and federal criminal laws and penalties for drug possession and
11 use in Washington state, aggressive approaches and targeted resources
12 to support local design and control of community-based responses to
13 these outcomes are required.

14 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.79
15 RCW to read as follows:

16 The community reinvestment account is created in the state
17 treasury. Moneys in the account may be spent only after
18 appropriation. Expenditures from the account may only be made by the
19 department of commerce for:

1 (1) Economic development, which includes addressing wealth
2 disparities to promote asset building such as home ownership and
3 expanding access to financial resources including, but not limited
4 to, grants and loans for small businesses and entrepreneurs,
5 financial literacy training, and other small business training and
6 support activities;

7 (2) Civil and criminal legal assistance to provide postconviction
8 relief and case assistance, including the expungement of criminal
9 records and vacation of criminal convictions;

10 (3) Community-based violence intervention and prevention
11 services;

12 (4) Reentry services to facilitate successful transitions for
13 persons formerly incarcerated in an adult correctional facility or
14 juvenile residential facility in Washington; and

15 (5) Supporting statutory priorities for 911 funding, 911
16 emergency communications system procurement, operation, management,
17 administrative costs, modernization, training, public education,
18 hardware, software, technology, and support for public safety
19 answering points.

20 **Sec. 3.** RCW 43.84.092 and 2021 c 199 s 504 are each amended to
21 read as follows:

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

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

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

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

12 (4) Monthly, the state treasurer shall distribute the earnings
13 credited to the treasury income account. The state treasurer shall
14 credit the general fund with all the earnings credited to the
15 treasury income account except:

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

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

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

1 scientific permanent fund, and the state university permanent fund
2 shall be allocated to their respective beneficiary accounts.

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

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

12 **Sec. 4.** RCW 43.84.092 and 2021 c 199 s 505 are each amended to
13 read as follows:

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

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

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

1 prior to distribution of earnings set forth in subsection (4) of this
2 section.

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

7 (a) The following accounts and funds shall receive their
8 proportionate share of earnings based upon each account's and fund's
9 average daily balance for the period: The abandoned recreational
10 vehicle disposal account, the aeronautics account, the Alaskan Way
11 viaduct replacement project account, the brownfield redevelopment
12 trust fund account, the budget stabilization account, the capital
13 vessel replacement account, the capitol building construction
14 account, the Central Washington University capital projects account,
15 the charitable, educational, penal and reformatory institutions
16 account, the Chehalis basin account, the Chehalis basin taxable
17 account, the cleanup settlement account, the Columbia river basin
18 water supply development account, the Columbia river basin taxable
19 bond water supply development account, the Columbia river basin water
20 supply revenue recovery account, the common school construction fund,
21 the community forest trust account, the community reinvestment
22 account, the connecting Washington account, the county arterial
23 preservation account, the county criminal justice assistance account,
24 the deferred compensation administrative account, the deferred
25 compensation principal account, the department of licensing services
26 account, the department of retirement systems expense 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 multimodal transportation account, the
15 multiuse roadway safety account, the municipal criminal justice
16 assistance account, the oyster reserve land account, the pension
17 funding stabilization account, the perpetual surveillance and
18 maintenance account, the pilotage account, the pollution liability
19 insurance agency underground storage tank revolving account, the
20 public employees' retirement system plan 1 account, the public
21 employees' retirement system combined plan 2 and plan 3 account, the
22 public facilities construction loan revolving account, the public
23 health supplemental account, the public works assistance account, the
24 Puget Sound capital construction account, the Puget Sound ferry
25 operations account, the Puget Sound Gateway facility account, the
26 Puget Sound taxpayer accountability account, the real estate
27 appraiser commission account, the recreational vehicle account, the
28 regional mobility grant program account, the resource management cost
29 account, the rural arterial trust account, the rural mobility grant
30 program account, the rural Washington loan fund, the sexual assault
31 prevention and response account, the site closure account, the
32 skilled nursing facility safety net trust fund, the small city
33 pavement and sidewalk account, the special category C account, the
34 special wildlife account, the state investment board expense account,
35 the state investment board commingled trust fund accounts, the state
36 patrol highway account, the state reclamation revolving account, the
37 state route number 520 civil penalties account, the state route
38 number 520 corridor account, the statewide broadband account, the
39 statewide tourism marketing account, the supplemental pension
40 account, the Tacoma Narrows toll bridge account, the teachers'

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

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

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