
SUBSTITUTE HOUSE BILL 2126

State of Washington 62nd Legislature 2011 2nd Special Session

By House Ways & Means (originally sponsored by Representatives Armstrong, Condotta, and Hunter; by request of State Treasurer)

READ FIRST TIME 11/29/11.

1 AN ACT Relating to a plan of finance to prevent the default of
2 bonds issued by distressed public facilities districts; amending RCW
3 82.14.390, 82.14.050, and 43.79A.040; adding new sections to chapter
4 35.57 RCW; adding new sections to chapter 82.14 RCW; creating new
5 sections; and declaring an emergency.

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

7 NEW SECTION. **Sec. 1.** Findings. The legislature finds that
8 preventing a default on debt issued by public facilities districts is
9 in the best interest of the state, its municipalities, and its citizens
10 as a whole. The legislature further finds that it is an important
11 state purpose to provide sufficient tools to assist public facilities
12 districts when the threat of default is imminent. Therefore, the
13 legislature finds it is necessary to act swiftly to provide the tools
14 necessary to prevent a default on debt issued by public facilities
15 districts prior to the next regularly scheduled legislative session.

16 NEW SECTION. **Sec. 2.** A new section is added to chapter 35.57 RCW
17 to read as follows:

18 When a public facilities district qualifies as a distressed public

1 facilities district, the provisions of sections 1 through 11 of this
2 act supersede any agreements or any terms of any agreements between or
3 among the jurisdictions forming the public facilities district to the
4 extent agreements or any terms thereof are inconsistent with sections
5 1 through 11 of this act.

6 NEW SECTION. **Sec. 3.** A new section is added to chapter 35.57 RCW
7 to read as follows:

8 The definitions in this section apply throughout this section and
9 sections 1, 2, and 4 through 11 of this act unless the context clearly
10 requires otherwise.

11 (1) "Anchor jurisdiction" means the city that has entered into an
12 agreement to form a public facilities district that constitutes a
13 distressed public facilities district under this chapter and in which
14 the largest asset of the distressed public facilities district is
15 located.

16 (2) "Distressed public facilities district" means a public
17 facilities district that is at imminent risk of default due to an
18 inability to pay indebtedness on or before December 31, 2011, as
19 determined by the state treasurer.

20 (3) "Indebtedness" means bonds, notes, or other evidences of
21 indebtedness together with interest.

22 (4) "Identified obligation" means an indebtedness of a distressed
23 public facilities district which, without intervention, is at imminent
24 risk of default according to its terms. Notwithstanding any form of
25 refinancing of the identified obligation, including but not limited to
26 a loan administered by the state and any subsequent refinancing of that
27 loan in whole or in part, such an obligation will remain the
28 "identified obligation" until the original amount of the obligation
29 including without limitation, the refinancing, plus accrued interest,
30 is repaid in full.

31 (5) "Loan" or "loan administered by the state" means any
32 expenditure made out of the distressed public facilities district
33 obligation account pursuant to section 4 of this act.

34 (6) "Related jurisdiction" means a city or county that has entered
35 into an agreement to form a public facilities district that is
36 determined to be a distressed public facilities district under this
37 chapter.

1 NEW SECTION. **Sec. 4.** A new section is added to chapter 35.57 RCW
2 to read as follows:

3 (1) The distressed public facilities district obligation account is
4 created in the custody of the state treasurer. Expenditures from the
5 account may be used only for loans to distressed public facilities
6 districts made in accordance with the terms set forth in this section.
7 Only the state treasurer may authorize expenditures from this account.

8 (2) The state treasurer is authorized to make a loan from the
9 distressed public facilities district obligation account to pay the
10 identified obligation of any distressed public facilities district with
11 funds transferred pursuant to section 5 of this act. This loan may be
12 made with or without the consent of the distressed public facilities
13 district.

14 (3) Any funds applied to the repayment of the loan must be
15 deposited into the distressed public facilities district obligation
16 account. After any expenditures from the account are made as directed
17 in subsection (2) of this section, the state treasurer periodically
18 must transfer the balance in the distressed public facilities district
19 obligation account to the local sales and use tax account, which must
20 include interest accruing on the loan as well as any interest earnings
21 attributable to the distressed public facilities district obligation
22 account.

23 (4) When the state makes a loan to pay an identified obligation,
24 including accrued interest, the state treasurer must collect from the
25 distressed public facilities district, the anchor jurisdiction, and
26 related jurisdictions an amount equal to the total amount of the
27 identified obligation including accrued interest. The conditions of
28 the loan and its repayment are as follows:

29 (a) The term of the loan is eleven years subject to prepayment in
30 whole or in part;

31 (b) Interest accrues monthly at a variable rate equal to the twenty
32 bond general obligation bond buyer index plus one percentage point and
33 begins accruing on the first day of the month following the month in
34 which the loan was made; and

35 (c) The taxes identified in subsection (5) of this section, and in
36 the order specified therein, must be transferred from the local sales
37 and use tax account to the distressed public facilities district
38 obligation account for repayment of the loan, in amounts sufficient to

1 make equal monthly payments of principal plus interest over the
2 remaining term. If a lump sum payment is received by the state in
3 repayment of any portion of the loan, the principal amount on the
4 outstanding loan must be reduced by the lump sum payment and monthly
5 payments must be recalculated accordingly. In no event may the
6 requirement to make monthly payments be eliminated in any month.

7 (5) The state treasurer must transfer taxes that would otherwise be
8 distributed to the distressed public facilities district, anchor
9 jurisdiction, and related jurisdictions into the distressed public
10 facilities district obligation account in the following priority order:

11 (a) If the distressed public facilities district imposes the
12 maximum tax allowed under section 6 of this act:

13 (i) First, all taxes that would otherwise be distributed to the
14 distressed public facilities district pursuant to RCW 82.14.390
15 beginning January 1, 2013;

16 (ii) Second, all taxes that would otherwise be distributed to the
17 distressed public facilities district pursuant to section 6 of this act
18 beginning on the first day such taxes would otherwise be disbursed to
19 the distressed public facilities district;

20 (iii) Third, all taxes that would otherwise be distributed to the
21 anchor jurisdiction under section 7 of this act beginning on the first
22 day such taxes would otherwise be disbursed to the anchor jurisdiction;

23 (iv) Fourth, all taxes that would otherwise be distributed to any
24 related jurisdiction under section 7 of this act beginning on the first
25 day such taxes would otherwise be disbursed to the related
26 jurisdiction; and

27 (v) Fifth, taxes that would otherwise be distributed to the anchor
28 jurisdiction under RCW 82.14.030 beginning January 1st of the second
29 year following the year in which the loan was made to the extent
30 monthly payment obligations as determined by the state treasurer,
31 cannot be met with revenues collected from (a)(i) through (iv) of this
32 subsection (5).

33 (b) If the distressed public facilities district does not impose
34 the maximum amount of the tax provided for in section 6 of this act:

35 (i) First, all taxes that would otherwise be distributed to the
36 distressed public facilities district pursuant to RCW 82.14.390
37 beginning January 1, 2013;

1 (ii) Second, all taxes that would otherwise be distributed to the
2 distressed public facilities district pursuant to section 6 of this act
3 beginning on the first day such taxes would otherwise be disbursed to
4 the distressed public facilities district;

5 (iii) Third, taxes that would otherwise be distributed to a related
6 jurisdiction or anchor jurisdiction pursuant to section 7 of this act
7 beginning on the first day such taxes would otherwise be disbursed to
8 the jurisdiction. The amount transferred from a jurisdiction in a
9 given month must be credited against the amount owed in that month by
10 such jurisdiction under (b)(iv) of this subsection (5). Any excess
11 collected must also be applied to repayment of the loan;

12 (iv) Fourth, taxes that would otherwise be distributed to the
13 anchor jurisdiction and related jurisdictions pursuant to RCW 82.14.030
14 in an aggregate amount which, when combined with any taxes imposed
15 under section 6 of this act and subsequently transferred according to
16 this section, will equal fifty percent of the monthly payment due on
17 the loan. Such aggregate amount must be collected from the anchor
18 jurisdiction and related jurisdictions on a pro rata basis based on the
19 percentage of local sales tax collected by each jurisdiction in the
20 preceding calendar year under RCW 82.14.030, or based on an allocation
21 among the jurisdictions specified in an agreement adopted by all of the
22 related jurisdictions. If a lump sum payment is received on a portion
23 of the loan, the principal amount on the outstanding loan must be
24 reduced by the lump sum payment and monthly payments must be
25 recalculated and reflected in the next months' payment obligation; and

26 (v) Fifth, taxes that would otherwise be distributed to the anchor
27 jurisdiction pursuant to RCW 82.14.030 and any other legally available
28 revenue of the anchor jurisdiction to the extent monthly payment
29 obligations cannot be met with revenues collected from (b)(i) through
30 (iv) of this subsection (5).

31 (6) Diversion of taxes under subsection (5) of this section
32 terminates once the loan and any accumulated interest have been paid in
33 full. Any excess remaining in the distressed public facilities
34 district obligation account must be transferred to the distressed
35 public facilities district.

36 (7) Any taxes collected pursuant to RCW 82.14.390 or section 6 or
37 7 of this act may be pledged by the distressed public facilities
38 district, anchor jurisdiction, or related jurisdiction respectively, to

1 bonds issued to retire the loan or any portion of the loan administered
2 by the state. So long as any portion of the loan to the state is
3 outstanding, taxes may be pledged as follows:

4 (a) If a distressed public facilities district issues indebtedness
5 to repay a portion of the loan, taxes authorized to be levied by such
6 district under RCW 82.14.390 and section 6 of this act may be pledged
7 by such district to the repayment of the indebtedness provided that
8 amounts collected but not required for the next scheduled principal and
9 interest payment must remain available to the state for repayment of
10 the loan;

11 (b) If an anchor jurisdiction issues indebtedness to repay a
12 portion of the loan, taxes authorized under section 7 of this act and
13 imposed by the anchor jurisdiction may be pledged by the anchor
14 jurisdiction to the repayment of the indebtedness provided that amounts
15 collected but not required for the next scheduled principal and
16 interest payment must remain available to the state for repayment of
17 the loan; and

18 (c) If a related jurisdiction issues bonds to repay a portion of
19 the loan, taxes authorized under section 7 of this act and imposed by
20 that related jurisdiction may be pledged to the repayment of such
21 indebtedness. However, amounts collected but not required for the next
22 scheduled principal and interest payment must remain available to the
23 state for repayment of the loan.

24 NEW SECTION. **Sec. 5.** On the effective date of this section, the
25 state treasurer must transfer into the distressed public facilities
26 district obligation account from the local sales and use tax account
27 the sum of forty-two million dollars.

28 NEW SECTION. **Sec. 6.** A new section is added to chapter 82.14 RCW
29 to read as follows:

30 (1) Notwithstanding anything to the contrary in law or by agreement
31 among the cities or counties forming a public facilities district under
32 chapter 35.57 RCW, the governing body of a public facilities district
33 that qualifies as a distressed public facilities district, as defined
34 in section 3 of this act, may submit an authorizing proposition to the
35 voters of the district and, if the proposition is approved by a
36 majority of the persons voting, impose such a sales and use tax. The

1 tax is in addition to other taxes authorized by law and is collected
2 from those persons who are taxable by the state under chapters 82.08
3 and 82.12 RCW upon the occurrence of any taxable event within the
4 taxing jurisdiction. The rate of tax may not exceed two-tenths of one
5 percent of the selling price, in the case of a sales tax, or value of
6 the article used, in the case of a use tax.

7 (2) The governing body of a distressed public facilities district
8 must provide in its resolution authorizing such a tax:

9 (a) The maximum amount of the identified obligation, as defined in
10 section 3 of this act, to be paid with the proceeds of the tax and the
11 maximum term or terms of its repayment;

12 (b) The amount of revenue currently collected by the distressed
13 public facilities district; and

14 (c) The maximum amount of tax revenue needed to pay the identified
15 obligation.

16 (3) Once imposed, this tax remains in effect so long as any portion
17 of the identified obligation is outstanding.

18 (4) A distressed public facilities district may not impose the tax
19 authorized in this section after December 31st of the year in which the
20 identified obligation has been paid or legally defeased.

21 NEW SECTION. **Sec. 7.** A new section is added to chapter 82.14 RCW
22 to read as follows:

23 (1) The legislative authority of either an anchor jurisdiction or
24 a related jurisdiction of a distressed public facilities district as
25 defined in section 3 of this act may, by majority vote, impose a sales
26 and use tax in accordance with the requirements of this section.
27 Alternatively, the legislative authority may submit an authorizing
28 proposition to the voters and, if the proposition is approved by a
29 majority of the persons voting, impose such a sales and use tax. The
30 tax is in addition to other taxes authorized by law and is collected
31 from those persons who are taxable by the state under chapters 82.08
32 and 82.12 RCW upon the occurrence of any taxable event within the
33 taxing jurisdiction. The rate of tax may not exceed two-tenths of one
34 percent of the selling price, in the case of a sales tax, or value of
35 the article used, in the case of a use tax.

36 (2) Any tax imposed under this section must be directed in the
37 following priority order:

1 (a) First, to make debt service payments or other repayments on
2 debt issued to which the taxes are pledged by the anchor jurisdiction
3 or related jurisdiction as defined in section 3 of this act;

4 (b) Second, to repay the loan administered by the state to the
5 distressed public facilities district as defined in section 3 of this
6 act, according to its terms; and

7 (c) Third, to make payments to the distressed public facilities
8 district to increase revenues available to it for capital improvements,
9 operations, or to build reserves.

10 (3)(a) In no event may a tax imposed under this section cause the
11 tax for any anchor or related jurisdiction, when combined with the tax
12 authorized under section 6 of this act, to exceed two-tenths of one
13 percent.

14 (b) If a tax is imposed under this section but not otherwise
15 pledged to repay indebtedness, and a distressed public facilities
16 district subsequently imposes a tax under section 6 of this act, an
17 anchor or related jurisdiction within six months of the imposition of
18 the tax under section 6 of this act must adjust or eliminate its tax
19 accordingly.

20 (4) Neither an anchor jurisdiction nor a related jurisdiction may
21 impose the tax authorized in this section after December 31st of the
22 year in which the identified obligation has been paid or legally
23 defeased.

24 **Sec. 8.** RCW 82.14.390 and 2011 1st sp.s. c 50 s 973 are each
25 amended to read as follows:

26 (1) Except as provided in subsection (7) of this section, the
27 governing body of a public facilities district (a) created before July
28 31, 2002, under chapter 35.57 or 36.100 RCW that commences construction
29 of a new regional center, or improvement or rehabilitation of an
30 existing new regional center, before January 1, 2004; (b) created
31 before July 1, 2006, under chapter 35.57 RCW in a county or counties in
32 which there are no other public facilities districts on June 7, 2006,
33 and in which the total population in the public facilities district is
34 greater than ninety thousand that commences construction of a new
35 regional center before February 1, 2007; (c) created under the
36 authority of RCW 35.57.010(1)(d); or (d) created before September 1,
37 2007, under chapter 35.57 or 36.100 RCW, in a county or counties in

1 which there are no other public facilities districts on July 22, 2007,
2 and in which the total population in the public facilities district is
3 greater than seventy thousand, that commences construction of a new
4 regional center before January 1, 2009, or before January 1, 2011, in
5 the case of a new regional center in a county designated by the
6 president as a disaster area in December 2007, may impose a sales and
7 use tax in accordance with the terms of this chapter. The tax is in
8 addition to other taxes authorized by law and must be collected from
9 those persons who are taxable by the state under chapters 82.08 and
10 82.12 RCW upon the occurrence of any taxable event within the public
11 facilities district. The rate of tax may not exceed 0.033 percent of
12 the selling price in the case of a sales tax or value of the article
13 used in the case of a use tax.

14 (2)(a) The governing body of a public facilities district imposing
15 a sales and use tax under the authority of this section may increase
16 the rate of tax up to 0.037 percent if, within three fiscal years of
17 July 1, 2008, the department determines that, as a result of RCW
18 82.14.490 and the chapter 6, Laws of 2007 amendments to RCW 82.14.020,
19 a public facilities district's sales and use tax collections for fiscal
20 years after July 1, 2008, have been reduced by a net loss of at least
21 0.50 percent from the fiscal year before July 1, 2008. The fiscal year
22 in which this section becomes effective is the first fiscal year after
23 July 1, 2008.

24 (b) The department must determine sales and use tax collection net
25 losses under this section as provided in RCW 82.14.500 (2) and (3).
26 The department must provide written notice of its determinations to
27 public facilities districts. Determinations by the department of a
28 public facilities district's sales and use tax collection net losses as
29 a result of RCW 82.14.490 and the chapter 6, Laws of 2007 amendments to
30 RCW 82.14.020 are final and not appealable.

31 (c) A public facilities district may increase its rate of tax after
32 it has received written notice from the department as provided in (b)
33 of this subsection. The increase in the rate of tax must be made in
34 0.001 percent increments and must be the least amount necessary to
35 mitigate the net loss in sales and use tax collections as a result of
36 RCW 82.14.490 and the chapter 6, Laws of 2007 amendments to RCW
37 82.14.020. The increase in the rate of tax is subject to RCW
38 82.14.055.

1 (3) The tax imposed under subsection (1) of this section must be
2 deducted from the amount of tax otherwise required to be collected or
3 paid over to the department of revenue under chapter 82.08 or 82.12
4 RCW. The department of revenue must perform the collection of such
5 taxes on behalf of the county at no cost to the public facilities
6 district. During the 2011-2013 fiscal biennium, distributions by the
7 state to a public facilities district based on the additional rate
8 authorized in subsection (2) of this section must be reduced by 3.4
9 percent.

10 (4)(a) No tax may be collected under this section before August 1,
11 2000. Subject to (b) of this subsection, the tax imposed in this
12 section expires when the later of the following has occurred:

13 (i) The bonds issued for the construction of the regional center
14 and related parking facilities are retired(~~(, but)~~); or

15 (ii) The identified obligation of a distressed public facilities
16 district has been paid. For the purposes of this subsection,
17 "identified obligation" and "distressed public facilities district"
18 have the same meanings as provided in section 3 of this act.

19 (b) Notwithstanding (a) of this subsection (4), the tax imposed in
20 this section must expire not more than twenty-five years after the tax
21 is first collected.

22 (5) Moneys collected under this section may only be used for the
23 purposes set forth in RCW 35.57.020 and, sections 2 and 4 of this act
24 and must be matched with an amount from other public or private sources
25 equal to thirty-three percent of the amount collected under this
26 section; however, amounts generated from nonvoter approved taxes
27 authorized under chapter 35.57 RCW or nonvoter approved taxes
28 authorized under chapter 36.100 RCW do not constitute a public or
29 private source. For the purpose of this section, public or private
30 sources includes, but is not limited to cash or in-kind contributions
31 used in all phases of the development or improvement of the regional
32 center, land that is donated and used for the siting of the regional
33 center, cash or in-kind contributions from public or private
34 foundations, or amounts attributed to private sector partners as part
35 of a public and private partnership agreement negotiated by the public
36 facilities district.

37 (6) The combined total tax levied under this section may not be
38 greater than 0.037 percent. If both a public facilities district

1 created under chapter 35.57 RCW and a public facilities district
2 created under chapter 36.100 RCW impose a tax under this section, the
3 tax imposed by a public facilities district created under chapter 35.57
4 RCW must be credited against the tax imposed by a public facilities
5 district created under chapter 36.100 RCW.

6 (7) A public facilities district created under chapter 36.100 RCW
7 is not eligible to impose the tax under this section if the legislative
8 authority of the county where the public facilities district is located
9 has imposed a sales and use tax under RCW 82.14.0485 or 82.14.0494.

10 **Sec. 9.** RCW 82.14.050 and 2009 c 469 s 107 are each amended to
11 read as follows:

12 (1) The counties, cities, and transportation authorities under RCW
13 82.14.045, public facilities districts under chapters 36.100 and 35.57
14 RCW, public transportation benefit areas under RCW 82.14.440, regional
15 transportation investment districts, and transportation benefit
16 districts under chapter 36.73 RCW shall contract, prior to the
17 effective date of a resolution or ordinance imposing a sales and use
18 tax, the administration and collection to the state department of
19 revenue, which shall deduct a percentage amount, as provided by
20 contract, not to exceed two percent of the taxes collected for
21 administration and collection expenses incurred by the department. The
22 remainder of any portion of any tax authorized by this chapter that is
23 collected by the department of revenue shall be deposited by the state
24 department of revenue in the local sales and use tax account hereby
25 created in the state treasury. Moneys in the local sales and use tax
26 account may be withdrawn only for:

27 (a) Distribution to counties, cities, transportation authorities,
28 public facilities districts, public transportation benefit areas,
29 regional transportation investment districts, and transportation
30 benefit districts imposing a sales and use tax; (~~and~~)

31 (b) Making refunds of taxes imposed under the authority of this
32 chapter and RCW 81.104.170 and exempted under RCW 82.08.962 and
33 82.12.962; and

34 (c) Transfers to the distressed public facilities district
35 obligation account as provided in sections 4 and 5 of this act.

36 (2) All administrative provisions in chapters 82.03, 82.08, 82.12,

1 and 82.32 RCW, as they now exist or may hereafter be amended, shall,
2 insofar as they are applicable to state sales and use taxes, be
3 applicable to taxes imposed pursuant to this chapter.

4 (3) Counties, cities, transportation authorities, public facilities
5 districts, and regional transportation investment districts may not
6 conduct independent sales or use tax audits of sellers registered under
7 the streamlined sales tax agreement.

8 (4) Except as provided in RCW 43.08.190, all earnings of
9 investments of balances in the local sales and use tax account shall be
10 credited to the local sales and use tax account and distributed to the
11 counties, cities, transportation authorities, public facilities
12 districts, public transportation benefit areas, regional transportation
13 investment districts, and transportation benefit districts monthly.

14 NEW SECTION. **Sec. 10.** (1) The Washington state treasurer and
15 Washington state auditor must examine the financial condition of the
16 state's two thousand four hundred local governmental entities to
17 identify those in which there may be indications of financial distress.

18 (a) The state treasurer and state auditor must consult with local
19 government associations, the municipal research services center, the
20 local government advisory committee established to advise the state
21 auditor's office in prescribing local government budgeting, accounting,
22 and reporting systems, and other interested parties at the discretion
23 of the state treasurer and state auditor to assist in the examination
24 of the financial conditions of the local governments.

25 (b) The state treasurer and state auditor must report on their
26 initial findings under this section to the governor and the appropriate
27 committees of the legislature by January 10, 2012.

28 (2) By January 10, 2012, the state treasurer must recommend
29 legislation to establish a forward-looking capacity to protect the
30 state and its local governmental entities from negative effects in the
31 unlikely event of another impending default on debts owed by a local
32 governmental entity.

33 **Sec. 11.** RCW 43.79A.040 and 2011 1st sp.s. c 37 s 603 are each
34 amended to read as follows:

35 (1) Money in the treasurer's trust fund may be deposited, invested,
36 and reinvested by the state treasurer in accordance with RCW 43.84.080

1 in the same manner and to the same extent as if the money were in the
2 state treasury, and may be commingled with moneys in the state treasury
3 for cash management and cash balance purposes.

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

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

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

18 (b) The following accounts and funds must receive their
19 proportionate share of earnings based upon each account's or fund's
20 average daily balance for the period: The Washington promise
21 scholarship account, the college savings program account, the
22 Washington advanced college tuition payment program account, the
23 accessible communities account, the community and technical college
24 innovation account, the agricultural local fund, the American Indian
25 scholarship endowment fund, the foster care scholarship endowment fund,
26 the foster care endowed scholarship trust fund, the students with
27 dependents grant account, the basic health plan self-insurance reserve
28 account, the contract harvesting revolving account, the Washington
29 state combined fund drive account, the commemorative works account, the
30 county enhanced 911 excise tax account, the Washington international
31 exchange scholarship endowment fund, the toll collection account, the
32 developmental disabilities endowment trust fund, the distressed public
33 facilities district obligation account, the energy account, the fair
34 fund, the family leave insurance account, the food animal veterinarianian
35 conditional scholarship account, the fruit and vegetable inspection
36 account, the future teachers conditional scholarship account, the game
37 farm alternative account, the GET ready for math and science
38 scholarship account, the Washington global health technologies and

1 product development account, the grain inspection revolving fund, the
2 industrial insurance rainy day fund, the juvenile accountability
3 incentive account, the law enforcement officers' and firefighters' plan
4 2 expense fund, the local tourism promotion account, the pilotage
5 account, the produce railcar pool account, the regional transportation
6 investment district account, the rural rehabilitation account, the
7 stadium and exhibition center account, the youth athletic facility
8 account, the self-insurance revolving fund, the sulfur dioxide
9 abatement account, the children's trust fund, the Washington horse
10 racing commission Washington bred owners' bonus fund and breeder awards
11 account, the Washington horse racing commission class C purse fund
12 account, the individual development account program account, the
13 Washington horse racing commission operating account (earnings from the
14 Washington horse racing commission operating account must be credited
15 to the Washington horse racing commission class C purse fund account),
16 the life sciences discovery fund, the Washington state heritage center
17 account, the reduced cigarette ignition propensity account, and the
18 reading achievement account.

19 (c) The following accounts and funds must receive eighty percent of
20 their proportionate share of earnings based upon each account's or
21 fund's average daily balance for the period: The advanced right-of-way
22 revolving fund, the advanced environmental mitigation revolving
23 account, the federal narcotics asset forfeitures account, the high
24 occupancy vehicle account, the local rail service assistance account,
25 and the miscellaneous transportation programs account.

26 (d) Any state agency that has independent authority over accounts
27 or funds not statutorily required to be held in the custody of the
28 state treasurer that deposits funds into a fund or account in the
29 custody of the state treasurer pursuant to an agreement with the office
30 of the state treasurer shall receive its proportionate share of
31 earnings based upon each account's or fund's average daily balance for
32 the period.

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

36 NEW SECTION. **Sec. 12.** If any provision of this act or its

1 application to any person or circumstance is held invalid, the
2 remainder of the act or the application of the provision to other
3 persons or circumstances is not affected.

4 NEW SECTION. **Sec. 13.** This act is necessary for the immediate
5 preservation of the public peace, health, or safety, or support of the
6 state government and its existing public institutions, and takes effect
7 immediately.

--- END ---