
HOUSE BILL 2357

State of Washington

64th Legislature

2016 Regular Session

By Representatives Peterson, Young, and S. Hunt; by request of
Pollution Liability Insurance Agency

1 AN ACT Relating to the authority of the pollution liability
2 insurance agency; amending RCW 70.148.020, 70.148.900, 70.149.900,
3 82.23A.020, and 82.23A.902; reenacting and amending RCW 43.84.092 and
4 43.84.092; adding a new chapter to Title 70 RCW; making an
5 appropriation; providing an effective date; providing a contingent
6 effective date; providing expiration dates; and providing a
7 contingent expiration date.

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

9 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

10 (a) Protection of human health and the environment is a
11 fundamental government purpose. To that end, the state has enacted
12 laws designed to prevent and address environmental damage and risks
13 to public health and safety caused by releases from petroleum
14 underground storage tank systems;

15 (b) The fuel distribution infrastructure in the state,
16 particularly before the adoption of these laws, resulted in numerous
17 releases of petroleum into the environment and threatened drinking
18 water. Remediating these releases is costly and many past releases
19 are not covered by required financial assurances;

20 (c) The fuel distribution infrastructure in the state is aging
21 and needs to be replaced or upgraded to maintain compliance with

1 these laws and prevent new releases, which could result in further
2 environmental damage, impacts to drinking water, and risks to public
3 health and safety. Replacing or upgrading this infrastructure is
4 costly; and

5 (d) There is also a need to invest in new infrastructure or
6 retrofit the existing infrastructure in the state for dispersing
7 renewable or alternative energy, including electric vehicle charging
8 stations.

9 (2) The legislature intends for the pollution liability insurance
10 agency to establish a revolving loan program and grant program under
11 this chapter to assist owners and operators of petroleum underground
12 storage tank systems to remediate past releases; upgrade, replace, or
13 remove petroleum underground storage tank systems to prevent future
14 releases; and install new infrastructure or retrofit existing
15 infrastructure for the dispensing of renewable or alternative energy.

16 NEW SECTION. **Sec. 2.** The definitions in this section apply
17 throughout this chapter unless the context clearly requires
18 otherwise.

19 (1) "Agency" means the Washington state pollution liability
20 insurance agency.

21 (2) "Local government" means any political subdivision of the
22 state, including a town, city, county, special purpose district, or
23 other municipal corporation.

24 (3) "Operator" means any person in control of, or having
25 responsibility for, the daily operation of a petroleum underground
26 storage tank system.

27 (4) "Owner" means any person who owns a petroleum underground
28 storage tank system.

29 (5) "Petroleum underground storage tank system" means an
30 underground storage tank system regulated under chapter 90.76 RCW or
31 subtitle I of the solid waste disposal act (42 U.S.C. Chapter 82,
32 Subchapter IX) that is used for storing petroleum.

33 (6) "Release" has the same meaning as defined in RCW 70.105D.020.

34 (7) "Remedial action" has the same meaning as defined in RCW
35 70.105D.020.

36 (8) "Underground storage tank facility" means the location where
37 one or more underground storage tank systems are installed. A
38 facility encompasses all contiguous real property under common

1 ownership associated with the operation of the underground storage
2 tank system or systems.

3 (9) "Underground storage tank system" has the same meaning as
4 defined in RCW 90.76.010, except that for the purposes of this
5 chapter, the term also includes any aboveground ancillary equipment
6 connected to the underground storage tank or piping, such as
7 dispensers.

8 NEW SECTION. **Sec. 3.** (1) The agency shall establish an
9 underground storage tank revolving loan and grant program to provide
10 loans or grants to owners or operators for the purposes specified in
11 (b) of this subsection.

12 (a) The maximum amount that may be loaned or granted under this
13 program to an owner or operator for a single underground storage tank
14 facility is two million dollars.

15 (b) A loan or grant provided under the program may be used to:

16 (i) Conduct remedial actions in accordance with chapter 70.105D
17 RCW to investigate and cleanup any release or threatened release of a
18 hazardous substance at or affecting an underground storage tank
19 facility, provided that at least one of the releases or threatened
20 releases involves petroleum;

21 (ii) Upgrade, replace, or permanently close a petroleum
22 underground storage tank system in accordance with chapter 90.76 RCW
23 or subtitle I of the solid waste disposal act (42 U.S.C. Chapter 82,
24 Subchapter IX), as applicable; or

25 (iii) Install new infrastructure or retrofit existing
26 infrastructure at an underground storage tank facility for dispersing
27 renewable or alternative energy for motor vehicles, including
28 electric vehicle charging stations, in compliance with applicable
29 laws, when conducted in conjunction with either (b)(i) or (ii) of
30 this subsection; or

31 (iv) Install and subsequently remove a temporary petroleum
32 aboveground storage tank system in compliance with applicable laws,
33 when conducted in conjunction with either (b)(i) or (ii) of this
34 subsection.

35 (c) A loan or grant may not be used to conduct remedial actions
36 to investigate or cleanup a release or threatened release from a
37 petroleum underground storage tank system requiring financial
38 assurances under chapter 90.76 RCW or subtitle I of the solid waste

1 disposal act (42 U.S.C. Chapter 82, Subchapter IX) unless the owner
2 or operator:

3 (i) Agrees to first expend all moneys available under the
4 required financial assurances;

5 (ii) Demonstrates that all moneys available under the required
6 financial assurances have been expended; or

7 (iii) Demonstrates that a claim has been made under the required
8 financial assurances and the claim has been rejected by the provider.

9 (d) A loan or grant must be used for a project that develops and
10 acquires assets that have a useful life of at least thirteen years.

11 (2) The agency shall partner and enter into an agreement with the
12 department of health to implement the revolving loan grant program.

13 (a) The agency shall select loan and grant recipients and manage
14 the work conducted under the loans and grants.

15 (b) The department of health shall, under an agreement with the
16 agency, administer the loans and grants.

17 (c) The department of health may collect, from persons requesting
18 financial assistance, loan origination fees to cover costs incurred
19 by the department of health in administering the financial assistance
20 program.

21 (d) The agency shall use the moneys in the underground storage
22 tank revolving loan and grant account to fund the department of
23 health's operating costs for the program.

24 NEW SECTION. **Sec. 4.** (1) The agency may conduct remedial
25 actions to investigate and cleanup a release or threatened release of
26 a hazardous substance at or affecting an underground storage tank
27 facility, provided that:

28 (a) The owner or operator received a loan or grant for the
29 underground storage tank facility under the revolving loan and grant
30 program for less than two million dollars;

31 (b) The agency does not spend more conducting remedial actions
32 than the difference between the amount loaned or granted and two
33 million dollars;

34 (c) The remedial actions are conducted in accordance with the
35 rules adopted under chapter 70.105D RCW;

36 (d) The owner of real property subject to the remedial actions
37 consents to the following:

38 (i) The agency may conduct remedial actions on the real property;

39 (ii) The agency may recover the remedial action costs; and

1 (iii) The agency or the agency's authorized representatives may
2 enter upon the real property to conduct remedial actions. The agency
3 or the agency's authorized representatives shall give reasonable
4 notice before entering property unless an emergency prevents the
5 notice; and

6 (e) The owner of the underground storage tank facility consents
7 to the agency filing a lien on the underground storage tank facility
8 to recover the agency's remedial action costs.

9 (2) The agency may conduct the remedial actions authorized under
10 subsection (1) of this section using the moneys in the underground
11 storage tank revolving loan and grant account.

12 (3) The agency may request informal advice and assistance and
13 written opinions on the sufficiency of remedial actions from the
14 department of ecology under RCW 70.105D.030(1)(i).

15 NEW SECTION. **Sec. 5.** (1) The legislature finds that it is in
16 the public interest for the agency to recover remedial action costs
17 incurred in discharging its responsibility under section 4 of this
18 act, as these recovered moneys can then be reinvested under this
19 chapter. This section is intended to facilitate the recovery of state
20 moneys spent on remedial actions by providing the agency with lien
21 authority. This will also prevent an underground storage tank
22 facility owner or mortgagee from gaining a financial windfall from
23 increased land value resulting from agency-conducted remedial actions
24 at the expense of the state taxpayers.

25 (2) If the agency incurs remedial action costs, and those costs
26 are unrecovered by the agency, the agency may file a lien against the
27 underground storage tank facility.

28 (a) A lien filed under this section may not exceed the remedial
29 action costs incurred by the agency.

30 (b) A lien filed under this section has priority in rank over all
31 other privileges, liens, monetary encumbrances, or other security
32 interests affecting the real property, whenever incurred, filed, or
33 recorded, except for local and special district property tax
34 assessments.

35 (3) Before filing a lien under this section, the agency shall
36 give the owner of the underground storage tank facility on which the
37 lien is to be filed and mortgagees and lien holders of record a
38 notice of its intent to file a lien.

1 (a) The notice must be sent by certified mail to the underground
2 storage tank facility owner and mortgagees of record at the addresses
3 listed in the recorded documents. If the underground storage tank
4 facility owner is unknown or if a mailed notice is returned as
5 undeliverable, the agency shall provide notice by posting a legal
6 notice in the newspaper of largest circulation in the county in which
7 the site is located. The notice must provide:

8 (i) A statement of the purpose of the lien;

9 (ii) A brief description of the real property to be affected by
10 the lien; and

11 (iii) A statement of the remedial action costs incurred by the
12 agency.

13 (b) If the agency has reason to believe that exigent
14 circumstances require the filing of a lien prior to giving notice
15 under this subsection, the agency may file the lien immediately.
16 Exigent circumstances include, but are not limited to, an imminent
17 bankruptcy filing by the underground storage tank facility owner or
18 the imminent transfer or sale of the real property subject to lien by
19 the underground storage tank facility owner, or both.

20 (4) A lien filed under this section is effective when a statement
21 of lien is filed with the county auditor in the county where the
22 underground storage tank facility is located. The statement of lien
23 must include a description of the real property subject to lien and
24 the amount of the lien.

25 (5) Unless the agency determines it is in the public interest to
26 remove the lien, the lien continues until the liabilities for the
27 remedial action costs have been satisfied through sale of the real
28 property, foreclosure, or other means agreed to by the agency. Any
29 action for foreclosure of the lien must be brought by the attorney
30 general in a civil action in the court having jurisdiction and in the
31 manner prescribed for the judicial foreclosure of a mortgage.

32 (6) This section does not apply to an underground storage tank
33 facility owned by a local government.

34 NEW SECTION. **Sec. 6.** (1) The pollution liability insurance
35 agency underground storage tank revolving loan and grant account is
36 created in the state treasury. All receipts from sources identified
37 under subsection (2) of this section must be deposited into the
38 account. Moneys in the account may be spent only after appropriation.

1 Expenditures from the account may be used only for items identified
2 under subsection (3) of this section.

3 (2) The following receipts must be deposited into the account:

4 (a) All moneys appropriated by the legislature to pay for the
5 agency's operating costs to carry out the purposes of this chapter;

6 (b) All moneys appropriated by the legislature to provide loans
7 and grants under section 3 of this act;

8 (c) Any repayment of loans provided under section 3 of this act;

9 (d) All moneys appropriated by the legislature to conduct
10 remedial actions under section 4 of this act;

11 (e) Any recovery of the costs of remedial actions conducted under
12 section 4 of this act;

13 (f) Any grants provided by the federal government to the agency
14 to achieve the purposes of this chapter; and

15 (g) Any other deposits made from a public or private entity to
16 achieve the purpose of this chapter.

17 (3) Moneys in the account may be used by the agency only to carry
18 out the purposes of this chapter, including but not limited to:

19 (a) The costs of the agency and department of health to carry out
20 the purposes of this chapter;

21 (b) Loans and grants under section 3 of this act;

22 (c) Remedial actions under section 4 of this act; and

23 (d) State match requirements for grants provided to the agency by
24 the federal government.

25 NEW SECTION. **Sec. 7.** By September 1st of each even-numbered
26 year, the agency must provide the office of financial management and
27 the appropriate legislative committees a report on agency's
28 activities supported by expenditures from the underground storage
29 tank revolving loan and grant account. The report must at a minimum
30 include:

31 (1) The amount of money the legislature appropriated from the
32 pollution liability insurance agency revolving loan and grant account
33 under section 6 of this act during the last biennium;

34 (2) For the duration of the revolving loan and grant program and
35 for the last biennium, the total number of loans and grants, the
36 amounts loaned or granted, sites cleaned up, petroleum underground
37 storage tank systems upgraded, replaced, or permanently closed, and
38 jobs preserved;

1 (3) For each loan and grant awarded during the last biennium, the
2 name of the recipient, the location of the underground storage tank
3 facility, a description of the project and its status, the amount
4 loaned, and the amount repaid;

5 (4) For each underground storage tank facility where the agency
6 conducted remedial actions under section 4 of this act during the
7 last biennium, the name and location of the site, the amount of money
8 used to conduct the remedial actions, the status of remedial actions,
9 whether liens were filed against the underground storage tank
10 facility under section 5 of this act, and the amount of money
11 recovered; and

12 (5) The operating costs of the agency and department of health to
13 carry out the purposes of this chapter during the last biennium.

14 NEW SECTION. **Sec. 8.** The agency may adopt rules under chapter
15 34.05 RCW necessary to carry out the provisions of this chapter. To
16 accelerate economic recovery and remedial actions, the agency shall
17 enter into an agreement with the department of health under section 3
18 of this act within one year of the effective date of this section. To
19 ensure the adoption of rules will not delay the award of a loan or
20 grant, the agency may implement the underground storage tank
21 revolving loan and grant program through interpretative guidance
22 pending adoption of rules.

23 NEW SECTION. **Sec. 9.** The state of Washington, the agency's and
24 the department of health's officers and employees, and the agency's
25 and the department of health's authorized representatives are immune
26 from liability and no cause of action of any nature may arise from
27 any act or omission in exercising powers and duties under this
28 chapter.

29 NEW SECTION. **Sec. 10.** (1) Sections 1 through 9 and 11 of this
30 act expire July 1, 2030.

31 (2) The expiration of sections 1 through 9 and 11 of this act
32 does not terminate any of the following rights, obligations,
33 authorities or any provision necessary to carry out:

34 (a) The repayment of loans due and payable to the lender or the
35 state of Washington;

1 (b) The resolution of any cost recovery action or the initiation
2 of any action or other collection process to recover defaulted loan
3 moneys due to the state of Washington; and

4 (c) The resolution of any action or the initiation of any action
5 to recover the agency's remedial actions costs under section 5 of
6 this act.

7 (3) On July 1, 2030, the underground storage tank revolving loan
8 account and all moneys due that account revert to, and accrue to the
9 benefit of, the department of health.

10 NEW SECTION. **Sec. 11.** If any provision of this act or its
11 application to any person or circumstance is held invalid, the
12 remainder of the act or the application of the provision to other
13 persons or circumstances is not affected.

14 **Sec. 12.** RCW 70.148.020 and 2013 2nd sp.s. c 4 s 993 are each
15 amended to read as follows:

16 (1) The pollution liability insurance program trust account is
17 established in the custody of the state treasurer. All funds
18 appropriated for this chapter and all premiums collected for
19 reinsurance shall be deposited in the account. Except as provided in
20 chapter 70.--- RCW (the new chapter created in section 20 of this
21 act), expenditures from the account shall be used exclusively for the
22 purposes of this chapter including payment of costs of administering
23 the pollution liability insurance and underground storage tank
24 community assistance programs. Expenditures for payment of
25 administrative and operating costs of the agency are subject to the
26 allotment procedures under chapter 43.88 RCW and may be made only
27 after appropriation by statute. No appropriation is required for
28 other expenditures from the account.

29 (2) Each calendar quarter, the director shall report to the
30 insurance commissioner the loss and surplus reserves required for the
31 calendar quarter. The director shall notify the department of revenue
32 of this amount by the fifteenth day of each calendar quarter.

33 (3) Each calendar quarter the director shall determine the amount
34 of reserves necessary to fund commitments made to provide financial
35 assistance under RCW 70.148.130 to the extent that the financial
36 assistance reserves do not jeopardize the operations and liabilities
37 of the pollution liability insurance program. The director shall
38 notify the department of revenue of this amount by the fifteenth day

1 of each calendar quarter. The director may immediately establish an
2 initial financial assistance reserve of five million dollars from
3 available revenues. The director may not expend more than fifteen
4 million dollars for the financial assistance program.

5 ~~(4) ((During the 2013-2015 fiscal biennium, the legislature may~~
6 ~~transfer from the pollution liability insurance program trust account~~
7 ~~to the state general fund such amounts as reflect the excess fund~~
8 ~~balance of the account.~~

9 ~~(5))~~) This section expires July 1, ~~((2020))~~ 2030.

10 **Sec. 13.** RCW 70.148.900 and 2012 1st sp.s. c 3 s 2 are each
11 amended to read as follows:

12 This chapter expires July 1, ~~((2020))~~ 2030.

13 **Sec. 14.** RCW 70.149.900 and 2012 1st sp.s. c 3 s 3 are each
14 amended to read as follows:

15 This chapter expires July 1, ~~((2020))~~ 2030.

16 **Sec. 15.** RCW 82.23A.020 and 2012 1st sp.s. c 3 s 5 are each
17 amended to read as follows:

18 (1) A tax is imposed on the privilege of possession of petroleum
19 products in this state. The rate of the tax shall be thirty one-
20 hundredths of one percent multiplied by the wholesale value of the
21 petroleum product. After July 1, 2021, the rate of tax is fifteen
22 one-hundredths of one percent multiplied by the wholesale value of
23 the petroleum product. For purposes of determining the tax imposed
24 under this section for petroleum products introduced at the rack, the
25 wholesale value is determined when the petroleum product is removed
26 at the rack unless the removal is to an exporter licensed under
27 chapter ~~((82.36 or))~~ 82.38 RCW for direct delivery to a destination
28 outside of the state. For all other cases, the wholesale value is
29 determined upon the first nonbulk possession in the state.

30 (2) Except as identified in section 19 of this act, moneys
31 collected under this chapter shall be deposited in the pollution
32 liability insurance program trust account under RCW 70.148.020.

33 (3) Chapter 82.32 RCW applies to the tax imposed in this chapter.
34 The tax due dates, reporting periods, and return requirements
35 applicable to chapter 82.04 RCW apply equally to the tax imposed in
36 this chapter.

1 (4) Within thirty days after the end of each calendar quarter the
2 department shall determine the "quarterly balance," which shall be
3 the cash balance in the pollution liability insurance program trust
4 account as of the last day of that calendar quarter, after excluding
5 the reserves determined for that quarter under RCW 70.148.020 (2) and
6 (3). Balance determinations by the department under this section are
7 final and shall not be used to challenge the validity of any tax
8 imposed under this section. For each subsequent calendar quarter, tax
9 shall be imposed under this section during the entire calendar
10 quarter unless:

11 (a) Tax was imposed under this section during the immediately
12 preceding calendar quarter, and the most recent quarterly balance is
13 more than fifteen million dollars; or

14 (b) Tax was not imposed under this section during the immediately
15 preceding calendar quarter, and the most recent quarterly balance is
16 more than seven million five hundred thousand dollars.

17 **Sec. 16.** RCW 82.23A.902 and 2012 1st sp.s. c 3 s 6 are each
18 amended to read as follows:

19 This chapter expires July 1, (~~2020~~) 2030, coinciding with the
20 expiration of chapter 70.148 RCW.

21 **Sec. 17.** RCW 43.84.092 and 2015 3rd sp.s. c 44 s 107 and 2015
22 3rd sp.s. c 12 s 3 are each reenacted and amended to read as follows:

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

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

1 this subsection. Refunds or allocations shall occur prior to the
2 distributions of earnings set forth in subsection (4) of this
3 section.

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

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

17 (a) The following accounts and funds shall receive their
18 proportionate share of earnings based upon each account's and fund's
19 average daily balance for the period: The aeronautics account, the
20 aircraft search and rescue account, the Alaskan Way viaduct
21 replacement project account, the brownfield redevelopment trust fund
22 account, the budget stabilization account, the capital vessel
23 replacement account, the capitol building construction account, the
24 Cedar River channel construction and operation account, the Central
25 Washington University capital projects account, the charitable,
26 educational, penal and reformatory institutions account, the cleanup
27 settlement account, the Columbia river basin water supply development
28 account, the Columbia river basin taxable bond water supply
29 development account, the Columbia river basin water supply revenue
30 recovery account, the common school construction fund, the community
31 forest trust account, the connecting Washington account, the county
32 arterial preservation account, the county criminal justice assistance
33 account, the deferred compensation administrative account, the
34 deferred compensation principal account, the department of licensing
35 services account, the department of retirement systems expense
36 account, the developmental disabilities community trust account, the
37 diesel idle reduction account, the drinking water assistance account,
38 the drinking water assistance administrative account, the drinking
39 water assistance repayment account, the Eastern Washington University
40 capital projects account, the Interstate 405 express toll lanes

1 operations account, the education construction fund, the education
2 legacy trust account, the election account, the electric vehicle
3 charging infrastructure account, the energy freedom account, the
4 energy recovery act account, the essential rail assistance account,
5 The Evergreen State College capital projects account, the federal
6 forest revolving account, the ferry bond retirement fund, the freight
7 mobility investment account, the freight mobility multimodal account,
8 the grade crossing protective fund, the public health services
9 account, the high capacity transportation account, the state higher
10 education construction account, the higher education construction
11 account, the highway bond retirement fund, the highway infrastructure
12 account, the highway safety fund, the high occupancy toll lanes
13 operations account, the hospital safety net assessment fund, the
14 industrial insurance premium refund account, the judges' retirement
15 account, the judicial retirement administrative account, the judicial
16 retirement principal account, the local leasehold excise tax account,
17 the local real estate excise tax account, the local sales and use tax
18 account, the marine resources stewardship trust account, the medical
19 aid account, the mobile home park relocation fund, the motor vehicle
20 fund, the motorcycle safety education account, the multimodal
21 transportation account, the multiuse roadway safety account, the
22 municipal criminal justice assistance account, the natural resources
23 deposit account, the oyster reserve land account, the pension funding
24 stabilization account, the perpetual surveillance and maintenance
25 account, the pollution liability insurance agency underground storage
26 tank revolving loan and grant account, the public employees'
27 retirement system plan 1 account, the public employees' retirement
28 system combined plan 2 and plan 3 account, the public facilities
29 construction loan revolving account beginning July 1, 2004, the
30 public health supplemental account, the public works assistance
31 account, the Puget Sound capital construction account, the Puget
32 Sound ferry operations account, the Puget Sound taxpayer
33 accountability account, the real estate appraiser commission account,
34 the recreational vehicle account, the regional mobility grant program
35 account, the resource management cost account, the rural arterial
36 trust account, the rural mobility grant program account, the rural
37 Washington loan fund, the site closure account, the skilled nursing
38 facility safety net trust fund, the small city pavement and sidewalk
39 account, the special category C account, the special wildlife
40 account, the state employees' insurance account, the state employees'

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

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

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

10 **Sec. 18.** RCW 43.84.092 and 2015 3rd sp.s. c 44 s 108 and 2015
11 3rd sp.s. c 12 s 4 are each reenacted and amended to read as follows:

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

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

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

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

5 (a) The following accounts and funds shall receive their
6 proportionate share of earnings based upon each account's and fund's
7 average daily balance for the period: The aeronautics account, the
8 aircraft search and rescue account, the Alaskan Way viaduct
9 replacement project account, the brownfield redevelopment trust fund
10 account, the budget stabilization account, the capital vessel
11 replacement account, the capitol building construction account, the
12 Cedar River channel construction and operation account, the Central
13 Washington University capital projects account, the charitable,
14 educational, penal and reformatory institutions account, the cleanup
15 settlement account, the Columbia river basin water supply development
16 account, the Columbia river basin taxable bond water supply
17 development account, the Columbia river basin water supply revenue
18 recovery account, the Columbia river crossing project account, the
19 common school construction fund, the community forest trust account,
20 the connecting Washington account, the county arterial preservation
21 account, the county criminal justice assistance account, the deferred
22 compensation administrative account, the deferred compensation
23 principal account, the department of licensing services account, the
24 department of retirement systems expense account, the developmental
25 disabilities community trust account, the diesel idle reduction
26 account, the drinking water assistance account, the drinking water
27 assistance administrative account, the drinking water assistance
28 repayment account, the Eastern Washington University capital projects
29 account, the Interstate 405 express toll lanes operations account,
30 the education construction fund, the education legacy trust account,
31 the election account, the electric vehicle charging infrastructure
32 account, the energy freedom account, the energy recovery act account,
33 the essential rail assistance account, The Evergreen State College
34 capital projects account, the federal forest revolving account, the
35 ferry bond retirement fund, the freight mobility investment account,
36 the freight mobility multimodal account, the grade crossing
37 protective fund, the public health services account, the high
38 capacity transportation account, the state higher education
39 construction account, the higher education construction account, the
40 highway bond retirement fund, the highway infrastructure account, the

1 highway safety fund, the high occupancy toll lanes operations
2 account, the hospital safety net assessment fund, the industrial
3 insurance premium refund account, the judges' retirement account, the
4 judicial retirement administrative account, the judicial retirement
5 principal account, the local leasehold excise tax account, the local
6 real estate excise tax account, the local sales and use tax account,
7 the marine resources stewardship trust account, the medical aid
8 account, the mobile home park relocation fund, the motor vehicle
9 fund, the motorcycle safety education account, the multimodal
10 transportation account, the multiuse roadway safety account, the
11 municipal criminal justice assistance account, the natural resources
12 deposit account, the oyster reserve land account, the pension funding
13 stabilization account, the perpetual surveillance and maintenance
14 account, the pollution liability insurance agency underground storage
15 tank revolving loan and grant account, the public employees'
16 retirement system plan 1 account, the public employees' retirement
17 system combined plan 2 and plan 3 account, the public facilities
18 construction loan revolving account beginning July 1, 2004, the
19 public health supplemental account, the public works assistance
20 account, the Puget Sound capital construction account, the Puget
21 Sound ferry operations account, the Puget Sound taxpayer
22 accountability account, the real estate appraiser commission account,
23 the recreational vehicle account, the regional mobility grant program
24 account, the resource management cost account, the rural arterial
25 trust account, the rural mobility grant program account, the rural
26 Washington loan fund, the site closure account, the skilled nursing
27 facility safety net trust fund, the small city pavement and sidewalk
28 account, the special category C account, the special wildlife
29 account, the state employees' insurance account, the state employees'
30 insurance reserve account, the state investment board expense
31 account, the state investment board commingled trust fund accounts,
32 the state patrol highway account, the state route number 520 civil
33 penalties account, the state route number 520 corridor account, the
34 state wildlife account, the supplemental pension account, the Tacoma
35 Narrows toll bridge account, the teachers' retirement system plan 1
36 account, the teachers' retirement system combined plan 2 and plan 3
37 account, the tobacco prevention and control account, the tobacco
38 settlement account, the toll facility bond retirement account, the
39 transportation 2003 account (nickel account), the transportation
40 equipment fund, the transportation fund, the transportation future

1 funding program account, the transportation improvement account, the
2 transportation improvement board bond retirement account, the
3 transportation infrastructure account, the transportation partnership
4 account, the traumatic brain injury account, the tuition recovery
5 trust fund, the University of Washington bond retirement fund, the
6 University of Washington building account, the volunteer
7 firefighters' and reserve officers' relief and pension principal
8 fund, the volunteer firefighters' and reserve officers'
9 administrative fund, the Washington judicial retirement system
10 account, the Washington law enforcement officers' and firefighters'
11 system plan 1 retirement account, the Washington law enforcement
12 officers' and firefighters' system plan 2 retirement account, the
13 Washington public safety employees' plan 2 retirement account, the
14 Washington school employees' retirement system combined plan 2 and 3
15 account, the Washington state health insurance pool account, the
16 Washington state patrol retirement account, the Washington State
17 University building account, the Washington State University bond
18 retirement fund, the water pollution control revolving administration
19 account, the water pollution control revolving fund, the Western
20 Washington University capital projects account, the Yakima integrated
21 plan implementation account, the Yakima integrated plan
22 implementation revenue recovery account, and the Yakima integrated
23 plan implementation taxable bond account. Earnings derived from
24 investing balances of the agricultural permanent fund, the normal
25 school permanent fund, the permanent common school fund, the
26 scientific permanent fund, the state university permanent fund, and
27 the state reclamation revolving account shall be allocated to their
28 respective beneficiary accounts.

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

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

38 NEW SECTION. **Sec. 19.** (1) The sum of ten million dollars, or as
39 much thereof as may be necessary, is appropriated for the biennium

1 ending June 30, 2017, from the pollution liability insurance agency
2 underground storage tank revolving loan and grant account to the
3 pollution liability insurance agency for the purposes of chapter
4 70.--- RCW (the new chapter created in section 20 of this act).

5 (2)(a) On July 1, 2016, if the amount in the pollution liability
6 insurance program trust account exceeds seven million five hundred
7 thousand dollars, the state treasurer shall transfer the amount
8 exceeding seven million five hundred thousand dollars from the
9 pollution liability insurance program trust account into the
10 pollution liability insurance agency underground storage tank
11 revolving loan and grant account. The amount of this transfer may not
12 exceed ten million dollars.

13 (b) On July 1, 2017, and every two years thereafter at the start
14 of each successive biennium, if the amount in the pollution liability
15 insurance program trust account exceeds seven million five hundred
16 thousand dollars, the state treasurer shall transfer the amount
17 exceeding seven million five hundred thousand dollars from the
18 pollution liability insurance program trust account into the
19 pollution liability insurance agency underground storage tank
20 revolving loan and grant account. The amount of this transfer may not
21 exceed twenty million dollars. If twenty million dollars is not
22 available to be transferred at the beginning of the first fiscal year
23 of the biennium, on July 1st of the subsequent fiscal year, if the
24 amount in the pollution liability insurance program trust account
25 exceeds seven million five hundred thousand dollars, the state
26 treasurer shall transfer the amount exceeding seven million five
27 hundred thousand dollars from the pollution liability insurance
28 program trust account into the pollution liability insurance agency
29 underground storage tank revolving loan and grant account. The total
30 amount transferred in a biennium from the pollution liability
31 insurance program trust account into the pollution liability
32 insurance agency underground storage tank revolving loan and grant
33 account may not exceed twenty million dollars.

34 NEW SECTION. **Sec. 20.** Sections 1 through 10 of this act
35 constitute a new chapter in Title 70 RCW.

36 NEW SECTION. **Sec. 21.** Sections 1 through 11 of this act take
37 effect July 1, 2016.

1 NEW SECTION. **Sec. 22.** Section 17 of this act expires on the
2 date the requirements set out in section 7, chapter 36, Laws of 2012
3 are met.

4 NEW SECTION. **Sec. 23.** Section 18 of this act takes effect on
5 the date the requirements set out in section 7, chapter 36, Laws of
6 2012 are met.

--- END ---