

1 AN ACT Relating to establishing a water pollution control revolving  
2 loan administration charge; amending RCW 90.50A.010; reenacting and  
3 amending RCW 43.84.092 and 43.84.092; adding a new section to chapter  
4 90.50A RCW; providing a contingent effective date; and providing a  
5 contingent expiration date.

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

7 **Sec. 1.** RCW 90.50A.010 and 1988 c 284 s 2 are each amended to read  
8 as follows:

9 ~~((Unless the context clearly requires otherwise,))~~ The definitions  
10 in this section apply throughout this chapter unless the context  
11 clearly requires otherwise.

12 (1) "Department" means the department of ecology.

13 (2) "Eligible cost" means the cost of that portion of a water  
14 pollution control facility or activity that can be financed under this  
15 chapter.

16 (3) "Fund" means the water pollution control revolving fund in the  
17 custody of the state treasurer.

18 (4) "Water pollution control facility" or "water pollution control  
19 facilities" means any facilities or systems owned or operated by a

1 public body for the control, collection, storage, treatment, disposal,  
2 or recycling of wastewater, including but not limited to sanitary  
3 sewage, storm water, combined sewer overflows, residential, commercial,  
4 industrial, and agricultural wastes, which are causing water quality  
5 degradation due to concentrations of conventional, nonconventional, or  
6 toxic pollutants. Water pollution control facilities include all  
7 equipment, utilities, structures, real property, and interests in and  
8 improvements on real property necessary for or incidental to such  
9 purpose. Water pollution control facilities also include such  
10 facilities, equipment, and collection systems as are necessary to  
11 protect federally designated sole source aquifers.

12 (5) "Water pollution control activities" means actions taken by a  
13 public body for the following purposes: (a) To control nonpoint  
14 sources of water pollution; (b) to develop and implement a  
15 comprehensive management plan for estuaries; and (c) to maintain or  
16 improve water quality through the use of water pollution control  
17 facilities or other means.

18 (6) "Public body" means the state of Washington or any agency,  
19 county, city or town, other political subdivision, municipal  
20 corporation or quasi-municipal corporation, and those Indian tribes now  
21 or hereafter recognized as such by the federal government.

22 (7) "Water pollution" means such contamination, or other alteration  
23 of the physical, chemical, or biological properties of any waters of  
24 the state, including change in temperature, taste, color, turbidity, or  
25 odor of the waters, or such discharge of any liquid, gaseous, solid,  
26 radioactive, or other substance into any waters of the state as will or  
27 is likely to create a nuisance or render such waters harmful,  
28 detrimental, or injurious to the public health, safety, or welfare, or  
29 to domestic, commercial, industrial, agricultural, recreational, or  
30 other legitimate beneficial uses, or to livestock, wild animals, birds,  
31 fish, or other aquatic life.

32 (8) "Nonpoint source water pollution" means pollution that enters  
33 any waters of the state from any dispersed water-based or land-use  
34 activities, including, but not limited to, atmospheric deposition,  
35 surface water runoff from agricultural lands, urban areas, and forest  
36 lands, subsurface or underground sources, and discharges from boats or  
37 other marine vessels.

1 (9) "Federal capitalization grants" means grants from the federal  
2 government provided by the water quality act of 1987 (P.L. 100-4).

3 (10) "Debt service" means the total of all principal, interest, and  
4 charges associated with a water pollution control revolving fund loan  
5 that must be repaid to the department by the public body.

6 NEW SECTION. Sec. 2. A new section is added to chapter 90.50A RCW  
7 to read as follows:

8 (1) The water pollution control revolving administration account is  
9 created in the state treasury. All receipts from charges authorized in  
10 this section must be deposited in the account. Moneys in the account  
11 may be spent only after appropriation. Expenditures from the account  
12 may be used only in a manner consistent with this section.

13 (2) The department is authorized to assess administration charges  
14 as a portion of the debt service for loans issued under the water  
15 pollution control revolving fund created in RCW 90.50A.020. The sole  
16 purpose of assessing administration charges is to predictably and  
17 adequately fund the department's costs of administering the water  
18 pollution control revolving fund loan program, as identified in  
19 subsection (5) of this section. The department must assess  
20 administration charges on each water pollution control revolving fund  
21 loan that has not entered repayment status. Loans that are at an  
22 interest rate below the established administrative charge rate are  
23 exempt from the administration charge.

24 (3) The water pollution control revolving administration account  
25 consists of:

26 (a) Any administration charge levied by the department in  
27 conjunction with administration of the water pollution control  
28 revolving fund; and

29 (b) Any other revenues derived from gifts, grants, or bequests  
30 pledged to the state for the purpose of administering the water  
31 pollution control revolving fund.

32 (4) The state treasurer may invest and reinvest moneys in the water  
33 pollution control revolving administration account in the manner  
34 provided by law. All earnings from such investment and reinvestment  
35 must be credited to the water pollution control revolving  
36 administration account.

1 (5) Moneys in the water pollution control revolving administration  
2 account are to be used for the following:

3 (a) The cost of staffing the management of the water pollution  
4 control revolving fund loan program;

5 (b) The costs of administering loans and collecting loan  
6 repayments;

7 (c) The costs associated with information and data systems used to  
8 track and manage the water pollution control revolving fund; and

9 (d) Other costs associated with administering the water pollution  
10 control revolving fund loan program.

11 (6) Each biennium, the department may spend from the water  
12 pollution control revolving administration account an amount no greater  
13 than four percent of the water pollution control revolving fund new  
14 capital appropriation. After determining the administration costs,  
15 holding an adequate working capital reserve, taking into account the  
16 four percent of the new appropriation, and comparing those amounts  
17 against the water pollution control revolving administration account  
18 balance, the department may determine the account has an excess  
19 balance. If the department determines there is an excess balance, it  
20 must request the excess balance be transferred from the water pollution  
21 control revolving administration account to the water pollution control  
22 revolving fund in the next budget submittal.

23 (7) For its 2017-2019 biennial operating budget submittal, and for  
24 every biennium thereafter, the department must compare the projected  
25 administrative costs of the water pollution control revolving fund loan  
26 program, including a working capital reserve, with the projected income  
27 from the administration charge. In its budget submittal, the  
28 department must adjust the rate of the administration charge to ensure  
29 that the income produced adequately funds the cost of administering the  
30 program.

31 (8) By December 1, 2018, the department must submit to the  
32 appropriate legislative fiscal committees a report on implementation of  
33 the administration charge, including information on: The amount of  
34 income the administration charge has produced since its inception; the  
35 uses and adequacy of the income for administrative costs; any excess  
36 balances that have been transferred to the water pollution control  
37 revolving fund; and any additional sources that the department is using  
38 for program administration.

1       **Sec. 3.** RCW 43.84.092 and 2012 c 198 s 2, 2012 c 196 s 7, 2012 c  
2 187 s 14, and 2012 c 83 s 4 are each reenacted and amended to read as  
3 follows:

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

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

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

30       (4) Monthly, the state treasurer shall distribute the earnings  
31 credited to the treasury income account. The state treasurer shall  
32 credit the general fund with all the earnings credited to the treasury  
33 income account except:

34       (a) The following accounts and funds shall receive their  
35 proportionate share of earnings based upon each account's and fund's  
36 average daily balance for the period: The aeronautics account, the  
37 aircraft search and rescue account, the Alaskan Way viaduct replacement  
38 project account, the budget stabilization account, the capital vessel

1 replacement account, the capitol building construction account, the  
2 Cedar River channel construction and operation account, the Central  
3 Washington University capital projects account, the charitable,  
4 educational, penal and reformatory institutions account, the cleanup  
5 settlement account, the Columbia river basin water supply development  
6 account, the Columbia river basin taxable bond water supply development  
7 account, the Columbia river basin water supply revenue recovery  
8 account, the common school construction fund, the county arterial  
9 preservation account, the county criminal justice assistance account,  
10 the deferred compensation administrative account, the deferred  
11 compensation principal account, the department of licensing services  
12 account, the department of retirement systems expense account, the  
13 developmental disabilities community trust account, the drinking water  
14 assistance account, the drinking water assistance administrative  
15 account, the drinking water assistance repayment account, the Eastern  
16 Washington University capital projects account, the Interstate 405  
17 express toll lanes operations account, the education construction fund,  
18 the education legacy trust account, the election account, the energy  
19 freedom account, the energy recovery act account, the essential rail  
20 assistance account, The Evergreen State College capital projects  
21 account, the federal forest revolving account, the ferry bond  
22 retirement fund, the freight congestion relief account, the freight  
23 mobility investment account, the freight mobility multimodal account,  
24 the grade crossing protective fund, the public health services account,  
25 the high capacity transportation account, the state higher education  
26 construction account, the higher education construction account, the  
27 highway bond retirement fund, the highway infrastructure account, the  
28 highway safety (~~(account-[fund])~~) fund, the high occupancy toll lanes  
29 operations account, the hospital safety net assessment fund, the  
30 industrial insurance premium refund account, the judges' retirement  
31 account, the judicial retirement administrative account, the judicial  
32 retirement principal account, the local leasehold excise tax account,  
33 the local real estate excise tax account, the local sales and use tax  
34 account, the marine resources stewardship trust account, the medical  
35 aid account, the mobile home park relocation fund, the motor vehicle  
36 fund, the motorcycle safety education account, the multimodal  
37 transportation account, the municipal criminal justice assistance  
38 account, the natural resources deposit account, the oyster reserve land

1 account, the pension funding stabilization account, the perpetual  
2 surveillance and maintenance account, the public employees' retirement  
3 system plan 1 account, the public employees' retirement system combined  
4 plan 2 and plan 3 account, the public facilities construction loan  
5 revolving account beginning July 1, 2004, the public health  
6 supplemental account, the public transportation systems account, the  
7 public works assistance account, the Puget Sound capital construction  
8 account, the Puget Sound ferry operations account, the Puyallup tribal  
9 settlement account, the real estate appraiser commission account, the  
10 recreational vehicle account, the regional mobility grant program  
11 account, the resource management cost account, the rural arterial trust  
12 account, the rural mobility grant program account, the rural Washington  
13 loan fund, the site closure account, the skilled nursing facility  
14 safety net trust fund, the small city pavement and sidewalk account,  
15 the special category C account, the special wildlife account, the state  
16 employees' insurance account, the state employees' insurance reserve  
17 account, the state investment board expense account, the state  
18 investment board commingled trust fund accounts, the state patrol  
19 highway account, the state route number 520 civil penalties account,  
20 the state route number 520 corridor account, the state wildlife  
21 account, the supplemental pension account, the Tacoma Narrows toll  
22 bridge account, the teachers' retirement system plan 1 account, the  
23 teachers' retirement system combined plan 2 and plan 3 account, the  
24 tobacco prevention and control account, the tobacco settlement account,  
25 the toll facility bond retirement account, the transportation 2003  
26 account (nickel account), the transportation equipment fund, the  
27 transportation fund, the transportation improvement account, the  
28 transportation improvement board bond retirement account, the  
29 transportation infrastructure account, the transportation partnership  
30 account, the traumatic brain injury account, the tuition recovery trust  
31 fund, the University of Washington bond retirement fund, the University  
32 of Washington building account, the volunteer firefighters' and reserve  
33 officers' relief and pension principal fund, the volunteer  
34 firefighters' and reserve officers' administrative fund, the Washington  
35 judicial retirement system account, the Washington law enforcement  
36 officers' and firefighters' system plan 1 retirement account, the  
37 Washington law enforcement officers' and firefighters' system plan 2  
38 retirement account, the Washington public safety employees' plan 2

1 retirement account, the Washington school employees' retirement system  
2 combined plan 2 and 3 account, the Washington state economic  
3 development commission account, the Washington state health insurance  
4 pool account, the Washington state patrol retirement account, the  
5 Washington State University building account, the Washington State  
6 University bond retirement fund, the water pollution control revolving  
7 administration account, the water pollution control revolving fund, and  
8 the Western Washington University capital projects account. Earnings  
9 derived from investing balances of the agricultural permanent fund, the  
10 normal school permanent fund, the permanent common school fund, the  
11 scientific permanent fund, the state university permanent fund, and the  
12 state reclamation revolving account shall be allocated to their  
13 respective beneficiary accounts.

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

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

23 **Sec. 4.** RCW 43.84.092 and 2012 c 198 s 2, 2012 c 196 s 7, 2012 c  
24 187 s 14, 2012 c 83 s 4, and 2012 c 36 s 5 are each reenacted and  
25 amended to read as follows:

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

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

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

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

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

19 (a) The following accounts and funds shall receive their  
20 proportionate share of earnings based upon each account's and fund's  
21 average daily balance for the period: The aeronautics account, the  
22 aircraft search and rescue account, the Alaskan Way viaduct replacement  
23 project account, the budget stabilization account, the capital vessel  
24 replacement account, the capitol building construction account, the  
25 Cedar River channel construction and operation account, the Central  
26 Washington University capital projects account, the charitable,  
27 educational, penal and reformatory institutions account, the cleanup  
28 settlement account, the Columbia river basin water supply development  
29 account, the Columbia river basin taxable bond water supply development  
30 account, the Columbia river basin water supply revenue recovery  
31 account, the Columbia river crossing project account, the common school  
32 construction fund, the county arterial preservation account, the county  
33 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 trust account, the drinking water assistance account, the  
38 drinking water assistance administrative account, the drinking water

1 assistance repayment account, the Eastern Washington University capital  
2 projects account, the Interstate 405 express toll lanes operations  
3 account, the education construction fund, the education legacy trust  
4 account, the election account, the energy freedom account, the energy  
5 recovery act account, the essential rail assistance account, The  
6 Evergreen State College capital projects account, the federal forest  
7 revolving account, the ferry bond retirement fund, the freight  
8 congestion relief account, the freight mobility investment account, the  
9 freight mobility multimodal account, the grade crossing protective  
10 fund, the public health services account, the high capacity  
11 transportation account, the state higher education construction  
12 account, the higher education construction account, the highway bond  
13 retirement fund, the highway infrastructure account, the highway safety  
14 (~~account~~[~~fund~~]) fund, the high occupancy toll lanes operations  
15 account, the hospital safety net assessment fund, the industrial  
16 insurance premium refund account, the judges' retirement account, the  
17 judicial retirement administrative account, the judicial retirement  
18 principal account, the local leasehold excise tax account, the local  
19 real estate excise tax account, the local sales and use tax account,  
20 the marine resources stewardship trust account, the medical aid  
21 account, the mobile home park relocation fund, the motor vehicle fund,  
22 the motorcycle safety education account, the multimodal transportation  
23 account, the municipal criminal justice assistance account, the natural  
24 resources deposit account, the oyster reserve land account, the pension  
25 funding stabilization account, the perpetual surveillance and  
26 maintenance account, the public employees' retirement system plan 1  
27 account, the public employees' retirement system combined plan 2 and  
28 plan 3 account, the public facilities construction loan revolving  
29 account beginning July 1, 2004, the public health supplemental account,  
30 the public transportation systems account, the public works assistance  
31 account, the Puget Sound capital construction account, the Puget Sound  
32 ferry operations account, the Puyallup tribal settlement account, the  
33 real estate appraiser commission account, the recreational vehicle  
34 account, the regional mobility grant program account, the resource  
35 management cost account, the rural arterial trust account, the rural  
36 mobility grant program account, the rural Washington loan fund, the  
37 site closure account, the skilled nursing facility safety net trust  
38 fund, the small city pavement and sidewalk account, the special

1 category C account, the special wildlife account, the state employees'  
2 insurance account, the state employees' insurance reserve account, the  
3 state investment board expense account, the state investment board  
4 commingled trust fund accounts, the state patrol highway account, the  
5 state route number 520 civil penalties account, the state route number  
6 520 corridor account, the state wildlife account, the supplemental  
7 pension account, the Tacoma Narrows toll bridge account, the teachers'  
8 retirement system plan 1 account, the teachers' retirement system  
9 combined plan 2 and plan 3 account, the tobacco prevention and control  
10 account, the tobacco settlement account, the toll facility bond  
11 retirement account, the transportation 2003 account (nickel account),  
12 the transportation equipment fund, the transportation fund, the  
13 transportation improvement account, the transportation improvement  
14 board bond retirement account, the transportation infrastructure  
15 account, the transportation partnership account, the traumatic brain  
16 injury account, the tuition recovery trust fund, the University of  
17 Washington bond retirement fund, the University of Washington building  
18 account, the volunteer firefighters' and reserve officers' relief and  
19 pension principal fund, the volunteer firefighters' and reserve  
20 officers' administrative fund, the Washington judicial retirement  
21 system account, the Washington law enforcement officers' and  
22 firefighters' system plan 1 retirement account, the Washington law  
23 enforcement officers' and firefighters' system plan 2 retirement  
24 account, the Washington public safety employees' plan 2 retirement  
25 account, the Washington school employees' retirement system combined  
26 plan 2 and 3 account, the Washington state economic development  
27 commission account, the Washington state health insurance pool account,  
28 the Washington state patrol retirement account, the Washington State  
29 University building account, the Washington State University bond  
30 retirement fund, the water pollution control revolving administration  
31 account, the water pollution control revolving fund, and the Western  
32 Washington University capital projects account. Earnings derived from  
33 investing balances of the agricultural permanent fund, the normal  
34 school permanent fund, the permanent common school fund, the scientific  
35 permanent fund, the state university permanent fund, and the state  
36 reclamation revolving account shall be allocated to their respective  
37 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 that  
3 deposits funds into a fund or account in the state treasury pursuant to  
4 an agreement with the office of the state treasurer shall receive its  
5 proportionate share of earnings based upon each account's or fund's  
6 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 earnings  
9 without the specific affirmative directive of this section.

10 NEW SECTION. **Sec. 5.** Section 3 of this act expires if the  
11 requirements set out in section 7, chapter 36, Laws of 2012 are met.

12 NEW SECTION. **Sec. 6.** Section 4 of this act takes effect if the  
13 requirements set out in section 7, chapter 36, Laws of 2012 are met.

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