
SENATE BILL 5003

State of Washington

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By Senators Rasmussen, Newhouse, Loveland, Sellar, Snyder, Hochstatter, Prince, Bauer, Morton, Haugen, Winsley and A. Anderson

Read first time 01/09/95. Referred to Committee on Agriculture and Agricultural Trade and Development.

1 AN ACT Relating to the deposit of interest earnings from
2 agricultural funds and accounts; amending RCW 15.36.551, 16.38.060,
3 17.21.280, 17.24.131, and 69.07.120; reenacting and amending RCW
4 43.84.092; adding a new section to chapter 43.84 RCW; adding a new
5 section to chapter 43.23 RCW; providing an effective date; and
6 declaring an emergency.

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

8 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.84 RCW
9 to read as follows:

10 It is the purpose of this section to establish a consistent policy
11 for determining where interest earnings from various funds and accounts
12 in the state treasury are deposited.

13 (1) Interest earnings from various funds and accounts in the state
14 treasury shall be deposited into the state general fund except those
15 funds and accounts that meet one or more of the following criteria
16 shall be credited with their prorated share of interest earnings:

17 (a) A contractual agreement requires that all revenues in the fund
18 or account, including interest earnings, be spent for a specific
19 purpose;

1 (b) The income in the fund or account is derived from trust lands
2 originally granted at statehood for a specified purpose;

3 (c) The revenues of the fund or account are collected by the state
4 for distribution to local governments;

5 (d) The revenues of the fund or account are derived from state
6 employee contributions to retirement and workers' compensation
7 programs;

8 (e) The fund or account is related to specified transportation
9 purposes; or

10 (f) The fund or account is established for a program or programs
11 that are entirely supported by fees.

12 (2) The office of financial management, in conjunction with the
13 state treasurer's office, shall review the designation of all funds and
14 accounts in the state treasury for consistency with this section. By
15 December 1, 1996, the office of financial management shall deliver a
16 report to the legislature as to whether the various funds and accounts
17 should be redesignated in RCW 43.84.092 to comply with the criteria in
18 subsection (1) of this section.

19 **Sec. 2.** RCW 43.84.092 and 1994 c 2 s 6 (Initiative Measure No.
20 601), 1993 sp.s. c 25 s 511, 1993 sp.s. c 8 s 1, 1993 c 500 s 6, 1993
21 c 492 s 473, 1993 c 445 s 4, 1993 c 329 s 2, and 1993 c 4 s 9 are each
22 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 receive
27 funds associated with federal programs as required by the federal cash
28 management improvement act of 1990. The treasury income account is
29 subject in all respects to chapter 43.88 RCW, but no appropriation is
30 required for refunds or allocations of interest earnings required by
31 the cash management improvement act. Refunds of interest to the
32 federal treasury required under the cash management improvement act
33 fall under RCW 43.88.180 and shall not require appropriation. The
34 office of financial management shall determine the amounts due to or
35 from the federal government pursuant to the cash management improvement
36 act. The office of financial management may direct transfers of funds
37 between accounts as deemed necessary to implement the provisions of the
38 cash management improvement act, and this subsection. Refunds or

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

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

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

15 (a) The following accounts and funds shall receive their
16 proportionate share of earnings based upon each account's and fund's
17 average daily balance for the period: The agricultural local fund, the
18 capitol building construction account, the Cedar River channel
19 construction and operation account, the Central Washington University
20 capital projects account, the charitable, educational, penal and
21 reformatory institutions account, the common school construction fund,
22 the county criminal justice assistance account, the county sales and
23 use tax equalization account, the data processing building construction
24 account, the deferred compensation administrative account, the deferred
25 compensation principal account, the department of retirement systems
26 expense account, the Eastern Washington University capital projects
27 account, the education construction fund, the emergency reserve fund,
28 the federal forest revolving account, the grain and hay fund, the
29 health services account, the public health services account, the health
30 system capacity account, the personal health services account, the
31 industrial insurance premium refund account, the judges' retirement
32 account, the judicial retirement administrative account, the judicial
33 retirement principal account, the local leasehold excise tax account,
34 the local real estate excise tax account, the local sales and use tax
35 account, the medical aid account, the municipal criminal justice
36 assistance account, the municipal sales and use tax equalization
37 account, the natural resources deposit account, the perpetual
38 surveillance and maintenance account, the public employees' retirement
39 system plan I account, the public employees' retirement system plan II

1 account, the Puyallup tribal settlement account, the resource
2 management cost account, the rural rehabilitation account, the site
3 closure account, the special wildlife account, the state employees'
4 insurance account, the state employees' insurance reserve account, the
5 state investment board expense account, the state investment board
6 commingled trust fund accounts, the supplemental pension account, the
7 teachers' retirement system plan I account, the teachers' retirement
8 system plan II account, the tuition recovery trust fund, the University
9 of Washington bond retirement fund, the University of Washington
10 building account, the volunteer fire fighters' relief and pension
11 principal account, the volunteer fire fighters' relief and pension
12 administrative account, the Washington judicial retirement system
13 account, the Washington law enforcement officers' and fire fighters'
14 system plan I retirement account, the Washington law enforcement
15 officers' and fire fighters' system plan II retirement 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 fund, and the
19 Western Washington University capital projects account. Earnings
20 derived from investing balances of the agricultural permanent fund, the
21 normal school permanent fund, the permanent common school fund, the
22 scientific permanent fund, and the state university permanent fund
23 shall be allocated to their respective beneficiary accounts. All
24 earnings to be distributed under this subsection (4)(a) shall first be
25 reduced by the allocation to the state treasurer's service fund
26 pursuant to RCW 43.08.190.

27 (b) The following accounts and funds shall receive eighty percent
28 of their proportionate share of earnings based upon each account's or
29 fund's average daily balance for the period: The (~~marine operating~~
30 ~~fund, the~~) motor vehicle fund and the transportation fund.

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

34 **Sec. 3.** RCW 15.36.551 and 1994 c 34 s 1 are each amended to read
35 as follows:

36 There is levied on all milk processed in this state an assessment
37 not to exceed fifty-four one-hundredths of one cent per hundredweight.
38 The director shall determine, by rule, an assessment, that with

1 contribution from the general fund, will support an inspection program
2 to maintain compliance with the provisions of the pasteurized milk
3 ordinance of the national conference on interstate milk shipment. All
4 assessments shall be levied on the operator of the first milk plant
5 receiving the milk for processing. This shall include milk plants that
6 produce their own milk for processing and milk plants that receive milk
7 from other sources. All moneys collected under this section shall be
8 paid to the director by the twentieth day of the succeeding month for
9 the previous month's assessments. The director shall deposit the funds
10 into the dairy inspection account hereby created within the
11 agricultural (~~local fund~~) health and safety account established in
12 (~~RCW 43.23.230~~) section 8 of this act. The funds shall be used only
13 to provide inspection services to the dairy industry. If the operator
14 of a milk plant fails to remit any assessments, that sum shall be a
15 lien on any property owned by him or her, and shall be reported by the
16 director and collected in the manner and with the same priority over
17 other creditors as prescribed for the collection of delinquent taxes
18 under chapters 84.60 and 84.64 RCW.

19 This section shall expire June 30, 1995.

20 **Sec. 4.** RCW 16.38.060 and 1986 c 203 s 6 are each amended to read
21 as follows:

22 The director may, following a public hearing, establish a schedule
23 of fees for services performed in carrying out such diagnostic service
24 program. All fees collected under this provision shall be (~~retained~~
25 ~~by the director of agriculture~~) deposited in the agricultural health
26 and safety account to be spent only for carrying out the purposes of
27 this chapter.

28 **Sec. 5.** RCW 17.21.280 and 1994 c 283 s 29 are each amended to read
29 as follows:

30 All moneys collected under the provisions of this chapter shall be
31 paid to the director and deposited in the agricultural (~~local fund,~~
32 ~~RCW 43.23.230,~~) health and safety account created in section 8 of this
33 act for use exclusively in the enforcement of this chapter. All fees,
34 fines, forfeitures and penalties collected or assessed by a district
35 court because of the violation of a state law shall be remitted as
36 provided in chapter 3.62 RCW.

1 **Sec. 6.** RCW 17.24.131 and 1991 c 257 s 17 are each amended to read
2 as follows:

3 To facilitate the movement or sale of forest, agricultural,
4 floricultural, horticultural and related products, or bees and related
5 products, the director may provide, if requested by farmers, growers,
6 or other interested persons, special inspections, pest identifications,
7 plant identifications, plant diagnostic services, other special
8 certifications and activities not otherwise authorized by statute and
9 to prescribe a fee for that service. The fee shall, as closely as
10 practical, cover the cost of the service rendered, including the
11 salaries and expenses of the personnel involved. Moneys collected
12 shall be deposited in the plant pest account, which is hereby created
13 within the agricultural (~~local fund~~) health and safety account. No
14 appropriation is required for disbursement from the plant pest account
15 to provide the services authorized by this section.

16 **Sec. 7.** RCW 69.07.120 and 1992 c 160 s 5 are each amended to read
17 as follows:

18 All moneys received by the department under the provisions of this
19 chapter shall be paid into the food processing inspection account
20 hereby created within the agricultural (~~local fund~~) health and safety
21 account established in (~~RCW 43.23.230~~) section 8 of this act and
22 shall be used solely to carry out the provisions of this chapter and
23 chapter 69.04 RCW.

24 NEW SECTION. **Sec. 8.** A new section is added to chapter 43.23 RCW
25 to read as follows:

26 The agricultural health and safety account is hereby established in
27 the custody of the state treasurer. The account shall consist of such
28 money as is directed by law for deposit in the account, and such other
29 money not subject to appropriation that the department authorizes to be
30 deposited in the account. Any money deposited in the account, the use
31 of which has been restricted by law, may only be expended in accordance
32 with those restrictions. The department may make disbursements from
33 the account. The account is subject to allotment procedures under
34 chapter 43.88 RCW, but no appropriation is required for expenditures.

35 NEW SECTION. **Sec. 9.** This act is necessary for the immediate
36 preservation of the public peace, health, or safety, or support of the

1 state government and its existing public institutions, and shall take
2 effect June 1, 1995.

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