
SUBSTITUTE HOUSE BILL 2605

State of Washington 62nd Legislature 2012 Regular Session

By House Capital Budget (originally sponsored by Representative Dunshee; by request of Department of Ecology)

READ FIRST TIME 01/31/11.

1 AN ACT Relating to establishing a water pollution control revolving
2 administration fee; amending RCW 90.50A.010; reenacting and amending
3 RCW 43.84.092; adding a new section to chapter 90.50A RCW; and creating
4 a new section.

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

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

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

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

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

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

17 (4) "Water pollution control facility" or "water pollution control
18 facilities" means any facilities or systems owned or operated by a
19 public body for the control, collection, storage, treatment, disposal,

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

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

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

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

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

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

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

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

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

11 (2) The department is authorized to charge administration fees as
12 a portion of the debt service for loans issued under the water
13 pollution control revolving fund created in RCW 90.50A.020. The sole
14 purpose of charging administration fees is to predictably and
15 adequately fund the department's costs of administering the water
16 pollution control revolving fund loan program, as identified in
17 subsection (5) of this section. The department must charge
18 administration fees on each water pollution control revolving fund
19 loan. Loans that are at an interest rate below one-half of one percent
20 are exempt from the administration fee charge.

21 (3) The water pollution control revolving administration account
22 consists of:

23 (a) Any administration fee levied by the department in conjunction
24 with administration of the water pollution control revolving fund; and

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

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

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

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

1 (b) The costs of administering loans and collecting loan
2 repayments;

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

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

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

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

27 (8) By December 1, 2016, the department must submit to the
28 appropriate legislative fiscal committees a report on implementation of
29 the administration fee, including information on: The amount of income
30 the fee has produced since its inception; the uses and adequacy of the
31 income for administrative costs; any excess balances that have been
32 transferred to the water pollution control revolving fund; and any
33 additional sources that the department is using for program
34 administration.

35 **Sec. 3.** RCW 43.84.092 and 2011 1st sp.s. c 16 s 6, 2011 1st sp.s.
36 c 7 s 22, 2011 c 369 s 6, 2011 c 339 s 1, 2011 c 311 s 9, 2011 c 272 s

1 3, 2011 c 120 s 3, and 2011 c 83 s 7 are each reenacted and amended to
2 read as follows:

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

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

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

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

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

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

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

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

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

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

22 NEW SECTION. **Sec. 4.** Section 2 of this act is remedial in nature
23 and applies retroactively to July 1, 2007, and thereafter.

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