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HOUSE BILL 2605

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State of Washington                      62nd Legislature                      2012 Regular Session

By Representative Dunshee; by request of Department of Ecology

Read first time 01/18/12. Referred to Committee on Capital Budget.

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  
14 department must charge administration fees on each water pollution  
15 control revolving fund loan. Loans that are at an interest rate below  
16 one-half of one percent are exempt from the administration fee charge.

17       (3) The water pollution control revolving administration account  
18 consists of:

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

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

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

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

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

33       (b) The costs of administering loans and collecting loan  
34 repayments;

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

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

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

15 **Sec. 3.** RCW 43.84.092 and 2011 1st sp.s. c 16 s 6, 2011 1st sp.s.  
16 c 7 s 22, 2011 c 369 s 6, 2011 c 339 s 1, 2011 c 311 s 9, 2011 c 272 s  
17 3, 2011 c 120 s 3, and 2011 c 83 s 7 are each reenacted and amended to  
18 read as follows:

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

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

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

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

13 (a) The following accounts and funds shall receive their  
14 proportionate share of earnings based upon each account's and fund's  
15 average daily balance for the period: The aeronautics account, the  
16 aircraft search and rescue account, the budget stabilization account,  
17 the capital vessel replacement account, the capitol building  
18 construction account, the Cedar River channel construction and  
19 operation account, the Central Washington University capital projects  
20 account, the charitable, educational, penal and reformatory  
21 institutions account, the cleanup settlement account, the Columbia  
22 river basin water supply development account, the Columbia river basin  
23 taxable bond water supply development account, the Columbia river basin  
24 water supply revenue recovery account, the common school construction  
25 fund, the county arterial preservation account, the county criminal  
26 justice assistance account, the county sales and use tax equalization  
27 account, the deferred compensation administrative account, the deferred  
28 compensation principal account, the department of licensing services  
29 account, the department of retirement systems expense account, the  
30 developmental disabilities community trust account, the drinking water  
31 assistance account, the drinking water assistance administrative  
32 account, the drinking water assistance repayment account, the Eastern  
33 Washington University capital projects account, the Interstate 405  
34 express toll lanes operations account, the education construction fund,  
35 the education legacy trust account, the election account, the energy  
36 freedom account, the energy recovery act account, the essential rail  
37 assistance account, The Evergreen State College capital projects  
38 account, the federal forest revolving account, the ferry bond

1 retirement fund, the freight congestion relief account, the freight  
2 mobility investment account, the freight mobility multimodal account,  
3 the grade crossing protective fund, the public health services account,  
4 the health system capacity account, the high capacity transportation  
5 account, the state higher education construction account, the higher  
6 education construction account, the highway bond retirement fund, the  
7 highway infrastructure account, the highway safety account, the high  
8 occupancy toll lanes operations account, the hospital safety net  
9 assessment fund, the industrial insurance premium refund account, the  
10 judges' retirement account, the judicial retirement administrative  
11 account, the judicial retirement principal account, the local leasehold  
12 excise tax account, the local real estate excise tax account, the local  
13 sales and use tax account, the marine resources stewardship trust  
14 account, the medical aid account, the mobile home park relocation fund,  
15 the motor vehicle fund, the motorcycle safety education account, the  
16 multiagency permitting team account, the multimodal transportation  
17 account, the municipal criminal justice assistance account, the  
18 municipal sales and use tax equalization account, the natural resources  
19 deposit account, the oyster reserve land account, the pension funding  
20 stabilization account, the perpetual surveillance and maintenance  
21 account, the public employees' retirement system plan 1 account, the  
22 public employees' retirement system combined plan 2 and plan 3 account,  
23 the public facilities construction loan revolving account beginning  
24 July 1, 2004, the public health supplemental account, the public  
25 transportation systems account, the public works assistance account,  
26 the Puget Sound capital construction account, the Puget Sound ferry  
27 operations account, the Puyallup tribal settlement account, the real  
28 estate appraiser commission account, the recreational vehicle account,  
29 the regional mobility grant program account, the resource management  
30 cost account, the rural arterial trust account, the rural mobility  
31 grant program account, the rural Washington loan fund, the site closure  
32 account, the skilled nursing facility safety net trust fund, the small  
33 city pavement and sidewalk account, the special category C account, the  
34 special wildlife account, the state employees' insurance account, the  
35 state employees' insurance reserve account, the state investment board  
36 expense account, the state investment board commingled trust fund  
37 accounts, the state patrol highway account, the state route number 520  
38 civil penalties account, the state route number 520 corridor account,

1 the state wildlife account, the supplemental pension account, the  
2 Tacoma Narrows toll bridge account, the teachers' retirement system  
3 plan 1 account, the teachers' retirement system combined plan 2 and  
4 plan 3 account, the tobacco prevention and control account, the tobacco  
5 settlement account, the transportation 2003 account (nickel account),  
6 the transportation equipment fund, the transportation fund, the  
7 transportation improvement account, the transportation improvement  
8 board bond retirement account, the transportation infrastructure  
9 account, the transportation partnership account, the traumatic brain  
10 injury account, the tuition recovery trust fund, the University of  
11 Washington bond retirement fund, the University of Washington building  
12 account, the volunteer firefighters' and reserve officers' relief and  
13 pension principal fund, the volunteer firefighters' and reserve  
14 officers' administrative fund, the Washington judicial retirement  
15 system account, the Washington law enforcement officers' and  
16 firefighters' system plan 1 retirement account, the Washington law  
17 enforcement officers' and firefighters' system plan 2 retirement  
18 account, the Washington public safety employees' plan 2 retirement  
19 account, the Washington school employees' retirement system combined  
20 plan 2 and 3 account, the Washington state economic development  
21 commission account, the Washington state health insurance pool account,  
22 the Washington state patrol retirement account, the Washington State  
23 University building account, the Washington State University bond  
24 retirement fund, the water pollution control revolving administration  
25 account, the water pollution control revolving fund, and the Western  
26 Washington University capital projects account. Earnings derived from  
27 investing balances of the agricultural permanent fund, the normal  
28 school permanent fund, the permanent common school fund, the scientific  
29 permanent fund, and the state university permanent fund shall be  
30 allocated to their respective beneficiary accounts.

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

37 (5) In conformance with Article II, section 37 of the state

1 Constitution, no treasury accounts or funds shall be allocated earnings  
2 without the specific affirmative directive of this section.

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

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