
SENATE BILL 6722

State of Washington 60th Legislature 2008 Regular Session

By Senators Regala, Delvin, Schoesler, Pridemore, and Shin; by request of Department of Ecology

Read first time 01/22/08. Referred to Committee on Ways & Means.

1 AN ACT Relating to the creation and use of the cleanup settlement
2 account; amending RCW 43.84.092; reenacting and amending RCW 43.84.092
3 and 43.84.092; adding a new section to chapter 70.105D RCW; providing
4 an effective date; providing a contingent effective date; and providing
5 an expiration date.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 70.105D
8 RCW to read as follows:

9 (1) The cleanup settlement account is created in the state
10 treasury. The account is not intended to replace the state toxics
11 control account established under RCW 70.105D.070. All receipts from
12 the sources identified in subsection (2) of this section must be
13 deposited into the account. Moneys in the account may be spent only
14 after appropriation. Expenditures from the account may be used only as
15 identified in subsection (4) of this section.

16 (2) The following receipts must be deposited into the cleanup
17 settlement account:

18 (a) Receipts from settlements or court orders that direct payment

1 to the account and resolve a person's liability or potential liability
2 under this chapter for either or both of the following:

3 (i) Conducting future remedial action at a specific facility, if it
4 is not feasible to require the person to conduct the remedial action
5 based on the person's financial insolvency, limited ability to pay, or
6 insignificant contribution under RCW 70.105D.040(4)(a);

7 (ii) Assessing or addressing the injury to natural resources caused
8 by the release of a hazardous substance from a specific facility; and

9 (b) Receipts from investment of the moneys in the account.

10 (3) If a settlement or court order does not direct payment of
11 receipts described in subsection (2)(a) of this section into the
12 cleanup settlement account, then the receipts from any payment to the
13 state must be deposited into the state toxics control account.

14 (4) Expenditures from the cleanup settlement account may only be
15 used to conduct remedial actions at the specific facility or to assess
16 or address the injury to natural resources caused by the release of
17 hazardous substances from that facility for which the moneys were
18 deposited in the account. Conducting remedial actions or assessing or
19 addressing injury to natural resources includes direct expenditures and
20 indirect expenditures such as department oversight costs.

21 (5) The department shall track moneys received, interest earned,
22 and moneys expended separately for each facility.

23 (6) After the department determines that all remedial actions at a
24 specific facility, and all actions assessing or addressing injury to
25 natural resources caused by the release of hazardous substances from
26 that facility, are completed, including payment of all related costs,
27 any moneys remaining for the specific facility must be transferred to
28 the state toxics control account established under RCW 70.105D.070.

29 (7) The department shall provide the office of financial management
30 and the fiscal committees of the legislature with a report by October
31 31st of each year regarding the activity within the cleanup settlement
32 account during the previous fiscal year.

33 **Sec. 2.** RCW 43.84.092 and 2007 c 514 s 3 and 2007 c 356 s 9 are
34 each reenacted and amended to read as follows:

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

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

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

24 (4) Monthly, the state treasurer shall distribute the earnings
25 credited to the treasury income account. The state treasurer shall
26 credit the general fund with all the earnings credited to the treasury
27 income account except:

28 (a) The following accounts and funds shall receive their
29 proportionate share of earnings based upon each account's and fund's
30 average daily balance for the period: The capitol building
31 construction account, the Cedar River channel construction and
32 operation account, the Central Washington University capital projects
33 account, the charitable, educational, penal and reformatory
34 institutions account, the Columbia river basin water supply development
35 account, the common school construction fund, the county criminal
36 justice assistance account, the county sales and use tax equalization
37 account, the data processing building construction account, the
38 deferred compensation administrative account, the deferred compensation

1 principal account, the department of retirement systems expense
2 account, the developmental disabilities community trust account, the
3 drinking water assistance account, the drinking water assistance
4 administrative account, the drinking water assistance repayment
5 account, the Eastern Washington University capital projects account,
6 the education construction fund, the education legacy trust account,
7 the election account, the emergency reserve fund, the energy freedom
8 account, the cleanup settlement account, The Evergreen State College
9 capital projects account, the federal forest revolving account, the
10 freight congestion relief account, the freight mobility investment
11 account, the freight mobility multimodal account, the health services
12 account, the public health services account, the health system capacity
13 account, the personal health services account, the state higher
14 education construction account, the higher education construction
15 account, the highway infrastructure account, the high-occupancy toll
16 lanes operations account, the industrial insurance premium refund
17 account, the judges' retirement account, the judicial retirement
18 administrative account, the judicial retirement principal account, the
19 local leasehold excise tax account, the local real estate excise tax
20 account, the local sales and use tax account, the medical aid account,
21 the mobile home park relocation fund, the multimodal transportation
22 account, the municipal criminal justice assistance account, the
23 municipal sales and use tax equalization account, the natural resources
24 deposit account, the oyster reserve land account, the pension funding
25 stabilization account, the perpetual surveillance and maintenance
26 account, the public employees' retirement system plan 1 account, the
27 public employees' retirement system combined plan 2 and plan 3 account,
28 the public facilities construction loan revolving account beginning
29 July 1, 2004, the public health supplemental account, the public works
30 assistance account, the Puyallup tribal settlement account, the real
31 estate appraiser commission account, the regional mobility grant
32 program account, the resource management cost account, the rural
33 Washington loan fund, the site closure account, the small city pavement
34 and sidewalk account, the special wildlife account, the state
35 employees' insurance account, the state employees' insurance reserve
36 account, the state investment board expense account, the state
37 investment board commingled trust fund accounts, the supplemental
38 pension account, the Tacoma Narrows toll bridge account, the teachers'

1 retirement system plan 1 account, the teachers' retirement system
2 combined plan 2 and plan 3 account, the tobacco prevention and control
3 account, the tobacco settlement account, the transportation
4 infrastructure account, the transportation partnership account, the
5 traumatic brain injury account, the tuition recovery trust fund, the
6 University of Washington bond retirement fund, the University of
7 Washington building account, the volunteer firefighters' and reserve
8 officers' relief and pension principal fund, the volunteer
9 firefighters' and reserve officers' administrative fund, the Washington
10 fruit express account, the Washington judicial retirement system
11 account, the Washington law enforcement officers' and firefighters'
12 system plan 1 retirement account, the Washington law enforcement
13 officers' and firefighters' system plan 2 retirement account, the
14 Washington public safety employees' plan 2 retirement account, the
15 Washington school employees' retirement system combined plan 2 and 3
16 account, the Washington state health insurance pool account, the
17 Washington state patrol retirement account, the Washington State
18 University building account, the Washington State University bond
19 retirement fund, the water pollution control revolving fund, and the
20 Western Washington University capital projects account. Earnings
21 derived from investing balances of the agricultural permanent fund, the
22 normal school permanent fund, the permanent common school fund, the
23 scientific permanent fund, and the state university permanent fund
24 shall be allocated to their respective beneficiary accounts. All
25 earnings to be distributed under this subsection (4)(a) shall first be
26 reduced by the allocation to the state treasurer's service fund
27 pursuant to RCW 43.08.190.

28 (b) The following accounts and funds shall receive eighty percent
29 of their proportionate share of earnings based upon each account's or
30 fund's average daily balance for the period: The aeronautics account,
31 the aircraft search and rescue account, the county arterial
32 preservation account, the department of licensing services account, the
33 essential rail assistance account, the ferry bond retirement fund, the
34 grade crossing protective fund, the high capacity transportation
35 account, the highway bond retirement fund, the highway safety account,
36 the motor vehicle fund, the motorcycle safety education account, the
37 pilotage account, the public transportation systems account, the Puget
38 Sound capital construction account, the Puget Sound ferry operations

1 account, the recreational vehicle account, the rural arterial trust
2 account, the safety and education account, the special category C
3 account, the state patrol highway account, the transportation 2003
4 account (nickel account), the transportation equipment fund, the
5 transportation fund, the transportation improvement account, the
6 transportation improvement board bond retirement account, and the urban
7 arterial trust account.

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

11 **Sec. 3.** RCW 43.84.092 and 2007 c 484 s 4 are each amended to read
12 as follows:

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

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

31 (3) Except for the provisions of RCW 43.84.160, the treasury income
32 account may be utilized for the payment of purchased banking services
33 on behalf of treasury funds including, but not limited to, depository,
34 safekeeping, and disbursement functions for the state treasury and
35 affected state agencies. The treasury income account is subject in all
36 respects to chapter 43.88 RCW, but no appropriation is required for

1 payments to financial institutions. Payments shall occur prior to
2 distribution of earnings set forth in subsection (4) of this section.

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

7 (a) The following accounts and funds shall receive their
8 proportionate share of earnings based upon each account's and fund's
9 average daily balance for the period: The budget stabilization
10 account, the capitol building construction account, the Cedar River
11 channel construction and operation account, the Central Washington
12 University capital projects account, the charitable, educational, penal
13 and reformatory institutions account, the Columbia river basin water
14 supply development account, the common school construction fund, the
15 county criminal justice assistance account, the county sales and use
16 tax equalization account, the data processing building construction
17 account, the deferred compensation administrative account, the deferred
18 compensation principal account, the department of retirement systems
19 expense account, the developmental disabilities community trust
20 account, the drinking water assistance account, the drinking water
21 assistance administrative account, the drinking water assistance
22 repayment account, the Eastern Washington University capital projects
23 account, the education construction fund, the education legacy trust
24 account, the election account, the energy freedom account, the cleanup
25 settlement account, The Evergreen State College capital projects
26 account, the federal forest revolving account, the freight mobility
27 investment account, the freight mobility multimodal account, the health
28 services account, the public health services account, the health system
29 capacity account, the personal health services account, the state
30 higher education construction account, the higher education
31 construction account, the highway infrastructure account, the high-
32 occupancy toll lanes operations account, the industrial insurance
33 premium refund account, the judges' retirement account, the judicial
34 retirement administrative account, the judicial retirement principal
35 account, the local leasehold excise tax account, the local real estate
36 excise tax account, the local sales and use tax account, the medical
37 aid account, the mobile home park relocation fund, the multimodal
38 transportation account, the municipal criminal justice assistance

1 account, the municipal sales and use tax equalization account, the
2 natural resources deposit account, the oyster reserve land account, the
3 pension funding stabilization account, the perpetual surveillance and
4 maintenance account, the public employees' retirement system plan 1
5 account, the public employees' retirement system combined plan 2 and
6 plan 3 account, the public facilities construction loan revolving
7 account beginning July 1, 2004, the public health supplemental account,
8 the public works assistance account, the Puyallup tribal settlement
9 account, the real estate appraiser commission account, the regional
10 mobility grant program account, the resource management cost account,
11 the rural Washington loan fund, the site closure account, the small
12 city pavement and sidewalk account, the special wildlife account, the
13 state employees' insurance account, the state employees' insurance
14 reserve account, the state investment board expense account, the state
15 investment board commingled trust fund accounts, the supplemental
16 pension account, the Tacoma Narrows toll bridge account, the teachers'
17 retirement system plan 1 account, the teachers' retirement system
18 combined plan 2 and plan 3 account, the tobacco prevention and control
19 account, the tobacco settlement account, the transportation
20 infrastructure account, the transportation partnership account, the
21 tuition recovery trust fund, the University of Washington bond
22 retirement fund, the University of Washington building account, the
23 volunteer firefighters' and reserve officers' relief and pension
24 principal fund, the volunteer firefighters' and reserve officers'
25 administrative fund, the Washington fruit express account, the
26 Washington judicial retirement system account, the Washington law
27 enforcement officers' and firefighters' system plan 1 retirement
28 account, the Washington law enforcement officers' and firefighters'
29 system plan 2 retirement account, the Washington public safety
30 employees' plan 2 retirement account, the Washington school employees'
31 retirement system combined plan 2 and 3 account, the Washington state
32 health insurance pool account, the Washington state patrol retirement
33 account, the Washington State University building account, the
34 Washington State University bond retirement fund, the water pollution
35 control revolving fund, and the Western Washington University capital
36 projects account. Earnings derived from investing balances of the
37 agricultural permanent fund, the normal school permanent fund, the
38 permanent common school fund, the scientific permanent fund, and the

1 state university permanent fund shall be allocated to their respective
2 beneficiary accounts. All earnings to be distributed under this
3 subsection (4)(a) shall first be reduced by the allocation to the state
4 treasurer's service fund pursuant to RCW 43.08.190.

5 (b) The following accounts and funds shall receive eighty percent
6 of their proportionate share of earnings based upon each account's or
7 fund's average daily balance for the period: The aeronautics account,
8 the aircraft search and rescue account, the county arterial
9 preservation account, the department of licensing services account, the
10 essential rail assistance account, the ferry bond retirement fund, the
11 grade crossing protective fund, the high capacity transportation
12 account, the highway bond retirement fund, the highway safety account,
13 the motor vehicle fund, the motorcycle safety education account, the
14 pilotage account, the public transportation systems account, the Puget
15 Sound capital construction account, the Puget Sound ferry operations
16 account, the recreational vehicle account, the rural arterial trust
17 account, the safety and education account, the special category C
18 account, the state patrol highway account, the transportation 2003
19 account (nickel account), the transportation equipment fund, the
20 transportation fund, the transportation improvement account, the
21 transportation improvement board bond retirement account, and the urban
22 arterial trust account.

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

26 **Sec. 4.** RCW 43.84.092 and 2007 c 514 s 3, 2007 c 513 s 1, and 2007
27 c 356 s 9 are each reenacted and amended to read as follows:

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

31 (2) The treasury income account shall be utilized to pay or receive
32 funds associated with federal programs as required by the federal cash
33 management improvement act of 1990. The treasury income account is
34 subject in all respects to chapter 43.88 RCW, but no appropriation is
35 required for refunds or allocations of interest earnings required by
36 the cash management improvement act. Refunds of interest to the
37 federal treasury required under the cash management improvement act

1 fall under RCW 43.88.180 and shall not require appropriation. The
2 office of financial management shall determine the amounts due to or
3 from the federal government pursuant to the cash management improvement
4 act. The office of financial management may direct transfers of funds
5 between accounts as deemed necessary to implement the provisions of the
6 cash management improvement act, and this subsection. Refunds or
7 allocations shall occur prior to the distributions of earnings set
8 forth in subsection (4) of this section.

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

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

21 The following accounts and funds shall receive their proportionate
22 share of earnings based upon each account's and fund's average daily
23 balance for the period: The aeronautics account, the aircraft search
24 and rescue 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 Columbia
28 river basin water supply development account, the common school
29 construction fund, the county arterial preservation account, the county
30 criminal justice assistance account, the county sales and use tax
31 equalization account, the data processing building construction
32 account, the deferred compensation administrative account, the deferred
33 compensation principal account, the department of licensing services
34 account, the department of retirement systems expense account, the
35 developmental disabilities community trust account, the drinking water
36 assistance account, the drinking water assistance administrative
37 account, the drinking water assistance repayment account, the Eastern
38 Washington University capital projects account, the education

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

1 expense account, the state investment board commingled trust fund
2 accounts, the state patrol highway account, the supplemental pension
3 account, the Tacoma Narrows toll bridge account, the teachers'
4 retirement system plan 1 account, the teachers' retirement system
5 combined plan 2 and plan 3 account, the tobacco prevention and control
6 account, the tobacco settlement account, the transportation 2003
7 account (nickel account), the transportation equipment fund, the
8 transportation fund, the transportation improvement account, the
9 transportation improvement board bond retirement account, the
10 transportation infrastructure account, the transportation partnership
11 account, the traumatic brain injury account, the tuition recovery trust
12 fund, the University of Washington bond retirement fund, the University
13 of Washington building account, the urban arterial trust account, the
14 volunteer firefighters' and reserve officers' relief and pension
15 principal fund, the volunteer firefighters' and reserve officers'
16 administrative fund, the Washington fruit express account, the
17 Washington judicial retirement system account, the Washington law
18 enforcement officers' and firefighters' system plan 1 retirement
19 account, the Washington law enforcement officers' and firefighters'
20 system plan 2 retirement account, the Washington public safety
21 employees' plan 2 retirement account, the Washington school employees'
22 retirement system combined plan 2 and 3 account, the Washington state
23 health insurance pool account, the Washington state patrol retirement
24 account, the Washington State University building account, the
25 Washington State University bond retirement fund, the water pollution
26 control revolving fund, and the Western Washington University capital
27 projects account. Earnings derived from investing balances of the
28 agricultural permanent fund, the normal school permanent fund, the
29 permanent common school fund, the scientific permanent fund, and the
30 state university permanent fund shall be allocated to their respective
31 beneficiary accounts. All earnings to be distributed under this
32 subsection (4)(a) shall first be reduced by the allocation to the state
33 treasurer's service fund pursuant to RCW 43.08.190.

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

37 NEW SECTION. **Sec. 5.** Section 2 of this act expires July 1, 2009.

1 NEW SECTION. **Sec. 6.** (1) Section 3 of this act takes effect July
2 1, 2008, if the proposed amendment to Article VII of the state
3 Constitution is approved at the November 2007 general election.
4 (2) Section 4 of this act takes effect July 1, 2009.

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