

S-4518.1

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**SUBSTITUTE SENATE BILL 6350**

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**State of Washington**

**61st Legislature**

**2010 Regular Session**

**By** Senate Natural Resources, Ocean & Recreation (originally sponsored by Senators Ranker, Hargrove, Jacobsen, Rockefeller, Swecker, Marr, Fraser, Murray, and Kline)

READ FIRST TIME 02/04/10.

1 AN ACT Relating to marine waters planning and management, including  
2 marine spatial planning; reenacting and amending RCW 43.84.092; adding  
3 a new section to chapter 43.21F RCW; adding a new chapter to Title 43  
4 RCW; and providing an expiration date.

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

6 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

7 (a) Native American tribes have depended on the state's marine  
8 waters and its resources for countless generations and continue to do  
9 so for cultural, spiritual, economic, and subsistence purposes.

10 (b) The state has long demonstrated a strong commitment to  
11 protecting the state's marine waters, which are abundant in natural  
12 resources, contain a treasure of biological diversity, and are a source  
13 of multiple uses by the public supporting the economies of nearby  
14 communities as well as the entire state. These multiple uses include,  
15 but are not limited to: Marine-based industries and activities such as  
16 cargo, fuel, and passenger transportation; commercial, recreational,  
17 and tribal fishing; shellfish aquaculture; telecommunications and  
18 energy infrastructure; seafood processing; tourism; scientific  
19 research; and many related goods and services. These multiple uses as

1 well as new emerging uses, such as renewable ocean energy, constitute  
2 a management challenge for sustaining resources and coordinating state  
3 decision making in a proactive, comprehensive and ecosystem-based  
4 manner.

5 (c) Washington's marine waters are part of a west coast-wide large  
6 marine ecosystem known as the California current, and the Puget Sound  
7 and Columbia river estuaries constitute two of the three largest  
8 estuaries that are part of this large marine ecosystem. Puget Sound  
9 and the Columbia river are estuaries of national significance under the  
10 national estuary program, and the outer coast includes the Olympic  
11 national marine sanctuary.

12 (d) Washington is working in cooperation with the states of Oregon  
13 and California and federal agencies on ocean and ocean health  
14 management issues through the west coast governors' agreement on ocean  
15 health, and with the government of British Columbia on shared waters  
16 management issues through the British Columbia-Washington coastal and  
17 ocean task force.

18 (e) Washington has initiated comprehensive management programs to  
19 protect and promote compatible uses of these waters. These include:  
20 The development of a comprehensive ecosystem-based management plan  
21 known as the Puget Sound action agenda; shoreline plans for shorelines  
22 around the state; management plans for state-owned aquatic lands and  
23 their associated waters statewide; and watershed and salmon recovery  
24 management plans in the upland areas of Puget Sound, the coast, and the  
25 Columbia river. Data and data management tools have also been  
26 developed to support these management and planning activities, such as  
27 the coastal atlas managed by the department of ecology and the shore  
28 zone database managed by the department of natural resources.

29 (f) For marine waters specifically, Washington has formed several  
30 mechanisms to improve coordination and management. A legislatively  
31 authorized task force formed by the governor identified priority  
32 recommendations for improving state management of ocean resources  
33 through Washington's ocean action plan in 2006. The governor further  
34 formed an ongoing interagency team that assists the department of  
35 ecology in implementing these recommendations. There is an extensive  
36 network of marine resources committees within Puget Sound and on the  
37 outer coast and the Columbia river to promote and support local  
38 involvement identifying and conducting local priority marine projects

1 and some have been involved in local planning and management. Through  
2 the Olympic coast intergovernmental policy council, the state has also  
3 formalized its working relationship with coastal tribes and the federal  
4 government in the management of the Olympic coast national marine  
5 sanctuary.

6 (g) Reports by the United States commission on oceans policy, the  
7 Pew oceans commission, and the joint oceans commission initiative  
8 recommend the adoption of a national ocean policy under which states  
9 and coastal communities would have a principal role in developing and  
10 implementing ecosystem-based management of marine waters. Acting on  
11 these recommendations, the president of the United States recently  
12 formed an interagency ocean policy task force charged with developing  
13 a national ocean policy and a framework for marine spatial planning  
14 that involves all governmental levels, including state, tribal, and  
15 local governments. To further develop and implement such a planning  
16 framework, it is anticipated that federal cooperation and support will  
17 be available to coastal states that are engaged in marine and coastal  
18 resource management and planning, including marine spatial planning.

19 (2) The purpose of this chapter is to build upon existing statewide  
20 Puget Sound, coastal, and Columbia river efforts. When resources  
21 become available, the state intends to augment the marine spatial  
22 component of existing plans and to improve the coordination among state  
23 agencies in the development and implementation of marine management  
24 plans.

25 (3) It is also the purpose of this chapter to establish policies to  
26 guide state agencies and local governments when exercising jurisdiction  
27 over proposed uses and activities in these waters. Specifically, in  
28 conducting marine spatial planning, and in augmenting existing marine  
29 management plans with marine spatial planning components, the state  
30 must:

31 (a) Continue to recognize the rights of native American tribes  
32 regarding marine natural resources;

33 (b) Base all planning on best available science. This includes  
34 identifying gaps in existing information, recommend a strategy for  
35 acquiring science needed to strengthen marine spatial plans, and create  
36 a process to adjust plans once additional scientific information is  
37 available;

1 (c) Coordinate with all stakeholders, including marine resources  
2 committees and nongovernmental organizations, that are significantly  
3 involved in the collection of scientific information, ecosystem  
4 protection and restoration, or other activities related to marine  
5 spatial planning;

6 (d) Recognize that marine ecosystems span tribal, state, and  
7 international boundaries and that planning has to be coordinated with  
8 all entities with jurisdiction or authority in order to be effective;

9 (e) Establish or further promote an ecosystem-based management  
10 approach including linking marine spatial plans to adjacent nearshore  
11 and upland spatial or ecosystem-based plans;

12 (f) Ensure that all marine spatial plans are linked to measurable  
13 environmental outcomes;

14 (g) Establish a performance management system to monitor  
15 implementation of any new marine spatial plan;

16 (h) Establish an ocean stewardship policy that takes into account  
17 the existing natural, social, cultural, historic, and economic uses;

18 (i) Recognize that commercial, tribal, and recreational fisheries,  
19 and shellfish aquaculture are an integral part of our state's culture  
20 and contribute substantial economic benefits;

21 (j) Value biodiversity and ecosystem health, and protect special,  
22 sensitive, or unique estuarine and marine life and habitats, including  
23 important spawning, rearing, and migration areas for finfish, marine  
24 mammals, and productive shellfish habitats;

25 (k) Integrate this planning with existing plans and ongoing  
26 planning in the same marine waters and provide additional mechanisms  
27 for improving coordination and aligning management;

28 (l) Promote recovery of listed species under state and federal  
29 endangered species acts plans pursuant to those plans; and

30 (m) Fulfill the state's public trust and tribal treaty trust  
31 responsibilities in managing the state's ocean waters in a sustainable  
32 manner for current and future generations.

33 NEW SECTION. **Sec. 2.** The definitions in this section apply  
34 throughout this chapter unless the context clearly requires otherwise.

35 (1) "Aquatic lands" includes all tidelands, shorelands, harbor  
36 areas, and the beds of navigable waters, and must be construed to be  
37 coextensive with the term "aquatic lands" as defined in RCW 79.105.060.

1 (2) "Exclusive economic zone waters" means marine waters from the  
2 offshore state boundary to the boundary of the exclusive economic zone,  
3 over which the United States government has primary jurisdiction.

4 (3) "Marine counties" includes Clallam, Jefferson, Grays Harbor,  
5 Wahkiakum, San Juan, Whatcom, Skagit, Island, Snohomish, King, Pierce,  
6 Thurston, Mason, Kitsap, and Pacific counties.

7 (4) "Marine ecosystem" means the physical, biological, and chemical  
8 components and processes and their interactions in marine waters and  
9 aquatic lands, including humans.

10 (5) "Marine interagency team" or "team" means the marine  
11 interagency team created under section 3 of this act.

12 (6) "Marine management plan" and "marine waters management plan"  
13 means any plan guiding activities on and uses of the state's marine  
14 waters, and may include a marine spatial plan or element.

15 (7) "Marine resources committees" means those committees organized  
16 under RCW 36.125.020 or by counties within the Northwest straits marine  
17 conservation initiative.

18 (8) "Marine spatial planning" means a public process of analyzing  
19 and allocating the spatial and temporal distribution of human  
20 activities in marine areas to achieve ecological, economic, and social  
21 objectives. Often this type of planning is done to reduce conflicts  
22 among uses, to reduce environmental impacts, to facilitate compatible  
23 uses, to align management decisions, and to meet other objectives  
24 determined by the planning process.

25 (9) "Marine waters" means aquatic lands and waters under tidal  
26 influence, including saltwaters and estuaries to the ordinary high  
27 water mark lying within the boundaries of the state. This definition  
28 also includes the portion of the Columbia river bordering Pacific and  
29 Wahkiakum counties, Willapa Bay, Grays Harbor, the Strait of Juan de  
30 Fuca, and the entire Puget Sound.

31 NEW SECTION. **Sec. 3.** (1) The office of the governor shall chair  
32 a marine interagency team that is composed of representatives of each  
33 of the agencies in the governor's natural resources cabinet with  
34 management responsibilities for marine waters, including the  
35 independent agencies. A representative from a federal agency with lead  
36 responsibility for marine spatial planning must be invited to serve as  
37 a liaison to the team to help ensure consistency with federal actions

1 and policy. The team must conduct the assessment authorized in section  
2 4 of this act, assist state agencies under section 5 of this act with  
3 the review and coordination of such planning with their existing and  
4 ongoing planning, and conduct the marine management planning authorized  
5 in section 6 of this act.

6 (2) The team may not commence any activities authorized under  
7 sections 5 and 6 of this act until federal, private, or other nonstate  
8 funding is secured specifically for these activities.

9 NEW SECTION. **Sec. 4.** (1) The marine interagency team created in  
10 section 3 of this act must assess and recommend a framework for  
11 conducting marine spatial planning and integrating the planning into  
12 existing management plans. The assessment must include, but not be  
13 limited to, recommendations for:

14 (a) Including a marine spatial component into the Puget Sound  
15 action agenda;

16 (b) Integrating marine spatial planning into management efforts for  
17 the Columbia river estuary, working with the state of Oregon; and

18 (c) Developing a marine management plan containing a marine spatial  
19 component for the outer coast, to be incorporated within the  
20 comprehensive marine management plan authorized under section 6 of this  
21 act.

22 (2) The assessment authorized under subsection (1) of this section  
23 must also:

24 (a) Summarize existing goals and objectives for: Plans in Puget  
25 Sound, the Columbia river estuary, and the outer coast, including the  
26 Puget Sound action agenda; shoreline plans for shorelines around the  
27 state; management plans for state-owned aquatic lands and their  
28 associated waters statewide; and watershed and salmon recovery  
29 management plans;

30 (b) Develop recommended goals and objectives for marine spatial  
31 planning that integrate with existing policies and regulations, and  
32 recommend a schedule to develop marine ecosystem health indicators,  
33 considering the views and recommendations of affected stakeholders and  
34 governmental agencies;

35 (c) Summarize how the existing goals and objectives as well as  
36 recommended goals and objectives are consistent or inconsistent with  
37 those adopted by other states for the west coast large marine

1 ecosystem, and with those goals and objectives articulated in relevant  
2 national oceans policies and the national framework for marine spatial  
3 planning;

4 (d) Identify the existing management activities and spatial data  
5 related to these priorities and objectives and the key needs for  
6 incorporating marine spatial planning into existing statewide plans;  
7 and

8 (e) Provide recommendations on achieving a unified approach to  
9 database management and delivery that would support marine spatial  
10 planning throughout the state.

11 (3) The results of this assessment must be provided to the  
12 appropriate legislative committees by December 15, 2010.

13 (4) This section expires June 30, 2011.

14 NEW SECTION. **Sec. 5.** (1) Concurrently or prior to the assessment  
15 and planning activities provided in sections 4 and 6 of this act, and  
16 subject to available federal, private, or other nonstate funding for  
17 this purpose, all state agencies with marine waters planning and  
18 management responsibilities are authorized to include marine spatial  
19 data and marine spatial planning elements into their existing plans and  
20 ongoing planning.

21 (2) The director of the Puget Sound partnership under the direction  
22 of the leadership council created in RCW 90.71.220 must integrate  
23 marine spatial information and planning provisions into the action  
24 agenda. The information should be used to address gaps or improve the  
25 effectiveness of the spatial planning component of the action agenda,  
26 such as in addressing potential new uses such as renewable energy  
27 projects.

28 (3) The governor and the commissioner of public lands, working with  
29 appropriate marine management and planning agencies, should work  
30 cooperatively with the applicable west coast states, Canadian  
31 provinces, and with federal agencies, through existing cooperative  
32 entities such as the west coast governor's agreement on ocean health,  
33 the coastal and oceans task force, the Pacific coast collaborative, the  
34 Puget Sound federal caucus, and the United States and Canada  
35 cooperative agreement working group, to explore the benefits of  
36 developing joint marine spatial plans or planning frameworks in the  
37 shared waters of the Salish Sea, the Columbia river estuary, and in the

1 exclusive economic zone waters. The governor and commissioner may  
2 approve the adoption of shared marine spatial plans or planning  
3 frameworks where they determine it would further policies of this  
4 chapter and chapter 43.143 RCW.

5 (4) On an ongoing basis, the director of the department of ecology  
6 shall work with other state agencies with marine management  
7 responsibilities, tribal governments, marine resources committees,  
8 local and federal agencies, and marine waters stakeholders to compile  
9 marine spatial information and to incorporate this information into  
10 ongoing plans. This work may be integrated with the comprehensive  
11 marine management plan authorized under section 6 of this act when that  
12 planning process is initiated.

13 (5) All actions taken to implement this section must be consistent  
14 with section 8 of this act.

15 NEW SECTION. **Sec. 6.** (1) Upon the receipt of federal, private, or  
16 other nonstate funding for this purpose, together with any required  
17 match of state funding that may be specifically provided for this  
18 purpose, the marine interagency team shall coordinate the development  
19 of a comprehensive marine management plan for the state's marine  
20 waters. The marine management plan must include marine spatial  
21 planning, as well as recommendations to the appropriate federal  
22 agencies regarding the exclusive economic zone waters. The plan may be  
23 developed in geographic segments, and may incorporate or be developed  
24 as an element of existing marine plans, such as the Puget Sound action  
25 agenda. The chair of the team may designate a state agency with marine  
26 management responsibilities to take the lead in developing and  
27 recommending to the team particular segments or elements of the  
28 comprehensive marine management plan.

29 (2) The marine management plan must be developed and implemented in  
30 a manner that:

31 (a) Recognizes and respects existing uses and tribal treaty rights;

32 (b) Promotes protection and restoration of ecosystem processes to  
33 a level that will enable long-term sustainable production of ecosystem  
34 goods and services;

35 (c) Addresses potential impacts of climate change and sea level  
36 rise upon current and projected marine waters uses and shoreline and  
37 coastal impacts;

1 (d) Fosters and encourages sustainable uses that provide economic  
2 opportunity without significant adverse environmental impacts;

3 (e) Preserves and enhances public access;

4 (f) Protects and encourages working waterfronts and supports the  
5 infrastructure necessary to sustain marine industry, commercial  
6 shipping, shellfish aquaculture, and other water-dependent uses;

7 (g) Fosters public participation in decision making and significant  
8 involvement of communities adjacent to the state's marine waters; and

9 (h) Integrates existing management plans and authorities and makes  
10 recommendations for aligning plans to the extent practicable.

11 (3) To ensure the effective stewardship of the state's marine  
12 waters held in trust for the benefit of the people, the marine  
13 management plan must rely upon existing data and resources, but also  
14 identify data gaps and, as possible, procure missing data necessary for  
15 planning.

16 (4) The marine management plan must include but not be limited to:

17 (a) An ecosystem assessment that analyzes the health and status of  
18 Washington marine waters including key social, economic, and ecological  
19 characteristics and incorporates the best available scientific  
20 information, including relevant marine data. This assessment should  
21 seek to identify key threats to plan goals, analyze risk and management  
22 scenarios, and develop key ecosystem indicators. In addition, the plan  
23 should incorporate existing adaptive management strategies underway by  
24 local, state, or federal entities and provide an adaptive management  
25 element to incorporate new information and consider revisions to the  
26 plan based upon research, monitoring, and evaluation;

27 (b) Using and relying upon existing plans and processes and  
28 additional management measures to guide decisions among uses proposed  
29 for specific geographic areas of the state's marine and estuarine  
30 waters consistent with applicable state laws and programs that control  
31 or address developments in the state's marine waters;

32 (c) A series of maps that, at a minimum, summarize available data  
33 on: The key ecological aspects of the marine ecosystem, including  
34 physical and biological characteristics, as well as areas that are  
35 environmentally sensitive or contain unique or sensitive species or  
36 biological communities that must be conserved and warrant protective  
37 measures; human uses of marine waters, particularly areas with high  
38 value for fishing, shellfish aquaculture, recreation, and maritime

1 commerce; and appropriate locations with high potential for renewable  
2 energy production with minimal potential for conflicts with other  
3 existing uses or sensitive environments;

4 (d) An element that sets forth the state's recommendations to the  
5 federal government for use priorities and limitations, siting criteria,  
6 and protection of unique and sensitive biota and ocean floor features  
7 within the exclusive economic zone waters consistent with the policies  
8 and management criteria contained in this chapter and chapter 43.143  
9 RCW;

10 (e) An implementation strategy describing how the plan's management  
11 measures and other provisions will be considered and implemented  
12 through existing state and local authorities; and

13 (f) A framework for coordinating state agency and local government  
14 review of proposed renewable energy development uses requiring multiple  
15 permits and other approvals that provide for the timely review and  
16 action upon renewable energy development proposals while ensuring  
17 protection of sensitive resources and minimizing impacts to other  
18 existing or projected uses in the area.

19 (5) If the director of the department of fish and wildlife  
20 determines that a fisheries management element is appropriate for  
21 inclusion in the marine management plan, this element may include the  
22 incorporation of existing management plans and procedures and standards  
23 for consideration in adopting and revising fisheries management plans  
24 in cooperation with the appropriate federal agencies and tribal  
25 governments.

26 (6) Any provision of the marine management plan that does not have  
27 as its primary purpose the management of commercial or recreational  
28 fishing but that has an impact on this fishing must minimize the  
29 negative impacts on the fishing. The team must accord substantial  
30 weight to recommendations from the director of the department of fish  
31 and wildlife for plan revisions to minimize the negative impacts.

32 (7) The marine management plan must recognize and value existing  
33 uses. All actions taken to implement this section must be consistent  
34 with section 8 of this act.

35 (8) The marine management plan must identify any provisions of  
36 existing management plans that are substantially inconsistent with the  
37 plan.

1 (9)(a) In developing the marine management plan, the team shall  
2 implement a strong public participation strategy that seeks input from  
3 throughout the state and particularly from communities adjacent to  
4 marine waters. Public review and comment must be sought and  
5 incorporated with regard to planning the scope of work as well as in  
6 regard to significant drafts of the plan and plan elements.

7 (b) The team must engage tribes and marine resources committees in  
8 its activities throughout the planning process. In particular, prior  
9 to finalizing the plan, the team must provide each tribe and marine  
10 resources committee with a draft of the plan and invite them to review  
11 and comment on the plan.

12 (10) The team must complete the plan within twenty-four months of  
13 the initiation of planning under this section.

14 (11) The director of the department of ecology shall submit the  
15 completed marine management plan to the appropriate federal agency for  
16 its review and approval for incorporation into the state's federally  
17 approved coastal zone management program.

18 (12) Subsequent to the adoption of the marine management plan, the  
19 team may periodically review and adopt revisions to the plan to  
20 incorporate new information and to recognize and incorporate provisions  
21 in other marine management plans. The team must afford the public an  
22 opportunity to review and comment upon significant proposed revisions  
23 to the marine management plan.

24 NEW SECTION. **Sec. 7.** (1) Upon the adoption of the marine  
25 management plan under section 6 of this act, each state agency and  
26 local government must make decisions in a manner that ensures  
27 consistency with applicable legal authorities and conformance with the  
28 applicable provisions of the marine management plan to the greatest  
29 extent possible.

30 (2) The director of the department of ecology, in coordination with  
31 the team, shall periodically review existing management plans  
32 maintained by state agencies and local governments that cover the same  
33 marine waters as the marine management plan under section 6 of this  
34 act, and for any substantial inconsistency with the marine management  
35 plan the director shall make recommendations to the agency or to the  
36 local government for revisions to eliminate the inconsistency.

1 (3) Not later than four years following adoption of the marine  
2 management plan under section 6 of this act, the department of ecology,  
3 in coordination with the team, shall report to the appropriate marine  
4 waters committees in the senate and house of representatives describing  
5 provisions of existing management plans that are substantially  
6 inconsistent with the marine management plan under section 6 of this  
7 act, and making recommendations for eliminating the inconsistency.

8 (4) All actions taken to implement this section must be consistent  
9 with section 8 of this act.

10 NEW SECTION. **Sec. 8.** No authority is created under this chapter  
11 to affect in any way any project, use, or activity in the state's  
12 marine waters existing prior to or during the development and review of  
13 the marine management plan. No authority is created under this chapter  
14 to supersede the current authority of any state agency or local  
15 government.

16 NEW SECTION. **Sec. 9.** A new section is added to chapter 43.21F RCW  
17 to read as follows:

18 (1) In addition to the duties prescribed in RCW 43.21F.045, the  
19 department must develop guidance applicable to all state agencies for  
20 achieving a unified state position upon matters involving the siting  
21 and operation of renewable energy facilities in the state's coastal and  
22 estuarine marine waters. The guidance must provide procedures for  
23 coordinating the views and responsibilities of any state agency with  
24 jurisdiction or expertise over the matter under consideration, which  
25 may include federal policy proposals, activities, permits, licenses, or  
26 the extension of funding for activities in or affecting the state's  
27 marine waters. In developing the guidance, the director must consult  
28 with agencies with primary responsibilities for permitting and  
29 management of marine waters and bedlands, including the departments of  
30 natural resources, ecology, transportation, and fish and wildlife, and  
31 the state parks and recreation commission, the Puget Sound partnership,  
32 and the energy facility site evaluation council. The director must  
33 also consult and incorporate relevant information from the regional  
34 activities related to renewable energy siting in marine waters,  
35 including those under the west coast governors' agreement on ocean  
36 health.

1 (2) The director may not commence development of the guidance until  
2 federal, private, or other nonstate funding is secured for this  
3 activity. The director must adopt the guidance within one year of  
4 securing such funds.

5 (3) This section is intended to promote consistency and multiple  
6 agency coordination in developing positions and exercising jurisdiction  
7 in matters involving the siting and operation of renewable energy  
8 facilities and does not diminish or abrogate the authority or  
9 jurisdiction of any state agency over such matters established under  
10 any other law.

11 NEW SECTION. **Sec. 10.** (1) The marine resources stewardship trust  
12 account is created in the state treasury. All receipts from income  
13 derived from the investment of amounts credited to the account, any  
14 grants, gifts, or donations to the state for the purposes of marine  
15 management planning, marine spatial planning, data compilation,  
16 research, or monitoring, and any appropriations made to the account  
17 must be deposited in the account. Moneys in the account may be spent  
18 only after appropriation.

19 (2) Expenditures from the account may only be used for the purposes  
20 of marine management planning, marine spatial planning, research,  
21 monitoring, implementation of the marine management plan, and for the  
22 restoration or enhancement of marine habitat or resources.

23 **Sec. 11.** RCW 43.84.092 and 2009 c 479 s 31, 2009 c 472 s 5, and  
24 2009 c 451 s 8 are each reenacted and amended to read as follows:

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

28 (2) The treasury income account shall be utilized to pay or receive  
29 funds associated with federal programs as required by the federal cash  
30 management improvement act of 1990. The treasury income account is  
31 subject in all respects to chapter 43.88 RCW, but no appropriation is  
32 required for refunds or allocations of interest earnings required by  
33 the cash management improvement act. Refunds of interest to the  
34 federal treasury required under the cash management improvement act  
35 fall under RCW 43.88.180 and shall not require appropriation. The  
36 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 The following accounts and funds shall receive their proportionate  
20 share of earnings based upon each account's and fund's average daily  
21 balance for the period: The aeronautics account, the aircraft search  
22 and rescue account, the budget stabilization account, the capitol  
23 building construction account, the Cedar River channel construction and  
24 operation account, the Central Washington University capital projects  
25 account, the charitable, educational, penal and reformatory  
26 institutions account, the cleanup settlement account, the Columbia  
27 river basin water supply development account, the common school  
28 construction fund, the county arterial preservation account, the county  
29 criminal justice assistance account, the county sales and use tax  
30 equalization account, the data processing building construction  
31 account, the deferred compensation administrative account, the deferred  
32 compensation principal account, the department of licensing services  
33 account, the department of retirement systems expense account, the  
34 developmental disabilities community trust account, the drinking water  
35 assistance account, the drinking water assistance administrative  
36 account, the drinking water assistance repayment account, the Eastern  
37 Washington University capital projects account, the education  
38 construction fund, the education legacy trust account, the election

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

1 highway account, the state route number 520 corridor account, the  
2 supplemental pension account, the Tacoma Narrows toll bridge account,  
3 the teachers' retirement system plan 1 account, the teachers'  
4 retirement system combined plan 2 and plan 3 account, the tobacco  
5 prevention and control account, the tobacco settlement account, the  
6 transportation 2003 account (nickel account), the transportation  
7 equipment fund, the transportation fund, the transportation improvement  
8 account, the transportation improvement board bond retirement account,  
9 the transportation infrastructure account, the transportation  
10 partnership account, the traumatic brain injury account, the tuition  
11 recovery trust fund, the University of Washington bond retirement fund,  
12 the University of Washington building account, the urban arterial trust  
13 account, the volunteer firefighters' and reserve officers' relief and  
14 pension principal fund, the volunteer firefighters' and reserve  
15 officers' administrative fund, the Washington fruit express account,  
16 the Washington judicial retirement system account, the Washington law  
17 enforcement officers' and firefighters' system plan 1 retirement  
18 account, the Washington law enforcement officers' and firefighters'  
19 system plan 2 retirement account, the Washington public safety  
20 employees' plan 2 retirement account, the Washington school employees'  
21 retirement system combined plan 2 and 3 account, the Washington state  
22 health insurance pool account, the Washington state patrol retirement  
23 account, the Washington State University building account, the  
24 Washington State University bond retirement fund, the water pollution  
25 control revolving fund, and the Western Washington University capital  
26 projects account. Earnings derived from investing balances of the  
27 agricultural permanent fund, the normal school permanent fund, the  
28 permanent common school fund, the scientific permanent fund, and the  
29 state university permanent fund shall be allocated to their respective  
30 beneficiary accounts. All earnings to be distributed under this  
31 subsection (4) shall first be reduced by the allocation to the state  
32 treasurer's service fund pursuant to RCW 43.08.190.

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

1        NEW SECTION.    **Sec. 12.**    Sections 1 through 8 and 10 of this act  
2    constitute a new chapter in Title 43 RCW.

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