

1 AN ACT Relating to Yakima river basin water resource management;
2 authorizing the acquisition of public lands by the department of
3 natural resources and management of community forest trust land to
4 preserve water basin function; amending RCW 90.38.005, 90.38.010,
5 90.38.900, 90.38.902, and 84.33.140; reenacting and amending RCW
6 43.84.092 and 43.84.092; adding new sections to chapter 90.38 RCW;
7 adding a new section to chapter 79.155 RCW; providing a contingent
8 effective date; providing an expiration date; and providing a
9 contingent expiration date.

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

11 **Sec. 1.** RCW 90.38.005 and 1989 c 429 s 1 are each amended to read
12 as follows:

13 (1) The legislature finds that:

14 (a) Under present physical conditions in the Yakima river basin
15 there is an insufficient supply of ground and surface water to satisfy
16 the present needs of the basin, and that the general health, welfare,
17 and safety of the people of the Yakima river basin depend upon the
18 conservation, management, development, and optimum use of all the
19 basin's water resources;

1 (b) (~~Pursuant to P.L. 96-162,~~) The future competition for water
2 among municipal, domestic, industrial, agricultural, and instream water
3 interests in the Yakima river basin will be intensified by continued
4 population growth, and by changes in climate and precipitation
5 anticipated to reduce the basin's snow pack and thereby reduce the
6 total water supply available to existing water users, instream flows,
7 and carryover storage;

8 (c) To address the challenges described in this subsection,
9 congress has enacted several bills to promote Yakima river basin water
10 enhancement, each of which was urged for enactment by this state, the
11 United States (~~is now conducting~~) has completed a study of ways to
12 provide needed waters through improvements of the federal water project
13 presently existing in the Yakima river basin, and federal, tribal,
14 state, and local cooperators have developed an integrated water
15 resource management plan for improving water supply, habitat, and
16 stream flow conditions in the Yakima river basin;

17 (d) As part of the Yakima river basin water enhancement project,
18 the United States department of the interior's bureau of reclamation is
19 now seeking funding to support implementation of the integrated water
20 resource management plan for the Yakima river basin, which was jointly
21 prepared by the Washington state department of ecology and the United
22 States bureau of reclamation and published in a final programmatic
23 environmental impact statement in March 2012;

24 (~~(e)~~) (e) The interests of the state will be served by developing
25 programs, in cooperation with the United States and the various water
26 users in the basin, that increase the overall ability to manage basin
27 waters in order to better satisfy both present and future needs for
28 water in the Yakima river basin;

29 (f) The interests of the state will also be served through
30 coordination of federal and state policies and procedures in order to
31 develop and implement projects within the framework of the integrated
32 water resource management plan for the Yakima river basin. The pace of
33 integrated plan implementation over the long term depends upon adequate
34 funding and is subject to the availability of amounts appropriated for
35 this purpose;

36 (g) The current real estate market provides opportunities to
37 acquire community forest lands that are useful for protecting and
38 enhancing watershed function at affordable prices.

(2) It is the purpose of this chapter, consistent with these findings, to:

(a) Improve the ability of the state to work with the United States and various water users of the Yakima river basin in a program designed to satisfy both existing rights, and other presently unmet as well as future needs of the basin;

(b) Establish legislative intent to promote timely and effective implementation of the integrated plan in the Yakima river basin, and to promote the aggressive pursuit of water supply solutions that provide concurrent benefits to both instream and out-of-stream uses in the Yakima river basin as rapidly as possible; and

(c) Take advantage of affordable real estate prices to acquire community forest lands that are useful for protecting and enhancing watershed function.

(3) The provisions of this chapter apply only to waters of the Yakima river basin.

Sec. 2. RCW 90.38.010 and 1989 c 429 s 2 are each amended to read as follows:

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

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

(2) "Integrated plan" means the Yakima river basin integrated water resource management plan developed through a consensus-based approach by a diverse work group of representatives of the Yakama Nation, federal, state, county, and city governments, environmental organizations, and irrigation districts, which is to be implemented consistent with congressional Yakima river basin water enhancement project enactments and for which the final programmatic environmental impact statement was made available for review through public notice published in the federal register (77 FR 12076 (2012)).

(3) "Net water savings" means the amount of water that through hydrological analysis is determined to be conserved and usable for other purposes without impairing existing water rights, reducing the ability to deliver water, or reducing the supply of water that otherwise would have been available to other water users.

1 ~~((+3+))~~ (4) "Trust water right" means that portion of an existing
2 water right, constituting net water savings, that is no longer required
3 to be diverted for beneficial use due to the installation of a water
4 conservation project that improves an existing system. The term "trust
5 water right" also applies to any other water right acquired by the
6 department under this chapter for management in the Yakima river basin
7 trust water rights program.

8 ~~((+4+))~~ (5) "Water conservation project" means any project funded
9 to further the purposes of this chapter and that achieves physical or
10 operational improvements of efficiency in existing systems for
11 diversion, conveyance, or application of water under existing water
12 rights.

13 (6) "Water supply facility permit and funding milestone" means a
14 date prior to June 30, 2025, when required permits have been approved,
15 and funding has been secured to begin construction on one or more water
16 supply facilities designed to provide at least two hundred fourteen
17 thousand acre feet of water to be used for instream and out-of-stream
18 uses.

19 (7) "Yakima river basin water enhancement project" means a series
20 of congressional enactments, originally initiated by the United States
21 congress in 1979 under P.L. 96-162, with subsequent federal
22 implementing legislation being passed in 1984 under section 109 of P.L.
23 98-381 to promote fish passage improvements, and in 1994 under P.L.
24 103-434, as amended by P.L. 105-62 in 1997 and P.L. 106-372 in 2000, to
25 promote water conservation, water supply, habitat, and stream
26 enhancement improvements in the Yakima river basin.

27 NEW SECTION. **Sec. 3.** A new section is added to chapter 90.38 RCW
28 to read as follows:

29 The department is authorized to implement the integrated water
30 resource management plan in the Yakima river basin, through a
31 coordinated effort of affected federal, state, and local agencies and
32 resources, to develop water supply solutions that provide concurrent
33 benefits to both instream and out-of-stream uses, and to address a
34 variety of water resource and ecosystem problems affecting fish
35 passage, habitat functions, and agricultural, municipal, and domestic
36 water supply in the Yakima river basin, consistent with the integrated
37 plan.

1 (1) Authorized department actions include, but are not limited to:

2 (a) Accepting funds from any entity, public or private, as
3 necessary to implement the objectives of this chapter;

4 (b) Assessing, planning, and developing projects under the Yakima
5 river basin integrated water resource management plan, or for any other
6 action designed to provide access to new water supplies within the
7 Yakima river basin, consistent with the integrated plan and including
8 but not limited to: Enhanced water conservation and efficiency
9 measures, water reallocation markets, in-basin surface and groundwater
10 storage facilities, fish passage at existing in-basin reservoirs,
11 structural and operational modifications to existing facilities,
12 habitat protection and restoration, and general watershed enhancements
13 as necessary to implement the objectives of this chapter and the
14 integrated plan; and

15 (c) Entering into contracts to ensure the effective delivery of
16 water and to provide for the design and construction of facilities
17 necessary to implement the objectives of the integrated plan and this
18 chapter.

19 (2) Consistent with the integrated plan, the goals and objectives
20 of department actions authorized under this chapter include, but are
21 not limited to:

22 (a) Protection, mitigation, and enhancement of fish and wildlife
23 through improved water management; improved instream flows; improved
24 water quality; protection, creation, and enhancement of wetlands;
25 improved fish passage, and by other appropriate means of habitat
26 improvement, including the protection and enhancement of natural
27 wetlands, floodplains, and groundwater storage systems;

28 (b) Improved water availability and reliability, and improved
29 efficiency of water delivery and use, to enhance basin water supplies
30 for agricultural irrigation, municipal, commercial, industrial,
31 domestic, and environmental water uses;

32 (c) Establishment of more efficient water markets and more
33 effective operational and structural changes to manage variability of
34 water supplies and to prepare for the uncertainties of climate change,
35 including but not limited to the facilitation of water banking, water
36 right transfers, dry year options, the voluntary sale and lease of
37 land, water, or water rights from any entity or individual willing to
38 limit or forego water use on a temporary or permanent basis, and any

1 other innovative water allocation tools used to maximize the utility of
2 existing Yakima river basin water supplies, as long as the
3 establishment and use of these tools is consistent with the integrated
4 plan.

5 (3) Water supplies secured through the development of new storage
6 facilities or expansion of existing storage facilities made possible
7 with funding from the Yakima integrated plan implementation account,
8 the Yakima integrated plan implementation taxable bond account, and the
9 Yakima integrated plan implementation revenue recovery account must be
10 allocated for out-of-stream uses and to augment instream flows
11 consistent with the Yakima river basin integrated water resource
12 management plan. Water to be made available to benefit out-of-stream
13 uses under this subsection, but not yet appropriated, must be
14 temporarily available to augment instream flows to the extent that it
15 does not impair existing water rights and is consistent with the
16 integrated plan.

17 NEW SECTION. **Sec. 4.** A new section is added to chapter 90.38 RCW
18 to read as follows:

19 (1) The Yakima integrated plan implementation account is created in
20 the state treasury. All receipts from direct appropriations from the
21 legislature, moneys directed to the account pursuant to this chapter,
22 or moneys directed to the account from any other sources must be
23 deposited in the account. The account is intended to fund projects
24 using tax exempt bonds. Moneys in the account may be spent only after
25 appropriation. Expenditures from the account may be used only as
26 provided in this section. Interest earned by deposits in the account
27 will be retained in the account.

28 (2) Expenditures from the account created in this section may be
29 used to assess, plan, and develop projects under the Yakima river basin
30 integrated water resource management plan or for any other actions
31 designed to provide access to new water supplies within the Yakima
32 river basin for both instream and out-of-stream uses, consistent with
33 the integrated plan and the authorities, goals, and objectives set
34 forth in section 3 of this act.

35 (3)(a) Funds may not be expended from the account for the
36 construction of a new storage facility until the department evaluates
37 the following:

1 (i) Water uses to be served by the facility;
2 (ii) The quantity of water necessary to meet the needs of those
3 uses;
4 (iii) The benefits and costs to the state of serving those uses,
5 including short-term and long-term economic, cultural, and
6 environmental effects; and
7 (iv) Alternative means of supplying water to meet those uses,
8 including the costs of those alternatives and an analysis of the extent
9 to which the long-term water supply needs are able to be met using
10 those alternatives.

11 (b) The department may rely on studies and information developed
12 through compliance with other state and federal requirements and other
13 sources. The department shall compile its findings and conclusions and
14 provide a summary of the information it reviewed.

15 (c) Before finalizing its evaluation under the provisions of this
16 subsection, the department shall make the preliminary evaluation
17 available to the public. Public comment may be made to the department
18 within thirty days of the date the preliminary evaluation is made
19 public.

20 (4) For water supplies developed under the integrated plan to
21 support future municipal and domestic water needs, the department shall
22 give preference to other entities in managing water service contracts.
23 Where the department determines that the management of such contracts
24 by other entities is not feasible or suitable, the department may enter
25 into water service contracts with applicants receiving water from the
26 program to recover all or a portion of the cost of developing water
27 supplies made possible with funding from the account created in this
28 section. The department may deny an application if the applicant does
29 not enter into a water service contract. Revenue collected from water
30 service contracts must be deposited into the Yakima integrated plan
31 implementation revenue recovery account created in section 6 of this
32 act. The department may adopt rules describing the methodology as to
33 how charges will be established and direct costs recovered for water
34 supply developed under the Yakima river basin integrated water resource
35 management plan implementation program.

36 NEW SECTION. **Sec. 5.** A new section is added to chapter 90.38 RCW
37 to read as follows:

1 (1) The Yakima integrated plan implementation taxable bond account
2 is created in the state treasury. All receipts from direct
3 appropriations from the legislature, moneys directed to the account
4 pursuant to this chapter, or moneys directed to the account from any
5 other sources must be deposited in the account. The account is
6 intended to fund projects using taxable bonds. Moneys in the account
7 may be spent only after appropriation. Expenditures from the account
8 may be used only as provided in this section. Interest earned by
9 deposits in the account will be retained in the account.

10 (2) Expenditures from the account created in this section may be
11 used to assess, plan, and develop projects under the Yakima river basin
12 integrated water resource management plan or for any other actions
13 designed to provide access to new water supplies within the Yakima
14 river basin for both instream and out-of-stream uses, consistent with
15 the integrated plan and the authorities, goals, and objectives set
16 forth in section 3 of this act.

17 (3)(a) Funds may not be expended from the account for the
18 construction of a new storage facility until the department evaluates
19 the following:

20 (i) Water uses to be served by the facility;

21 (ii) The quantity of water necessary to meet the needs of those
22 uses;

23 (iii) The benefits and costs to the state of serving those uses,
24 including short-term and long-term economic, cultural, and
25 environmental effects; and

26 (iv) Alternative means of supplying water to meet those uses,
27 including the costs of those alternatives and an analysis of the extent
28 to which the long-term water supply needs are able to be met using
29 those alternatives.

30 (b) The department may rely on studies and information developed
31 through compliance with other state and federal requirements and other
32 sources. The department shall compile its findings and conclusions and
33 provide a summary of the information it reviewed.

34 (c) Before finalizing its evaluation under the provisions of this
35 subsection, the department shall make the preliminary evaluation
36 available to the public. Public comment may be made to the department
37 within thirty days of the date the preliminary evaluation is made
38 public.

(4) For water supplies developed under the integrated plan to support future municipal and domestic water needs, the department shall give preference to other entities in managing water service contracts. Where the department determines that the management of such contracts by other entities is not feasible or suitable, the department may enter into water service contracts with applicants receiving water from the program to recover all or a portion of the cost of developing water supplies made possible with funding from the account created in this section. The department may deny an application if the applicant does not enter into a water service contract. Revenue collected from water service contracts must be deposited into the Yakima integrated plan implementation revenue recovery account created in section 6 of this act. The department may adopt rules describing the methodology as to how charges will be established and direct costs recovered for water supply developed under the Yakima river basin integrated water resource management plan implementation program.

NEW SECTION. **Sec. 6.** A new section is added to chapter 90.38 RCW to read as follows:

(1) The Yakima integrated plan implementation revenue recovery account is created in the state treasury. All receipts from direct appropriations from the legislature, moneys directed to the account pursuant to this chapter, or moneys directed to the account from any other sources must be deposited in the account. The account is intended to fund projects using revenues from water service contracts as authorized in this chapter. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only as provided in this section. Interest earned by deposits in the account will be retained in the account.

(2) Expenditures from the account created in this section may be used to assess, plan, and develop projects under the Yakima river basin integrated water resource management plan or for any other actions designed to provide access to new water supplies within the Yakima river basin for both instream and out-of-stream uses, consistent with the integrated plan and the authorities, goals, and objectives set forth in section 3 of this act.

(3)(a) Funds may not be expended from the account for the

1 construction of a new storage facility until the department evaluates
2 the following:

3 (i) Water uses to be served by the facility;

4 (ii) The quantity of water necessary to meet the needs of those
5 uses;

6 (iii) The benefits and costs to the state of serving those uses,
7 including short-term and long-term economic, cultural, and
8 environmental effects; and

9 (iv) Alternative means of supplying water to meet those uses,
10 including the costs of those alternatives and an analysis of the extent
11 to which the long-term water supply needs are able to be met using
12 those alternatives.

13 (b) The department may rely on studies and information developed
14 through compliance with other state and federal requirements and other
15 sources. The department shall compile its findings and conclusions and
16 provide a summary of the information it reviewed.

17 (c) Before finalizing its evaluation under the provisions of this
18 subsection, the department shall make the preliminary evaluation
19 available to the public. Public comment may be made to the department
20 within thirty days of the date the preliminary evaluation is made
21 public.

22 (4) For water supplies developed under the integrated plan to
23 support future municipal and domestic water needs in the Yakima basin,
24 the department shall give preference to other entities in managing
25 water service contracts. Where the department determines that the
26 management of such contracts by other entities is not feasible or
27 suitable, the department may enter into water service contracts with
28 applicants receiving water from the program to recover all or a portion
29 of the cost of developing water supplies made possible with funding
30 from the account created in this section. The department may deny an
31 application if the applicant does not enter into a water service
32 contract. Revenue collected from water service contracts must be
33 deposited into the Yakima integrated plan implementation revenue
34 recovery account created in this section. The department may adopt
35 rules describing the methodology as to how charges will be established
36 and direct costs recovered for water supply developed under the Yakima
37 river basin integrated water resource management plan implementation
38 program.

1 **Sec. 7.** RCW 90.38.900 and 1989 c 429 s 7 are each amended to read
2 as follows:

3 The policies and purposes of this chapter shall not be construed as
4 replacing or amending the policies or the purposes for which funds
5 available under chapter 43.83B ~~((or))~~, 43.99E, or 90.90 RCW may be used
6 within or without the Yakima river basin.

7 **Sec. 8.** RCW 90.38.902 and 1989 c 429 s 9 are each amended to read
8 as follows:

9 (1) Nothing in this chapter shall authorize the impairment of, or
10 operate to impair, any existing water rights.

11 (2) Nothing in this chapter may be construed to limit, impair,
12 waive, abrogate, or diminish:

13 (a) Any treaty or other rights of the Yakama Nation;

14 (b) Any powers, rights, or authorities conferred upon irrigation
15 districts under existing law;

16 (c) Any rights or jurisdictions of the United States, the state of
17 Washington, or other person or entity over waters in the Yakima river
18 basin.

19 NEW SECTION. **Sec. 9.** A new section is added to chapter 90.38 RCW
20 to read as follows:

21 (1) By December 1, 2015, and by December 1st of every odd-numbered
22 year thereafter, and in compliance with RCW 43.01.036, the department,
23 in consultation with the United States bureau of reclamation, the
24 Yakama Nation, Yakima river basin local governments, and key basin
25 stakeholders, shall provide a Yakima river basin integrated water
26 resource management plan implementation status report to the
27 legislature and to the governor that includes: A description of
28 measures that have been funded and implemented in the Yakima river
29 basin and their effectiveness in meeting the objectives of this act, a
30 project funding list that represents the state's percentage cost share
31 to implement the integrated plan measures for the current biennium and
32 cost estimates for subsequent biennia, a description of progress toward
33 concurrent realization of the integrated plan's fish passage, watershed
34 enhancement, and water supply goals, and an annual summary of all
35 associated costs to develop and implement projects within the framework

1 of the integrated water resource management plan for the Yakima river
2 basin.

3 (2) The status report required in this section for December 1,
4 2021, must include a statement of progress in achieving the water
5 supply facility permit and funding milestone, as defined in RCW
6 90.38.010. If, after a good faith effort to achieve the water supply
7 facility permit and funding milestone, it appears that the milestone
8 cannot or may not be met, the department, in consultation with the
9 United States bureau of reclamation, the Yakama Nation, Yakima river
10 basin local governments, and key basin stakeholders, shall provide a
11 detailed description of the impediments to achieving the milestone,
12 describe the strategy for resolving the identified impediments, and, if
13 necessary, recommend modifications to the milestone.

14 (3) This section expires December 31, 2045.

15 NEW SECTION. **Sec. 10.** A new section is added to chapter 90.38 RCW
16 to read as follows:

17 (1) Subject to the availability of amounts appropriated for this
18 specific purpose, the department of natural resources is authorized to
19 purchase land to be held in the community forest trust under RCW
20 79.155.040 to serve the purposes of the community forest trust
21 including the protection of Yakima river basin functioning, without
22 complying with the requirements of RCW 79.155.030(1), 79.155.060, or
23 79.155.070, relating to the identification, prioritization, local
24 commitment, and financial contribution normally prerequisite to
25 nominating and acquiring community forest trust lands. The purchase
26 must be reviewed and approved by the board of natural resources. In
27 its evaluation of this acquisition pursuant to RCW 79.155.040(3), the
28 board is relieved from considering the criteria for identifying and
29 prioritizing land set forth in RCW 79.155.050. Once purchased, the
30 land must be managed by the department of natural resources in
31 consultation with the department of fish and wildlife. Any investment
32 in the land purchase with funds belonging to the common school trust
33 constitutes a loan from the irreducible principal of the common school
34 trust and may only be made if first determined to be a prudent
35 investment by the board of natural resources. An annual interest
36 payment on the loan of nine percent must be paid, with six percent
37 deposited into the common school construction account and three percent

1 deposited into the real property replacement account. Interest begins
2 to accrue on the date the land purchase is completed and is due and
3 payable July 1st following the completion of the state fiscal year.
4 The principal of the loan must be repaid in accordance with the
5 provisions of subsection (3) of this section.

6 (2) The land purchased under this authority must be managed under
7 a transitional postacquisition management plan during the period
8 between the date of purchase and the water supply facility permit and
9 funding milestone or until June 30, 2025, whichever is sooner. The
10 plan must be consistent with RCW 79.155.080(1), provided that the lands
11 acquired as community forest trust lands are not required to generate
12 financial support for their management as would otherwise be required
13 by RCW 79.155.020(2), 79.155.030(2)(d), and 79.155.080(3), and provided
14 further that the authority granted to the department to divest of the
15 property under RCW 79.155.080(4) does not apply to these lands. The
16 department of natural resources must develop the transitional
17 postacquisition management plan in consultation with the department of
18 fish and wildlife.

19 (a) The plan must ensure that the land is managed in a manner that
20 is consistent with the Yakima basin integrated plan principles for
21 forest land acquisitions, including the following:

22 (i) To protect and enhance the water supply and protect the
23 watershed;

24 (ii) To maintain working lands for forestry and grazing while
25 protecting key watershed functions and aquatic habitat;

26 (iii) To maintain and where possible expand recreational
27 opportunities consistent with watershed protection, for activities such
28 as hiking, fishing, hunting, horseback riding, camping, birding, and
29 snowmobiling;

30 (iv) To conserve and restore vital habitat for fish, including
31 steelhead, spring chinook, and bull trout, and wildlife, including
32 deer, elk, large predators, and spotted owls; and

33 (v) To support a strong community partnership, in which the Yakama
34 Nation, residents, business owners, local governments, conservation
35 groups, and others provide advice about ongoing land management.

36 (b) The department of natural resources, in consultation with the
37 department of fish and wildlife, must establish the Teanaway community
38 forest advisory committee that includes representatives from the

department of ecology, the local community, land conservation organizations, the Yakama Nation, the Kittitas county commission, and local agricultural interests.

(c) By June 30, 2015, the department of natural resources must complete the transitional postacquisition management plan with a public process that involves interested stakeholders, particularly residents from Kittitas county, friends of the Teanaway, back country horsemen, off-road vehicle and snowmobile users, a representative from Kittitas field and stream, hikers and wildlife watchers, and ranchers who graze cattle.

(3) After the water supply facility permit and funding milestone or June 30, 2025, whichever is sooner, the land must be disposed of in the following manner:

(a) If the water supply facility permit and funding milestone conditions have been met, the land remains in the community forest trust and the transitional postacquisition management plan must be converted to a permanent postacquisition management plan with whatever updates and amendments are periodically adopted. Under these conditions, the remaining principal of any investment in the land purchased with funds belonging to the common school trust must be repaid to the real property replacement account.

(b) If the water supply facility permit and funding milestone conditions have not been met, the board of natural resources must decide between the following dispositions of the land:

(i) Deposit of the entire amount of land purchased into the ownership of the common school trust for management or disposition for the benefit of the common schools; or

(ii) Disposition under the terms of (a) of this subsection.

Sec. 11. RCW 84.33.140 and 2012 c 170 s 1 are each amended to read as follows:

(1) When land has been designated as forest land under RCW 84.33.130, a notation of the designation must be made each year upon the assessment and tax rolls. A copy of the notice of approval together with the legal description or assessor's parcel numbers for the land must, at the expense of the applicant, be filed by the assessor in the same manner as deeds are recorded.

(2) In preparing the assessment roll as of January 1, 2002, for taxes payable in 2003 and each January 1st thereafter, the assessor must list each parcel of designated forest land at a value with respect to the grade and class provided in this subsection and adjusted as provided in subsection (3) of this section. The assessor must compute the assessed value of the land using the same assessment ratio applied generally in computing the assessed value of other property in the county. Values for the several grades of bare forest land are as follows:

LAND	OPERABILITY	VALUES
GRADE	CLASS	PER ACRE
1	1	\$234
	2	229
	3	217
	4	157
2	1	198
	2	190
	3	183
	4	132
3	1	154
	2	149
	3	148
	4	113
4	1	117
	2	114
	3	113
	4	86
5	1	85
	2	78
	3	77
	4	52
6	1	43
	2	39
	3	39
	4	37
	1	21

1	7	2	21
2		3	20
3		4	20
4	8		1

(3) On or before December 31, 2001, the department must adjust by rule under chapter 34.05 RCW, the forest land values contained in subsection (2) of this section in accordance with this subsection, and must certify the adjusted values to the assessor who will use these values in preparing the assessment roll as of January 1, 2002. For the adjustment to be made on or before December 31, 2001, for use in the 2002 assessment year, the department must:

(a) Divide the aggregate value of all timber harvested within the state between July 1, 1996, and June 30, 2001, by the aggregate harvest volume for the same period, as determined from the harvester excise tax returns filed with the department under RCW 84.33.074; and

(b) Divide the aggregate value of all timber harvested within the state between July 1, 1995, and June 30, 2000, by the aggregate harvest volume for the same period, as determined from the harvester excise tax returns filed with the department under RCW 84.33.074; and

(c) Adjust the forest land values contained in subsection (2) of this section by a percentage equal to one-half of the percentage change in the average values of harvested timber reflected by comparing the resultant values calculated under (a) and (b) of this subsection.

(4) For the adjustments to be made on or before December 31, 2002, and each succeeding year thereafter, the same procedure described in subsection (3) of this section must be followed using harvester excise tax returns filed under RCW 84.33.074. However, this adjustment must be made to the prior year's adjusted value, and the five-year periods for calculating average harvested timber values must be successively one year more recent.

(5) Land graded, assessed, and valued as forest land must continue to be so graded, assessed, and valued until removal of designation by the assessor upon the occurrence of any of the following:

(a) Receipt of notice from the owner to remove the designation;

(b) Sale or transfer to an ownership making the land exempt from ad valorem taxation;

1 (c) Sale or transfer of all or a portion of the land to a new
2 owner, unless the new owner has signed a notice of forest land
3 designation continuance, except transfer to an owner who is an heir or
4 devisee of a deceased owner, does not, by itself, result in removal of
5 designation. The signed notice of continuance must be attached to the
6 real estate excise tax affidavit provided for in RCW 82.45.150. The
7 notice of continuance must be on a form prepared by the department. If
8 the notice of continuance is not signed by the new owner and attached
9 to the real estate excise tax affidavit, all compensating taxes
10 calculated under subsection (11) of this section are due and payable by
11 the seller or transferor at time of sale. The auditor may not accept
12 an instrument of conveyance regarding designated forest land for filing
13 or recording unless the new owner has signed the notice of continuance
14 or the compensating tax has been paid, as evidenced by the real estate
15 excise tax stamp affixed thereto by the treasurer. The seller,
16 transferor, or new owner may appeal the new assessed valuation
17 calculated under subsection (11) of this section to the county board of
18 equalization in accordance with the provisions of RCW 84.40.038.
19 Jurisdiction is hereby conferred on the county board of equalization to
20 hear these appeals;

21 (d) Determination by the assessor, after giving the owner written
22 notice and an opportunity to be heard, that:

23 (i) The land is no longer primarily devoted to and used for growing
24 and harvesting timber. However, land may not be removed from
25 designation if a governmental agency, organization, or other recipient
26 identified in subsection (13) or (14) of this section as exempt from
27 the payment of compensating tax has manifested its intent in writing or
28 by other official action to acquire a property interest in the
29 designated forest land by means of a transaction that qualifies for an
30 exemption under subsection (13) or (14) of this section. The
31 governmental agency, organization, or recipient must annually provide
32 the assessor of the county in which the land is located reasonable
33 evidence in writing of the intent to acquire the designated land as
34 long as the intent continues or within sixty days of a request by the
35 assessor. The assessor may not request this evidence more than once in
36 a calendar year;

37 (ii) The owner has failed to comply with a final administrative or
38 judicial order with respect to a violation of the restocking, forest

1 management, fire protection, insect and disease control, and forest
2 debris provisions of Title 76 RCW or any applicable rules under Title
3 76 RCW; or

4 (iii) Restocking has not occurred to the extent or within the time
5 specified in the application for designation of such land.

6 (6) Land may not be removed from designation if there is a
7 governmental restriction that prohibits, in whole or in part, the owner
8 from harvesting timber from the owner's designated forest land. If
9 only a portion of the parcel is impacted by governmental restrictions
10 of this nature, the restrictions cannot be used as a basis to remove
11 the remainder of the forest land from designation under this chapter.
12 For the purposes of this section, "governmental restrictions" includes:
13 (a) Any law, regulation, rule, ordinance, program, or other action
14 adopted or taken by a federal, state, county, city, or other
15 governmental entity; or (b) the land's zoning or its presence within an
16 urban growth area designated under RCW 36.70A.110.

17 (7) The assessor has the option of requiring an owner of forest
18 land to file a timber management plan with the assessor upon the
19 occurrence of one of the following:

20 (a) An application for designation as forest land is submitted; or
21 (b) Designated forest land is sold or transferred and a notice of
22 continuance, described in subsection (5)(c) of this section, is signed.

23 (8) If land is removed from designation because of any of the
24 circumstances listed in subsection (5)(a) through (c) of this section,
25 the removal applies only to the land affected. If land is removed from
26 designation because of subsection (5)(d) of this section, the removal
27 applies only to the actual area of land that is no longer primarily
28 devoted to the growing and harvesting of timber, without regard to any
29 other land that may have been included in the application and approved
30 for designation, as long as the remaining designated forest land meets
31 the definition of forest land contained in RCW 84.33.035.

32 (9) Within thirty days after the removal of designation as forest
33 land, the assessor must notify the owner in writing, setting forth the
34 reasons for the removal. The seller, transferor, or owner may appeal
35 the removal to the county board of equalization in accordance with the
36 provisions of RCW 84.40.038.

37 (10) Unless the removal is reversed on appeal a copy of the notice
38 of removal with a notation of the action, if any, upon appeal, together

1 with the legal description or assessor's parcel numbers for the land
2 removed from designation must, at the expense of the applicant, be
3 filed by the assessor in the same manner as deeds are recorded and a
4 notation of removal from designation must immediately be made upon the
5 assessment and tax rolls. The assessor must revalue the land to be
6 removed with reference to its true and fair value as of January 1st of
7 the year of removal from designation. Both the assessed value before
8 and after the removal of designation must be listed. Taxes based on
9 the value of the land as forest land are assessed and payable up until
10 the date of removal and taxes based on the true and fair value of the
11 land are assessed and payable from the date of removal from
12 designation.

13 (11) Except as provided in subsection (5)(c), (13), or (14) of this
14 section, a compensating tax is imposed on land removed from designation
15 as forest land. The compensating tax is due and payable to the
16 treasurer thirty days after the owner is notified of the amount of this
17 tax. As soon as possible after the land is removed from designation,
18 the assessor must compute the amount of compensating tax and mail a
19 notice to the owner of the amount of compensating tax owed and the date
20 on which payment of this tax is due. The amount of compensating tax is
21 equal to the difference between the amount of tax last levied on the
22 land as designated forest land and an amount equal to the new assessed
23 value of the land multiplied by the dollar rate of the last levy
24 extended against the land, multiplied by a number, in no event greater
25 than nine, equal to the number of years for which the land was
26 designated as forest land, plus compensating taxes on the land at
27 forest land values up until the date of removal and the prorated taxes
28 on the land at true and fair value from the date of removal to the end
29 of the current tax year.

30 (12) Compensating tax, together with applicable interest thereon,
31 becomes a lien on the land, which attaches at the time the land is
32 removed from designation as forest land and has priority and must be
33 fully paid and satisfied before any recognizance, mortgage, judgment,
34 debt, obligation, or responsibility to or with which the land may
35 become charged or liable. The lien may be foreclosed upon expiration
36 of the same period after delinquency and in the same manner provided by
37 law for foreclosure of liens for delinquent real property taxes as
38 provided in RCW 84.64.050. Any compensating tax unpaid on its due date

1 will thereupon become delinquent. From the date of delinquency until
2 paid, interest is charged at the same rate applied by law to delinquent
3 ad valorem property taxes.

4 (13) The compensating tax specified in subsection (11) of this
5 section may not be imposed if the removal of designation under
6 subsection (5) of this section resulted solely from:

7 (a) Transfer to a government entity in exchange for other forest
8 land located within the state of Washington;

9 (b) A taking through the exercise of the power of eminent domain,
10 or sale or transfer to an entity having the power of eminent domain in
11 anticipation of the exercise of such power;

12 (c) A donation of fee title, development rights, or the right to
13 harvest timber, to a government agency or organization qualified under
14 RCW 84.34.210 and 64.04.130 for the purposes enumerated in those
15 sections, or the sale or transfer of fee title to a governmental entity
16 or a nonprofit nature conservancy corporation, as defined in RCW
17 64.04.130, exclusively for the protection and conservation of lands
18 recommended for state natural area preserve purposes by the natural
19 heritage council and natural heritage plan as defined in chapter 79.70
20 RCW or approved for state natural resources conservation area purposes
21 as defined in chapter 79.71 RCW, or for acquisition and management as
22 a community forest trust as defined in chapter 79.155 RCW. At such
23 time as the land is not used for the purposes enumerated, the
24 compensating tax specified in subsection (11) of this section is
25 imposed upon the current owner;

26 (d) The sale or transfer of fee title to the parks and recreation
27 commission for park and recreation purposes;

28 (e) Official action by an agency of the state of Washington or by
29 the county or city within which the land is located that disallows the
30 present use of the land;

31 (f) The creation, sale, or transfer of forestry riparian easements
32 under RCW 76.13.120;

33 (g) The creation, sale, or transfer of a conservation easement of
34 private forest lands within unconfined channel migration zones or
35 containing critical habitat for threatened or endangered species under
36 RCW 76.09.040;

37 (h) The sale or transfer of land within two years after the death
38 of the owner of at least a fifty percent interest in the land if the

land has been assessed and valued as classified forest land, designated as forest land under this chapter, or classified under chapter 84.34 RCW continuously since 1993. The date of death shown on a death certificate is the date used for the purposes of this subsection (13)(h); or

(i)(i) The discovery that the land was designated under this chapter in error through no fault of the owner. For purposes of this subsection (13)(i), "fault" means a knowingly false or misleading statement, or other act or omission not in good faith, that contributed to the approval of designation under this chapter or the failure of the assessor to remove the land from designation under this chapter.

(ii) For purposes of this subsection (13), the discovery that land was designated under this chapter in error through no fault of the owner is not the sole reason for removal of designation under subsection (5) of this section if an independent basis for removal exists. An example of an independent basis for removal includes the land no longer being devoted to and used for growing and harvesting timber.

(14) In a county with a population of more than six hundred thousand inhabitants or in a county with a population of at least two hundred forty-five thousand inhabitants that borders Puget Sound as defined in RCW 90.71.010, the compensating tax specified in subsection (11) of this section may not be imposed if the removal of designation as forest land under subsection (5) of this section resulted solely from:

(a) An action described in subsection (13) of this section; or

(b) A transfer of a property interest to a government entity, or to a nonprofit historic preservation corporation or nonprofit nature conservancy corporation, as defined in RCW 64.04.130, to protect or enhance public resources, or to preserve, maintain, improve, restore, limit the future use of, or otherwise to conserve for public use or enjoyment, the property interest being transferred. At such time as the property interest is not used for the purposes enumerated, the compensating tax is imposed upon the current owner.

NEW SECTION. **Sec. 12.** A new section is added to chapter 79.155 RCW to read as follows:

The state treasurer, on behalf of the department, must distribute

1 to counties for all lands acquired from private landowners for the
2 purposes of this chapter an amount in lieu of real property taxes equal
3 to the amount of tax that would be due if the land were taxable as open
4 space land under chapter 84.34 RCW except taxes levied for any state
5 purpose, plus an additional amount equal to the amount of weed control
6 assessment that would be due if such lands were privately owned. The
7 county assessor and county legislative authority shall assist in
8 determining the appropriate calculation of the amount of tax that would
9 be due. The county shall distribute the amount received under this
10 section in lieu of real property taxes to all property taxing districts
11 except the state in appropriate tax code areas the same way it would
12 distribute local property taxes from private property. The county
13 shall distribute the amount received under this section for weed
14 control to the appropriate weed district.

15 **Sec. 13.** RCW 43.84.092 and 2013 c 251 s 3 and 2013 c 96 s 3 are
16 each reenacted and amended to read as follows:

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

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

35 (3) Except for the provisions of RCW 43.84.160, the treasury income
36 account may be utilized for the payment of purchased banking services
37 on behalf of treasury funds including, but not limited to, depository,

1 safekeeping, and disbursement functions for the state treasury and
2 affected state agencies. The treasury income account is subject in all
3 respects to chapter 43.88 RCW, but no appropriation is required for
4 payments to financial institutions. Payments shall occur prior to
5 distribution of earnings set forth in subsection (4) of this section.

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

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

1 account, the state higher education construction account, the higher
2 education construction account, the highway bond retirement fund, the
3 highway infrastructure account, the highway safety fund, the high
4 occupancy toll lanes operations account, the hospital safety net
5 assessment fund, the industrial insurance premium refund account, the
6 judges' retirement account, the judicial retirement administrative
7 account, the judicial retirement principal account, the local leasehold
8 excise tax account, the local real estate excise tax account, the local
9 sales and use tax account, the marine resources stewardship trust
10 account, the medical aid account, the mobile home park relocation fund,
11 the motor vehicle fund, the motorcycle safety education account, the
12 multimodal transportation account, the municipal criminal justice
13 assistance account, the natural resources deposit account, the oyster
14 reserve land account, the pension funding stabilization account, the
15 perpetual surveillance and maintenance account, the public employees'
16 retirement system plan 1 account, the public employees' retirement
17 system combined plan 2 and plan 3 account, the public facilities
18 construction loan revolving account beginning July 1, 2004, the public
19 health supplemental account, the public works assistance account, the
20 Puget Sound capital construction account, the Puget Sound ferry
21 operations account, the real estate appraiser commission account, the
22 recreational vehicle account, the regional mobility grant program
23 account, the resource management cost account, the rural arterial trust
24 account, the rural mobility grant program account, the rural Washington
25 loan fund, the site closure account, the skilled nursing facility
26 safety net trust fund, the small city pavement and sidewalk account,
27 the special category C account, the special wildlife account, the state
28 employees' insurance account, the state employees' insurance reserve
29 account, the state investment board expense account, the state
30 investment board commingled trust fund accounts, the state patrol
31 highway account, the state route number 520 civil penalties account,
32 the state route number 520 corridor account, the state wildlife
33 account, the supplemental pension account, the Tacoma Narrows toll
34 bridge account, the teachers' retirement system plan 1 account, the
35 teachers' retirement system combined plan 2 and plan 3 account, the
36 tobacco prevention and control account, the tobacco settlement account,
37 the toll facility bond retirement account, the transportation 2003
38 account (nickel account), the transportation equipment fund, the

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

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

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

1 **Sec. 14.** RCW 43.84.092 and 2013 c 251 s 4 and 2013 c 96 s 4 are
2 each reenacted and amended to 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 Alaskan Way viaduct replacement
37 project account, the budget stabilization account, the capital vessel
38 replacement account, the capitol building construction account, the

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

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

1 commission account, the Washington state health insurance pool account,
2 the Washington state patrol retirement account, the Washington State
3 University building account, the Washington State University bond
4 retirement fund, the water pollution control revolving administration
5 account, the water pollution control revolving fund, ((and)) the
6 Western Washington University capital projects account, the Yakima
7 integrated plan implementation account, the Yakima integrated plan
8 implementation revenue recovery account, and the Yakima integrated plan
9 implementation taxable bond account. Earnings derived from investing
10 balances of the agricultural permanent fund, the normal school
11 permanent fund, the permanent common school fund, the scientific
12 permanent fund, the state university permanent fund, and the state
13 reclamation revolving account shall be allocated to their respective
14 beneficiary accounts.

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

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

24 NEW SECTION. **Sec. 15.** Section 13 of this act expires if the
25 requirements set out in section 7, chapter 36, Laws of 2012 are met.

26 NEW SECTION. **Sec. 16.** Section 14 of this act takes effect if the
27 requirements set out in section 7, chapter 36, Laws of 2012 are met.

--- END ---