
SECOND SUBSTITUTE SENATE BILL 5730

State of Washington

68th Legislature

2023 Regular Session

By Senate Transportation (originally sponsored by Senator Fortunato)

1 AN ACT Relating to impounds of vehicles used as residences;
2 amending RCW 46.55.120, 43.84.092, and 43.84.092; adding a new
3 section to chapter 46.53 RCW; adding a new section to chapter 46.68
4 RCW; providing effective dates; and providing an expiration date.

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

6 **Sec. 1.** RCW 46.55.120 and 2017 c 152 s 1 are each amended to
7 read as follows:

8 (1)(a) Vehicles or other items of personal property registered or
9 titled with the department that are impounded by registered tow truck
10 operators pursuant to RCW 46.55.080, 46.55.085, 46.55.113, or
11 9A.88.140 may be redeemed only by the following persons or entities:

12 (i) The legal owner;

13 (ii) The registered owner;

14 (iii) A person authorized in writing by the registered owner;

15 (iv) The vehicle's insurer or a vendor working on behalf of the
16 vehicle's insurer;

17 (v) A third-party insurer that has a duty to repair or replace
18 the vehicle, has obtained consent from the registered owner or the
19 owner's agent to move the vehicle, and has documented that consent in
20 the insurer's claim file, or a vendor working on behalf of a third-
21 party insurer that has received such consent; provided, however, that

1 at all times the registered owner must be granted access to and may
2 reclaim possession of the vehicle. For the purposes of this
3 subsection, "owner's agent" means the legal owner of the vehicle, a
4 driver in possession of the vehicle with the registered owner's
5 permission, or an adult member of the registered owner's family;

6 (vi) A person who is determined and verified by the operator to
7 have the permission of the registered owner of the vehicle or other
8 item of personal property registered or titled with the department;

9 (vii) A person who has purchased a vehicle or item of personal
10 property registered or titled with the department from the registered
11 owner who produces proof of ownership or written authorization and
12 signs a receipt therefor; (~~(e)~~)

13 (viii) If (a)(i) through (vii) of this subsection do not apply, a
14 person, who is known to the registered or legal owner of a motorcycle
15 or moped, as each are defined in chapter 46.04 RCW, that was towed
16 from the scene of an accident, may redeem the motorcycle or moped as
17 a bailment in accordance with RCW 46.55.125 while the registered or
18 legal owner is admitted as a patient in a hospital due to the
19 accident; or

20 (ix) A person who is authorized by a court to redeem the vehicle
21 after an impound hearing or other procedure.

22 (A) A court or administrative hearing officer, for the
23 jurisdiction in which the vehicle was impounded, may order the
24 release of the vehicle to any person meeting the criteria in (a)(i)
25 through (viii) of this subsection after a hearing or legal
26 proceeding.

27 (B) If ownership of the vehicle or authorization from the legal
28 or registered owner to use, reside in, or retrieve the vehicle is
29 disputed, a court or hearing officer may review any additionally
30 presented information and evidence at a court or administrative
31 hearing. If a person is unable to present sufficient evidence that
32 the person meets the criteria in (a)(i) through (viii) of this
33 subsection, a court, with good cause, may set aside the hearing for
34 up to 15 business days, unless extenuating circumstances require
35 additional time, to allow the person an opportunity to file
36 appropriate ownership paperwork with the department or to obtain
37 written authorization from the legal or registered owner to redeem
38 the vehicle. If a claimant files a claim under RCW 46.12.680 during
39 this additional time, a court may grant an additional continuance
40 until that legal proceeding has ended.

1 (b) In addition, a vehicle impounded because the operator is in
2 violation of RCW 46.20.342(1)(c) shall not be released until a person
3 eligible to redeem it under (a) of this subsection satisfies the
4 requirements of (f) of this subsection, including paying all towing,
5 removal, and storage fees, notwithstanding the fact that the hold was
6 ordered by a government agency. If the department's records show that
7 the operator has been convicted of a violation of RCW 46.20.342 or a
8 similar local ordinance within the past five years, the vehicle may
9 be held for up to (~~thirty~~) 30 days at the written direction of the
10 agency ordering the vehicle impounded. A vehicle impounded because
11 the operator is arrested for a violation of RCW 46.20.342 may be
12 released only pursuant to a written order from the agency that
13 ordered the vehicle impounded or from the court having jurisdiction.
14 An agency shall issue a written order to release pursuant to a
15 provision of an applicable state agency rule or local ordinance
16 authorizing release on the basis of the following:

17 (i) Economic or personal hardship to the spouse of the operator,
18 taking into consideration public safety factors, including the
19 operator's criminal history and driving record; or

20 (ii) The owner of the vehicle was not the driver, the owner did
21 not know that the driver's license was suspended or revoked, and the
22 owner has not received a prior release under this subsection or RCW
23 46.55.113(3).

24 In order to avoid discriminatory application, other than for the
25 reasons for release set forth in (b)(i) and (ii) of this subsection,
26 an agency shall, under a provision of an applicable state agency rule
27 or local ordinance, deny release in all other circumstances without
28 discretion.

29 If a vehicle is impounded because the operator is in violation of
30 RCW 46.20.342(1)(a) or (b), the vehicle may be held for up to thirty
31 days at the written direction of the agency ordering the vehicle
32 impounded. However, if the department's records show that the
33 operator has been convicted of a violation of RCW 46.20.342(1)(a) or
34 (b) or a similar local ordinance within the past five years, the
35 vehicle may be held at the written direction of the agency ordering
36 the vehicle impounded for up to (~~sixty~~) 60 days, and for up to
37 (~~ninety~~) 90 days if the operator has two or more such prior
38 offenses. If a vehicle is impounded because the operator is arrested
39 for a violation of RCW 46.20.342, the vehicle may not be released
40 until a person eligible to redeem it under (a) of this subsection

1 satisfies the requirements of (f) of this subsection, including
2 paying all towing, removal, and storage fees, notwithstanding the
3 fact that the hold was ordered by a government agency.

4 (c) If the vehicle is directed to be held for a suspended license
5 impound, a person who desires to redeem the vehicle at the end of the
6 period of impound shall within five days of the impound at the
7 request of the tow truck operator pay a security deposit to the tow
8 truck operator of not more than one-half of the applicable impound
9 storage rate for each day of the proposed suspended license impound.
10 The tow truck operator shall credit this amount against the final
11 bill for removal, towing, and storage upon redemption. The tow truck
12 operator may accept other sufficient security in lieu of the security
13 deposit. If the person desiring to redeem the vehicle does not pay
14 the security deposit or provide other security acceptable to the tow
15 truck operator, the tow truck operator may process and sell at
16 auction the vehicle as an abandoned vehicle within the normal time
17 limits set out in RCW 46.55.130(1). The security deposit required by
18 this section may be paid and must be accepted at any time up to
19 (~~twenty-four~~) 24 hours before the beginning of the auction to sell
20 the vehicle as abandoned. The registered owner is not eligible to
21 purchase the vehicle at the auction, and the tow truck operator shall
22 sell the vehicle to the highest bidder who is not the registered
23 owner.

24 (d) Notwithstanding (c) of this subsection, a rental car business
25 may immediately redeem a rental vehicle it owns by payment of the
26 costs of removal, towing, and storage, whereupon the vehicle will not
27 be held for a suspended license impound.

28 (e) Notwithstanding (c) of this subsection, a motor vehicle
29 dealer or lender with a perfected security interest in the vehicle
30 may redeem or lawfully repossess a vehicle immediately by payment of
31 the costs of removal, towing, and storage, whereupon the vehicle will
32 not be held for a suspended license impound. A motor vehicle dealer
33 or lender with a perfected security interest in the vehicle may not
34 knowingly and intentionally engage in collusion with a registered
35 owner to repossess and then return or resell a vehicle to the
36 registered owner in an attempt to avoid a suspended license impound.
37 However, this provision does not preclude a vehicle dealer or a
38 lender with a perfected security interest in the vehicle from
39 repossessing the vehicle and then selling, leasing, or otherwise
40 disposing of it in accordance with chapter 62A.9A RCW, including

1 providing redemption rights to the debtor under RCW 62A.9A-623. If
2 the debtor is the registered owner of the vehicle, the debtor's right
3 to redeem the vehicle under chapter 62A.9A RCW is conditioned upon
4 the debtor obtaining and providing proof from the impounding
5 authority or court having jurisdiction that any fines, penalties, and
6 forfeitures owed by the registered owner, as a result of the
7 suspended license impound, have been paid, and proof of the payment
8 must be tendered to the vehicle dealer or lender at the time the
9 debtor tenders all other obligations required to redeem the vehicle.
10 Vehicle dealers or lenders are not liable for damages if they rely in
11 good faith on an order from the impounding agency or a court in
12 releasing a vehicle held under a suspended license impound.

13 (f) The vehicle or other item of personal property registered or
14 titled with the department shall be released upon the presentation to
15 any person having custody of the vehicle of commercially reasonable
16 tender sufficient to cover the costs of towing, storage, or other
17 services rendered during the course of towing, removing, impounding,
18 or storing any such vehicle, with credit being given for the amount
19 of any security deposit paid under (c) of this subsection. In
20 addition, if a vehicle is impounded because the operator was arrested
21 for a violation of RCW 46.20.342 or 46.20.345 and was being operated
22 by the registered owner when it was impounded under local ordinance
23 or agency rule, it must not be released to any person until the
24 registered owner establishes with the agency that ordered the vehicle
25 impounded or the court having jurisdiction that any penalties, fines,
26 or forfeitures owed by him or her have been satisfied. Registered tow
27 truck operators are not liable for damages if they rely in good faith
28 on an order from the impounding agency or a court in releasing a
29 vehicle held under a suspended license impound. Commercially
30 reasonable tender shall include, without limitation, cash, major bank
31 credit cards issued by financial institutions, or personal checks
32 drawn on Washington state branches of financial institutions if
33 accompanied by two pieces of valid identification, one of which may
34 be required by the operator to have a photograph. If the towing firm
35 cannot determine through the customer's bank or a check verification
36 service that the presented check would be paid by the bank or
37 guaranteed by the service, the towing firm may refuse to accept the
38 check. Any person who stops payment on a personal check or credit
39 card, or does not make restitution within (~~ten~~) 10 days from the
40 date a check becomes insufficient due to lack of funds, to a towing

1 firm that has provided a service pursuant to this section or in any
2 other manner defrauds the towing firm in connection with services
3 rendered pursuant to this section shall be liable for damages in the
4 amount of twice the towing and storage fees, plus costs and
5 reasonable (~~attorney's~~) attorneys' fees.

6 (2)(a) The registered tow truck operator shall give to each
7 person who seeks to redeem an impounded vehicle, or item of personal
8 property registered or titled with the department, written notice of
9 the right of redemption and opportunity for a hearing, which notice
10 shall be accompanied by a form to be used for requesting a hearing,
11 the name of the person or agency authorizing the impound, and a copy
12 of the towing and storage invoice. The registered tow truck operator
13 shall maintain a record evidenced by the redeeming person's signature
14 that such notification was provided.

15 (b) Any person seeking to redeem an impounded vehicle under this
16 section has a right to a hearing in the district or municipal court
17 for the jurisdiction in which the vehicle was impounded to contest
18 the validity of the impoundment or the amount of towing and storage
19 charges. The district court has jurisdiction to determine the issues
20 involving all impoundments including those authorized by the state or
21 its agents. The municipal court has jurisdiction to determine the
22 issues involving impoundments authorized by agents of the
23 municipality. Any request for a hearing shall be made in writing on
24 the form provided for that purpose and must be received by the
25 appropriate court within (~~ten~~) 10 days of the date the opportunity
26 was provided for in (a) of this subsection and more than five days
27 before the date of the auction. The court may consider a late request
28 for a hearing for good cause when the vehicle is used as a residence
29 if the request is made in writing on a form provided for that purpose
30 more than five days before the date of the auction. At the time of
31 the filing of the hearing request, the petitioner shall pay to the
32 court clerk a filing fee in the same amount required for the filing
33 of a suit in district court. If the hearing request is not received
34 by the court within the (~~ten-day~~) 10-day period or by the extended
35 deadline authorized for a vehicle used as a residence, the right to a
36 hearing is waived and the registered owner is liable for any towing,
37 storage, or other impoundment charges permitted under this chapter.
38 Upon receipt of a timely hearing request, the court shall proceed to
39 hear and determine the validity of the impoundment.

1 (3) (a) The court, within five days after the request for a
2 hearing, shall notify the registered tow truck operator, the person
3 requesting the hearing if not the owner, the registered and legal
4 owners of the vehicle or other item of personal property registered
5 or titled with the department, and the person or agency authorizing
6 the impound in writing of the hearing date and time.

7 (b) At the hearing, the person or persons requesting the hearing
8 may produce any relevant evidence to show that the impoundment,
9 towing, or storage fees charged were not proper. The court may
10 consider a written report made under oath by the officer who
11 authorized the impoundment in lieu of the officer's personal
12 appearance at the hearing.

13 (c) At the conclusion of the hearing, the court shall determine
14 whether the impoundment was proper, whether the towing or storage
15 fees charged were in compliance with the posted rates, and who is
16 responsible for payment of the fees.

17 (i) The court may not adjust fees or charges that are in
18 compliance with the posted or contracted rates.

19 (ii) If the court finds that a vehicle is used as a residence,
20 the court may consider the person's ability to pay the towing and
21 storage fees charged and may reduce such fees if the court finds the
22 person to be indigent. The department must pay the difference between
23 the reduced fees and the tow truck operator's actual costs for the
24 towing and storage if the tow truck operator applies for
25 reimbursement to the department as authorized under section 2 of this
26 act.

27 (d) If the impoundment is found proper, the impoundment, towing,
28 and storage fees as permitted under this chapter together with court
29 costs shall be assessed against the person or persons requesting the
30 hearing, unless the operator did not have a signed and valid
31 impoundment authorization from a private property owner or an
32 authorized agent.

33 (e) If the impoundment is determined to be in violation of this
34 chapter, then the registered and legal owners of the vehicle or other
35 item of personal property registered or titled with the department
36 shall bear no impoundment, towing, or storage fees, and any security
37 shall be returned or discharged as appropriate, and the person or
38 agency who authorized the impoundment shall be liable for any towing,
39 storage, or other impoundment fees permitted under this chapter. The
40 court shall enter judgment in favor of the registered tow truck

1 operator against the person or agency authorizing the impound for the
2 impoundment, towing, and storage fees paid. In addition, the court
3 shall enter judgment in favor of the registered and legal owners of
4 the vehicle, or other item of personal property registered or titled
5 with the department, for the amount of the filing fee required by law
6 for the impound hearing petition as well as reasonable damages for
7 loss of the use of the vehicle during the time the same was impounded
8 against the person or agency authorizing the impound. However, if an
9 impoundment arising from an alleged violation of RCW 46.20.342 or
10 46.20.345 is determined to be in violation of this chapter, then the
11 law enforcement officer directing the impoundment and the government
12 employing the officer are not liable for damages if the officer
13 relied in good faith and without gross negligence on the records of
14 the department in ascertaining that the operator of the vehicle had a
15 suspended or revoked driver's license. If any judgment entered is not
16 paid within (~~fifteen~~) 15 days of notice in writing of its entry,
17 the court shall award reasonable attorneys' fees and costs against
18 the defendant in any action to enforce the judgment. Notice of entry
19 of judgment may be made by registered or certified mail, and proof of
20 mailing may be made by affidavit of the party mailing the notice.
21 Notice of the entry of the judgment shall read essentially as
22 follows:

23 TO:
24 YOU ARE HEREBY NOTIFIED JUDGMENT was entered against you in
25 the Court located at in the sum of
26 \$., in an action entitled, Case
27 No. YOU ARE FURTHER NOTIFIED that attorneys fees and
28 costs will be awarded against you under RCW . . . if the
29 judgment is not paid within 15 days of the date of this
30 notice.
31 DATED this day of, (year) . . .
32 Signature
33 Typed name and address
34 of party mailing notice

35 (4) Any impounded abandoned vehicle or item of personal property
36 registered or titled with the department that is not redeemed within
37 (~~fifteen~~) 15 days of mailing of the notice of custody and sale as
38 required by RCW 46.55.110(3) shall be sold at public auction in
39 accordance with all the provisions and subject to all the conditions

1 of RCW 46.55.130. A vehicle or item of personal property registered
2 or titled with the department may be redeemed at any time before the
3 start of the auction upon payment of the applicable towing and
4 storage fees.

5 NEW SECTION. **Sec. 2.** A new section is added to chapter 46.53
6 RCW to read as follows:

7 (1) If a court reduces towing and storage fees of a vehicle used
8 as a residence by a person found to be indigent by the court, the
9 registered tow truck operator may apply to the department on a form
10 prescribed by the department for costs reimbursement to pay the
11 difference between any reduced towing and storage fees and the tow
12 truck operator's actual costs for the towing and storage.

13 (2) The department may only use funds as authorized under section
14 3 of this act for costs reimbursement of a vehicle used as a
15 residence. If at any time funds do not exist in the indigent impound
16 account to reimburse claims submitted under subsection (1) of this
17 section, the department must create and maintain a waitlist and
18 distribute funds in the order the claims are received. Payment of any
19 claims on the waitlist must be made only from the indigent impound
20 account. As reimbursements from impounding authorities are deposited
21 into the account as required under subsection (3) of this section,
22 the department may distribute such funds at that time. The department
23 is not civilly or criminally liable and may not have any penalty or
24 cause of action of any nature arise against it regarding the
25 provision or lack of provision of funds for reimbursement.

26 (3) The department must seek reimbursement from the impounding
27 authority for any cost reimbursement paid to a registered tow truck
28 operator using funds authorized under section 3 of this act. Any
29 repayment made by an impounding authority to the department must be
30 deposited into the indigent impound account created under section 3
31 of this act.

32 NEW SECTION. **Sec. 3.** A new section is added to chapter 46.68
33 RCW to read as follows:

34 The indigent impound account is created in the state treasury.
35 Revenues to the account must consist of appropriations by the
36 legislature, any gifts, grants, and endowments from public or private
37 sources, and reimbursements to the department from impounding
38 authorities under section 2(3) of this act. Moneys in the account may

1 be spent only after appropriation. Expenditures from the account may
2 be used only to pay the difference between any reduced towing and
3 storage fees and a tow truck operator's actual costs for the towing
4 and storage of a vehicle used as a residence as described under
5 section 2 of this act.

6 **Sec. 4.** RCW 43.84.092 and 2022 c 182 s 403 are each amended to
7 read as follows:

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

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

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

36 (4) Monthly, the state treasurer shall distribute the earnings
37 credited to the treasury income account. The state treasurer shall
38 credit the general fund with all the earnings credited to the
39 treasury income account except:

1 (a) The following accounts and funds shall receive their
2 proportionate share of earnings based upon each account's and fund's
3 average daily balance for the period: The abandoned recreational
4 vehicle disposal account, the aeronautics account, the Alaskan Way
5 viaduct replacement project account, the ambulance transport fund,
6 the brownfield redevelopment trust fund account, the budget
7 stabilization account, the capital vessel replacement account, the
8 capitol building construction account, the Central Washington
9 University capital projects account, the charitable, educational,
10 penal and reformatory institutions account, the Chehalis basin
11 account, the Chehalis basin taxable account, the cleanup settlement
12 account, the climate active transportation account, the climate
13 transit programs account, the Columbia river basin water supply
14 development account, the Columbia river basin taxable bond water
15 supply development account, the Columbia river basin water supply
16 revenue recovery account, the common school construction fund, the
17 community forest trust account, the connecting Washington account,
18 the county arterial preservation account, the county criminal justice
19 assistance account, the deferred compensation administrative account,
20 the deferred compensation principal account, the department of
21 licensing services account, the department of retirement systems
22 expense account, the developmental disabilities community services
23 account, the diesel idle reduction account, the drinking water
24 assistance account, the administrative subaccount of the drinking
25 water assistance account, the early learning facilities development
26 account, the early learning facilities revolving account, the Eastern
27 Washington University capital projects account, the education
28 construction fund, the education legacy trust account, the election
29 account, the electric vehicle account, the energy freedom account,
30 the energy recovery act account, the essential rail assistance
31 account, The Evergreen State College capital projects account, the
32 fair start for kids account, the ferry bond retirement fund, the
33 fish, wildlife, and conservation account, the freight mobility
34 investment account, the freight mobility multimodal account, the
35 grade crossing protective fund, the public health services account,
36 the state higher education construction account, the higher education
37 construction account, the higher education retirement plan
38 supplemental benefit fund, the highway bond retirement fund, the
39 highway infrastructure account, the highway safety fund, the hospital
40 safety net assessment fund, the indigent impound account, the

1 Interstate 405 and state route number 167 express toll lanes account,
2 the judges' retirement account, the judicial retirement
3 administrative account, the judicial retirement principal account,
4 the limited fish and wildlife account, the local leasehold excise tax
5 account, the local real estate excise tax account, the local sales
6 and use tax account, the marine resources stewardship trust account,
7 the medical aid account, the money-purchase retirement savings
8 administrative account, the money-purchase retirement savings
9 principal account, the motor vehicle fund, the motorcycle safety
10 education account, the move ahead WA account, the move ahead WA
11 flexible account, the multimodal transportation account, the multiuse
12 roadway safety account, the municipal criminal justice assistance
13 account, the oyster reserve land account, the pension funding
14 stabilization account, the perpetual surveillance and maintenance
15 account, the pilotage account, the pollution liability insurance
16 agency underground storage tank revolving account, the public
17 employees' retirement system plan 1 account, the public employees'
18 retirement system combined plan 2 and plan 3 account, the public
19 facilities construction loan revolving account, the public health
20 supplemental account, the public works assistance account, the Puget
21 Sound capital construction account, the Puget Sound ferry operations
22 account, the Puget Sound Gateway facility account, the Puget Sound
23 taxpayer accountability account, the real estate appraiser commission
24 account, the recreational vehicle account, the regional mobility
25 grant program account, the resource management cost account, the
26 rural arterial trust account, the rural mobility grant program
27 account, the rural Washington loan fund, the sexual assault
28 prevention and response account, the site closure account, the
29 skilled nursing facility safety net trust fund, the small city
30 pavement and sidewalk account, the special category C account, the
31 special wildlife account, the state investment board expense account,
32 the state investment board commingled trust fund accounts, the state
33 patrol highway account, the state reclamation revolving account, the
34 state route number 520 civil penalties account, the state route
35 number 520 corridor account, the statewide broadband account, the
36 statewide tourism marketing account, the supplemental pension
37 account, the Tacoma Narrows toll bridge account, the teachers'
38 retirement system plan 1 account, the teachers' retirement system
39 combined plan 2 and plan 3 account, the tobacco prevention and
40 control account, the tobacco settlement account, the toll facility

1 bond retirement account, the transportation 2003 account (nickel
2 account), the transportation equipment fund, the transportation
3 future funding program account, the transportation improvement
4 account, the transportation improvement board bond retirement
5 account, the transportation infrastructure account, the
6 transportation partnership account, the traumatic brain injury
7 account, the University of Washington bond retirement fund, the
8 University of Washington building account, the voluntary cleanup
9 account, the volunteer firefighters' and reserve officers' relief and
10 pension principal fund, the volunteer firefighters' and reserve
11 officers' administrative fund, the vulnerable roadway user education
12 account, the Washington judicial retirement system account, the
13 Washington law enforcement officers' and firefighters' system plan 1
14 retirement account, the Washington law enforcement officers' and
15 firefighters' system plan 2 retirement account, the Washington public
16 safety employees' plan 2 retirement account, the Washington school
17 employees' retirement system combined plan 2 and 3 account, the
18 Washington state patrol retirement account, the Washington State
19 University building account, the Washington State University bond
20 retirement fund, the water pollution control revolving administration
21 account, the water pollution control revolving fund, the Western
22 Washington University capital projects account, the Yakima integrated
23 plan implementation account, the Yakima integrated plan
24 implementation revenue recovery account, and the Yakima integrated
25 plan implementation taxable bond account. Earnings derived from
26 investing balances of the agricultural permanent fund, the normal
27 school permanent fund, the permanent common school fund, the
28 scientific permanent fund, and the state university permanent fund
29 shall be allocated to their respective beneficiary accounts.

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

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

1 **Sec. 5.** RCW 43.84.092 and 2022 c 182 s 404 are each amended to
2 read as follows:

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

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

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

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

35 (a) The following accounts and funds shall receive their
36 proportionate share of earnings based upon each account's and fund's
37 average daily balance for the period: The abandoned recreational
38 vehicle disposal account, the aeronautics account, the Alaskan Way
39 viaduct replacement project account, the brownfield redevelopment
40 trust fund account, the budget stabilization account, the capital

1 vessel replacement account, the capitol building construction
2 account, the Central Washington University capital projects account,
3 the charitable, educational, penal and reformatory institutions
4 account, the Chehalis basin account, the Chehalis basin taxable
5 account, the cleanup settlement account, the climate active
6 transportation account, the climate transit programs account, the
7 Columbia river basin water supply development account, the Columbia
8 river basin taxable bond water supply development account, the
9 Columbia river basin water supply revenue recovery account, the
10 common school construction fund, the community forest trust account,
11 the connecting Washington account, the county arterial preservation
12 account, the county criminal justice assistance account, the deferred
13 compensation administrative account, the deferred compensation
14 principal account, the department of licensing services account, the
15 department of retirement systems expense account, the developmental
16 disabilities community services account, the diesel idle reduction
17 account, the drinking water assistance account, the administrative
18 subaccount of the drinking water assistance account, the early
19 learning facilities development account, the early learning
20 facilities revolving account, the Eastern Washington University
21 capital projects account, the education construction fund, the
22 education legacy trust account, the election account, the electric
23 vehicle account, the energy freedom account, the energy recovery act
24 account, the essential rail assistance account, The Evergreen State
25 College capital projects account, the fair start for kids account,
26 the ferry bond retirement fund, the fish, wildlife, and conservation
27 account, the freight mobility investment account, the freight
28 mobility multimodal account, the grade crossing protective fund, the
29 public health services account, the state higher education
30 construction account, the higher education construction account, the
31 higher education retirement plan supplemental benefit fund, the
32 highway bond retirement fund, the highway infrastructure account, the
33 highway safety fund, the hospital safety net assessment fund, the
34 indigent impound account, the Interstate 405 and state route number
35 167 express toll lanes account, the judges' retirement account, the
36 judicial retirement administrative account, the judicial retirement
37 principal account, the limited fish and wildlife account, the local
38 leasehold excise tax account, the local real estate excise tax
39 account, the local sales and use tax account, the marine resources
40 stewardship trust account, the medical aid account, the money-

1 purchase retirement savings administrative account, the money-
2 purchase retirement savings principal account, the motor vehicle
3 fund, the motorcycle safety education account, the move ahead WA
4 account, the move ahead WA flexible account, the multimodal
5 transportation account, the multiuse roadway safety account, the
6 municipal criminal justice assistance account, the oyster reserve
7 land account, the pension funding stabilization account, the
8 perpetual surveillance and maintenance account, the pilotage account,
9 the pollution liability insurance agency underground storage tank
10 revolving account, the public employees' retirement system plan 1
11 account, the public employees' retirement system combined plan 2 and
12 plan 3 account, the public facilities construction loan revolving
13 account, the public health supplemental account, the public works
14 assistance account, the Puget Sound capital construction account, the
15 Puget Sound ferry operations account, the Puget Sound Gateway
16 facility account, the Puget Sound taxpayer accountability account,
17 the real estate appraiser commission account, the recreational
18 vehicle account, the regional mobility grant program account, the
19 resource management cost account, the rural arterial trust account,
20 the rural mobility grant program account, the rural Washington loan
21 fund, the sexual assault prevention and response account, the site
22 closure account, the skilled nursing facility safety net trust fund,
23 the small city pavement and sidewalk account, the special category C
24 account, the special wildlife account, the state investment board
25 expense account, the state investment board commingled trust fund
26 accounts, the state patrol highway account, the state reclamation
27 revolving account, the state route number 520 civil penalties
28 account, the state route number 520 corridor account, the statewide
29 broadband account, the statewide tourism marketing account, the
30 supplemental pension account, the Tacoma Narrows toll bridge account,
31 the teachers' retirement system plan 1 account, the teachers'
32 retirement system combined plan 2 and plan 3 account, the tobacco
33 prevention and control account, the tobacco settlement account, the
34 toll facility bond retirement account, the transportation 2003
35 account (nickel account), the transportation equipment fund, the
36 transportation future funding program account, the transportation
37 improvement account, the transportation improvement board bond
38 retirement account, the transportation infrastructure account, the
39 transportation partnership account, the traumatic brain injury
40 account, the University of Washington bond retirement fund, the

1 University of Washington building account, the voluntary cleanup
2 account, the volunteer firefighters' and reserve officers' relief and
3 pension principal fund, the volunteer firefighters' and reserve
4 officers' administrative fund, the vulnerable roadway user education
5 account, the Washington judicial retirement system account, the
6 Washington law enforcement officers' and firefighters' system plan 1
7 retirement account, the Washington law enforcement officers' and
8 firefighters' system plan 2 retirement account, the Washington public
9 safety employees' plan 2 retirement account, the Washington school
10 employees' retirement system combined plan 2 and 3 account, the
11 Washington state patrol retirement account, the Washington State
12 University building account, the Washington State University bond
13 retirement fund, the water pollution control revolving administration
14 account, the water pollution control revolving fund, the Western
15 Washington University capital projects account, the Yakima integrated
16 plan implementation account, the Yakima integrated plan
17 implementation revenue recovery account, and the Yakima integrated
18 plan implementation taxable bond account. Earnings derived from
19 investing balances of the agricultural permanent fund, the normal
20 school permanent fund, the permanent common school fund, the
21 scientific permanent fund, and the state university permanent fund
22 shall be allocated to their respective beneficiary accounts.

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

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

32 NEW SECTION. **Sec. 6.** Sections 1 through 4 of this act take
33 effect January 1, 2024.

34 NEW SECTION. **Sec. 7.** Section 4 of this act expires July 1,
35 2024.

1 NEW SECTION. **Sec. 8.** Section 5 of this act takes effect July 1,
2 2024.

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