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HOUSE BILL 1860

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State of Washington

69th Legislature

2025 Regular Session

By Representative Reed

1 AN ACT Relating to creating a Washington state supply chain  
2 competitiveness infrastructure program; reenacting and amending RCW  
3 43.84.092 and 43.84.092; adding new sections to chapter 47.04 RCW;  
4 creating a new section; providing an effective date; and providing an  
5 expiration date.

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

7 NEW SECTION. **Sec. 1.** It is the intent of the legislature that  
8 the state of Washington, being one of the most trade driven states in  
9 the nation, maintain and expand its abilities to compete in the  
10 global trade market and be a national leader in trade. The  
11 legislature finds it is imperative to maintain and expand critical  
12 and strategic infrastructure for the transport and movement of the  
13 overall supply chain of goods from point of entry, to unload and load  
14 processes, and to transport via ground and maritime facilities, to  
15 warehouses, manufacturing facilities, and final destinations.  
16 Strategic infrastructure investments targeted at increased capacity  
17 for the supply chain is crucial to the state's public welfare of  
18 sending and receiving crucial supplies, goods, and services.

19 NEW SECTION. **Sec. 2.** A new section is added to chapter 47.04  
20 RCW to read as follows:

1 The department, in collaboration with the department of commerce,  
2 the freight mobility strategic investment board, Washington public  
3 ports association, federally recognized tribal governments with port  
4 operations, and other critical supply chain stakeholders including,  
5 but not limited to, those representing trucking, rail, marine,  
6 warehouse, agricultural, manufacturing, and clean energy, shall set  
7 priorities to ensure the successful and efficient operation of a  
8 supply chain competitiveness infrastructure program to include grants  
9 and loans to public ports and federally recognized tribal governments  
10 with established public port operations. The department may adopt  
11 rules under chapter 34.05 RCW to implement the supply chain  
12 competitiveness infrastructure program.

13 NEW SECTION. **Sec. 3.** A new section is added to chapter 47.04  
14 RCW to read as follows:

15 (1) The supply chain competitiveness infrastructure program  
16 account is created in the state treasury. All receipts from the  
17 legislature, proceeds of bonds when authorized by the legislature,  
18 and principal and interest payments made on loans from the account  
19 must be deposited into the account. Moneys in the account may be  
20 spent only after appropriation. Expenditures from the account may be  
21 used only for the purposes set forth in section 5 of this act. Public  
22 and private entities may deposit moneys from federal, state, local,  
23 or private sources in the account.

24 (2) The legislature intends that supply chain competitiveness  
25 infrastructure grant funds will be appropriated to the department  
26 using existing transportation accounts.

27 NEW SECTION. **Sec. 4.** A new section is added to chapter 47.04  
28 RCW to read as follows:

29 (1) In addition to the priorities identified through the  
30 stakeholder process in section 2 of this act, projects for the supply  
31 chain competitiveness infrastructure program must align with the  
32 following programmatic goals:

33 (a) Development or maintenance of transportation infrastructure  
34 that ensures the successful and efficient operation of the supply  
35 chain to and from the state's public ports and federally recognized  
36 tribal governments with established public port operations;

37 (b) Economic, safety, or environmental advantages of efficient  
38 freight movement;

1 (c) Sustaining the state's international trade economy;

2 (d) Increased access to efficient and cost-effective transport to  
3 market for Washington's agricultural and industrial products;

4 (e) Model integration and cooperation within the regional,  
5 national, and international systems of freight distribution; and

6 (f) Mitigation of impacts of increased freight traffic on  
7 communities.

8 (2) The collaborative process in section 2 of this act shall  
9 result in the development of performance metrics that result in  
10 strengthening the state's supply chain competitiveness and evaluation  
11 criteria by which to prioritize projects for funding.

12 NEW SECTION. **Sec. 5.** A new section is added to chapter 47.04  
13 RCW to read as follows:

14 (1) Supply chain competitiveness infrastructure projects funded  
15 from the supply chain competitiveness infrastructure program shall  
16 focus on enhancing supply chain competitiveness for public ports and  
17 federally recognized tribal governments with established public port  
18 operations, and the capacity of ground and maritime transportation  
19 and facilities. The department shall govern and operate the grant and  
20 revolving loan program. The collaborative process in section 2 of  
21 this act shall result in a list of project types eligible for the  
22 supply chain competitiveness infrastructure grant and loan program.

23 (2) All eligible projects must be included in a port's freight  
24 development plan as defined in RCW 53.20.055.

25 NEW SECTION. **Sec. 6.** A new section is added to chapter 47.04  
26 RCW to read as follows:

27 For the purposes of this act, public ports are those authorized  
28 under chapter 53.04 RCW.

29 **Sec. 7.** RCW 43.84.092 and 2024 c 210 s 4 and 2024 c 168 s 12 are  
30 each reenacted and amended to read as follows:

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

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

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

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

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

26 (a) The following accounts and funds shall receive their  
27 proportionate share of earnings based upon each account's and fund's  
28 average daily balance for the period: The abandoned recreational  
29 vehicle disposal account, the aeronautics account, the Alaskan Way  
30 viaduct replacement project account, the ambulance transport fund,  
31 the budget stabilization account, the capital vessel replacement  
32 account, the capitol building construction account, the Central  
33 Washington University capital projects account, the charitable,  
34 educational, penal and reformatory institutions account, the Chehalis  
35 basin account, the Chehalis basin taxable account, the clean fuels  
36 credit account, the clean fuels transportation investment account,  
37 the cleanup settlement account, the climate active transportation  
38 account, the climate transit programs account, the Columbia river  
39 basin water supply development account, the Columbia river basin  
40 taxable bond water supply development account, the Columbia river

1 basin water supply revenue recovery account, the common school  
2 construction fund, the community forest trust account, the connecting  
3 Washington account, the county arterial preservation account, the  
4 county criminal justice assistance account, the covenant  
5 homeownership account, the deferred compensation administrative  
6 account, the deferred compensation principal account, the department  
7 of licensing services account, the department of retirement systems  
8 expense account, the developmental disabilities community services  
9 account, the diesel idle reduction account, the opioid abatement  
10 settlement account, the drinking water assistance account, the  
11 administrative subaccount of the drinking water assistance account,  
12 the early learning facilities development account, the early learning  
13 facilities revolving account, the Eastern Washington University  
14 capital projects account, the education construction fund, the  
15 education legacy trust account, the election account, the electric  
16 vehicle account, the energy freedom account, the energy recovery act  
17 account, the essential rail assistance account, The Evergreen State  
18 College capital projects account, the fair start for kids account,  
19 the family medicine workforce development account, the ferry bond  
20 retirement fund, the fish, wildlife, and conservation account, the  
21 freight mobility investment account, the freight mobility multimodal  
22 account, the grade crossing protective fund, the higher education  
23 retirement plan supplemental benefit fund, the Washington student  
24 loan account, the highway bond retirement fund, the highway  
25 infrastructure account, the highway safety fund, the hospital safety  
26 net assessment fund, the Interstate 5 bridge replacement project  
27 account, the Interstate 405 and state route number 167 express toll  
28 lanes account, the judges' retirement account, the judicial  
29 retirement administrative account, the judicial retirement principal  
30 account, the limited fish and wildlife account, the local leasehold  
31 excise tax account, the local real estate excise tax account, the  
32 local sales and use tax account, the marine resources stewardship  
33 trust account, the medical aid account, the money-purchase retirement  
34 savings administrative account, the money-purchase retirement savings  
35 principal account, the motor vehicle fund, the motorcycle safety  
36 education account, the move ahead WA account, the move ahead WA  
37 flexible account, the multimodal transportation account, the multiuse  
38 roadway safety account, the municipal criminal justice assistance  
39 account, the oyster reserve land account, the pension funding  
40 stabilization account, the perpetual surveillance and maintenance

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

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

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

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

28 **Sec. 8.** RCW 43.84.092 and 2024 c 210 s 5 and 2024 c 168 s 13 are  
29 each reenacted and amended to read as follows:

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

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

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

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

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

23 (a) The following accounts and funds shall receive their  
24 proportionate share of earnings based upon each account's and fund's  
25 average daily balance for the period: The abandoned recreational  
26 vehicle disposal account, the aeronautics account, the Alaskan Way  
27 viaduct replacement project account, the budget stabilization  
28 account, the capital vessel replacement account, the capitol building  
29 construction account, the Central Washington University capital  
30 projects account, the charitable, educational, penal and reformatory  
31 institutions account, the Chehalis basin account, the Chehalis basin  
32 taxable account, the clean fuels credit account, the clean fuels  
33 transportation investment account, the cleanup settlement account,  
34 the climate active transportation account, the climate transit  
35 programs account, the Columbia river basin water supply development  
36 account, the Columbia river basin taxable bond water supply  
37 development account, the Columbia river basin water supply revenue  
38 recovery account, the common school construction fund, the community  
39 forest trust account, the connecting Washington account, the county  
40 arterial preservation account, the county criminal justice assistance



1 account, the covenant homeownership account, the deferred  
2 compensation administrative account, the deferred compensation  
3 principal account, the department of licensing services account, the  
4 department of retirement systems expense account, the developmental  
5 disabilities community services account, the diesel idle reduction  
6 account, the opioid abatement settlement account, the drinking water  
7 assistance account, the administrative subaccount of the drinking  
8 water assistance account, the early learning facilities development  
9 account, the early learning facilities revolving account, the Eastern  
10 Washington University capital projects account, the education  
11 construction fund, the education legacy trust account, the election  
12 account, the electric vehicle account, the energy freedom account,  
13 the energy recovery act account, the essential rail assistance  
14 account, The Evergreen State College capital projects account, the  
15 fair start for kids account, the family medicine workforce  
16 development account, the ferry bond retirement fund, the fish,  
17 wildlife, and conservation account, the freight mobility investment  
18 account, the freight mobility multimodal account, the grade crossing  
19 protective fund, the higher education retirement plan supplemental  
20 benefit fund, the Washington student loan account, the highway bond  
21 retirement fund, the highway infrastructure account, the highway  
22 safety fund, the hospital safety net assessment fund, the Interstate  
23 5 bridge replacement project account, the Interstate 405 and state  
24 route number 167 express toll lanes account, the judges' retirement  
25 account, the judicial retirement administrative account, the judicial  
26 retirement principal account, the limited fish and wildlife account,  
27 the local leasehold excise tax account, the local real estate excise  
28 tax account, the local sales and use tax account, the marine  
29 resources stewardship trust account, the medical aid account, the  
30 money-purchase retirement savings administrative account, the money-  
31 purchase retirement savings principal account, the motor vehicle  
32 fund, the motorcycle safety education account, the move ahead WA  
33 account, the move ahead WA flexible account, the multimodal  
34 transportation account, the multiuse roadway safety account, the  
35 municipal criminal justice assistance account, the oyster reserve  
36 land account, the pension funding stabilization account, the  
37 perpetual surveillance and maintenance account, the pilotage account,  
38 the pollution liability insurance agency underground storage tank  
39 revolving account, the public employees' retirement system plan 1  
40 account, the public employees' retirement system combined plan 2 and

1 plan 3 account, the public facilities construction loan revolving  
2 account, the public health supplemental account, the public works  
3 assistance account, the Puget Sound capital construction account, the  
4 Puget Sound ferry operations account, the Puget Sound Gateway  
5 facility account, the Puget Sound taxpayer accountability account,  
6 the real estate appraiser commission account, the recreational  
7 vehicle account, the regional mobility grant program account, the  
8 reserve officers' relief and pension principal fund, 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 second injury fund, the sexual assault prevention and response  
12 account, the site closure account, the skilled nursing facility  
13 safety net trust fund, the small city pavement and sidewalk account,  
14 the special category C account, the special wildlife account, the  
15 state hazard mitigation revolving loan account, the state investment  
16 board expense account, the state investment board commingled trust  
17 fund accounts, the state patrol highway account, the state  
18 reclamation revolving account, the state route number 520 civil  
19 penalties account, the state route number 520 corridor account, the  
20 statewide broadband account, the statewide tourism marketing account,  
21 the supplemental pension account, the supply chain competitiveness  
22 infrastructure program account, the Tacoma Narrows toll bridge  
23 account, the teachers' retirement system plan 1 account, the  
24 teachers' retirement system combined plan 2 and plan 3 account, the  
25 tobacco prevention and control account, the tobacco settlement  
26 account, the toll facility bond retirement account, the  
27 transportation 2003 account (nickel account), the transportation  
28 equipment fund, the JUDY transportation future funding program  
29 account, the transportation improvement account, the transportation  
30 improvement board bond retirement account, the transportation  
31 infrastructure account, the transportation partnership account, the  
32 traumatic brain injury account, the tribal opioid prevention and  
33 treatment account, the University of Washington bond retirement fund,  
34 the University of Washington building account, the voluntary cleanup  
35 account, the volunteer firefighters' relief and pension principal  
36 fund, the volunteer firefighters' and reserve officers'  
37 administrative fund, the vulnerable roadway user education account,  
38 the Washington judicial retirement system account, the Washington law  
39 enforcement officers' and firefighters' system plan 1 retirement  
40 account, the Washington law enforcement officers' and firefighters'

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

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

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

25 NEW SECTION. **Sec. 9.** Section 7 of this act expires July 1,  
26 2028.

27 NEW SECTION. **Sec. 10.** Section 8 of this act takes effect July  
28 1, 2028.

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