
SENATE BILL 5344

State of Washington

68th Legislature

2023 Regular Session

By Senators Schoesler, Dozier, Braun, Wagoner, and Warnick

1 AN ACT Relating to a public school revolving fund; amending RCW
2 43.84.092; adding new sections to chapter 43.79 RCW; and providing a
3 contingent effective date.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.79
6 RCW to read as follows:

7 (1) The public school revolving fund shall be established and
8 maintained in the state treasury.

9 (2) Money may be placed in the public school revolving fund from
10 the proceeds of bonds when authorized by the legislature or any other
11 lawful source.

12 (3) Moneys in the public school revolving fund may be spent only
13 after appropriation. Expenditures from the fund may only be used to
14 provide loans to school districts for capital projects.

15 (4) Moneys received from school districts as repayment for
16 capital project loans must be placed in the public school revolving
17 fund.

18 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.79
19 RCW to read as follows:

1 (1) The public school revolving fund and the public school
2 revolving fund board shall be governed by the provisions in Article
3 IX, section . . . (Senate Joint Resolution No. . . . (S-0192/23))
4 and this section.

5 (2) The public school revolving fund board shall establish and
6 administer an application and review procedure for eligible school
7 districts that want to apply for low-interest or interest-free loans
8 for capital projects. The board may develop additional criteria
9 related to applicant eligibility, prioritization of recipients, and
10 loan amounts. The office of the state treasurer must provide
11 administrative and staff support to the board.

12 (3)(a) Except as provided in (b) of this subsection, to qualify
13 for a low-interest or interest-free loan from the public school
14 revolving fund, the public school revolving fund board must determine
15 that:

16 (i) The capital project qualifies for state funding assistance
17 under the school construction assistance program;

18 (ii) The school has not authorized an additional tax levy within
19 the last year for the purpose of repaying principal or interest on
20 the loan; and

21 (iii) The school district board of directors is not using the
22 loan to refinance existing debt or financial obligations of the
23 school district.

24 (b) The public school revolving fund board may make low-interest
25 or interest-free loans to school districts for emergency capital
26 projects that have not qualified for the school construction
27 assistance program. The loans may be used to help fund all or part of
28 an emergency public works project less any reimbursement from any of
29 the following sources: (i) Federal disaster or emergency funds,
30 including funds from the federal emergency management agency; (ii)
31 state disaster or emergency funds; (iii) insurance settlements; or
32 (iv) litigation.

33 **Sec. 3.** RCW 43.84.092 and 2022 c 182 s 404 are each amended to
34 read as follows:

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

38 (2) The treasury income account shall be utilized to pay or
39 receive funds associated with federal programs as required by the

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

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

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

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

1 river basin taxable bond water supply development account, the
2 Columbia river basin water supply revenue recovery account, the
3 common school construction fund, the community forest trust account,
4 the connecting Washington account, the county arterial preservation
5 account, the county criminal justice assistance account, the deferred
6 compensation administrative account, the deferred compensation
7 principal account, the department of licensing services account, the
8 department of retirement systems expense account, the developmental
9 disabilities community services account, the diesel idle reduction
10 account, the drinking water assistance account, the administrative
11 subaccount of the drinking water assistance account, the early
12 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 ferry bond retirement fund, the fish, wildlife, and conservation
20 account, the freight mobility investment account, the freight
21 mobility multimodal account, the grade crossing protective fund, the
22 public health services account, the state higher education
23 construction account, the higher education construction account, the
24 higher education retirement plan supplemental benefit fund, the
25 highway bond retirement fund, the highway infrastructure account, the
26 highway safety fund, the hospital safety net assessment fund, the
27 Interstate 405 and state route number 167 express toll lanes account,
28 the judges' retirement account, the judicial retirement
29 administrative account, the judicial retirement principal account,
30 the limited fish and wildlife account, the local leasehold excise tax
31 account, the local real estate excise tax account, the local sales
32 and use tax account, the marine resources stewardship trust account,
33 the medical aid account, the money-purchase retirement savings
34 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 school revolving fund, the public
7 works assistance account, the Puget Sound capital construction
8 account, the Puget Sound ferry operations account, the Puget Sound
9 Gateway facility account, the Puget Sound taxpayer accountability
10 account, the real estate appraiser commission account, the
11 recreational vehicle account, the regional mobility grant program
12 account, the resource management cost account, the rural arterial
13 trust account, the rural mobility grant program account, the rural
14 Washington loan fund, the sexual assault prevention and response
15 account, the site closure account, the skilled nursing facility
16 safety net trust fund, the small city pavement and sidewalk account,
17 the special category C account, the special wildlife account, the
18 state investment board expense account, the state investment board
19 commingled trust fund accounts, the state patrol highway account, the
20 state reclamation revolving account, the state route number 520 civil
21 penalties account, the state route number 520 corridor account, the
22 statewide broadband account, the statewide tourism marketing account,
23 the supplemental pension account, the Tacoma Narrows toll bridge
24 account, the teachers' retirement system plan 1 account, the
25 teachers' retirement system combined plan 2 and plan 3 account, the
26 tobacco prevention and control account, the tobacco settlement
27 account, the toll facility bond retirement account, the
28 transportation 2003 account (nickel account), the transportation
29 equipment fund, the transportation future funding program account,
30 the transportation improvement account, the transportation
31 improvement board bond retirement account, the transportation
32 infrastructure account, the transportation partnership account, the
33 traumatic brain injury account, the University of Washington bond
34 retirement fund, the University of Washington building account, the
35 voluntary cleanup account, the volunteer firefighters' and reserve
36 officers' relief and pension principal fund, the volunteer
37 firefighters' and reserve officers' administrative fund, the
38 vulnerable roadway user education account, the Washington judicial
39 retirement system account, the Washington law enforcement officers'
40 and firefighters' system plan 1 retirement account, the Washington

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

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

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

26 NEW SECTION. **Sec. 4.** This act takes effect July 1, 2025, if the
27 proposed amendment to Article IX and Article XXIX (Senate Joint
28 Resolution No. (S-0192/23)) is validly submitted to and is
29 approved and ratified by the voters at a general election. If the
30 proposed amendment is not approved and ratified, this act is void in
31 its entirety.

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