

CERTIFICATION OF ENROLLMENT  
**ENGROSSED SUBSTITUTE HOUSE BILL 2012**

Chapter 12, Laws of 2015

64th Legislature  
2015 3rd Special Session

DEPARTMENT OF TRANSPORTATION--PRACTICAL DESIGN

EFFECTIVE DATE: 7/6/2015 - Except for Section 4, which is  
contingent.

Passed by the House June 29, 2015  
Yeas 98 Nays 0

FRANK CHOPP

**Speaker of the House of Representatives**

Passed by the Senate June 30, 2015  
Yeas 45 Nays 0

PAM ROACH

**President of the Senate**

Approved July 6, 2015 3:48 PM

JAY INSLEE

**Governor of the State of Washington**

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 2012** as passed by House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

**Chief Clerk**

FILED

July 7, 2015

**Secretary of State  
State of Washington**

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ENGROSSED SUBSTITUTE HOUSE BILL 2012

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Passed Legislature - 2015 3rd Special Session

State of Washington

64th Legislature

2015 Regular Session

By House Transportation (originally sponsored by Representatives Orcutt, Clibborn, Hargrove, Hayes, Pike, Zeiger, Muri, and Wilson)

READ FIRST TIME 02/27/15.

1 AN ACT Relating to the department of transportation  
2 implementation of practical design; reenacting and amending RCW  
3 43.84.092 and 43.84.092; adding a new section to chapter 47.01 RCW;  
4 adding a new section to chapter 46.68 RCW; providing a contingent  
5 effective date; providing a contingent expiration date; and declaring  
6 an emergency.

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

8 NEW SECTION. **Sec. 1.** A new section is added to chapter 47.01  
9 RCW to read as follows:

10 (1)(a) For projects identified as connecting Washington projects  
11 and supported by revenues under chapter . . . (Engrossed Substitute  
12 Senate Bill No. 5987), Laws of 2015 3rd sp. sess., it is the priority  
13 of the legislature that the department deliver the named projects.  
14 The legislature encourages the department to continue to  
15 institutionalize innovation and collaboration in design and project  
16 delivery with an eye toward the most efficient use of resources. In  
17 doing so, the legislature expects that, for some projects, costs will  
18 be reduced during the project design phase due to the application of  
19 practical design. However, significant changes to a project title or  
20 scope arising from the application of practical design requires  
21 legislative approval. The legislature will utilize existing

1 mechanisms and processes to ensure timely and efficient approval.  
2 Practical design-related changes to the scope may be proposed by the  
3 department, for the legislature's approval, only if the project's  
4 intended performance is substantially unchanged and the local  
5 governments and interested stakeholders impacted by the project have  
6 been consulted and have reviewed the proposed changes.

7 (b) To the greatest extent practicable, a contract for the  
8 construction of a project with any change to the title or scope,  
9 whether significant or not, arising from the application of practical  
10 design must not be let until the department has provided a detailed  
11 notice describing the change to the chairs and ranking members of the  
12 house of representatives and senate transportation committees or, if  
13 during the interim, to the joint transportation committee.

14 (c) To determine the savings attributable to practical design,  
15 each connecting Washington project must be evaluated. For design-bid-  
16 build projects, the evaluation must occur at the end of the project  
17 design phase. For design-build projects, the evaluation must occur at  
18 the completion of thirty percent design. Each year as a part of its  
19 annual budget submittal, the department must include a detailed  
20 summary of how practical design has been applied and the associated  
21 savings gained. The annual summary must also include for each  
22 project: Details regarding any savings gained specifically through  
23 changes in the cost of materials, changes in the scope of a project  
24 and associated impacts on risk, the retirement of any risk reserves,  
25 and unused contingency funds.

26 (2)(a) The transportation future funding program is intended to  
27 provide for future emergent transportation projects, accelerating the  
28 schedule for existing connecting Washington projects, and highway  
29 preservation investments, beginning in fiscal year 2024, based on  
30 savings accrued from the application of practical design and any  
31 retired risk or unused contingency funding on connecting Washington  
32 projects.

33 (b) Beginning July 1, 2016, the department must submit a report  
34 to the state treasurer and the transportation committees of the  
35 legislature once every six months identifying the amount of savings  
36 attributable to the application of practical design, retired risk,  
37 and unused contingency funding, and report when the savings become  
38 available. The state treasurer must transfer the available amounts  
39 identified in the report to the transportation future funding program  
40 account created in section 2 of this act.

1 (c) Beginning in fiscal year 2024, as a part of its budget  
2 submittal, the department may provide a list of highway improvement  
3 projects or preservation investments for potential legislative  
4 approval as part of the transportation future funding program.  
5 Highway improvement projects considered for inclusion under the  
6 transportation future funding program may include new connecting  
7 Washington projects, or accelerate the schedule for existing  
8 connecting Washington projects, and must: Address significant safety  
9 concerns; alleviate congestion and advance mobility; provide  
10 compelling economic development gains; leverage partnership funds  
11 from local, federal, or other sources; or require a next phase of  
12 funding to build upon initial investments provided by the  
13 legislature.

14 (d) It is the intent of the legislature that if savings  
15 attributable to the application of practical design are used to  
16 accelerate existing connecting Washington projects, savings must also  
17 be used for new connecting Washington projects of equal cost.

18 NEW SECTION. **Sec. 2.** A new section is added to chapter 46.68  
19 RCW to read as follows:

20 The transportation future funding program account is created in  
21 the connecting Washington account established in chapter . . .  
22 (Engrossed Substitute Senate Bill No. 5987), Laws of 2015 3rd sp.  
23 sess. Moneys in the account may be spent only after appropriation.  
24 Expenditures from the account must be used only for preservation  
25 projects, to accelerate the schedule of connecting Washington  
26 projects identified in chapter . . . (Engrossed Substitute Senate  
27 Bill No. 5988), Laws of 2015 3rd sp. sess., for new connecting  
28 Washington projects, and for principal and interest on bonds  
29 authorized for the projects. It is the legislature's intent that  
30 moneys not be appropriated from the account until 2024 and that  
31 moneys in the account be expended in equal amounts between  
32 preservation and improvement projects. Moneys in the account may not  
33 be expended on the state route number 99 Alaskan Way viaduct  
34 replacement project.

35 **Sec. 3.** RCW 43.84.092 and 2014 c 112 s 106, 2014 c 74 s 5, and  
36 2014 c 32 s 6 are each reenacted and amended to read as follows:

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

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

20 (3) Except for the provisions of RCW 43.84.160, the treasury  
21 income account may be utilized for the payment of purchased banking  
22 services on behalf of treasury funds including, but not limited to,  
23 depository, safekeeping, and disbursement functions for the state  
24 treasury and affected state agencies. The treasury income account is  
25 subject in all respects to chapter 43.88 RCW, but no appropriation is  
26 required for payments to financial institutions. Payments shall occur  
27 prior to distribution of earnings set forth in subsection (4) of this  
28 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  
32 treasury 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  
37 replacement project account, the brownfield redevelopment trust fund  
38 account, the budget stabilization account, the capital vessel  
39 replacement account, the capitol building construction account, the  
40 Cedar River channel construction and operation account, the Central

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

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

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

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

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

21 **Sec. 4.** RCW 43.84.092 and 2014 c 112 s 107, 2014 c 74 s 6, and  
22 2014 c 32 s 7 are each reenacted and amended to read as follows:

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

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



1 distributions of earnings set forth in subsection (4) of this  
2 section.

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

12 (4) Monthly, the state treasurer shall distribute the earnings  
13 credited to the treasury income account. The state treasurer shall  
14 credit the general fund with all the earnings credited to the  
15 treasury income account except:

16 (a) The following accounts and funds shall receive their  
17 proportionate share of earnings based upon each account's and fund's  
18 average daily balance for the period: The aeronautics account, the  
19 aircraft search and rescue account, the Alaskan Way viaduct  
20 replacement project account, the brownfield redevelopment trust fund  
21 account, the budget stabilization account, the capital vessel  
22 replacement account, the capitol building construction account, the  
23 Cedar River channel construction and operation account, the Central  
24 Washington University capital projects account, the charitable,  
25 educational, penal and reformatory institutions account, the cleanup  
26 settlement account, the Columbia river basin water supply development  
27 account, the Columbia river basin taxable bond water supply  
28 development account, the Columbia river basin water supply revenue  
29 recovery account, the Columbia river crossing project account, the  
30 common school construction fund, the community forest trust account,  
31 the county arterial preservation account, the county criminal justice  
32 assistance account, the deferred compensation administrative account,  
33 the deferred compensation principal account, the department of  
34 licensing services account, the department of retirement systems  
35 expense account, the developmental disabilities community trust  
36 account, the diesel idle reduction account, the drinking water  
37 assistance account, the drinking water assistance administrative  
38 account, the drinking water assistance repayment account, the Eastern  
39 Washington University capital projects account, the Interstate 405  
40 express toll lanes operations account, the education construction

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

1 number 520 corridor account, the state wildlife account, the  
2 supplemental pension account, the Tacoma Narrows toll bridge account,  
3 the teachers' retirement system plan 1 account, the teachers'  
4 retirement system combined plan 2 and plan 3 account, the tobacco  
5 prevention and control account, the tobacco settlement account, the  
6 toll facility bond retirement account, the transportation 2003  
7 account (nickel account), the transportation equipment fund, the  
8 transportation fund, the transportation future funding program  
9 account, the transportation improvement account, the transportation  
10 improvement board bond retirement account, the transportation  
11 infrastructure account, the transportation partnership account, the  
12 traumatic brain injury account, the tuition recovery trust fund, the  
13 University of Washington bond retirement fund, the University of  
14 Washington building account, the volunteer firefighters' and reserve  
15 officers' relief and pension principal fund, the volunteer  
16 firefighters' and reserve officers' administrative fund, the  
17 Washington judicial retirement system account, the Washington law  
18 enforcement officers' and firefighters' system plan 1 retirement  
19 account, the Washington law enforcement officers' and firefighters'  
20 system plan 2 retirement account, the Washington public safety  
21 employees' plan 2 retirement account, the Washington school  
22 employees' retirement system combined plan 2 and 3 account, the  
23 Washington state health insurance pool account, the Washington state  
24 patrol retirement account, the Washington State University building  
25 account, the Washington State University bond retirement fund, the  
26 water pollution control revolving administration account, the water  
27 pollution control revolving fund, the Western Washington University  
28 capital projects account, the Yakima integrated plan implementation  
29 account, the Yakima integrated plan implementation revenue recovery  
30 account, and the Yakima integrated plan implementation taxable bond  
31 account. Earnings derived from investing balances of the agricultural  
32 permanent fund, the normal school permanent fund, the permanent  
33 common school fund, the scientific permanent fund, the state  
34 university permanent fund, and the state reclamation revolving  
35 account shall be allocated to their respective beneficiary accounts.

36 (b) Any state agency that has independent authority over accounts  
37 or funds not statutorily required to be held in the state treasury  
38 that deposits funds into a fund or account in the state treasury  
39 pursuant to an agreement with the office of the state treasurer shall

1 receive its proportionate share of earnings based upon each account's  
2 or fund's average daily balance for the period.

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

6 NEW SECTION. **Sec. 5.** Section 3 of this act expires on the date  
7 the requirements set out in section 7, chapter 36, Laws of 2012 are  
8 met.

9 NEW SECTION. **Sec. 6.** Section 4 of this act takes effect on the  
10 date the requirements set out in section 7, chapter 36, Laws of 2012  
11 are met.

12 NEW SECTION. **Sec. 7.** Except for section 4 of this act, this act  
13 is necessary for the immediate preservation of the public peace,  
14 health, or safety, or support of the state government and its  
15 existing public institutions, and takes effect immediately.

Passed by the House June 29, 2015.

Passed by the Senate June 30, 2015.

Approved by the Governor July 6, 2015.

Filed in Office of Secretary of State July 7, 2015.

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