
HOUSE BILL 1361

State of Washington 60th Legislature 2007 Regular Session

By Representatives Miloscia, B. Sullivan and Chase

Read first time 01/17/2007. Referred to Committee on Local Government.

1 AN ACT Relating to dedicating existing revenue to infrastructure
2 funding; amending RCW 82.45.060; reenacting and amending RCW 43.84.092;
3 adding new sections to chapter 36.70A RCW; and creating new sections.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that population growth
6 in many areas of the state requires new, improved, or additional
7 infrastructure to accommodate growth and protect the quality of life in
8 Washington state. The legislature further finds that the needed
9 infrastructure identified in the capital facilities elements of
10 comprehensive plans adopted by counties and cities far exceed the
11 existing funding available to county, city, or state agencies
12 responsible for constructing or operating the needed infrastructure and
13 that current programs available for local government infrastructure
14 assistance are oversubscribed. The legislature further finds that
15 funding for the Washington wildlife and recreation program has been
16 insufficient to meet local demands for parks, open space, and habitat
17 protection. The legislature therefore establishes the growth
18 management infrastructure account to assist counties and cities in
19 financing and constructing those infrastructure projects needed to

1 accommodate growth, as identified in the capital facilities elements of
2 growth management plans, and dedicates a portion of the real estate
3 excise tax to the growth management infrastructure account and to the
4 accounts used to fund the Washington wildlife and recreation program.

5 NEW SECTION. **Sec. 2.** A new section is added to chapter 36.70A RCW
6 to read as follows:

7 For the purposes of this section and sections 3 and 4 of this act,
8 the following definitions apply:

9 (1) "Basic service" means that level of service necessary to meet
10 only the minimum level of service sufficient to accommodate growth,
11 specifically:

12 (a) For bridge and road projects, a level of service category "c"
13 on a scale of "a" to "f"; and

14 (b) In no case may project landscaping be considered a minimum
15 level of service.

16 (2) "Board" means the public works board created in RCW 43.155.030.

17 (3) "Financial assistance" means loans or loan guarantees.

18 (4) "Growth infrastructure projects" means the acquisition,
19 construction, reconstruction, rehabilitation, and improvement of only
20 those bridges and roads that increase capacity necessary to accommodate
21 projected growth.

22 (5) "Local government" means counties, cities, and towns.

23 NEW SECTION. **Sec. 3.** A new section is added to chapter 36.70A RCW
24 to read as follows:

25 (1) The growth management infrastructure account is created in the
26 state treasury. Moneys may be placed in the account from the proceeds
27 of bonds when authorized by the legislature or from any other lawful
28 source. The board shall use appropriated moneys from the account to
29 provide financial assistance to qualifying local governments for
30 capital costs directly related to providing basic service for growth
31 infrastructure projects necessary to accommodate residential,
32 commercial, and industrial growth. Funds necessary to support the
33 board's cost in administering sections 2 through 5 of this act shall be
34 appropriated from the account.

35 (2) The board shall manage appropriated funds from the account.

1 The board has all responsibilities granted to it under RCW 43.155.040,
2 43.155.080, and 43.155.090 in carrying out the purposes of this
3 section.

4 (3) Existing debt or financial obligations of local governments may
5 not be refinanced under this chapter unless refinancing existing debt
6 or financial obligations will enable the use of other funds, in like
7 amounts, for growth infrastructure projects. Each local government
8 applicant shall provide documentation of attempts to secure additional
9 local or other sources of funding for projects for which financial
10 assistance is sought under this chapter.

11 NEW SECTION. **Sec. 4.** A new section is added to chapter 36.70A RCW
12 to read as follows:

13 (1) To qualify for financial assistance local governments must meet
14 the following standards:

15 (a) Be in compliance with the provisions of this chapter;

16 (b) Demonstrate that the growth infrastructure project increases
17 existing capacity necessary to accommodate projected population and
18 employment growth;

19 (c) Demonstrate that the comprehensive land use plan, the zoning
20 designations, the development regulations, and the capital facilities
21 plan are sufficient to accommodate projected population and employment
22 growth;

23 (d) Demonstrate that a sufficient quantity of land suitable for
24 development is available for the number of housing units necessary to
25 accommodate projected growth; and

26 (e) Demonstrate that development regulations allow the densities
27 and housing types sufficient to accommodate existing and projected
28 housing needs.

29 (2) Additional points shall be awarded to applications that
30 demonstrate the local government comprehensive plan policies and
31 development regulations include any of the following:

32 (a) Policies that provide for a variety of residential densities
33 and housing types, such as additional dwelling units and cottage
34 housing;

35 (b) Policies that make adequate provisions for existing and
36 projected housing needs for all economic segments of the community;

1 (c) Policies that provide for a supply of housing sufficient to
2 accommodate projected employment growth;

3 (d) Policies that ensure no net loss of housing capacity by
4 increasing land use capacity sufficient to recapture lost capacity
5 through the adoption of development regulations that reduce capacity;

6 (e) Policies that provide a receiving zone for transfer of
7 development rights programs; and

8 (f) Performance measures that gauge how the local government is
9 accommodating growth and policies to adopt measures that increase the
10 likelihood to accommodate projected growth.

11 NEW SECTION. **Sec. 5.** Nothing in sections 3 and 4 of this act
12 precludes the local government from using local funds in combination
13 with financial assistance provided under sections 3 and 4 of this act
14 to construct a project in excess of the minimum level financed under
15 this act.

16 **Sec. 6.** RCW 43.84.092 and 2006 c 337 s 11, 2006 c 311 s 23, 2006
17 c 171 s 10, 2006 c 56 s 10, and 2006 c 6 s 8 are each reenacted and
18 amended to read as follows:

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

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

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

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

13 (a) The following accounts and funds shall receive their
14 proportionate share of earnings based upon each account's and fund's
15 average daily balance for the period: The capitol building
16 construction account, the Cedar River channel construction and
17 operation account, the Central Washington University capital projects
18 account, the charitable, educational, penal and reformatory
19 institutions account, the Columbia river basin water supply development
20 account, the common school construction fund, the county criminal
21 justice assistance account, the county sales and use tax equalization
22 account, the data processing building construction account, the
23 deferred compensation administrative account, the deferred compensation
24 principal account, the department of retirement systems expense
25 account, the developmental disabilities community trust account, the
26 drinking water assistance account, the drinking water assistance
27 administrative account, the drinking water assistance repayment
28 account, the Eastern Washington University capital projects account,
29 the education construction fund, the education legacy trust account,
30 the election account, the emergency reserve fund, the energy freedom
31 account, The Evergreen State College capital projects account, the
32 federal forest revolving account, the freight mobility investment
33 account, the freight mobility multimodal account, the growth management
34 infrastructure account, the health services account, the public health
35 services account, the health system capacity account, the personal
36 health services account, the state higher education construction
37 account, the higher education construction account, the highway
38 infrastructure account, the high-occupancy toll lanes operations

1 account, the industrial insurance premium refund account, the judges'
2 retirement account, the judicial retirement administrative account, the
3 judicial retirement principal account, the local leasehold excise tax
4 account, the local real estate excise tax account, the local sales and
5 use tax account, the medical aid account, the mobile home park
6 relocation fund, the multimodal transportation account, the municipal
7 criminal justice assistance account, the municipal sales and use tax
8 equalization account, the natural resources deposit account, the oyster
9 reserve land account, the pension funding stabilization account, the
10 perpetual surveillance and maintenance account, the public employees'
11 retirement system plan 1 account, the public employees' retirement
12 system combined plan 2 and plan 3 account, the public facilities
13 construction loan revolving account beginning July 1, 2004, the public
14 health supplemental account, the public works assistance account, the
15 Puyallup tribal settlement account, the real estate appraiser
16 commission account, the regional mobility grant program account, the
17 resource management cost account, the rural Washington loan fund, the
18 site closure account, the small city pavement and sidewalk account, the
19 special wildlife account, the state employees' insurance account, the
20 state employees' insurance reserve account, the state investment board
21 expense account, the state investment board commingled trust fund
22 accounts, the supplemental pension account, the Tacoma Narrows toll
23 bridge 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 account,
26 the transportation infrastructure account, the transportation
27 partnership account, the tuition recovery trust fund, the University of
28 Washington bond retirement fund, the University of Washington building
29 account, the volunteer fire fighters' and reserve officers' relief and
30 pension principal fund, the volunteer fire fighters' and reserve
31 officers' administrative fund, the Washington fruit express account,
32 the Washington judicial retirement system account, the Washington law
33 enforcement officers' and fire fighters' system plan 1 retirement
34 account, the Washington law enforcement officers' and fire fighters'
35 system plan 2 retirement account, the Washington public safety
36 employees' plan 2 retirement account, the Washington school employees'
37 retirement system combined plan 2 and 3 account, the Washington state
38 health insurance pool account, the Washington state patrol retirement

1 account, the Washington State University building account, the
2 Washington State University bond retirement fund, the water pollution
3 control revolving fund, and the Western Washington University capital
4 projects account. Earnings derived from investing balances of the
5 agricultural permanent fund, the normal school permanent fund, the
6 permanent common school fund, the scientific permanent fund, and the
7 state university permanent fund shall be allocated to their respective
8 beneficiary accounts. All earnings to be distributed under this
9 subsection (4)(a) shall first be reduced by the allocation to the state
10 treasurer's service fund pursuant to RCW 43.08.190.

11 (b) The following accounts and funds shall receive eighty percent
12 of their proportionate share of earnings based upon each account's or
13 fund's average daily balance for the period: The aeronautics account,
14 the aircraft search and rescue account, the county arterial
15 preservation account, the department of licensing services account, the
16 essential rail assistance account, the ferry bond retirement fund, the
17 grade crossing protective fund, the high capacity transportation
18 account, the highway bond retirement fund, the highway safety account,
19 the motor vehicle fund, the motorcycle safety education account, the
20 pilotage account, the public transportation systems account, the Puget
21 Sound capital construction account, the Puget Sound ferry operations
22 account, the recreational vehicle account, the rural arterial trust
23 account, the safety and education account, the special category C
24 account, the state patrol highway account, the transportation 2003
25 account (nickel account), the transportation equipment fund, the
26 transportation fund, the transportation improvement account, the
27 transportation improvement board bond retirement account, and the urban
28 arterial trust account.

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

32 **Sec. 7.** RCW 82.45.060 and 2005 c 450 s 1 are each amended to read
33 as follows:

34 There is imposed an excise tax upon each sale of real property at
35 the rate of one and twenty-eight one-hundredths percent of the selling
36 price. An amount equal to six and one-tenth percent of the proceeds of
37 this tax to the state treasurer shall be deposited in the public works

1 assistance account created in RCW 43.155.050. An amount equal to three
2 percent of the proceeds of this tax to the state treasurer shall be
3 deposited in the growth management infrastructure account created in
4 section 3 of this act. An amount equal to three percent of the
5 proceeds of this tax to the state treasurer shall be divided among and
6 deposited in the outdoor recreation account created in RCW 79A.15.050,
7 the habitat conservation account created in RCW 79A.15.020, the
8 riparian protection account created in RCW 79A.15.120, and the
9 farmlands preservation account created in RCW 79A.15.130, in the
10 proportion required by chapter 79A.15 RCW. An amount equal to one and
11 six-tenths percent of the proceeds of this tax to the state treasurer
12 shall be deposited in the city-county assistance account created in RCW
13 43.08.290.

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