H-2102.1

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**SUBSTITUTE HOUSE BILL 1680**

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**State of Washington 66th Legislature 2019 Regular Session**

**By** House Capital Budget (originally sponsored by Representatives Doglio, Chapman, Peterson, DeBolt, Appleton, Volz, Gregerson, Stokesbary, Pollet, Rude, Riccelli, MacEwen, Macri, Jenkin, and Valdez)

AN ACT Relating to local government infrastructure funding; amending RCW 43.155.020 and 82.45.060; reenacting and amending RCW 43.155.050; providing an effective date; and declaring an emergency.

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

**Sec.**  RCW 43.155.020 and 2017 3rd sp.s. c 10 s 2 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

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

(2) "Capital facility plan" means a capital facility plan required by the growth management act under chapter 36.70A RCW or, for local governments not fully planning under the growth management act, a plan required by the public works board.

(3) "Department" means the department of commerce.

(4) "Financing guarantees" means the pledge of money in the public works assistance account, or money to be received by the public works assistance account, to the repayment of all or a portion of the principal of or interest on obligations issued by local governments to finance public works projects.

(5) "Local governments" means cities, towns, counties, special purpose districts, and any other municipal corporations or quasi-municipal corporations in the state excluding school districts and port districts.

(6) "Natural or green infrastructure" means projects that utilize systems and practices that use or mimic natural processes to infiltrate, evapotranspirate, or reuse stormwater or runoff on the site where it is generated including, but not limited to, water retention ponds, rain gardens, and vegetated swales.

(7) "Public works project" means a project of a local government for the planning, acquisition, construction, repair, reconstruction, replacement, rehabilitation, or improvement of streets and roads, bridges, water systems, or storm and sanitary sewage systems, lead remediation of drinking water systems, and solid waste facilities, including recycling facilities. A planning project may include the compilation of biological, hydrological, or other data on a county, drainage basin, or region necessary to develop a base of information for a capital facility plan. Public works projects may include natural or green infrastructure measures that complement the project and demonstrate enhanced life-cycle cost or performance gains.

((~~(7)~~)) (8) "Solid waste or recycling project" means remedial actions necessary to bring abandoned or closed landfills into compliance with regulatory requirements and the repair, restoration, and replacement of existing solid waste transfer, recycling facilities, and landfill projects limited to the opening of landfill cells that are in existing and permitted landfills.

((~~(8)~~)) (9) "Technical assistance" means training and other services provided to local governments to: (a) Help such local governments plan, apply, and qualify for loans, grants, and financing guarantees from the board, and (b) help local governments improve their ability to plan for, finance, acquire, construct, repair, replace, rehabilitate, and maintain public facilities.

((~~(9)~~)) (10) "Value planning" means a uniform approach to assist ((~~in~~)) decision making at the predesign stage through systematic evaluation of potential alternatives to solving an identified problem and addressing innovation, affordability, environmental performance, and local economic development.

**Sec.**  RCW 43.155.050 and 2017 3rd sp.s. c 10 s 5 and 2017 3rd sp.s. c 1 s 974 are each reenacted and amended to read as follows:

(1)(a) The public works assistance account is hereby established in the state treasury. Money may be placed in the public works assistance account from the proceeds of bonds when authorized by the legislature or from any other lawful source. Money in the public works assistance account shall be used to make loans and grants and to give financial guarantees to local governments for public works projects. Moneys in the account may also be appropriated or transferred to the water pollution control revolving ((~~account [fund]~~)) fund and the drinking water assistance account to provide for state match requirements under federal law.

(b) Not more than twenty percent of the biennial capital budget appropriation to the public works board from this account may be expended or obligated for preconstruction loans and grants, emergency loans and grants, or loans and grants for capital facility planning under this chapter.

(c) Except as provided for in (d) of this subsection, not more than ten percent of the biennial capital budget appropriation to the public works board from this account may be expended or obligated as grants for preconstruction, emergency, capital facility planning, and construction projects. ((~~During the 2015-2017 fiscal biennium, the legislature may transfer from the public works assistance account to the general fund, the water pollution control revolving account [fund], and the drinking water assistance account such amounts as reflect the excess fund balance of the account.~~))

(d) Up to one percent of the biennial capital budget appropriation to the public works board may be provided as grants to entities for the purpose of value planning. The value planning grant may be up to sixty thousand dollars per capital project.

(2) Beginning in the 2019-2021 fiscal biennium through the 2021-2023 fiscal biennium, an amount equal to four and one-tenth percent of the taxes collected under RCW 82.45.060 and deposited into the public works assistance account must be prioritized for infrastructure projects in support of housing development.

(3) During the ((~~2015-2017 and~~)) 2017-2019 fiscal ((~~biennia~~)) biennium, the legislature may appropriate moneys from the account for activities related to rural economic development, the growth management act, and the voluntary stewardship program. ((~~During the 2015-2017 fiscal biennium, the legislature may transfer from the public works assistance account to the state general fund such amounts as specified by the legislature.~~))

(4) During the 2017-2019 fiscal biennium, the legislature may direct the state treasurer to make transfers of moneys in the public works assistance account to the education legacy trust account. It is the intent of the legislature that this policy will be continued in subsequent fiscal biennia.

**Sec.**  RCW 82.45.060 and 2017 3rd sp.s. c 10 s 13 are each amended to read as follows:

There is imposed an excise tax upon each sale of real property at the rate of one and twenty-eight one-hundredths percent of the selling price. Beginning July 1, 2013, and ending June 30, ((~~2023~~)) 2019, an amount equal to two percent of the proceeds of this tax must be deposited in the public works assistance account created in RCW 43.155.050, and an amount equal to four and one‑tenth percent must be deposited in the education legacy trust account created in RCW 83.100.230. Beginning July 1, 2019, and ending June 30, 2023, an amount equal to two percent of the proceeds of this tax must be deposited in the public works assistance account created in RCW 43.155.050, and an amount equal to four and one-tenth percent of the proceeds must be deposited in the public works assistance account created in RCW 43.155.050 and prioritized for infrastructure projects in support of housing development. Thereafter, an amount equal to six and one-tenth percent of the proceeds of this tax to the state treasurer must be deposited in the public works assistance account created in RCW 43.155.050. Except as otherwise provided in this section, an amount equal to one and six-tenths percent of the proceeds of this tax to the state treasurer must be deposited in the city-county assistance account created in RCW 43.08.290.

NEW SECTION. **Sec.**  This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2019.

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