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ENGROSSED SUBSTITUTE HOUSE BILL 2657

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State of Washington

54th Legislature

1996 Regular Session

By House Committee on Capital Budget (originally sponsored by Representatives Silver and Costa)

Read first time 01/30/96.

1 AN ACT Relating to the definition of public works projects; and  
2 amending RCW 43.155.010, 43.155.020, 43.155.070, 43.160.212, and  
3 43.131.386.

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

5 **Sec. 1.** RCW 43.155.010 and 1985 c 446 s 7 are each amended to read  
6 as follows:

7 The legislature finds that there exists in the state of Washington  
8 over four billion dollars worth of critical projects for the planning,  
9 acquisition, construction, repair, replacement, rehabilitation, or  
10 improvement of streets and roads, bridges, water systems, and storm and  
11 sanitary sewage systems. The December, 1983 Washington state public  
12 works report prepared by the planning and community affairs agency  
13 documented that local governments expect to be capable of financing  
14 over two billion dollars worth of the costs of those critical projects  
15 but will not be able to fund nearly half of the documented needs.

16 The legislature further finds that Washington's local governments  
17 have unmet financial needs for solid waste disposal, including  
18 recycling, and encourages the board to make an equitable geographic  
19 distribution of the funds.

1 It is the policy of the state of Washington to encourage self-  
2 reliance by local governments in meeting their public works needs and  
3 to assist in the financing of critical public works projects by making  
4 loans, financing guarantees, and technical assistance available to  
5 local governments for these projects.

6 **Sec. 2.** RCW 43.155.020 and 1995 c 399 s 85 are each amended to  
7 read as follows:

8 Unless the context clearly requires otherwise, the definitions in  
9 this section shall apply throughout this chapter.

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

11 (2) "Department" means the department of community, trade, and  
12 economic development.

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

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

22 (5) "Public works project" means a project of a local government  
23 for the planning, acquisition, construction, repair, reconstruction,  
24 replacement, rehabilitation, or improvement of streets and roads,  
25 bridges, water systems, or storm and sanitary sewage systems and solid  
26 waste facilities, including recycling facilities.

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

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

1       **Sec. 3.** RCW 43.155.070 and 1995 c 363 s 3 are each amended to read  
2 as follows:

3       (1) To qualify for loans or pledges under this chapter the board  
4 must determine that a local government meets all of the following  
5 conditions:

6       (a) The city or county must be imposing a tax under chapter 82.46  
7 RCW at a rate of at least one-quarter of one percent;

8       (b) The local government must have developed a long-term plan for  
9 financing public works needs;

10       (c) The local government must be using all local revenue sources  
11 which are reasonably available for funding public works, taking into  
12 consideration local employment and economic factors; and

13       (d) A county, city, or town that is required or chooses to plan  
14 under RCW 36.70A.040 must have adopted a comprehensive plan in  
15 conformance with the requirements of chapter 36.70A RCW, after it is  
16 required that the comprehensive plan be adopted, and must have adopted  
17 development regulations in conformance with the requirements of chapter  
18 36.70A RCW, after it is required that development regulations be  
19 adopted.

20       (2) The board shall develop a priority process for public works  
21 projects as provided in this section. The intent of the priority  
22 process is to maximize the value of public works projects accomplished  
23 with assistance under this chapter. The board shall attempt to assure  
24 a geographical balance in assigning priorities to projects. The board  
25 shall consider at least the following factors in assigning a priority  
26 to a project:

27       (a) Whether the local government receiving assistance has  
28 experienced severe fiscal distress resulting from natural disaster or  
29 emergency public works needs;

30       (b) Whether the project is critical in nature and would affect the  
31 health and safety of a great number of citizens;

32       (c) The cost of the project compared to the size of the local  
33 government and amount of loan money available;

34       (d) The number of communities served by or funding the project;

35       (e) Whether the project is located in an area of high unemployment,  
36 compared to the average state unemployment;

37       (f) Whether the project is the acquisition, expansion, improvement,  
38 or renovation by a local government of a public water system that is in

1 violation of health and safety standards, including the cost of  
2 extending existing service to such a system;

3 (g) The relative benefit of the project to the community,  
4 considering the present level of economic activity in the community and  
5 the existing local capacity to increase local economic activity in  
6 communities that have low economic growth; and

7 (h) Other criteria that the board considers advisable.

8 (3) Existing debt or financial obligations of local governments  
9 shall not be refinanced under this chapter. Each local government  
10 applicant shall provide documentation of attempts to secure additional  
11 local or other sources of funding for each public works project for  
12 which financial assistance is sought under this chapter.

13 (4) Before November 1 of each year, the board shall develop and  
14 submit to the appropriate fiscal committees of the senate and house of  
15 representatives a description of the loans made under RCW 43.155.065,  
16 43.155.068, and subsection (7) of this section during the preceding  
17 fiscal year and a prioritized list of projects which are recommended  
18 for funding by the legislature, including one copy to the staff of each  
19 of the committees. The list shall include, but not be limited to, a  
20 description of each project and recommended financing, the terms and  
21 conditions of the loan or financial guarantee, the local government  
22 jurisdiction and unemployment rate, demonstration of the jurisdiction's  
23 critical need for the project and documentation of local funds being  
24 used to finance the public works project. The list shall also include  
25 measures of fiscal capacity for each jurisdiction recommended for  
26 financial assistance, compared to authorized limits and state averages,  
27 including local government sales taxes; real estate excise taxes;  
28 property taxes; and charges for or taxes on sewerage, water, garbage,  
29 and other utilities.

30 (5) The board shall not sign contracts or otherwise financially  
31 obligate funds from the public works assistance account before the  
32 legislature has appropriated funds for a specific list of public works  
33 projects. The legislature may remove projects from the list  
34 recommended by the board. The legislature shall not change the order  
35 of the priorities recommended for funding by the board.

36 (6) Subsection (5) of this section does not apply to loans made  
37 under RCW 43.155.065, 43.155.068, and subsection (7) of this section.

38 (7)(a) Loans made for the purpose of capital facilities plans shall  
39 be exempted from subsection (5) of this section. In no case shall the

1 total amount of funds utilized for capital facilities plans and  
2 emergency loans exceed the limitation in RCW 43.155.065.

3 (b) For the purposes of this section "capital facilities plans"  
4 means those plans required by the growth management act, chapter 36.70A  
5 RCW, and plans required by the public works board for local governments  
6 not subject to the growth management act.

7 (8) To qualify for loans or pledges for solid waste or recycling  
8 facilities under this chapter, a city or county must demonstrate that  
9 the solid waste or recycling facility is consistent with and necessary  
10 to implement the comprehensive solid waste management plan adopted by  
11 the city or county under chapter 70.95 RCW.

12 **Sec. 4.** RCW 43.160.212 and 1995 c 226 s 6 are each amended to read  
13 as follows:

14 (1) For the period beginning July 1, 1991, and ending June 30,  
15 1997, in rural natural resources impact areas the public works board  
16 may award low-interest or interest-free loans to local governments for  
17 construction of new or expanded public works facilities that stimulate  
18 economic growth or diversification.

19 (2) For the period beginning on the effective date of this act and  
20 ending June 30, 1997, areas in zip codes immediately adjacent and  
21 contiguous to rural natural resource impact areas within the same  
22 county are eligible for loans under this section if a significant  
23 benefit can be shown for underemployed or unemployed workers living in  
24 rural natural resource impact areas, and there is projected to be at  
25 least eight hundred million dollars in private sector investment within  
26 six years in a project benefitting from such loans.

27 (3) For the purposes of this section and section 27, chapter 314,  
28 Laws of 1991:

29 (a) "Public facilities" means bridge, road and street, domestic  
30 water, sanitary sewer, and storm sewer systems.

31 (b) "Rural natural resources impact area" means:

32 (i) A nonmetropolitan county, as defined by the 1990 decennial  
33 census, that meets two of the five criteria set forth in subsection  
34 ~~((3))~~ (4) of this section; or

35 (ii) A nonurbanized area, as defined by the 1990 decennial census,  
36 that is located in a metropolitan county that meets two of the five  
37 criteria set forth in subsection ~~((3))~~ (4) of this section.

1       (~~(3)~~) (4) For the purposes of designating rural natural resources  
2 impact areas, the following criteria shall be considered:

3       (a) A lumber and wood products employment location quotient at or  
4 above the state average;

5       (b) A commercial salmon fishing employment location quotient at or  
6 above the state average;

7       (c) Projected or actual direct lumber and wood products job losses  
8 of one hundred positions or more;

9       (d) Projected or actual direct commercial salmon fishing job losses  
10 of one hundred positions or more; and

11       (e) An unemployment rate twenty percent or more above the state  
12 average. The counties that meet these criteria shall be determined by  
13 the employment security department for the most recent year for which  
14 data is available. For the purposes of administration of programs  
15 under this chapter, the United States post office five-digit zip code  
16 delivery areas will be used to determine residence status for  
17 eligibility purposes. For the purpose of this definition, a zip code  
18 delivery area that is located wholly or partially in an urbanized area  
19 or within two miles of an urbanized area is considered urbanized. The  
20 office of financial management shall make available a zip code listing  
21 of the areas to all agencies and organizations providing services under  
22 this chapter.

23       (~~(4)~~) (5) The loans may have a deferred payment of up to five  
24 years but shall be repaid within twenty years. The public works board  
25 may require other terms and conditions and may charge such rates of  
26 interest on its loans as it deems appropriate to carry out the purposes  
27 of this section. Repayments shall be made to the public works  
28 assistance account.

29       (~~(5)~~) (6) The board may make such loans irrespective of the  
30 annual loan cycle and reporting required in RCW 43.155.070.

31       **Sec. 5.** RCW 43.131.386 and 1995 c 226 s 35 are each amended to  
32 read as follows:

33       The following acts or parts of acts are each repealed, effective  
34 June 30, 1999:

35       (1) RCW 43.31.601 and 1995 c 226 s 1, 1992 c 21 s 2, & 1991 c 314  
36 s 2;

37       (2) RCW 43.31.641 and 1995 c 226 s 4, 1993 c 280 s 50, & 1991 c 314  
38 s 7;

- 1 (3) RCW 50.22.090 and 1995 c 226 s 5, 1993 c 316 s 10, 1992 c 47 s  
2 2, & 1991 c 315 s 4;
- 3 (4) RCW 43.160.212 and 1996 c . . . s 4 (section 4 of this act),  
4 1995 c 226 s 6, & 1993 c 316 s 5;
- 5 (5) RCW 43.31.651 and 1995 c 226 s 10, 1993 c 280 s 51, & 1991 c  
6 314 s 9;
- 7 (6) RCW 43.63A.021 and 1995 c 226 s 11;
- 8 (7) RCW 43.63A.600 and 1995 c 226 s 12, 1994 c 114 s 1, 1993 c 280  
9 s 77, & 1991 c 315 s 23;
- 10 (8) RCW 43.63A.440 and 1995 c 226 s 13, 1993 c 280 s 74, & 1989 c  
11 424 s 7;
- 12 (9) RCW 43.160.200 and 1995 c 226 s 16, 1993 c 320 s 7, 1993 c 316  
13 s 4, & 1991 c 314 s 23;
- 14 (10) RCW 28B.50.258 and 1995 c 226 s 18 & 1991 c 315 s 16;
- 15 (11) RCW 28B.50.262 and 1995 c 226 s 19 & 1994 c 282 s 3;
- 16 (12) RCW 28B.80.570 and 1995 c 226 s 20, 1992 c 21 s 6, & 1991 c  
17 315 s 18;
- 18 (13) RCW 28B.80.575 and 1995 c 226 s 21 & 1991 c 315 s 19;
- 19 (14) RCW 28B.80.580 and 1995 c 226 s 22, 1993 sp.s. c 18 s 34, 1992  
20 c 231 s 31, & 1991 c 315 s 20;
- 21 (15) RCW 28B.80.585 and 1995 c 226 s 23 & 1991 c 315 s 21;
- 22 (16) RCW 43.17.065 and 1995 c 226 s 24, 1993 c 280 s 37, 1991 c 314  
23 s 28, & 1990 1st ex.s. c 17 s 77;
- 24 (17) RCW 43.20A.750 and 1995 c 226 s 25, 1993 c 280 s 38, 1992 c 21  
25 s 4, & 1991 c 153 s 28;
- 26 (18) RCW 43.168.140 and 1995 c 226 s 28 & 1991 c 314 s 20;
- 27 (19) RCW 50.12.270 and 1995 c 226 s 30 & 1991 c 315 s 3;
- 28 (20) RCW 50.70.010 and 1995 c 226 s 31, 1992 c 21 s 1, & 1991 c 315  
29 s 5; and
- 30 (21) RCW 50.70.020 and 1995 c 226 s 32 & 1991 c 315 s 6.

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