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5 Strike everything after the enacting clause and insert the
6 following:

7 "**Sec. 1.** RCW 43.155.070 and 1997 c 429 s 29 are each amended to
8 read as follows:

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

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

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

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

19 (d) Except where necessary to address a public health need or
20 substantial environmental degradation, a county, city, or town (~~that~~
21 ~~is required or chooses to plan~~) planning under RCW 36.70A.040 must
22 have adopted a comprehensive plan (~~in conformance with the~~
23 ~~requirements of chapter 36.70A RCW, after it is required that the~~
24 ~~comprehensive plan be adopted, and must have adopted development~~
25 ~~regulations in conformance with the requirements of chapter 36.70A RCW,~~
26 ~~after it is required that development regulations be adopted~~) and
27 development regulations as required by RCW 36.70A.040. This subsection
28 does not require any county, city, or town planning under RCW
29 36.70A.040 to adopt a comprehensive plan or development regulations
30 before requesting or receiving a loan or loan guarantee under this
31 chapter if such request is made before the expiration of the time
32 periods specified in RCW 36.70A.040. A county, city, or town which has
33 not adopted a comprehensive plan and development regulations within the
34 time periods specified in RCW 36.70A.040 is not prohibited from
35 receiving a loan or loan guarantee under this chapter if the county,
36 city, or town adopts a comprehensive plan and development regulations

1 as required by RCW 36.70A.040 before submitting a request for a loan or
2 loan guarantee. However, the capital facilities plan element of the
3 comprehensive plan must be in place before a county, city, or town
4 under this subsection (1)(d) may qualify for a loan or loan guarantee.

5 In considering awarding loans for public facilities to special
6 districts requesting funding for a proposed facility located in a
7 county, city, or town planning under RCW 36.70A.040, the board shall
8 consider whether the county, city, or town in whose planning
9 jurisdiction the proposed facility is located has adopted a
10 comprehensive plan and development regulations as required by RCW
11 36.70A.040.

12 (2) The board shall develop a priority process for public works
13 projects as provided in this section. The intent of the priority
14 process is to maximize the value of public works projects accomplished
15 with assistance under this chapter. The board shall attempt to assure
16 a geographical balance in assigning priorities to projects. The board
17 shall consider at least the following factors in assigning a priority
18 to a project:

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

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

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

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

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

29 (f) Whether the project is the acquisition, expansion, improvement,
30 or renovation by a local government of a public water system that is in
31 violation of health and safety standards, including the cost of
32 extending existing service to such a system;

33 (g) The relative benefit of the project to the community,
34 considering the present level of economic activity in the community and
35 the existing local capacity to increase local economic activity in
36 communities that have low economic growth; and

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

38 (3) Existing debt or financial obligations of local governments
39 shall not be refinanced under this chapter. Each local government

1 applicant shall provide documentation of attempts to secure additional
2 local or other sources of funding for each public works project for
3 which financial assistance is sought under this chapter.

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

21 (5) The board shall not sign contracts or otherwise financially
22 obligate funds from the public works assistance account before the
23 legislature has appropriated funds for a specific list of public works
24 projects. The legislature may remove projects from the list
25 recommended by the board. The legislature shall not change the order
26 of the priorities recommended for funding by the board.

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

29 (7)(a) Loans made for the purpose of capital facilities plans shall
30 be exempted from subsection (5) of this section. In no case shall the
31 total amount of funds utilized for capital facilities plans and
32 emergency loans exceed the limitation in RCW 43.155.065.

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

37 (8) To qualify for loans or pledges for solid waste or recycling
38 facilities under this chapter, a city or county must demonstrate that
39 the solid waste or recycling facility is consistent with and necessary

1 to implement the comprehensive solid waste management plan adopted by
2 the city or county under chapter 70.95 RCW.

3 **Sec. 2.** RCW 43.160.060 and 1996 c 51 s 5 are each amended to read
4 as follows:

5 The board is authorized to make direct loans to political
6 subdivisions of the state for the purposes of assisting the political
7 subdivisions in financing the cost of public facilities, including
8 development of land and improvements for public facilities, as well as
9 the construction, rehabilitation, alteration, expansion, or improvement
10 of the facilities. A grant may also be authorized for purposes
11 designated in this chapter, but only when, and to the extent that, a
12 loan is not reasonably possible, given the limited resources of the
13 political subdivision and the finding by the board that unique
14 circumstances exist. The board shall not obligate more than twenty
15 percent of its biennial appropriation as grants.

16 Application for funds shall be made in the form and manner as the
17 board may prescribe. In making grants or loans the board shall conform
18 to the following requirements:

19 (1) The board shall not provide financial assistance:

20 (a) For a project the primary purpose of which is to facilitate or
21 promote a retail shopping development or expansion.

22 (b) For any project that evidence exists would result in a
23 development or expansion that would displace existing jobs in any other
24 community in the state.

25 (c) For the acquisition of real property, including buildings and
26 other fixtures which are a part of real property.

27 (d) For the actual construction of a project to any local
28 government applicant that is not, at the time of application for
29 financial assistance, in compliance with the provisions of chapter
30 36.70A RCW.

31 (2) The board shall only provide financial assistance:

32 (a) For those projects which would result in specific private
33 developments or expansions (i) in manufacturing, production, food
34 processing, assembly, warehousing, and industrial distribution; (ii)
35 for processing recyclable materials or for facilities that support
36 recycling, including processes not currently provided in the state,
37 including but not limited to, de-inking facilities, mixed waste paper,
38 plastics, yard waste, and problem-waste processing; (iii) for

1 manufacturing facilities that rely significantly on recyclable
2 materials, including but not limited to waste tires and mixed waste
3 paper; (iv) which support the relocation of businesses from
4 nondistressed urban areas to distressed rural areas; or (v) which
5 substantially support the trading of goods or services outside of the
6 state's borders.

7 (b) For projects which it finds will improve the opportunities for
8 the successful maintenance, establishment, or expansion of industrial
9 or commercial plants or will otherwise assist in the creation or
10 retention of long-term economic opportunities.

11 (c) When the application includes convincing evidence that a
12 specific private development or expansion is ready to occur and will
13 occur only if the public facility improvement is made.

14 (3) In considering awarding loans for public facilities to special
15 districts requesting funding for a proposed facility located in a
16 county, city, or town planning under RCW 36.70A.040, the board shall
17 consider whether the county, city, or town in whose planning
18 jurisdiction the proposed facility is located has adopted a
19 comprehensive plan and development regulations as required by RCW
20 36.70A.040.

21 (4) The board shall prioritize each proposed project according to
22 the relative benefits provided to the community by the jobs the project
23 would create, not just the total number of jobs it would create after
24 the project is completed and according to the unemployment rate in the
25 area in which the jobs would be located. As long as there is more
26 demand for financial assistance than there are funds available, the
27 board is instructed to fund projects in order of their priority.

28 ((+4)) (5) A responsible official of the political subdivision
29 shall be present during board deliberations and provide information
30 that the board requests.

31 Before any financial assistance application is approved, the
32 political subdivision seeking the assistance must demonstrate to the
33 community economic revitalization board that no other timely source of
34 funding is available to it at costs reasonably similar to financing
35 available from the community economic revitalization board.

36 **Sec. 3.** RCW 70.146.070 and 1997 c 429 s 30 are each amended to
37 read as follows:

1 When making grants or loans for water pollution control facilities,
2 the department shall consider the following:

3 (1) The protection of water quality and public health;

4 (2) The cost to residential ratepayers if they had to finance water
5 pollution control facilities without state assistance;

6 (3) Actions required under federal and state permits and compliance
7 orders;

8 (4) The level of local fiscal effort by residential ratepayers
9 since 1972 in financing water pollution control facilities;

10 (5) The extent to which the applicant county or city, or if the
11 applicant is another public body, the extent to which the county or
12 city in which the applicant public body is located, has established
13 programs to mitigate nonpoint pollution of the surface or subterranean
14 water sought to be protected by the water pollution control facility
15 named in the application for state assistance; and

16 (6) The recommendations of the Puget Sound action team and any
17 other board, council, commission, or group established by the
18 legislature or a state agency to study water pollution control issues
19 in the state.

20 Except where necessary to address a public health need or
21 substantial environmental degradation, a county, city, or town (~~that~~
22 ~~is required or chooses to plan~~) planning under RCW 36.70A.040 may not
23 receive a grant or loan for water pollution control facilities unless
24 it has adopted a comprehensive plan (~~in conformance with the~~
25 ~~requirements of chapter 36.70A RCW, after it is required that the~~
26 ~~comprehensive plan be adopted, or unless it has adopted development~~
27 ~~regulations in conformance with the requirements of chapter 36.70A RCW,~~
28 ~~after it is required that development regulations be adopted~~) and
29 development regulations as required by RCW 36.70A.040. This subsection
30 does not require any county, city, or town planning under RCW
31 36.70A.040 to adopt a comprehensive plan or development regulations
32 before requesting or receiving a grant or loan under this chapter if
33 such request is made before the expiration of the time periods
34 specified in RCW 36.70A.040. A county, city, or town which has not
35 adopted a comprehensive plan and development regulations within the
36 time periods specified in RCW 36.70A.040 is not prohibited from
37 receiving a grant or loan under this chapter if the county, city, or
38 town adopts a comprehensive plan and development regulations as
39 required by RCW 36.70A.040 before submitting a request for a grant or

1 loan. However, the capital facilities plan element of the
2 comprehensive plan must be in place before a county, city, or town
3 under this subsection may qualify for a grant or loan.

4 (7) Whenever the department is considering awarding grants or loans
5 for public facilities to special districts requesting funding for a
6 proposed facility located in a county, city, or town planning under RCW
7 36.70A.040, it shall consider whether the county, city, or town in
8 whose planning jurisdiction the proposed facility is located has
9 adopted a comprehensive plan and development regulations as required by
10 RCW 36.70A.040.

11 NEW SECTION. Sec. 4. RCW 43.17.250 (County-wide planning policy
12 incentives) and 1991 sp.s. c 32 s 25 are each repealed.

13 NEW SECTION. Sec. 5. This act does not affect any existing right
14 acquired or liability or obligation incurred under the sections amended
15 or repealed in this act or under any rule or order adopted under those
16 sections, nor does it affect any proceeding instituted under those
17 sections."

18 **HB 1685** - S COMM AMD
19 By Committee on State & Local Government

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21 On page 1, line 1 of the title, after "preferences;" strike the
22 remainder of the title and insert "amending RCW 43.155.070, 43.160.060,
23 and 70.146.070; creating a new section; and repealing RCW 43.17.250."

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