

CERTIFICATION OF ENROLLMENT

HOUSE BILL 2425

Chapter 242, Laws of 2002

57th Legislature
2002 Regular Session

COMMUNITY ECONOMIC REVITALIZATION BOARD--FUNDING

EFFECTIVE DATE: 6/13/02

Passed by the House March 13, 2002
Yeas 89 Nays 8

FRANK CHOPP
Speaker of the House of Representatives

Passed by the Senate March 13, 2002
Yeas 47 Nays 0

BRAD OWEN
President of the Senate

Approved March 28, 2002

GARY LOCKE
Governor of the State of Washington

CERTIFICATE

I, Cynthia Zehnder, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 2425** as passed by the House of Representatives and the Senate on the dates hereon set forth.

CYNTHIA ZEHNDER
Chief Clerk

FILED

March 28, 2002 - 11:29 a.m.

**Secretary of State
State of Washington**

HOUSE BILL 2425

AS AMENDED BY THE SENATE

Passed Legislature - 2002 Regular Session

State of Washington

57th Legislature

2002 Regular Session

By Representatives Doumit, Dunn, Hatfield, Veloria, Conway, Ogden, Rockefeller, Linville, Lantz, Kagi, McIntire, Haigh, Wood, Kessler, Kenney, Simpson and Jackley; by request of Governor Locke

Read first time 01/16/2002. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to the community economic revitalization board;
2 amending RCW 43.160.060; reenacting and amending RCW 43.84.092; adding
3 a new section to chapter 43.160 RCW; creating a new section; and
4 providing an expiration date.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that the community
7 economic revitalization board plays a valuable and unique role in
8 stimulating and diversifying local economies, attracting private
9 investment, creating new jobs, and generating additional state and
10 local tax revenues by investing in public facilities projects that
11 result in new or expanded economic development. The legislature also
12 finds that it is in the best interest of the state and local
13 communities to secure a stable and dedicated source of funds for the
14 community economic revitalization board. It is the intent of the
15 legislature to establish an ongoing funding source for the community
16 economic revitalization board that will be used exclusively to advance
17 economic development infrastructure. This act provides a temporary
18 funding source until such time as a more permanent funding solution can

1 be established. These funds are not for use other than for the stated
2 purpose and goals of the community economic revitalization board.

3 **Sec. 2.** RCW 43.84.092 and 2001 2nd sp.s. c 14 s 608, 2001 c 273 s
4 6, 2001 c 141 s 3, and 2001 c 80 s 5 are each reenacted and amended to
5 read as follows:

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

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

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

32 (4) Monthly, the state treasurer shall distribute the earnings
33 credited to the treasury income account. The state treasurer shall
34 credit the general fund with all the earnings credited to the treasury
35 income account except:

36 (a) The following accounts and funds shall receive their
37 proportionate share of earnings based upon each account's and fund's
38 average daily balance for the period: The capitol building

1 construction account, the Cedar River channel construction and
2 operation account, the Central Washington University capital projects
3 account, the charitable, educational, penal and reformatory
4 institutions account, the common school construction fund, the county
5 criminal justice assistance account, the county sales and use tax
6 equalization account, the data processing building construction
7 account, the deferred compensation administrative account, the deferred
8 compensation principal account, the department of retirement systems
9 expense account, the drinking water assistance account, the drinking
10 water assistance administrative account, the drinking water assistance
11 repayment account, the Eastern Washington University capital projects
12 account, the education construction fund, the emergency reserve fund,
13 the federal forest revolving account, the health services account, the
14 public health services account, the health system capacity account, the
15 personal health services account, the state higher education
16 construction account, the higher education construction account, the
17 highway infrastructure account, the industrial insurance premium refund
18 account, the judges' retirement account, the judicial retirement
19 administrative account, the judicial retirement principal account, the
20 local leasehold excise tax account, the local real estate excise tax
21 account, the local sales and use tax account, the medical aid account,
22 the mobile home park relocation fund, the multimodal transportation
23 account, the municipal criminal justice assistance account, the
24 municipal sales and use tax equalization account, the natural resources
25 deposit account, the oyster reserve land account, the perpetual
26 surveillance and maintenance account, the public employees' retirement
27 system plan 1 account, the public employees' retirement system combined
28 plan 2 and plan 3 account, the public facilities construction loan
29 revolving account beginning July 1, 2004, the public health
30 supplemental account, the Puyallup tribal settlement account, the
31 resource management cost account, the site closure account, the special
32 wildlife account, the state employees' insurance account, the state
33 employees' insurance reserve account, the state investment board
34 expense account, the state investment board commingled trust fund
35 accounts, the supplemental pension account, the teachers' retirement
36 system plan 1 account, the teachers' retirement system combined plan 2
37 and plan 3 account, the tobacco prevention and control account, the
38 tobacco settlement account, the transportation infrastructure account,
39 the tuition recovery trust fund, the University of Washington bond

1 retirement fund, the University of Washington building account, the
2 volunteer fire fighters' and reserve officers' relief and pension
3 principal fund, the volunteer fire fighters' and reserve officers'
4 administrative fund, the Washington fruit express account, the
5 Washington judicial retirement system account, the Washington law
6 enforcement officers' and fire fighters' system plan 1 retirement
7 account, the Washington law enforcement officers' and fire fighters'
8 system plan 2 retirement account, the Washington school employees'
9 retirement system combined plan 2 and 3 account, the Washington state
10 health insurance pool account, the Washington state patrol retirement
11 account, the Washington State University building account, the
12 Washington State University bond retirement fund, the water pollution
13 control revolving fund, and the Western Washington University capital
14 projects account. Earnings derived from investing balances of the
15 agricultural permanent fund, the normal school permanent fund, the
16 permanent common school fund, the scientific permanent fund, and the
17 state university permanent fund shall be allocated to their respective
18 beneficiary accounts. All earnings to be distributed under this
19 subsection (4)(a) shall first be reduced by the allocation to the state
20 treasurer's service fund pursuant to RCW 43.08.190.

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

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

4 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.160 RCW
5 to read as follows:

6 (1) The public works assistance account shall annually transfer
7 funds to the public facilities construction loan revolving account in
8 amounts as follows: In fiscal year 2003, twelve percent of eighteen
9 million eight hundred ninety thousand seven hundred seventy-five
10 dollars, the total outstanding principal and interest associated with
11 the loans issued by the public works board under the timber and rural
12 natural resources programs; and in each of fiscal years 2004, 2005,
13 2006, and 2007, twenty-two percent of the principal and interest
14 associated with the timber and rural natural resources programs. In no
15 event may this transfer exceed four million five hundred thousand
16 dollars per year.

17 (2) This section expires June 30, 2007.

18 **Sec. 4.** RCW 43.160.060 and 1999 c 164 s 103 are each amended to
19 read as follows:

20 The board is authorized to make direct loans to political
21 subdivisions of the state for the purposes of assisting the political
22 subdivisions in financing the cost of public facilities, including
23 development of land and improvements for public facilities, project-
24 specific environmental, capital facilities, land use, permitting,
25 feasibility(~~(+)~~), and marketing studies and plans; project design,
26 site planning, and analysis; project debt and revenue impact analysis;
27 as well as the construction, rehabilitation, alteration, expansion, or
28 improvement of the facilities. A grant may also be authorized for
29 purposes designated in this chapter, but only when, and to the extent
30 that, a loan is not reasonably possible, given the limited resources of
31 the political subdivision and the finding by the board that financial
32 circumstances require grant assistance to enable the project to move
33 forward. However, at least ten percent of all financial assistance
34 provided by the board in any biennium shall consist of grants to
35 political subdivisions.

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

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

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

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

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

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

13 (a) For those projects which would result in specific private
14 developments or expansions (i) in manufacturing, production, food
15 processing, assembly, warehousing, advanced technology, research and
16 development, and industrial distribution; (ii) for processing
17 recyclable materials or for facilities that support recycling,
18 including processes not currently provided in the state, including but
19 not limited to, de-inking facilities, mixed waste paper, plastics, yard
20 waste, and problem-waste processing; (iii) for manufacturing facilities
21 that rely significantly on recyclable materials, including but not
22 limited to waste tires and mixed waste paper; (iv) which support the
23 relocation of businesses from nondistressed urban areas to rural
24 counties or rural natural resources impact areas; or (v) which
25 substantially support the trading of goods or services outside of the
26 state's borders.

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

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

34 (3) The board shall prioritize each proposed project according to:

35 (a) The relative benefits provided to the community by the jobs the
36 project would create, not just the total number of jobs it would create
37 after the project is completed and according to the unemployment rate
38 in the area in which the jobs would be located; and

1 (b) The rate of return of the state's investment, that includes the
2 expected increase in state and local tax revenues associated with the
3 project.

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

7 Before any financial assistance application is approved, the
8 political subdivision seeking the assistance must demonstrate to the
9 community economic revitalization board that no other timely source of
10 funding is available to it at costs reasonably similar to financing
11 available from the community economic revitalization board.

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