
SUBSTITUTE SENATE BILL 5448

State of Washington

61st Legislature

2009 Regular Session

By Senate Economic Development, Trade & Innovation (originally sponsored by Senators Shin, Haugen, Kastama, Hobbs, Keiser, Rockefeller, Hatfield, Franklin, Delvin, Regala, Fraser, and Marr)

READ FIRST TIME 02/13/09.

1 AN ACT Relating to establishing local public works assistance
2 funds; and adding a new chapter to Title 36 RCW.

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

4 NEW SECTION. **Sec. 1.** Unless the context clearly requires
5 otherwise, the definitions in this section apply throughout this
6 chapter.

7 (1) "Capital facilities plan" means a capital facilities plan
8 required under chapter 36.70A RCW.

9 (2) "Local government" means cities, towns, counties, special
10 purpose districts, and any other municipal corporations or quasi-
11 municipal corporations in the state, excluding school districts and
12 port districts.

13 (3) "Public works project" means a project of a local government
14 for the planning, acquisition, construction, repair, reconstruction,
15 replacement, rehabilitation, or improvement of streets and roads,
16 bridges, water systems, or storm and sanitary sewage systems and solid
17 waste facilities, including recycling facilities.

1 NEW SECTION. **Sec. 2.** (1) County legislative authorities may
2 establish local public works assistance funds for the purpose of
3 funding public works projects located wholly or partially within the
4 county. Moneys may be deposited in local public works assistance funds
5 from existing revenue sources of the county.

6 (2) Moneys deposited in local public works assistance funds, and
7 interest earned on balances from the funds, may only be used:

8 (a) To make loans to the county and to other local governments for
9 funding public works projects as provided in this chapter; and

10 (b) For costs incurred in the administration of funds.

11 (3) No more than fifty percent of the moneys loaned from a fund in
12 a calendar year may be loaned to the county providing local public
13 works assistance funds. At least twenty-five percent of the moneys
14 anticipated to be loaned from a fund in a calendar year must be made
15 available for funding public works projects in cities or towns.

16 (4) No more than one percent of the average annual balance of a
17 county's fund, including interest earned on balances from the fund, may
18 be used annually for administrative costs.

19 NEW SECTION. **Sec. 3.** (1) Counties, in consultation with cities
20 and towns within the county, may make loans to local governments from
21 funds established under section 2 of this act for the purpose of
22 assisting local governments in funding public works projects. Counties
23 may require terms and conditions and may charge rates of interest on
24 its loans as they deem necessary or convenient to carry out the
25 purposes of this chapter. Counties may not pledge any amount greater
26 than the sum of money in their local public works assistance fund plus
27 money to be received from the payment of the debt service on loans made
28 from that fund. Money received from local governments in repayment of
29 loans made under this chapter must be paid into the fund of the lending
30 county for uses consistent with this chapter.

31 (2) Prior to receiving moneys from a fund established under section
32 2 of this act, a local government applying for financial assistance
33 under this chapter must demonstrate to the lending county:

34 (a) Utilization of all local revenue sources that are reasonably
35 available for funding public works projects;

36 (b) Compliance with applicable requirements of chapter 36.70A RCW;
37 and

1 (c) Consistency between the proposed project and applicable capital
2 facilities plans.

3 (3) Counties may not make loans under this chapter prior to
4 completing the initial collaboration and prioritization requirements of
5 section 4(1) of this act.

6 NEW SECTION. **Sec. 4.** (1) County legislative authorities utilizing
7 or providing money under this chapter must develop a prioritization
8 process for funding public works projects that gives priority to
9 projects necessary to address public health needs or substantial
10 environmental degradation, or increases existing capacity necessary to
11 accommodate projected population and employment growth. This
12 prioritization process must be:

13 (a) Completed collaboratively with public works directors of local
14 governments within the county;

15 (b) Documented in the form of written findings produced by the
16 county; and

17 (c) Revised periodically according to a schedule developed by the
18 county and the public works directors.

19 (2) In addition to the public health and environmental degradation
20 requirements under subsection (1) of this section, legislative
21 authorities providing funding to other local governments under this
22 chapter must consider, through a competitive application process, the
23 following factors in assigning a priority to and funding a project:

24 (a) Whether the local government applying for assistance has
25 experienced severe fiscal distress resulting from natural disaster or
26 emergency public works needs;

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

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

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

32 (e) Whether the project is the acquisition, expansion, improvement,
33 or renovation by a local government of a public water system that is in
34 violation of health and safety standards;

35 (f) The number of additional housing units estimated to be achieved
36 by funding the project; and

1 (g) Other criteria the county legislative authority deems
2 appropriate.

3 NEW SECTION. **Sec. 5.** County legislative authorities providing
4 funding for public works projects under this chapter must keep proper
5 records of accounts and are subject to audit by the state auditor.

6 NEW SECTION. **Sec. 6.** Sections 1 through 5 of this act constitute
7 a new chapter in Title 36 RCW.

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