

SSB 6359 - H COMM AMD

By Committee on State Government & Tribal Affairs

ADOPTED AND ENGROSSED 3/1/12

1 Strike everything after the enacting clause and insert the  
2 following:

3 "Sec. 1. RCW 43.42.010 and 2011 c 149 s 2 are each amended to read  
4 as follows:

5 (1) The office of regulatory assistance is created in the office of  
6 financial management and must be administered by the office of the  
7 governor to help improve the regulatory system and assist citizens,  
8 businesses, and project proponents.

9 (2) The governor must appoint a director. The director may employ  
10 a deputy director and a confidential secretary and such staff as are  
11 necessary, or contract with another state agency pursuant to chapter  
12 39.34 RCW for support in carrying out the purposes of this chapter.

13 (3) The office must offer to:

14 (a) Act as the central point of contact for the project proponent  
15 in communicating about defined issues;

16 (b) Conduct project scoping as provided in RCW 43.42.050;

17 (c) Verify that the project proponent has all the information  
18 needed to correctly apply for all necessary permits;

19 (d) Provide general coordination services;

20 (e) Coordinate the efficient completion among participating  
21 agencies of administrative procedures, such as collecting fees or  
22 providing public notice;

23 (f) Maintain contact with the project proponent and the permit  
24 agencies to promote adherence to agreed schedules;

25 (g) Assist in resolving any conflict or inconsistency among permit  
26 requirements and conditions;

27 (h) Coordinate, to the extent practicable, with relevant federal  
28 permit agencies and tribal governments;

29 (i) Facilitate meetings;

1 (j) Manage a fully coordinated permit process, as provided in RCW  
2 43.42.060; and

3 (k) Help local jurisdictions comply with the requirements of  
4 chapter 36.70B RCW (~~by providing information about best permitting  
5 practices methods to improve communication with, and solicit early  
6 involvement of, state agencies when needed; and~~

7 ~~(l) Maintain and furnish information as provided in RCW  
8 43.42.040~~)).

9 (4) The office must also:

10 (a) Provide information to local jurisdictions about best  
11 permitting practices, methods to improve communication with, and  
12 solicit early involvement of, state agencies when needed, and effective  
13 means of assessing and communicating expected project timelines and  
14 costs;

15 (b) Maintain and furnish information as provided in RCW 43.42.040;  
16 and

17 (c) Provide the following by September 1, 2009, and biennially  
18 thereafter, to the governor and the appropriate committees of the  
19 legislature:

20 ~~((a))~~ (i) A performance report including:

21 ~~((i))~~ (A) Information regarding use of the office's voluntary  
22 cost-reimbursement services as provided in RCW 43.42.070;

23 ~~((ii))~~ (B) The number and type of projects or initiatives where  
24 the office provided services (~~and the resolution provided by the  
25 office on any conflicts that arose on such projects;~~

26 ~~(iii) The agencies involved on specific projects;~~

27 ~~(iv) Specific information on any difficulty encountered in  
28 provision of services, implementation of programs or processes, or use  
29 of tools; and~~

30 ~~(v) Trend reporting that allows comparisons between statements of  
31 goals and performance targets and the achievement of those goals and  
32 targets; and~~

33 ~~(b) Recommendations on system improvements including  
34 recommendations regarding:~~

35 ~~(i) Measurement of overall system performance;~~

36 ~~(ii) Changes needed to make cost reimbursement, a fully coordinated  
37 permit process, multiagency permitting teams, and other processes  
38 effective; and~~

1 ~~(iii) Resolving any conflicts or inconsistencies arising from~~  
2 ~~differing statutory or regulatory authorities, roles and missions of~~  
3 ~~agencies, timing and sequencing of permitting and procedural~~  
4 ~~requirements as identified by the office in the course of its duties))~~  
5 including the key agencies with which the office partnered;

6 (C) Specific information on any difficulty encountered in providing  
7 services or implementing programs, processes, or assistance tools; and

8 (D) Trend reporting that allows comparisons between statements of  
9 goals and performance targets and the achievement of those goals and  
10 targets; and

11 (ii) Recommendations on system improvements including, but not  
12 limited to, recommendations on improving environmental permitting by  
13 making it more time efficient and cost-effective for all participants  
14 in the process.

15 **Sec. 2.** RCW 43.42.050 and 2009 c 97 s 5 are each amended to read  
16 as follows:

17 (1) Upon request of a project proponent, the office (~~shall~~) must  
18 determine the level of project scoping needed by the project proponent,  
19 taking into consideration the complexity of the project and the  
20 experience of those expected to be involved in the project application  
21 and review process. The director may require the attendance at a  
22 scoping meeting of any state or local agency.

23 (2) Project scoping (~~shall~~) must consider the complexity, size,  
24 and needs for assistance of the project and (~~shall~~) must address as  
25 appropriate:

26 (a) The permits that are required for the project;

27 (b) The permit application forms and other application requirements  
28 of the participating permit agencies;

29 (c) The specific information needs and issues of concern of each  
30 participant and their significance;

31 (d) Any statutory or regulatory conflicts that might arise from the  
32 differing authorities and roles of the permit agencies;

33 (e) Any natural resources, including federal or state listed  
34 species, that might be adversely affected by the project and might  
35 cause an alteration of the project or require mitigation; and

36 (f) The anticipated time required for permit decisions by each  
37 participating permit agency, including the estimated time required to

1 determine if the permit application is complete, to conduct  
2 environmental review, and to review and process the application. In  
3 determining the estimated time required, full consideration must be  
4 given to achieving the greatest possible efficiencies through any  
5 concurrent studies and any consolidated applications, hearings, and  
6 comment periods.

7 (3) The outcome of the project scoping (~~shall~~) must be documented  
8 in writing, furnished to the project proponent, and be made available  
9 to the public.

10 (4) The project scoping (~~shall~~) must be completed prior to the  
11 passage of sixty days of the project proponent's request for a project  
12 scoping unless the director finds that better results can be obtained  
13 by delaying the project scoping meeting or meetings to ensure full  
14 participation.

15 (5) Upon completion of the project scoping, the participating  
16 permit agencies (~~shall~~) must proceed under their respective  
17 authorities. The agencies may remain in communication with the office  
18 as needed.

19 (6) This section does not create an independent cause of action,  
20 affect any existing cause of action, or establish time limits for  
21 purposes of RCW 64.40.020.

22 **Sec. 3.** RCW 43.42.060 and 2009 c 421 s 8 and 2009 c 97 s 6 are  
23 each reenacted and amended to read as follows:

24 (1) A project proponent may submit a written request to the  
25 director of the office for participation in a fully coordinated permit  
26 process. Designation as a fully coordinated project requires that:

27 (a) The project proponent enters into a cost-reimbursement  
28 agreement pursuant to RCW 43.42.070;

29 (b) The project has a designation under chapter 43.157 RCW; or

30 (c) The director determine that (i)(A) the project raises complex  
31 coordination, permit processing, or substantive permit review issues;  
32 or (B) if completed, the project would provide substantial benefits to  
33 the state; and (ii) the office, as well as the participating permit  
34 review agencies, have sufficient capacity within existing resources to  
35 undertake the full coordination process without reimbursement and  
36 without seriously affecting other services.

1 (2) A project proponent who requests designation as a fully  
2 coordinated permit process project must provide the office with a full  
3 description of the project. The office may request any information  
4 from the project proponent that is necessary to make the designation  
5 under this section, and may convene a scoping meeting or a work plan  
6 meeting of the likely participating permit agencies.

7 (3) When a project is designated for the fully coordinated permit  
8 process, the office (~~shall~~) must serve as the main point of contact  
9 for the project proponent and participating agencies with regard to the  
10 permit process for the project as a whole. Each participating agency  
11 must designate a single point of contact for coordinating with the  
12 office. The office (~~shall~~) must keep an up-to-date project  
13 management log and schedule illustrating required procedural steps in  
14 the permitting process, and highlighting substantive issues as  
15 appropriate that must be resolved in order for the project to move  
16 forward. In carrying out these responsibilities, the office (~~shall~~)  
17 must:

18 (a) Ensure that the project proponent has been informed of all the  
19 information needed to apply for the permits that are included in the  
20 coordinated permit process;

21 (b) Coordinate the timing of review for those permits by the  
22 respective participating permit agencies;

23 (c) Facilitate communication between project proponents,  
24 consultants, and agency staff to promote timely permit decisions;

25 (d) Assist in resolving any conflict or inconsistency among the  
26 permit requirements and conditions that are expected to be imposed by  
27 the participating permit agencies; and

28 (e) Make contact, at least once, with any local, tribal, or federal  
29 jurisdiction that is responsible for issuing a permit for the project  
30 and invite them to participate in the coordinated permit process or to  
31 receive periodic updates in the project.

32 (4) Within thirty days, or longer with agreement of the project  
33 proponent, of the date that the office designates a project for the  
34 fully coordinated permit process, it shall convene a work plan meeting  
35 with the project proponent and the participating permit agencies to  
36 develop a coordinated permit process schedule. The meeting agenda  
37 (~~shall~~) may include (~~at least~~) any of the following:

38 (a) Review of the permits that are required for the project;

1 (b) A review of the permit application forms and other application  
2 requirements of the agencies that are participating in the coordinated  
3 permit process;

4 (c) An estimation of the timelines that will be used by each  
5 participating permit agency to make permit decisions, including the  
6 estimated time periods required to determine if the permit applications  
7 are complete and to review or respond to each application or submittal  
8 of new information.

9 (i) The estimation must also include the estimated number of  
10 revision cycles for the project, or the typical number of revision  
11 cycles for projects of similar size and complexity.

12 (ii) In the development of this timeline, full attention (~~shall~~)  
13 must be given to achieving the maximum efficiencies possible through  
14 concurrent studies and consolidated applications, hearings, and comment  
15 periods.

16 (iii) Estimated action or response times for activities of the  
17 office that are required before or trigger further action by a  
18 participant must also be included;

19 (d) Available information regarding the timing of any public  
20 hearings that are required to issue permits for the project and a  
21 determination of the feasibility of coordinating or consolidating any  
22 of those required public hearings; and

23 (e) A discussion of fee arrangements for the coordinated permit  
24 process, including an estimate of the costs allowed by statute, any  
25 reimbursable agency costs, and billing schedules, if applicable.

26 (5) Each agency (~~shall~~) must send at least one representative  
27 qualified to discuss the applicability and timelines associated with  
28 all permits administered by that agency or jurisdiction. At the  
29 request of the project proponent, the office (~~shall~~) must notify any  
30 relevant local or federal agency or federally recognized Indian tribe  
31 of the date of the meeting and invite that agency's participation in  
32 the process.

33 (6) Any accelerated time period for the consideration of a permit  
34 application (~~shall~~) must be consistent with any statute, rule, or  
35 regulation, or adopted state policy, standard, or guideline that  
36 requires the participation of other agencies, federally recognized  
37 Indian tribes, or interested persons in the application process.

1 (7) If a permit agency or the project proponent foresees, at any  
2 time, that it will be unable to meet the estimated timelines or other  
3 obligations under the agreement, it (~~shall~~) must notify the office of  
4 the reasons for the problem and offer potential solutions or an amended  
5 timeline for resolving the problem. The office (~~shall~~) must notify  
6 the participating permit agencies and the project proponent and, upon  
7 agreement of all parties, adjust the schedule, or, if necessary,  
8 schedule another work plan meeting.

9 (8) The project proponent may withdraw from the coordinated permit  
10 process by submitting to the office a written request that the process  
11 be terminated. Upon receipt of the request, the office (~~shall~~) must  
12 notify each participating permit agency that a coordinated permit  
13 process is no longer applicable to the project.

14 **Sec. 4.** RCW 43.42.070 and 2010 c 162 s 4 are each amended to read  
15 as follows:

16 (1) The office may enter into cost-reimbursement agreements with a  
17 project proponent to recover from the project proponent the reasonable  
18 costs incurred by the office in carrying out the provisions of (~~RCW~~  
19 ~~43.42.050, 43.42.060, 43.42.090, and 43.42.092~~) this chapter. The  
20 agreement must include provisions for covering the costs incurred by  
21 the permit agencies that are participating in the cost-reimbursement  
22 project and carrying out permit processing or project review tasks  
23 referenced in the cost-reimbursement agreement.

24 (2) The office must maintain policies or guidelines for  
25 coordinating cost-reimbursement agreements with participating agencies,  
26 project proponents, and (~~outside~~) independent consultants. Policies  
27 or guidelines must ensure that, in developing cost-reimbursement  
28 agreements, conflicts of interest are eliminated. (~~Contracts with~~  
29 ~~independent consultants hired by the office under this section must be~~  
30 ~~based on competitive bids that are awarded for each agreement from a~~  
31 ~~prequalified consultant roster.)) The policies must also support  
32 effective use of cost-reimbursement resources to address staffing and  
33 capacity limitations as may be relevant within the office or  
34 participating permit agencies.~~

35 (3) For fully coordinated permit processes and priority economic  
36 recovery projects selected pursuant to this section, the office must  
37 coordinate the negotiation of all cost-reimbursement agreements

1 executed under RCW 43.21A.690, 43.30.490, 43.70.630, 43.300.080, and  
2 70.94.085. The office, project proponent, and ((the)) participating  
3 permit agencies must be signatories to the cost-reimbursement agreement  
4 or agreements. Each participating permit agency must manage  
5 performance of its portion of the cost-reimbursement agreement.  
6 Independent consultants hired under a cost-reimbursement agreement  
7 ((shall)) must report directly to the hiring office or participating  
8 permit agency. Any cost-reimbursement agreement must require that  
9 final decisions are made by the participating permit agency and not by  
10 a hired independent consultant.

11 (4) For ~~((a fully coordinated project using cost reimbursement, the~~  
12 ~~office and participating permit agencies must include a cost-~~  
13 ~~reimbursement work plan, including deliverables and schedules for~~  
14 ~~invoicing and reimbursement in the fully coordinated project work plan~~  
15 ~~described in RCW 43.42.060. Upon request, the office must verify that~~  
16 ~~the agencies have met the obligations contained in the cost-~~  
17 ~~reimbursement work plan and agreement. The cost reimbursement~~  
18 ~~agreement must identify the tasks of each agency and the maximum costs~~  
19 ~~for work conducted under the agreement. The agreement must include a~~  
20 ~~schedule that states:~~

- 21 ~~(a) The estimated number of weeks for initial review of the permit~~  
22 ~~application for comparable projects;~~
- 23 ~~(b) The anticipated number of revision cycles;~~
- 24 ~~(c) The estimated number of weeks for review of subsequent revision~~  
25 ~~submittals;~~
- 26 ~~(d) The estimated number of billable hours of employee time;~~
- 27 ~~(e) The rate per hour; and~~
- 28 ~~(f) A process for revision of the agreement if necessary.~~

29 (5) ~~If a permit agency or the project proponent foresees, at any~~  
30 ~~time, that it will be unable to meet its obligations under the cost-~~  
31 ~~reimbursement agreement and fully coordinated project work plan, it~~  
32 ~~must notify the office and state the reasons, along with proposals for~~  
33 ~~resolving the problems and potentially amending the timelines. The~~  
34 ~~office must notify the participating permit agencies and the project~~  
35 ~~proponent and, upon agreement of all parties, adjust the schedule, or,~~  
36 ~~if necessary, coordinate revision of the cost reimbursement agreement~~  
37 ~~and fully coordinated project work plan)) any project using cost~~  
38 ~~reimbursement, the cost-reimbursement agreement must require the office~~

1 and participating permit agencies to develop and periodically update a  
2 project work plan, which the office must provide on the internet and  
3 share with each party to the agreement.

4 (5)(a) The cost-reimbursement agreement must identify the proposed  
5 project, the desired outcomes, and the maximum costs for work to be  
6 conducted under the agreement. The desired outcomes must refer to the  
7 decision-making process and may not prejudice or predetermine whether  
8 decisions will be to approve or deny any required permit or other  
9 application. Each participating permit agency must agree to give  
10 priority to the cost-reimbursement project but may in no way reduce or  
11 eliminate regulatory requirements as part of the priority review.

12 (b) Reasonable costs are determined based on time and materials  
13 estimates with a provision for contingencies, or set as a flat fee tied  
14 to a reasonable estimate of staff hours required.

15 (c) The cost-reimbursement agreement may include deliverables and  
16 schedules for invoicing and reimbursement. The office may require  
17 advance payment of some or all of the agreed reimbursement, to be held  
18 in reserve and distributed to participating permit agencies and the  
19 office upon approval of invoices by the project proponent. The project  
20 proponent has thirty days to request additional information or  
21 challenge an invoice. If an invoice is challenged, the office must  
22 respond and attempt to resolve the challenge within thirty days. If  
23 the office is unable to resolve the challenge within thirty days, the  
24 challenge must be submitted to the office of financial management. A  
25 decision on such a challenge must be made by the office of financial  
26 management and approved by the director of the office of financial  
27 management and is binding on the parties.

28 (d) Upon request, the office must verify whether participating  
29 permit agencies have met the obligations contained in the project work  
30 plan and cost-reimbursement agreement.

31 (6) If a party to the cost-reimbursement agreement foresees, at any  
32 time, that it will be unable to meet its obligations under the  
33 agreement, it must notify the office and state the reasons, along with  
34 proposals for resolving the problems. The office must notify the other  
35 parties to the cost-reimbursement agreement and seek to resolve the  
36 problems by adjusting invoices, deliverables, or the project work plan,  
37 or through some other accommodation.

1       **Sec. 5.** RCW 43.42.095 and 2010 c 162 s 5 are each amended to read  
2 as follows:

3       The multiagency permitting team account is created in the ((state  
4 treasury. All receipts from solicitations authorized in RCW 43.42.092  
5 must be deposited into the account. Moneys in the account may be spent  
6 only after appropriation. Expenditures from the account may be used  
7 only for covering the initial administrative costs of multiagency  
8 permitting teams and such other costs associated with the teams as may  
9 arise that are not recoverable through cost reimbursement or cost-  
10 sharing mechanisms)) custody of the state treasurer. All receipts from  
11 cost-reimbursement agreements authorized in RCW 43.42.070 and  
12 solicitations authorized in RCW 43.42.092 must be deposited into the  
13 account. Expenditures from the account may be used only for covering  
14 staffing, consultant, technology, and other administrative costs of  
15 multiagency permitting teams and other costs associated with  
16 multiagency project review and management that may arise. Only the  
17 director of the office of regulatory assistance or the director's  
18 designee may authorize expenditures from the account. The account is  
19 subject to allotment procedures under chapter 43.88 RCW, but an  
20 appropriation is not required for expenditures.

21       **Sec. 6.** RCW 43.79A.040 and 2011 1st sp.s. c 37 s 603 are each  
22 amended to read as follows:

23       (1) Money in the treasurer's trust fund may be deposited, invested,  
24 and reinvested by the state treasurer in accordance with RCW 43.84.080  
25 in the same manner and to the same extent as if the money were in the  
26 state treasury, and may be commingled with moneys in the state treasury  
27 for cash management and cash balance purposes.

28       (2) All income received from investment of the treasurer's trust  
29 fund must be set aside in an account in the treasury trust fund to be  
30 known as the investment income account.

31       (3) The investment income account may be utilized for the payment  
32 of purchased banking services on behalf of treasurer's trust funds  
33 including, but not limited to, depository, safekeeping, and  
34 disbursement functions for the state treasurer or affected state  
35 agencies. The investment income account is subject in all respects to  
36 chapter 43.88 RCW, but no appropriation is required for payments to

1 financial institutions. Payments must occur prior to distribution of  
2 earnings set forth in subsection (4) of this section.

3 (4)(a) Monthly, the state treasurer must distribute the earnings  
4 credited to the investment income account to the state general fund  
5 except under (b), (c), and (d) of this subsection.

6 (b) The following accounts and funds must receive their  
7 proportionate share of earnings based upon each account's or fund's  
8 average daily balance for the period: The Washington promise  
9 scholarship account, the college savings program account, the  
10 Washington advanced college tuition payment program account, the  
11 accessible communities account, the community and technical college  
12 innovation account, the agricultural local fund, the American Indian  
13 scholarship endowment fund, the foster care scholarship endowment fund,  
14 the foster care endowed scholarship trust fund, the students with  
15 dependents grant account, the basic health plan self-insurance reserve  
16 account, the contract harvesting revolving account, the Washington  
17 state combined fund drive account, the commemorative works account, the  
18 county enhanced 911 excise tax account, the Washington international  
19 exchange scholarship endowment fund, the toll collection account, the  
20 developmental disabilities endowment trust fund, the energy account,  
21 the fair fund, the family leave insurance account, the food animal  
22 veterinarian conditional scholarship account, the fruit and vegetable  
23 inspection account, the future teachers conditional scholarship  
24 account, the game farm alternative account, the GET ready for math and  
25 science scholarship account, the Washington global health technologies  
26 and product development account, the grain inspection revolving fund,  
27 the industrial insurance rainy day fund, the juvenile accountability  
28 incentive account, the law enforcement officers' and firefighters' plan  
29 2 expense fund, the local tourism promotion account, the multiagency  
30 permitting team account, the pilotage account, the produce railcar pool  
31 account, the regional transportation investment district account, the  
32 rural rehabilitation account, the stadium and exhibition center  
33 account, the youth athletic facility account, the self-insurance  
34 revolving fund, the sulfur dioxide abatement account, the children's  
35 trust fund, the Washington horse racing commission Washington bred  
36 owners' bonus fund and breeder awards account, the Washington horse  
37 racing commission class C purse fund account, the individual  
38 development account program account, the Washington horse racing

1 commission operating account (earnings from the Washington horse racing  
2 commission operating account must be credited to the Washington horse  
3 racing commission class C purse fund account), the life sciences  
4 discovery fund, the Washington state heritage center account, the  
5 reduced cigarette ignition propensity account, and the reading  
6 achievement account.

7 (c) The following accounts and funds must receive eighty percent of  
8 their proportionate share of earnings based upon each account's or  
9 fund's average daily balance for the period: The advanced right-of-way  
10 revolving fund, the advanced environmental mitigation revolving  
11 account, the federal narcotics asset forfeitures account, the high  
12 occupancy vehicle account, the local rail service assistance account,  
13 and the miscellaneous transportation programs account.

14 (d) Any state agency that has independent authority over accounts  
15 or funds not statutorily required to be held in the custody of the  
16 state treasurer that deposits funds into a fund or account in the  
17 custody of the state treasurer pursuant to an agreement with the office  
18 of the state treasurer shall receive its proportionate share of  
19 earnings based upon each account's or fund's average daily balance for  
20 the period.

21 (5) In conformance with Article II, section 37 of the state  
22 Constitution, no trust accounts or funds shall be allocated earnings  
23 without the specific affirmative directive of this section.

24 **Sec. 7.** RCW 43.84.092 and 2011 1st sp.s. c 16 s 6, 2011 1st sp.s.  
25 c 7 s 22, 2011 c 369 s 6, 2011 c 339 s 1, 2011 c 311 s 9, 2011 c 272 s  
26 3, 2011 c 120 s 3, and 2011 c 83 s 7 are each reenacted and amended to  
27 read as follows:

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

31 (2) The treasury income account shall be utilized to pay or receive  
32 funds associated with federal programs as required by the federal cash  
33 management improvement act of 1990. The treasury income account is  
34 subject in all respects to chapter 43.88 RCW, but no appropriation is  
35 required for refunds or allocations of interest earnings required by  
36 the cash management improvement act. Refunds of interest to the  
37 federal treasury required under the cash management improvement act

1 fall under RCW 43.88.180 and shall not require appropriation. The  
2 office of financial management shall determine the amounts due to or  
3 from the federal government pursuant to the cash management improvement  
4 act. The office of financial management may direct transfers of funds  
5 between accounts as deemed necessary to implement the provisions of the  
6 cash management improvement act, and this subsection. Refunds or  
7 allocations shall occur prior to the distributions of earnings set  
8 forth in subsection (4) of this section.

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

17 (4) Monthly, the state treasurer shall distribute the earnings  
18 credited to the treasury income account. The state treasurer shall  
19 credit the general fund with all the earnings credited to the treasury  
20 income account except:

21 (a) The following accounts and funds shall receive their  
22 proportionate share of earnings based upon each account's and fund's  
23 average daily balance for the period: The aeronautics account, the  
24 aircraft search and rescue account, the budget stabilization account,  
25 the capital vessel replacement account, the capitol building  
26 construction account, the Cedar River channel construction and  
27 operation account, the Central Washington University capital projects  
28 account, the charitable, educational, penal and reformatory  
29 institutions account, the cleanup settlement account, the Columbia  
30 river basin water supply development account, the Columbia river basin  
31 taxable bond water supply development account, the Columbia river basin  
32 water supply revenue recovery account, the common school construction  
33 fund, the county arterial preservation account, the county criminal  
34 justice assistance account, the county sales and use tax equalization  
35 account, the deferred compensation administrative account, the deferred  
36 compensation principal account, the department of licensing services  
37 account, the department of retirement systems expense account, the  
38 developmental disabilities community trust account, the drinking water

1 assistance account, the drinking water assistance administrative  
2 account, the drinking water assistance repayment account, the Eastern  
3 Washington University capital projects account, the Interstate 405  
4 express toll lanes operations account, the education construction fund,  
5 the education legacy trust account, the election account, the energy  
6 freedom account, the energy recovery act account, the essential rail  
7 assistance account, The Evergreen State College capital projects  
8 account, the federal forest revolving account, the ferry bond  
9 retirement fund, the freight congestion relief account, the freight  
10 mobility investment account, the freight mobility multimodal account,  
11 the grade crossing protective fund, the public health services account,  
12 the health system capacity account, the high capacity transportation  
13 account, the state higher education construction account, the higher  
14 education construction account, the highway bond retirement fund, the  
15 highway infrastructure account, the highway safety account, the high  
16 occupancy toll lanes operations account, the hospital safety net  
17 assessment fund, the industrial insurance premium refund account, the  
18 judges' retirement account, the judicial retirement administrative  
19 account, the judicial retirement principal account, the local leasehold  
20 excise tax account, the local real estate excise tax account, the local  
21 sales and use tax account, the marine resources stewardship trust  
22 account, the medical aid account, the mobile home park relocation fund,  
23 the motor vehicle fund, the motorcycle safety education account, (~~the~~  
24 ~~multiagency permitting team account,~~) the multimodal transportation  
25 account, the municipal criminal justice assistance account, the  
26 municipal sales and use tax equalization account, the natural resources  
27 deposit account, the oyster reserve land account, the pension funding  
28 stabilization account, the perpetual surveillance and maintenance  
29 account, the public employees' retirement system plan 1 account, the  
30 public employees' retirement system combined plan 2 and plan 3 account,  
31 the public facilities construction loan revolving account beginning  
32 July 1, 2004, the public health supplemental account, the public  
33 transportation systems account, the public works assistance account,  
34 the Puget Sound capital construction account, the Puget Sound ferry  
35 operations account, the Puyallup tribal settlement account, the real  
36 estate appraiser commission account, the recreational vehicle account,  
37 the regional mobility grant program account, the resource management  
38 cost account, the rural arterial trust account, the rural mobility

1 grant program account, the rural Washington loan fund, the site closure  
2 account, the skilled nursing facility safety net trust fund, the small  
3 city pavement and sidewalk account, the special category C account, the  
4 special wildlife account, the state employees' insurance account, the  
5 state employees' insurance reserve account, the state investment board  
6 expense account, the state investment board commingled trust fund  
7 accounts, the state patrol highway account, the state route number 520  
8 civil penalties account, the state route number 520 corridor account,  
9 the state wildlife account, the supplemental pension account, the  
10 Tacoma Narrows toll bridge account, the teachers' retirement system  
11 plan 1 account, the teachers' retirement system combined plan 2 and  
12 plan 3 account, the tobacco prevention and control account, the tobacco  
13 settlement account, the transportation 2003 account (nickel account),  
14 the transportation equipment fund, the transportation fund, the  
15 transportation improvement account, the transportation improvement  
16 board bond retirement account, the transportation infrastructure  
17 account, the transportation partnership account, the traumatic brain  
18 injury account, the tuition recovery trust fund, the University of  
19 Washington bond retirement fund, the University of Washington building  
20 account, the volunteer firefighters' and reserve officers' relief and  
21 pension principal fund, the volunteer firefighters' and reserve  
22 officers' administrative fund, the Washington judicial retirement  
23 system account, the Washington law enforcement officers' and  
24 firefighters' system plan 1 retirement account, the Washington law  
25 enforcement officers' and firefighters' system plan 2 retirement  
26 account, the Washington public safety employees' plan 2 retirement  
27 account, the Washington school employees' retirement system combined  
28 plan 2 and 3 account, the Washington state economic development  
29 commission account, the Washington state health insurance pool account,  
30 the Washington state patrol retirement account, the Washington State  
31 University building account, the Washington State University bond  
32 retirement fund, the water pollution control revolving fund, and the  
33 Western Washington University capital projects account. Earnings  
34 derived from investing balances of the agricultural permanent fund, the  
35 normal school permanent fund, the permanent common school fund, the  
36 scientific permanent fund, and the state university permanent fund  
37 shall be allocated to their respective beneficiary accounts.

1 (b) Any state agency that has independent authority over accounts  
2 or funds not statutorily required to be held in the state treasury that  
3 deposits funds into a fund or account in the state treasury pursuant to  
4 an agreement with the office of the state treasurer shall receive its  
5 proportionate share of earnings based upon each account's or fund's  
6 average daily balance for the period.

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

10 NEW SECTION. **Sec. 8.** A new section is added to chapter 43.42 RCW  
11 to read as follows:

12 Within available funds, the office of regulatory assistance may  
13 certify permit processes at the local level as streamlined processes.  
14 In developing the certification program, the director must work with  
15 local jurisdictions to establish the criteria and the process for  
16 certification. Jurisdictions with permit processes certified as  
17 streamlined may receive priority in receipt of state funds for  
18 infrastructure projects.

19 **Sec. 9.** RCW 43.155.070 and 2009 c 518 s 16 are each amended to  
20 read as follows:

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

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

26 (b) The local government must have developed a capital facility  
27 plan; and

28 (c) The local government must be using all local revenue sources  
29 which are reasonably available for funding public works, taking into  
30 consideration local employment and economic factors.

31 (2) Except where necessary to address a public health need or  
32 substantial environmental degradation, a county, city, or town planning  
33 under RCW 36.70A.040 must have adopted a comprehensive plan, including  
34 a capital facilities plan element, and development regulations as  
35 required by RCW 36.70A.040. This subsection does not require any  
36 county, city, or town planning under RCW 36.70A.040 to adopt a

1 comprehensive plan or development regulations before requesting or  
2 receiving a loan or loan guarantee under this chapter if such request  
3 is made before the expiration of the time periods specified in RCW  
4 36.70A.040. A county, city, or town planning under RCW 36.70A.040  
5 which has not adopted a comprehensive plan and development regulations  
6 within the time periods specified in RCW 36.70A.040 is not prohibited  
7 from receiving a loan or loan guarantee under this chapter if the  
8 comprehensive plan and development regulations are adopted as required  
9 by RCW 36.70A.040 before submitting a request for a loan or loan  
10 guarantee.

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

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

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

28 (b) Except as otherwise conditioned by RCW 43.155.110, whether the  
29 entity receiving assistance is a Puget Sound partner, as defined in RCW  
30 90.71.010;

31 (c) Whether the project is referenced in the action agenda  
32 developed by the Puget Sound partnership under RCW 90.71.310;

33 (d) Whether the project is critical in nature and would affect the  
34 health and safety of a great number of citizens;

35 (e) Whether the applicant's permitting process has been certified  
36 as streamlined by the office of regulatory assistance;

37 (f) Whether the applicant has developed and adhered to guidelines

1 regarding its permitting process for those applying for development  
2 permits consistent with section 1(2), chapter 231, Laws of 2007;

3 ~~((f))~~ (g) The cost of the project compared to the size of the  
4 local government and amount of loan money available;

5 ~~((g))~~ (h) The number of communities served by or funding the  
6 project;

7 ~~((h))~~ (i) Whether the project is located in an area of high  
8 unemployment, compared to the average state unemployment;

9 ~~((i))~~ (j) Whether the project is the acquisition, expansion,  
10 improvement, or renovation by a local government of a public water  
11 system that is in violation of health and safety standards, including  
12 the cost of extending existing service to such a system;

13 ~~((j))~~ (k) Except as otherwise conditioned by RCW 43.155.120, and  
14 effective one calendar year following the development of model  
15 evergreen community management plans and ordinances under RCW  
16 35.105.050, whether the entity receiving assistance has been  
17 recognized, and what gradation of recognition was received, in the  
18 evergreen community recognition program created in RCW 35.105.030;

19 ~~((k))~~ (l) The relative benefit of the project to the community,  
20 considering the present level of economic activity in the community and  
21 the existing local capacity to increase local economic activity in  
22 communities that have low economic growth; and

23 ~~((l))~~ (m) Other criteria that the board considers advisable.

24 (5) Existing debt or financial obligations of local governments  
25 ~~((shall))~~ may not be refinanced under this chapter. Each local  
26 government applicant ~~((shall))~~ must provide documentation of attempts  
27 to secure additional local or other sources of funding for each public  
28 works project for which financial assistance is sought under this  
29 chapter.

30 (6) Before November 1st of each even-numbered year, the board  
31 ~~((shall))~~ must develop and submit to the appropriate fiscal committees  
32 of the senate and house of representatives a description of the loans  
33 made under RCW 43.155.065, 43.155.068, and subsection (9) of this  
34 section during the preceding fiscal year and a prioritized list of  
35 projects which are recommended for funding by the legislature,  
36 including one copy to the staff of each of the committees. The list  
37 ~~((shall))~~ must include, but not be limited to, a description of each  
38 project and recommended financing, the terms and conditions of the loan

1 or financial guarantee, the local government jurisdiction and  
2 unemployment rate, demonstration of the jurisdiction's critical need  
3 for the project and documentation of local funds being used to finance  
4 the public works project. The list (~~shall~~) must also include  
5 measures of fiscal capacity for each jurisdiction recommended for  
6 financial assistance, compared to authorized limits and state averages,  
7 including local government sales taxes; real estate excise taxes;  
8 property taxes; and charges for or taxes on sewerage, water, garbage,  
9 and other utilities.

10 (7) The board (~~shall~~) may not sign contracts or otherwise  
11 financially obligate funds from the public works assistance account  
12 before the legislature has appropriated funds for a specific list of  
13 public works projects. The legislature may remove projects from the  
14 list recommended by the board. The legislature (~~shall~~) may not  
15 change the order of the priorities recommended for funding by the  
16 board.

17 (8) Subsection (7) of this section does not apply to loans made  
18 under RCW 43.155.065, 43.155.068, and subsection (9) of this section.

19 (9) Loans made for the purpose of capital facilities plans (~~shall~~  
20 ~~be~~) are exempted from subsection (7) of this section.

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

26 (11) After January 1, 2010, any project designed to address the  
27 effects of storm water or wastewater on Puget Sound may be funded under  
28 this section only if the project is not in conflict with the action  
29 agenda developed by the Puget Sound partnership under RCW 90.71.310.

30 **Sec. 10.** RCW 43.160.060 and 2008 c 327 s 5 are each amended to  
31 read as follows:

32 (1) The board is authorized to make direct loans to political  
33 subdivisions of the state and to federally recognized Indian tribes for  
34 the purposes of assisting the political subdivisions and federally  
35 recognized Indian tribes in financing the cost of public facilities,  
36 including development of land and improvements for public facilities,  
37 project-specific environmental, capital facilities, land use,

1 permitting, feasibility, and marketing studies and plans; project  
2 design, site planning, and analysis; project debt and revenue impact  
3 analysis; as well as the construction, rehabilitation, alteration,  
4 expansion, or improvement of the facilities. A grant may also be  
5 authorized for purposes designated in this chapter, but only when, and  
6 to the extent that, a loan is not reasonably possible, given the  
7 limited resources of the political subdivision or the federally  
8 recognized Indian tribe and the finding by the board that financial  
9 circumstances require grant assistance to enable the project to move  
10 forward. However, no more than twenty-five percent of all financial  
11 assistance approved by the board in any biennium may consist of grants  
12 to political subdivisions and federally recognized Indian tribes.

13 (2) Application for funds (~~(shall)~~) must be made in the form and  
14 manner as the board may prescribe. In making grants or loans the board  
15 (~~(shall)~~) must conform to the following requirements:

16 ~~((1))~~ (a) The board (~~(shall)~~) may not provide financial  
17 assistance:

18 ~~((a))~~ (i) For a project the primary purpose of which is to  
19 facilitate or promote a retail shopping development or expansion.

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

23 ~~((c))~~ (iii) For a project the primary purpose of which is to  
24 facilitate or promote gambling.

25 ~~((d))~~ (iv) For a project located outside the jurisdiction of the  
26 applicant political subdivision or federally recognized Indian tribe.

27 ~~((2))~~ (b) The board (~~(shall)~~) may only provide financial  
28 assistance:

29 ~~((a))~~ (i) For a project demonstrating convincing evidence that a  
30 specific private development or expansion is ready to occur and will  
31 occur only if the public facility improvement is made that:

32 ~~((i))~~ (A) Results in the creation of significant private sector  
33 jobs or significant private sector capital investment as determined by  
34 the board and is consistent with the state comprehensive economic  
35 development plan developed by the Washington economic development  
36 commission pursuant to chapter 43.162 RCW, once the plan is adopted;  
37 and

1        ((+ii)) (B) Will improve the opportunities for the successful  
2 maintenance, establishment, or expansion of industrial or commercial  
3 plants or will otherwise assist in the creation or retention of long-  
4 term economic opportunities;

5        ((+b)) (ii) For a project that cannot meet the requirement of  
6 ((+a)) (b)(i) of this subsection but is a project that:

7        ((+i)) (A) Results in the creation of significant private sector  
8 jobs or significant private sector capital investment as determined by  
9 the board and is consistent with the state comprehensive economic  
10 development plan developed by the Washington economic development  
11 commission pursuant to chapter 43.162 RCW, once the plan is adopted;

12        ((+ii)) (B) Is part of a local economic development plan  
13 consistent with applicable state planning requirements;

14        ((+iii)) (C) Can demonstrate project feasibility using standard  
15 economic principles; and

16        ((+iv)) (D) Is located in a rural community as defined by the  
17 board, or a rural county;

18        ((+e)) (iii) For site-specific plans, studies, and analyses that  
19 address environmental impacts, capital facilities, land use,  
20 permitting, feasibility, marketing, project engineering, design, site  
21 planning, and project debt and revenue impacts, as grants not to exceed  
22 fifty thousand dollars.

23        ((+3)) (c) The board ((shall)) must develop guidelines for local  
24 participation and allowable match and activities.

25        ((+4)) (d) An application must demonstrate local match and local  
26 participation, in accordance with guidelines developed by the board.

27        ((+5)) (e) An application must be approved by the political  
28 subdivision and supported by the local associate development  
29 organization or local workforce development council or approved by the  
30 governing body of the federally recognized Indian tribe.

31        ((+6)) (f) The board may allow de minimis general system  
32 improvements to be funded if they are critically linked to the  
33 viability of the project.

34        ((+7)) (g) An application must demonstrate convincing evidence  
35 that the median hourly wage of the private sector jobs created after  
36 the project is completed will exceed the countywide median hourly wage.

37        ((+8)) (h) The board ((shall)) must prioritize each proposed  
38 project according to:

1        ~~((a))~~ (i) The relative benefits provided to the community by the  
2 jobs the project would create, not just the total number of jobs it  
3 would create after the project is completed, but also giving  
4 consideration to the unemployment rate in the area in which the jobs  
5 would be located;

6        ~~((b))~~ (ii) The rate of return of the state's investment,  
7 including, but not limited to, the leveraging of private sector  
8 investment, anticipated job creation and retention, and expected  
9 increases in state and local tax revenues associated with the project;

10       ~~((c))~~ (iii) Whether the proposed project offers a health  
11 insurance plan for employees that includes an option for dependents of  
12 employees;

13       ~~((d))~~ (iv) Whether the public facility investment will increase  
14 existing capacity necessary to accommodate projected population and  
15 employment growth in a manner that supports infill and redevelopment of  
16 existing urban or industrial areas that are served by adequate public  
17 facilities. Projects should maximize the use of existing  
18 infrastructure and provide for adequate funding of necessary  
19 transportation improvements; ~~((and~~

20       ~~((e))~~ (v) Whether the applicant's permitting process has been  
21 certified as streamlined by the office of regulatory assistance; and

22       (vi) Whether the applicant has developed and adhered to guidelines  
23 regarding its permitting process for those applying for development  
24 permits consistent with section 1(2), chapter 231, Laws of 2007.

25       ~~((9))~~ (i) A responsible official of the political subdivision or  
26 the federally recognized Indian tribe ~~((shall))~~ must be present during  
27 board deliberations and provide information that the board requests.

28       (3) Before any financial assistance application is approved, the  
29 political subdivision or the federally recognized Indian tribe seeking  
30 the assistance must demonstrate to the community economic  
31 revitalization board that no other timely source of funding is  
32 available to it at costs reasonably similar to financing available from  
33 the community economic revitalization board."

34       Correct the title.

--- END ---