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**SUBSTITUTE HOUSE BILL 1680**

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**State of Washington**

**66th Legislature**

**2019 Regular Session**

**By** House Capital Budget (originally sponsored by Representatives Doglio, Chapman, Peterson, DeBolt, Appleton, Volz, Gregerson, Stokesbary, Pollet, Rude, Riccelli, MacEwen, Macri, Jenkin, and Valdez)

READ FIRST TIME 02/27/19.

1 AN ACT Relating to local government infrastructure funding;  
2 amending RCW 43.155.020 and 82.45.060; reenacting and amending RCW  
3 43.155.050; providing an effective date; and declaring an emergency.

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

5 **Sec. 1.** RCW 43.155.020 and 2017 3rd sp.s. c 10 s 2 are each  
6 amended to read as follows:

7 The definitions in this section apply throughout this chapter  
8 unless the context clearly requires otherwise.

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

11 (2) "Capital facility plan" means a capital facility plan  
12 required by the growth management act under chapter 36.70A RCW or,  
13 for local governments not fully planning under the growth management  
14 act, a plan required by the public works board.

15 (3) "Department" means the department of commerce.

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

1 (5) "Local governments" means cities, towns, counties, special  
2 purpose districts, and any other municipal corporations or quasi-  
3 municipal corporations in the state excluding school districts and  
4 port districts.

5 (6) "Natural or green infrastructure" means projects that utilize  
6 systems and practices that use or mimic natural processes to  
7 infiltrate, evapotranspire, or reuse stormwater or runoff on the  
8 site where it is generated including, but not limited to, water  
9 retention ponds, rain gardens, and vegetated swales.

10 (7) "Public works project" means a project of a local government  
11 for the planning, acquisition, construction, repair, reconstruction,  
12 replacement, rehabilitation, or improvement of streets and roads,  
13 bridges, water systems, or storm and sanitary sewage systems, lead  
14 remediation of drinking water systems, and solid waste facilities,  
15 including recycling facilities. A planning project may include the  
16 compilation of biological, hydrological, or other data on a county,  
17 drainage basin, or region necessary to develop a base of information  
18 for a capital facility plan. Public works projects may include  
19 natural or green infrastructure measures that complement the project  
20 and demonstrate enhanced life-cycle cost or performance gains.

21 (~~(7)~~) (8) "Solid waste or recycling project" means remedial  
22 actions necessary to bring abandoned or closed landfills into  
23 compliance with regulatory requirements and the repair, restoration,  
24 and replacement of existing solid waste transfer, recycling  
25 facilities, and landfill projects limited to the opening of landfill  
26 cells that are in existing and permitted landfills.

27 (~~(8)~~) (9) "Technical assistance" means training and other  
28 services provided to local governments to: (a) Help such local  
29 governments plan, apply, and qualify for loans, grants, and financing  
30 guarantees from the board, and (b) help local governments improve  
31 their ability to plan for, finance, acquire, construct, repair,  
32 replace, rehabilitate, and maintain public facilities.

33 (~~(9)~~) (10) "Value planning" means a uniform approach to assist  
34 (~~(10)~~) decision making at the predesign stage through systematic  
35 evaluation of potential alternatives to solving an identified problem  
36 and addressing innovation, affordability, environmental performance,  
37 and local economic development.

38 **Sec. 2.** RCW 43.155.050 and 2017 3rd sp.s. c 10 s 5 and 2017 3rd  
39 sp.s. c 1 s 974 are each reenacted and amended to read as follows:

1        (1)(a) The public works assistance account is hereby established  
2 in the state treasury. Money may be placed in the public works  
3 assistance account from the proceeds of bonds when authorized by the  
4 legislature or from any other lawful source. Money in the public  
5 works assistance account shall be used to make loans and grants and  
6 to give financial guarantees to local governments for public works  
7 projects. Moneys in the account may also be appropriated or  
8 transferred to the water pollution control revolving (~~account~~  
9 ~~[fund]~~) fund and the drinking water assistance account to provide  
10 for state match requirements under federal law.

11        (b) Not more than twenty percent of the biennial capital budget  
12 appropriation to the public works board from this account may be  
13 expended or obligated for preconstruction loans and grants, emergency  
14 loans and grants, or loans and grants for capital facility planning  
15 under this chapter.

16        (c) Except as provided for in (d) of this subsection, not more  
17 than ten percent of the biennial capital budget appropriation to the  
18 public works board from this account may be expended or obligated as  
19 grants for preconstruction, emergency, capital facility planning, and  
20 construction projects. (~~During the 2015-2017 fiscal biennium, the~~  
21 legislature may transfer from the public works assistance account to  
22 the general fund, the water pollution control revolving account  
23 [fund], and the drinking water assistance account such amounts as  
24 reflect the excess fund balance of the account.))

25        (d) Up to one percent of the biennial capital budget  
26 appropriation to the public works board may be provided as grants to  
27 entities for the purpose of value planning. The value planning grant  
28 may be up to sixty thousand dollars per capital project.

29        (2) Beginning in the 2019-2021 fiscal biennium through the  
30 2021-2023 fiscal biennium, an amount equal to four and one-tenth  
31 percent of the taxes collected under RCW 82.45.060 and deposited into  
32 the public works assistance account must be prioritized for  
33 infrastructure projects in support of housing development.

34        (3) During the (~~2015-2017 and~~) 2017-2019 fiscal (~~biennia~~)  
35 biennium, the legislature may appropriate moneys from the account for  
36 activities related to rural economic development, the growth  
37 management act, and the voluntary stewardship program. (~~During the~~  
38 2015-2017 fiscal biennium, the legislature may transfer from the  
39 public works assistance account to the state general fund such  
40 amounts as specified by the legislature.))

1       (4) During the 2017-2019 fiscal biennium, the legislature may  
2 direct the state treasurer to make transfers of moneys in the public  
3 works assistance account to the education legacy trust account. It is  
4 the intent of the legislature that this policy will be continued in  
5 subsequent fiscal biennia.

6       **Sec. 3.** RCW 82.45.060 and 2017 3rd sp.s. c 10 s 13 are each  
7 amended to read as follows:

8       There is imposed an excise tax upon each sale of real property at  
9 the rate of one and twenty-eight one-hundredths percent of the  
10 selling price. Beginning July 1, 2013, and ending June 30, ((2023))  
11 2019, an amount equal to two percent of the proceeds of this tax must  
12 be deposited in the public works assistance account created in RCW  
13 43.155.050, and an amount equal to four and one-tenth percent must be  
14 deposited in the education legacy trust account created in RCW  
15 83.100.230. Beginning July 1, 2019, and ending June 30, 2023, an  
16 amount equal to two percent of the proceeds of this tax must be  
17 deposited in the public works assistance account created in RCW  
18 43.155.050, and an amount equal to four and one-tenth percent of the  
19 proceeds must be deposited in the public works assistance account  
20 created in RCW 43.155.050 and prioritized for infrastructure projects  
21 in support of housing development. Thereafter, an amount equal to six  
22 and one-tenth percent of the proceeds of this tax to the state  
23 treasurer must be deposited in the public works assistance account  
24 created in RCW 43.155.050. Except as otherwise provided in this  
25 section, an amount equal to one and six-tenths percent of the  
26 proceeds of this tax to the state treasurer must be deposited in the  
27 city-county assistance account created in RCW 43.08.290.

28       NEW SECTION.   **Sec. 4.** This act is necessary for the immediate  
29 preservation of the public peace, health, or safety, or support of  
30 the state government and its existing public institutions, and takes  
31 effect July 1, 2019.

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