
SUBSTITUTE HOUSE BILL 2657

State of Washington

54th Legislature

1996 Regular Session

By House Committee on Capital Budget (originally sponsored by Representatives Silver and Costa)

Read first time 01/30/96.

1 AN ACT Relating to the definition of public works projects; and
2 amending RCW 43.155.010, 43.155.020, and 43.155.070.

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

4 **Sec. 1.** RCW 43.155.010 and 1985 c 446 s 7 are each amended to read
5 as follows:

6 The legislature finds that there exists in the state of Washington
7 over four billion dollars worth of critical projects for the planning,
8 acquisition, construction, repair, replacement, rehabilitation, or
9 improvement of streets and roads, bridges, water systems, and storm and
10 sanitary sewage systems. The December, 1983 Washington state public
11 works report prepared by the planning and community affairs agency
12 documented that local governments expect to be capable of financing
13 over two billion dollars worth of the costs of those critical projects
14 but will not be able to fund nearly half of the documented needs.

15 The legislature further finds that Washington's local governments
16 have unmet financial needs for solid waste disposal, including
17 recycling, and encourages the board to make an equitable geographic
18 distribution of the funds.

1 It is the policy of the state of Washington to encourage self-
2 reliance by local governments in meeting their public works needs and
3 to assist in the financing of critical public works projects by making
4 loans, financing guarantees, and technical assistance available to
5 local governments for these projects.

6 **Sec. 2.** RCW 43.155.020 and 1995 c 399 s 85 are each amended to
7 read as follows:

8 Unless the context clearly requires otherwise, the definitions in
9 this section shall apply throughout this chapter.

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

11 (2) "Department" means the department of community, trade, and
12 economic development.

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

18 (4) "Local governments" means cities, towns, counties, special
19 purpose districts, and any other municipal corporations or quasi-
20 municipal corporations in the state excluding school districts and port
21 districts.

22 (5) "Public works project" means a project of a local government
23 for the planning, acquisition, construction, repair, reconstruction,
24 replacement, rehabilitation, or improvement of streets and roads,
25 bridges, water systems, or storm and sanitary sewage systems and solid
26 waste facilities, including recycling facilities.

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

33 **Sec. 3.** RCW 43.155.070 and 1995 c 363 s 3 are each amended to read
34 as follows:

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

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

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

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

8 (d) A county, city, or town that is required or chooses to plan
9 under RCW 36.70A.040 must have adopted a comprehensive plan in
10 conformance with the requirements of chapter 36.70A RCW, after it is
11 required that the comprehensive plan be adopted, and must have adopted
12 development regulations in conformance with the requirements of chapter
13 36.70A RCW, after it is required that development regulations be
14 adopted.

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

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

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

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

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

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

32 (f) 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, including the cost of
35 extending existing service to such a system;

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

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

2 (3) Existing debt or financial obligations of local governments
3 shall not be refinanced under this chapter. Each local government
4 applicant shall provide documentation of attempts to secure additional
5 local or other sources of funding for each public works project for
6 which financial assistance is sought under this chapter.

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

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

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

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

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

1 (8) To qualify for loans or pledges for solid waste or recycling
2 facilities under this chapter, a city or county must demonstrate that
3 the solid waste or recycling facility is consistent with and necessary
4 to implement the comprehensive solid waste management plan adopted by
5 the city or county under chapter 70.95 RCW.

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