

2 **HB 2425** - S COMM AMD
3 By Committee on Ways & Means

4 ADOPTED 03/13/02

5 Strike everything after the enacting clause and insert the
6 following:

7 "NEW SECTION. **Sec. 1.** The legislature finds that the community
8 economic revitalization board plays a valuable and unique role in
9 stimulating and diversifying local economies, attracting private
10 investment, creating new jobs, and generating additional state and
11 local tax revenues by investing in public facilities projects that
12 result in new or expanded economic development. The legislature also
13 finds that it is in the best interest of the state and local
14 communities to secure a stable and dedicated source of funds for the
15 community economic revitalization board. It is the intent of the
16 legislature to establish an ongoing funding source for the community
17 economic revitalization board that will be used exclusively to advance
18 economic development infrastructure. This act provides a temporary
19 funding source until such time as a more permanent funding solution can
20 be established. These funds are not for use other than for the stated
21 purpose and goals of the community economic revitalization board.

22 **Sec. 2.** RCW 43.84.092 and 2001 2nd sp.s. c 14 s 608, 2001 c 273 s
23 6, 2001 c 141 s 3, and 2001 c 80 s 5 are each reenacted and amended to
24 read as follows:

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

28 (2) The treasury income account shall be utilized to pay or receive
29 funds associated with federal programs as required by the federal cash
30 management improvement act of 1990. The treasury income account is
31 subject in all respects to chapter 43.88 RCW, but no appropriation is
32 required for refunds or allocations of interest earnings required by
33 the cash management improvement act. Refunds of interest to the
34 federal treasury required under the cash management improvement act
35 fall under RCW 43.88.180 and shall not require appropriation. The

1 office of financial management shall determine the amounts due to or
2 from the federal government pursuant to the cash management improvement
3 act. The office of financial management may direct transfers of funds
4 between accounts as deemed necessary to implement the provisions of the
5 cash management improvement act, and this subsection. Refunds or
6 allocations shall occur prior to the distributions of earnings set
7 forth in subsection (4) of this section.

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

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

20 (a) The following accounts and funds shall receive their
21 proportionate share of earnings based upon each account's and fund's
22 average daily balance for the period: The capitol building
23 construction account, the Cedar River channel construction and
24 operation account, the Central Washington University capital projects
25 account, the charitable, educational, penal and reformatory
26 institutions account, the common school construction fund, the county
27 criminal justice assistance account, the county sales and use tax
28 equalization account, the data processing building construction
29 account, the deferred compensation administrative account, the deferred
30 compensation principal account, the department of retirement systems
31 expense account, the drinking water assistance account, the drinking
32 water assistance administrative account, the drinking water assistance
33 repayment account, the Eastern Washington University capital projects
34 account, the education construction fund, the emergency reserve fund,
35 the federal forest revolving account, the health services account, the
36 public health services account, the health system capacity account, the
37 personal health services account, the state higher education
38 construction account, the higher education construction account, the
39 highway infrastructure account, the industrial insurance premium refund

1 account, the judges' retirement account, the judicial retirement
2 administrative account, the judicial retirement principal account, the
3 local leasehold excise tax account, the local real estate excise tax
4 account, the local sales and use tax account, the medical aid account,
5 the mobile home park relocation fund, the multimodal transportation
6 account, the municipal criminal justice assistance account, the
7 municipal sales and use tax equalization account, the natural resources
8 deposit account, the oyster reserve land account, the perpetual
9 surveillance and maintenance account, the public employees' retirement
10 system plan 1 account, the public employees' retirement system combined
11 plan 2 and plan 3 account, the public facilities construction loan
12 revolving account beginning July 1, 2004, the public health
13 supplemental account, the Puyallup tribal settlement account, the
14 resource management cost account, the site closure account, the special
15 wildlife account, the state employees' insurance account, the state
16 employees' insurance reserve account, the state investment board
17 expense account, the state investment board commingled trust fund
18 accounts, the supplemental pension account, the teachers' retirement
19 system plan 1 account, the teachers' retirement system combined plan 2
20 and plan 3 account, the tobacco prevention and control account, the
21 tobacco settlement account, the transportation infrastructure account,
22 the tuition recovery trust fund, the University of Washington bond
23 retirement fund, the University of Washington building account, the
24 volunteer fire fighters' and reserve officers' relief and pension
25 principal fund, the volunteer fire fighters' and reserve officers'
26 administrative fund, the Washington fruit express account, the
27 Washington judicial retirement system account, the Washington law
28 enforcement officers' and fire fighters' system plan 1 retirement
29 account, the Washington law enforcement officers' and fire fighters'
30 system plan 2 retirement account, the Washington school employees'
31 retirement system combined plan 2 and 3 account, the Washington state
32 health insurance pool account, the Washington state patrol retirement
33 account, the Washington State University building account, the
34 Washington State University bond retirement fund, the water pollution
35 control revolving fund, and the Western Washington University capital
36 projects account. Earnings derived from investing balances of the
37 agricultural permanent fund, the normal school permanent fund, the
38 permanent common school fund, the scientific permanent fund, and the
39 state university permanent fund shall be allocated to their respective

1 beneficiary accounts. All earnings to be distributed under this
2 subsection (4)(a) shall first be reduced by the allocation to the state
3 treasurer's service fund pursuant to RCW 43.08.190.

4 (b) The following accounts and funds shall receive eighty percent
5 of their proportionate share of earnings based upon each account's or
6 fund's average daily balance for the period: The aeronautics account,
7 the aircraft search and rescue account, the county arterial
8 preservation account, the department of licensing services account, the
9 essential rail assistance account, the ferry bond retirement fund, the
10 grade crossing protective fund, the high capacity transportation
11 account, the highway bond retirement fund, the highway safety account,
12 the motor vehicle fund, the motorcycle safety education account, the
13 pilotage account, the public transportation systems account, the Puget
14 Sound capital construction account, the Puget Sound ferry operations
15 account, the recreational vehicle account, the rural arterial trust
16 account, the safety and education account, the special category C
17 account, the state patrol highway account, the transportation equipment
18 fund, the transportation fund, the transportation improvement account,
19 the transportation improvement board bond retirement account, and the
20 urban arterial trust account.

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

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

26 (1) The public works assistance account shall annually transfer
27 funds to the public facilities construction loan revolving account in
28 amounts as follows: In fiscal year 2003, twelve percent of eighteen
29 million eight hundred ninety thousand seven hundred seventy-five
30 dollars, the total outstanding principal and interest associated with
31 the loans issued by the public works board under the timber and rural
32 natural resources programs; and in each of fiscal years 2004, 2005,
33 2006, and 2007, twenty-two percent of the principal and interest
34 associated with the timber and rural natural resources programs. In no
35 event may this transfer exceed four million five hundred thousand
36 dollars per year.

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

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

3 The board is authorized to make direct loans to political
4 subdivisions of the state for the purposes of assisting the political
5 subdivisions in financing the cost of public facilities, including
6 development of land and improvements for public facilities, project-
7 specific environmental, capital facilities, land use, permitting,
8 feasibility(~~(+)~~), and marketing studies and plans; project design,
9 site planning, and analysis; project debt and revenue impact analysis;
10 as well as the construction, rehabilitation, alteration, expansion, or
11 improvement of the facilities. A grant may also be authorized for
12 purposes designated in this chapter, but only when, and to the extent
13 that, a loan is not reasonably possible, given the limited resources of
14 the political subdivision and the finding by the board that financial
15 circumstances require grant assistance to enable the project to move
16 forward. However, at least ten percent of all financial assistance
17 provided by the board in any biennium shall consist of grants to
18 political subdivisions.

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

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

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

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

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

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

31 (a) For those projects which would result in specific private
32 developments or expansions (i) in manufacturing, production, food
33 processing, assembly, warehousing, advanced technology, research and
34 development, and industrial distribution; (ii) for processing
35 recyclable materials or for facilities that support recycling,
36 including processes not currently provided in the state, including but
37 not limited to, de-inking facilities, mixed waste paper, plastics, yard
38 waste, and problem-waste processing; (iii) for manufacturing facilities
39 that rely significantly on recyclable materials, including but not

1 limited to waste tires and mixed waste paper; (iv) which support the
2 relocation of businesses from nondistressed urban areas to rural
3 counties or rural natural resources impact areas; or (v) which
4 substantially support the trading of goods or services outside of the
5 state's borders.

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

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

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

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

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

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

24 Before any financial assistance application is approved, the
25 political subdivision seeking the assistance must demonstrate to the
26 community economic revitalization board that no other timely source of
27 funding is available to it at costs reasonably similar to financing
28 available from the community economic revitalization board."

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31 ADOPTED 03/13/02

32 On page 1, line 1 of the title, after "board;" strike the remainder
33 of the title and insert "amending RCW 43.160.060; reenacting and
34 amending RCW 43.84.092; adding a new section to chapter 43.160 RCW;
35 creating a new section; and providing an expiration date."

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