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**SUBSTITUTE SENATE BILL 5656**

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**State of Washington**

**52nd Legislature**

**1991 Regular Session**

**By** Senate Committee on Commerce & Labor (originally sponsored by Senators Newhouse, Matson, Owen, Niemi, Sutherland and McMullen; by request of Department of Community Development and Office of Financial Management).

Read first time March 5, 1991.

1 AN ACT Relating to the public works board; creating new sections;  
2 making an appropriation; and providing an expiration date.

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

4 NEW SECTION. **Sec. 1.** (1) For the period beginning July 1,  
5 1991 and ending June 30, 1993, in those areas designated by the  
6 department of community development as timber impact areas, the public  
7 works board may award low-interest or interest-free loans to local  
8 governments for construction of new public works facilities that  
9 stimulate economic growth or diversification.

10 (2) For the purposes of this act:

11 (a) "Public facilities" means bridge, road and street, domestic  
12 water, sanitary sewer, and storm sewer systems;

13 (b) "Timber impact area" means a county meeting two of the  
14 following three criteria for the most recent year such data is  
15 available: (i) Logging and lumber employment location quotient of 1.0

1 or more of the state average, (ii) direct logging and lumber job loss  
2 of one hundred or more, (iii) annual unemployment rate twenty percent  
3 above the state average.

4 (3) The loans may have a deferred payment of up to five years but  
5 shall be repaid within twenty years. The board may require other terms  
6 and conditions and may charge such rates of interest on its loans as it  
7 deems appropriate to carry out the purposes of this section. Repayments  
8 shall be made to the public works assistance account.

9 (4) The board may make such loans irrespective of the annual loan  
10 cycle and reporting required in RCW 43.155.070.

11 NEW SECTION. **Sec. 2.** (1) As authorized by section 1 of this  
12 act, the board shall establish criteria for awarding loans to local  
13 governments including, but not limited to, the following:

14 (a) If a county or city, the local government must be imposing the  
15 tax authorized by chapter 82.46 RCW at a rate of at least one-quarter  
16 of one percent;

17 (b) The local government must have in place a capital improvement  
18 plan meeting standards established by the board and an economic  
19 development plan meeting standards established by the department;

20 (c) The local economy must have experienced or be about to  
21 experience significant employment losses due to the timber economy;

22 (d) The proposed project must provide an opportunity to create or  
23 retain jobs within the local economy. Priority may be given to those  
24 projects that provide an opportunity to retain or create jobs for the  
25 pool of local workers affected by the timber economy;

26 (e) The local government must provide reasonable assurances of its  
27 ability to repay the debt; and

28 (f) The local government must meet any additional guidelines and  
29 criteria established by the board for awarding loan funds.

1 (2) Existing debt or other financial obligations of the local  
2 government shall not be refinanced under this act.

3 (3) The board shall award loans only to those projects that meet  
4 the criteria and will fulfill the purpose of this act. Any funds not  
5 obligated at the close of the biennium shall be returned to the public  
6 works assistance account.

7 NEW SECTION. **Sec. 3.** For the biennium beginning July 1, 1991,  
8 and ending June 30, 1993, there is hereby appropriated from the public  
9 works assistance account created in RCW 43.155.050 seven million  
10 dollars to be utilized by the board for the purposes of this act.

11 NEW SECTION. **Sec. 4.** The board shall provide to the office of  
12 financial management and the legislative fiscal committees a report by  
13 January 15, 1994, on the loans awarded through the biennium ending June  
14 30, 1993.

15 NEW SECTION. **Sec. 5.** Sections 1 through 3 of this act shall  
16 expire on June 30, 1993.