

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1000

Chapter 131, Laws of 2001

57th Legislature
2001 Regular Legislative Session

PUBLIC WORKS BOARD--BUDGET AUTHORITY

EFFECTIVE DATE: 7/22/01

Passed by the House February 20, 2001
Yeas 97 Nays 0

FRANK CHOPP
**Speaker of the House of
Representatives**

CLYDE BALLARD
**Speaker of the House of
Representatives**

Passed by the Senate April 10, 2001
Yeas 48 Nays 0

BRAD OWEN
President of the Senate

Approved May 2, 2001

GARY LOCKE
Governor of the State of Washington

CERTIFICATE

We, Timothy A. Martin and Cynthia Zehnder, Co-Chief Clerks of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1000** as passed by the House of Representatives and the Senate on the dates hereon set forth.

TIMOTHY A. MARTIN
Chief Clerk

CYNTHIA ZEHNDER
Chief Clerk

FILED

May 2, 2001 - 10:20 a.m.

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 1000

Passed Legislature - 2001 Regular Session

State of Washington 57th Legislature 2001 Regular Session

By House Committee on Capital Budget (originally sponsored by Representatives Murray, Alexander, Ogden, Schoesler, Armstrong, Linville and McIntire; by request of Public Works Board)

Read first time . Referred to Committee on .

1 AN ACT Relating to the budget authority of the public works board,
2 expenditures from the public works assistance account, and clarifying
3 capital facility planning requirements; amending RCW 43.155.020,
4 43.155.065, 43.155.068, and 43.155.070; and reenacting and amending RCW
5 43.155.050.

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

7 **Sec. 1.** RCW 43.155.020 and 1996 c 168 s 2 are each amended to read
8 as follows:

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

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

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

16 (3) "Department" means the department of community, trade, and
17 economic development.

18 ((+3)) (4) "Financing guarantees" means the pledge of money in the
19 public works assistance account, or money to be received by the public

1 works assistance account, to the repayment of all or a portion of the
2 principal of or interest on obligations issued by local governments to
3 finance public works projects.

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

8 ((+5)) (6) "Public works project" means a project of a local
9 government for the planning, acquisition, construction, repair,
10 reconstruction, replacement, rehabilitation, or improvement of streets
11 and roads, bridges, water systems, or storm and sanitary sewage systems
12 and solid waste facilities, including recycling facilities. A planning
13 project may include the compilation of biological, hydrological, or
14 other data on a county, drainage basin, or region necessary to develop
15 a base of information for a capital facility plan.

16 ((+6)) (7) "Solid waste or recycling project" means remedial
17 actions necessary to bring abandoned or closed landfills into
18 compliance with regulatory requirements and the repair, restoration,
19 and replacement of existing solid waste transfer, recycling facilities,
20 and landfill projects limited to the opening of landfill cells that are
21 in existing and permitted landfills.

22 ((+7)) (8) "Technical assistance" means training and other
23 services provided to local governments to: (a) Help such local
24 governments plan, apply, and qualify for loans and financing guarantees
25 from the board, and (b) help local governments improve their ability to
26 plan for, finance, acquire, construct, repair, replace, rehabilitate,
27 and maintain public facilities.

28 **Sec. 2.** RCW 43.155.050 and 1995 2nd sp.s. c 18 s 918 and 1995 c
29 376 s 11 are each reenacted and amended to read as follows:

30 The public works assistance account is hereby established in the
31 state treasury. Money may be placed in the public works assistance
32 account from the proceeds of bonds when authorized by the legislature
33 or from any other lawful source. Money in the public works assistance
34 account shall be used to make loans and to give financial guarantees to
35 local governments for public works projects. Moneys in the account may
36 also be appropriated to provide for state match requirements under
37 federal law for projects and activities conducted and financed by the
38 board under the drinking water assistance account. ~~((During the 1995-~~

1 97 fiscal biennium, moneys in the public works assistance account may
2 be appropriated for transfer to the flood control assistance account to
3 be used for flood control assistance, including grants under chapter
4 86.26 RCW. To the extent that moneys in the public works assistance
5 account are not appropriated during the 1995-97 fiscal biennium for
6 public works or flood control assistance, the legislature may direct
7 their transfer to the state general fund. In awarding grants under
8 chapter 86.26 RCW, the department of ecology shall give strong
9 preference to local governments that have: (1) Implemented, or are in
10 the process of implementing, an ordinance that establishes a flood
11 plain policy that is substantially more stringent than minimum federal
12 requirements; (2) completed a comprehensive flood control plan meeting
13 the requirements of RCW 86.12.200; or (3) constructed, or are in the
14 process of constructing, a system of overtopping dikes or levees that
15 allow public access.) Not more than fifteen percent of the biennial
16 capital budget appropriation to the public works board from this
17 account may be expended or obligated for preconstruction loans,
18 emergency loans, or loans for capital facility planning under this
19 chapter; of this amount, not more than ten percent of the biennial
20 capital budget appropriation may be expended for emergency loans and
21 not more than one percent of the biennial capital budget appropriation
22 may be expended for capital facility planning loans.

23 **Sec. 3.** RCW 43.155.065 and 1990 c 133 s 7 are each amended to read
24 as follows:

25 The board may make low-interest or interest-free loans to local
26 governments for emergency public works projects. Emergency public
27 works projects shall include the construction, repair, reconstruction,
28 replacement, rehabilitation, or improvement of a public water system
29 that is in violation of health and safety standards and is being
30 operated by a local government on a temporary basis. The loans may be
31 used to help fund all or part of an emergency public works project less
32 any reimbursement from any of the following sources: (1) Federal
33 disaster or emergency funds, including funds from the federal emergency
34 management agency; (2) state disaster or emergency funds; (3) insurance
35 settlements; or (4) litigation. ~~((Emergency loans may be made only~~
36 ~~from those funds specifically appropriated from the public works~~
37 ~~assistance account for such purpose by the legislature. The amount~~
38 ~~appropriated from the public works assistance account for emergency~~

1 loan purposes shall not exceed five percent of the total amount
2 appropriated from this account in any biennium.))

3 **Sec. 4.** RCW 43.155.068 and 1995 c 363 s 2 are each amended to read
4 as follows:

5 (1) The board may make low-interest or interest-free loans to local
6 governments for preconstruction activities on public works projects
7 before the legislature approves the construction phase of the project.
8 Preconstruction activities include design, engineering, bid-document
9 preparation, environmental studies, right of way acquisition, and other
10 preliminary phases of public works projects as determined by the board.
11 The purpose of the loans authorized in this section is to accelerate
12 the completion of public works projects by allowing preconstruction
13 activities to be performed before the approval of the construction
14 phase of the project by the legislature.

15 (2) Projects receiving loans for preconstruction activities under
16 this section must be evaluated using the priority process and factors
17 in RCW 43.155.070(2). The receipt of a loan for preconstruction
18 activities does not ensure the receipt of a construction loan for the
19 project under this chapter. Construction loans for projects receiving
20 a loan for preconstruction activities under this section are subject to
21 legislative approval under RCW 43.155.070 (4) and (5). The board shall
22 adopt a single application process for local governments seeking both
23 a loan for preconstruction activities under this section and a
24 construction loan for the project.

25 ~~((3) Preconstruction activity loans under this section may be made
26 only from those funds specifically appropriated from the public works
27 assistance account for such a purpose by the legislature.))~~

28 **Sec. 5.** RCW 43.155.070 and 1999 c 164 s 602 are each amended to
29 read as follows:

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

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

35 (b) The local government must have developed a ~~((long-term))~~
36 capital facility plan ~~((for financing public works needs))~~; and

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

4 (2) Except where necessary to address a public health need or
5 substantial environmental degradation, a county, city, or town planning
6 under RCW 36.70A.040 must have adopted a comprehensive plan, including
7 a capital facilities plan element, and development regulations as
8 required by RCW 36.70A.040. This subsection does not require any
9 county, city, or town planning under RCW 36.70A.040 to adopt a
10 comprehensive plan or development regulations before requesting or
11 receiving a loan or loan guarantee under this chapter if such request
12 is made before the expiration of the time periods specified in RCW
13 36.70A.040. A county, city, or town planning under RCW 36.70A.040
14 which has not adopted a comprehensive plan and development regulations
15 within the time periods specified in RCW 36.70A.040 is not prohibited
16 from receiving a loan or loan guarantee under this chapter if the
17 comprehensive plan and development regulations are adopted as required
18 by RCW 36.70A.040 before submitting a request for a loan or loan
19 guarantee.

20 (3) In considering awarding loans for public facilities to special
21 districts requesting funding for a proposed facility located in a
22 county, city, or town planning under RCW 36.70A.040, the board shall
23 consider whether the county, city, or town planning under RCW
24 36.70A.040 in whose planning jurisdiction the proposed facility is
25 located has adopted a comprehensive plan and development regulations as
26 required by RCW 36.70A.040.

27 (4) The board shall develop a priority process for public works
28 projects as provided in this section. The intent of the priority
29 process is to maximize the value of public works projects accomplished
30 with assistance under this chapter. The board shall attempt to assure
31 a geographical balance in assigning priorities to projects. The board
32 shall consider at least the following factors in assigning a priority
33 to a project:

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

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

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

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

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

6 (f) Whether the project is the acquisition, expansion, improvement,
7 or renovation by a local government of a public water system that is in
8 violation of health and safety standards, including the cost of
9 extending existing service to such a system;

10 (g) The relative benefit of the project to the community,
11 considering the present level of economic activity in the community and
12 the existing local capacity to increase local economic activity in
13 communities that have low economic growth; and

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

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

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

37 (7) The board shall not sign contracts or otherwise financially
38 obligate funds from the public works assistance account before the
39 legislature has appropriated funds for a specific list of public works

1 projects. The legislature may remove projects from the list
2 recommended by the board. The legislature shall not change the order
3 of the priorities recommended for funding by the board.

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

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

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

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

Passed the House February 20, 2001.

Passed the Senate April 10, 2001.

Approved by the Governor May 2, 2001.

Filed in Office of Secretary of State May 2, 2001.