
HOUSE BILL 1520

State of Washington 58th Legislature 2003 Regular Session

By Representatives Simpson, Hinkle and Dunshee

Read first time 01/29/2003. Referred to Committee on Capital Budget.

1 AN ACT Relating to adding correction and detention facilities to
2 public works board project categories; and amending RCW 43.155.010,
3 43.155.020, 43.155.050, 43.155.068, and 43.155.070.

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

5 **Sec. 1.** RCW 43.155.010 and 1996 c 168 s 1 are each amended to read
6 as follows:

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

17 The legislature further finds that Washington's local governments
18 have unmet financial needs for solid waste disposal, including

1 ~~recycling, and encourages the board to make an equitable geographic~~
2 ~~distribution of the funds))~~ is a need to change the list of public
3 works projects eligible for funding.

4 The populations of correction and detention facilities operated by
5 local governments have grown rapidly, while the revenues available to
6 build and maintain these facilities have declined. As a consequence,
7 many facilities are overcrowded or need repairs. Local governments are
8 also struggling to fund the operation of these facilities.

9 Providing local governments with a source of low-interest financing
10 for construction of correction and detention facilities will enable
11 them to use available funds for the operation of these facilities
12 rather than for interest payments.

13 It is the policy of the state of Washington to encourage self-
14 reliance by local governments in meeting their public works needs and
15 to assist in the financing of critical public works projects by making
16 loans, financing guarantees, and technical assistance available to
17 local governments for these projects.

18 **Sec. 2.** RCW 43.155.020 and 2001 c 131 s 1 are each amended to read
19 as follows:

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

22 (1) "Adult or juvenile correction or detention facilities" means
23 the same as "jail" as defined by RCW 70.48.020.

24 (2) "Board" means the public works board created in RCW 43.155.030.

25 ~~((+2))~~ (3) "Capital facility plan" means a capital facility plan
26 required by the growth management act under chapter 36.70A RCW or, for
27 local governments not fully planning under the growth management act,
28 a plan required by the public works board.

29 ~~((+3))~~ (4) "Department" means the department of community, trade,
30 and economic development.

31 ~~((+4))~~ (5) "Financing guarantees" means the pledge of money in the
32 public works assistance account, or money to be received by the public
33 works assistance account, to the repayment of all or a portion of the
34 principal of or interest on obligations issued by local governments to
35 finance public works projects.

36 ~~((+5))~~ (6) "Local governments" means cities, towns, counties,

1 special purpose districts, and any other municipal corporations or
2 quasi-municipal corporations in the state excluding school districts
3 and port districts.

4 ~~((+6+))~~ (7) "Public works project" means a project of a local
5 government for the planning, acquisition, construction, repair,
6 reconstruction, replacement, rehabilitation, or improvement of streets
7 and roads, bridges, ~~((water systems, or storm and sanitary sewage
8 systems and solid waste facilities, including recycling facilities))~~
9 domestic water systems, sanitary sewer systems, storm water systems,
10 solid waste/recycling systems, and adult or juvenile correction and
11 detention facilities. A planning project may include the compilation
12 of biological, hydrological, or other data on a county, drainage basin,
13 or region necessary to develop a base of information for a capital
14 facility plan. A planning project may include the compilation of
15 biological, hydrological, or other data on a county, drainage basin, or
16 region necessary to develop a base of information for a capital
17 facility plan.

18 ~~((+7+))~~ (8) "Solid waste or recycling project" means remedial
19 actions necessary to bring abandoned or closed landfills into
20 compliance with regulatory requirements and the repair, restoration,
21 and replacement of existing solid waste transfer, recycling facilities,
22 and landfill projects limited to the opening of landfill cells that are
23 in existing and permitted landfills.

24 ~~((+8+))~~ (9) "Technical assistance" means training and other
25 services provided to local governments to: (a) Help such local
26 governments plan, apply, and qualify for loans and financing guarantees
27 from the board, and (b) help local governments improve their ability to
28 plan for, finance, acquire, construct, repair, replace, rehabilitate,
29 and maintain public facilities.

30 **Sec. 3.** RCW 43.155.050 and 2001 c 131 s 2 are each amended to read
31 as follows:

32 The public works assistance account is hereby established in the
33 state treasury. Money may be placed in the public works assistance
34 account from the proceeds of bonds when authorized by the legislature
35 or from any other lawful source. Money in the public works assistance
36 account shall be used to make loans and to give financial guarantees to
37 local governments for public works projects. Moneys in the account may

1 also be appropriated to provide for state match requirements under
2 federal law for projects and activities conducted and financed by the
3 board under the drinking water assistance account. Not more than
4 fifteen percent of the biennial capital budget appropriation to the
5 public works board from this account may be expended or obligated for
6 preconstruction loans, emergency loans, or loans for capital facility
7 planning under this chapter(~~(; of this amount,)~~). Not more than ten
8 percent of the biennial capital budget appropriation may be expended
9 for emergency loans under this chapter and not more than one percent of
10 the biennial capital budget appropriation may be expended for capital
11 facility planning loans under this chapter.

12 **Sec. 4.** RCW 43.155.068 and 2001 c 131 s 4 are each amended to read
13 as follows:

14 (1) The board may make low-interest or interest-free loans to local
15 governments for preconstruction activities on public works projects
16 (~~(before the legislature approves the construction phase of the~~
17 ~~project)~~). Preconstruction activities include design, engineering,
18 bid-document preparation, environmental studies, right of way
19 acquisition, and other preliminary phases of public works projects as
20 determined by the board. (~~(The purpose of the loans authorized in this~~
21 ~~section is to accelerate the completion of public works projects by~~
22 ~~allowing preconstruction activities to be performed before the approval~~
23 ~~of the construction phase of the project by the legislature.)~~)

24 (2) Projects receiving loans for preconstruction activities under
25 this section must be evaluated using the priority process and factors
26 in RCW 43.155.070(~~(+2)~~) (4). The receipt of a loan for
27 preconstruction activities does not ensure the receipt of a
28 construction loan for the project under this chapter. (~~(Construction~~
29 ~~loans for projects receiving a loan for preconstruction activities~~
30 ~~under this section are subject to legislative approval under RCW~~
31 ~~43.155.070 (4) and (5).)~~) The board shall adopt a single application
32 process for local governments seeking both a loan for preconstruction
33 activities under this section and a construction loan for the project.

34 **Sec. 5.** RCW 43.155.070 and 2001 c 131 s 5 are each amended to read
35 as follows:

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

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

6 (b) The local government must have developed a capital facility
7 plan; and

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

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

27 (3) In considering awarding loans for public facilities to special
28 districts requesting funding for a proposed facility located in a
29 county, city, or town planning under RCW 36.70A.040, the board shall
30 consider whether the county, city, or town planning under RCW
31 36.70A.040 in whose planning jurisdiction the proposed facility is
32 located has adopted a comprehensive plan and development regulations
33 (~~as required by RCW 36.70A.040~~) in conformance with the requirements
34 of chapter 36.70A RCW.

35 (4) The board shall develop a priority process for public works
36 projects as provided in this section. The intent of the priority
37 process is to maximize the value of public works projects accomplished
38 with assistance under this chapter. The board shall attempt to assure

1 a geographical balance in assigning priorities to projects. The board
2 (~~shall consider at least the following factors in assigning a priority~~
3 ~~to a project~~) is empowered to select projects based on the greatest
4 need, and on proof of local management efforts, and to establish
5 selection criteria, which may include:

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

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

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

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

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

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

20 (g) The relative benefit of the project to the community,
21 considering the present level of economic activity in the community and
22 the existing local capacity to increase local economic activity in
23 communities that have low economic growth; (~~and~~)

24 (h) Whether the project is included in the local comprehensive plan
25 or capital facilities plan; and

26 (i) Other criteria that the board considers advisable.

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

32 (6) Before (~~November~~) February 1 of each year, the board shall
33 develop and submit to the appropriate fiscal committees of the senate
34 and house of representatives a (~~description~~) report of the loans made
35 under (~~RCW 43.155.065, 43.155.068, and subsection (9) of this section~~
36 ~~during the preceding fiscal year and a prioritized list of projects~~
37 ~~which are recommended for funding by the legislature, including one~~
38 ~~copy to the staff of each of the committees. The list~~) this chapter

1 and RCW 70.119A.170 during the previous year. The report shall
2 include, but not be limited to, a description of each project and
3 recommended financing, the terms and conditions of the loan or
4 financial guarantee, the local government jurisdiction, and the
5 unemployment rate(~~(, demonstration of the jurisdiction's critical need~~
6 for the project and documentation of local funds being used to finance
7 the public works project. The list shall also include measures of
8 fiscal capacity for each jurisdiction recommended for financial
9 assistance, compared to authorized limits and state averages, including
10 local government sales taxes; real estate excise taxes; property taxes;
11 and charges for or taxes on sewerage, water, garbage, and other
12 utilities)) in that jurisdiction.

13 (7) The board shall not sign (~~(contracts or otherwise financially~~
14 ~~obligate funds from the public works assistance account before the~~
15 ~~legislature has appropriated funds for a specific list of public works~~
16 ~~projects. The legislature may remove projects from the list~~
17 ~~recommended by the board. The legislature shall not change the order~~
18 ~~of the priorities recommended for funding by the board.~~

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

21 ~~(9) Loans made for the purpose of capital facilities plans shall be~~
22 ~~exempted from subsection (7) of this section)) loan agreements until~~

23 all standards of this chapter have been met.

24 ~~((+10+))~~ (8) To qualify for loans or pledges for solid waste or
25 recycling facilities under this chapter, a city or county must
26 demonstrate that the solid waste or recycling facility is consistent
27 with and necessary to implement the comprehensive solid waste
28 management plan adopted by the city or county under chapter 70.95 RCW.

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