

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 6359

Chapter 196, Laws of 2012

62nd Legislature
2012 Regular Session

OFFICE OF REGULATORY ASSISTANCE

EFFECTIVE DATE: 06/07/12

Passed by the Senate March 3, 2012
YEAS 40 NAYS 9

BRAD OWEN

President of the Senate

Passed by the House March 1, 2012
YEAS 58 NAYS 38

FRANK CHOPP

Speaker of the House of Representatives

Approved March 29, 2012, 7:36 p.m.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 6359** as passed by the Senate and the House of Representatives on the dates hereon set forth.

THOMAS HOEMANN

Secretary

FILED

March 29, 2012

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 6359

AS AMENDED BY THE HOUSE

Passed Legislature - 2012 Regular Session

State of Washington 62nd Legislature 2012 Regular Session

By Senate Economic Development, Trade & Innovation (originally sponsored by Senators Eide, Kastama, Kilmer, and McAuliffe)

READ FIRST TIME 02/01/12.

1 AN ACT Relating to modifying provisions related to the office of
2 regulatory assistance; amending RCW 43.42.010, 43.42.050, 43.42.070,
3 43.42.095, 43.79A.040, 43.155.070, and 43.160.060; reenacting and
4 amending RCW 43.42.060 and 43.84.092; and adding a new section to
5 chapter 43.42 RCW.

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

7 **Sec. 1.** RCW 43.42.010 and 2011 c 149 s 2 are each amended to read
8 as follows:

9 (1) The office of regulatory assistance is created in the office of
10 financial management and must be administered by the office of the
11 governor to help improve the regulatory system and assist citizens,
12 businesses, and project proponents.

13 (2) The governor must appoint a director. The director may employ
14 a deputy director and a confidential secretary and such staff as are
15 necessary, or contract with another state agency pursuant to chapter
16 39.34 RCW for support in carrying out the purposes of this chapter.

17 (3) The office must offer to:

18 (a) Act as the central point of contact for the project proponent
19 in communicating about defined issues;

- 1 (b) Conduct project scoping as provided in RCW 43.42.050;
- 2 (c) Verify that the project proponent has all the information
3 needed to correctly apply for all necessary permits;
- 4 (d) Provide general coordination services;
- 5 (e) Coordinate the efficient completion among participating
6 agencies of administrative procedures, such as collecting fees or
7 providing public notice;
- 8 (f) Maintain contact with the project proponent and the permit
9 agencies to promote adherence to agreed schedules;
- 10 (g) Assist in resolving any conflict or inconsistency among permit
11 requirements and conditions;
- 12 (h) Coordinate, to the extent practicable, with relevant federal
13 permit agencies and tribal governments;
- 14 (i) Facilitate meetings;
- 15 (j) Manage a fully coordinated permit process, as provided in RCW
16 43.42.060; and
- 17 (k) Help local jurisdictions comply with the requirements of
18 chapter 36.70B RCW (~~by providing information about best permitting
19 practices methods to improve communication with, and solicit early
20 involvement of, state agencies when needed; and~~
- 21 ~~(l) — Maintain — and — furnish — information — as — provided — in — RCW
22 43.42.040~~)).
- 23 (4) The office must also:
- 24 (a) Provide information to local jurisdictions about best
25 permitting practices, methods to improve communication with, and
26 solicit early involvement of, state agencies when needed, and effective
27 means of assessing and communicating expected project timelines and
28 costs;
- 29 (b) Maintain and furnish information as provided in RCW 43.42.040;
30 and
- 31 (c) Provide the following by September 1, 2009, and biennially
32 thereafter, to the governor and the appropriate committees of the
33 legislature:
- 34 ~~((a))~~ (i) A performance report including:
- 35 ~~((i))~~ (A) Information regarding use of the office's voluntary
36 cost-reimbursement services as provided in RCW 43.42.070;
- 37 ~~((ii))~~ (B) The number and type of projects or initiatives where

1 the office provided services (~~and the resolution provided by the~~
2 ~~office on any conflicts that arose on such projects;~~

3 ~~(iii) The agencies involved on specific projects;~~

4 ~~(iv) Specific information on any difficulty encountered in~~
5 ~~provision of services, implementation of programs or processes, or use~~
6 ~~of tools; and~~

7 ~~(v) Trend reporting that allows comparisons between statements of~~
8 ~~goals and performance targets and the achievement of those goals and~~
9 ~~targets; and~~

10 ~~(b) Recommendations on system improvements including~~
11 ~~recommendations regarding:~~

12 ~~(i) Measurement of overall system performance;~~

13 ~~(ii) Changes needed to make cost reimbursement, a fully coordinated~~
14 ~~permit process, multiagency permitting teams, and other processes~~
15 ~~effective; and~~

16 ~~(iii) Resolving any conflicts or inconsistencies arising from~~
17 ~~differing statutory or regulatory authorities, roles and missions of~~
18 ~~agencies, timing and sequencing of permitting and procedural~~
19 ~~requirements as identified by the office in the course of its duties))~~
20 including the key agencies with which the office partnered;

21 (C) Specific information on any difficulty encountered in providing
22 services or implementing programs, processes, or assistance tools; and

23 (D) Trend reporting that allows comparisons between statements of
24 goals and performance targets and the achievement of those goals and
25 targets; and

26 (ii) Recommendations on system improvements including, but not
27 limited to, recommendations on improving environmental permitting by
28 making it more time efficient and cost-effective for all participants
29 in the process.

30 **Sec. 2.** RCW 43.42.050 and 2009 c 97 s 5 are each amended to read
31 as follows:

32 (1) Upon request of a project proponent, the office (~~shall~~) must
33 determine the level of project scoping needed by the project proponent,
34 taking into consideration the complexity of the project and the
35 experience of those expected to be involved in the project application
36 and review process. The director may require the attendance at a
37 scoping meeting of any state or local agency.

1 (2) Project scoping (~~shall~~) must consider the complexity, size,
2 and needs for assistance of the project and (~~shall~~) must address as
3 appropriate:

4 (a) The permits that are required for the project;

5 (b) The permit application forms and other application requirements
6 of the participating permit agencies;

7 (c) The specific information needs and issues of concern of each
8 participant and their significance;

9 (d) Any statutory or regulatory conflicts that might arise from the
10 differing authorities and roles of the permit agencies;

11 (e) Any natural resources, including federal or state listed
12 species, that might be adversely affected by the project and might
13 cause an alteration of the project or require mitigation; and

14 (f) The anticipated time required for permit decisions by each
15 participating permit agency, including the estimated time required to
16 determine if the permit application is complete, to conduct
17 environmental review, and to review and process the application. In
18 determining the estimated time required, full consideration must be
19 given to achieving the greatest possible efficiencies through any
20 concurrent studies and any consolidated applications, hearings, and
21 comment periods.

22 (3) The outcome of the project scoping (~~shall~~) must be documented
23 in writing, furnished to the project proponent, and be made available
24 to the public.

25 (4) The project scoping (~~shall~~) must be completed prior to the
26 passage of sixty days of the project proponent's request for a project
27 scoping unless the director finds that better results can be obtained
28 by delaying the project scoping meeting or meetings to ensure full
29 participation.

30 (5) Upon completion of the project scoping, the participating
31 permit agencies (~~shall~~) must proceed under their respective
32 authorities. The agencies may remain in communication with the office
33 as needed.

34 (6) This section does not create an independent cause of action,
35 affect any existing cause of action, or establish time limits for
36 purposes of RCW 64.40.020.

1 **Sec. 3.** RCW 43.42.060 and 2009 c 421 s 8 and 2009 c 97 s 6 are
2 each reenacted and amended to read as follows:

3 (1) A project proponent may submit a written request to the
4 director of the office for participation in a fully coordinated permit
5 process. Designation as a fully coordinated project requires that:

6 (a) The project proponent enters into a cost-reimbursement
7 agreement pursuant to RCW 43.42.070;

8 (b) The project has a designation under chapter 43.157 RCW; or

9 (c) The director determine that (i)(A) the project raises complex
10 coordination, permit processing, or substantive permit review issues;
11 or (B) if completed, the project would provide substantial benefits to
12 the state; and (ii) the office, as well as the participating permit
13 review agencies, have sufficient capacity within existing resources to
14 undertake the full coordination process without reimbursement and
15 without seriously affecting other services.

16 (2) A project proponent who requests designation as a fully
17 coordinated permit process project must provide the office with a full
18 description of the project. The office may request any information
19 from the project proponent that is necessary to make the designation
20 under this section, and may convene a scoping meeting or a work plan
21 meeting of the likely participating permit agencies.

22 (3) When a project is designated for the fully coordinated permit
23 process, the office (~~shall~~) must serve as the main point of contact
24 for the project proponent and participating agencies with regard to the
25 permit process for the project as a whole. Each participating agency
26 must designate a single point of contact for coordinating with the
27 office. The office (~~shall~~) must keep an up-to-date project
28 management log and schedule illustrating required procedural steps in
29 the permitting process, and highlighting substantive issues as
30 appropriate that must be resolved in order for the project to move
31 forward. In carrying out these responsibilities, the office (~~shall~~)
32 must:

33 (a) Ensure that the project proponent has been informed of all the
34 information needed to apply for the permits that are included in the
35 coordinated permit process;

36 (b) Coordinate the timing of review for those permits by the
37 respective participating permit agencies;

1 (c) Facilitate communication between project proponents,
2 consultants, and agency staff to promote timely permit decisions;

3 (d) Assist in resolving any conflict or inconsistency among the
4 permit requirements and conditions that are expected to be imposed by
5 the participating permit agencies; and

6 (e) Make contact, at least once, with any local, tribal, or federal
7 jurisdiction that is responsible for issuing a permit for the project
8 and invite them to participate in the coordinated permit process or to
9 receive periodic updates in the project.

10 (4) Within thirty days, or longer with agreement of the project
11 proponent, of the date that the office designates a project for the
12 fully coordinated permit process, it shall convene a work plan meeting
13 with the project proponent and the participating permit agencies to
14 develop a coordinated permit process schedule. The meeting agenda
15 (~~shall~~) may include (~~at least~~) any of the following:

16 (a) Review of the permits that are required for the project;

17 (b) A review of the permit application forms and other application
18 requirements of the agencies that are participating in the coordinated
19 permit process;

20 (c) An estimation of the timelines that will be used by each
21 participating permit agency to make permit decisions, including the
22 estimated time periods required to determine if the permit applications
23 are complete and to review or respond to each application or submittal
24 of new information.

25 (i) The estimation must also include the estimated number of
26 revision cycles for the project, or the typical number of revision
27 cycles for projects of similar size and complexity.

28 (ii) In the development of this timeline, full attention (~~shall~~)
29 must be given to achieving the maximum efficiencies possible through
30 concurrent studies and consolidated applications, hearings, and comment
31 periods.

32 (iii) Estimated action or response times for activities of the
33 office that are required before or trigger further action by a
34 participant must also be included;

35 (d) Available information regarding the timing of any public
36 hearings that are required to issue permits for the project and a
37 determination of the feasibility of coordinating or consolidating any
38 of those required public hearings; and

1 (e) A discussion of fee arrangements for the coordinated permit
2 process, including an estimate of the costs allowed by statute, any
3 reimbursable agency costs, and billing schedules, if applicable.

4 (5) Each agency (~~shall~~) must send at least one representative
5 qualified to discuss the applicability and timelines associated with
6 all permits administered by that agency or jurisdiction. At the
7 request of the project proponent, the office (~~shall~~) must notify any
8 relevant local or federal agency or federally recognized Indian tribe
9 of the date of the meeting and invite that agency's participation in
10 the process.

11 (6) Any accelerated time period for the consideration of a permit
12 application (~~shall~~) must be consistent with any statute, rule, or
13 regulation, or adopted state policy, standard, or guideline that
14 requires the participation of other agencies, federally recognized
15 Indian tribes, or interested persons in the application process.

16 (7) If a permit agency or the project proponent foresees, at any
17 time, that it will be unable to meet the estimated timelines or other
18 obligations under the agreement, it (~~shall~~) must notify the office of
19 the reasons for the problem and offer potential solutions or an amended
20 timeline for resolving the problem. The office (~~shall~~) must notify
21 the participating permit agencies and the project proponent and, upon
22 agreement of all parties, adjust the schedule, or, if necessary,
23 schedule another work plan meeting.

24 (8) The project proponent may withdraw from the coordinated permit
25 process by submitting to the office a written request that the process
26 be terminated. Upon receipt of the request, the office (~~shall~~) must
27 notify each participating permit agency that a coordinated permit
28 process is no longer applicable to the project.

29 **Sec. 4.** RCW 43.42.070 and 2010 c 162 s 4 are each amended to read
30 as follows:

31 (1) The office may enter into cost-reimbursement agreements with a
32 project proponent to recover from the project proponent the reasonable
33 costs incurred by the office in carrying out the provisions of (~~RCW~~
34 ~~43.42.050, 43.42.060, 43.42.090, and 43.42.092~~) this chapter. The
35 agreement must include provisions for covering the costs incurred by
36 the permit agencies that are participating in the cost-reimbursement

1 project and carrying out permit processing or project review tasks
2 referenced in the cost-reimbursement agreement.

3 (2) The office must maintain policies or guidelines for
4 coordinating cost-reimbursement agreements with participating agencies,
5 project proponents, and ~~((outside))~~ independent consultants. Policies
6 or guidelines must ensure that, in developing cost-reimbursement
7 agreements, conflicts of interest are eliminated. ~~((Contracts with
8 independent consultants hired by the office under this section must be
9 based on competitive bids that are awarded for each agreement from a
10 prequalified consultant roster.))~~ The policies must also support
11 effective use of cost-reimbursement resources to address staffing and
12 capacity limitations as may be relevant within the office or
13 participating permit agencies.

14 (3) For fully coordinated permit processes and priority economic
15 recovery projects selected pursuant to this section, the office must
16 coordinate the negotiation of all cost-reimbursement agreements
17 executed under RCW 43.21A.690, 43.30.490, 43.70.630, 43.300.080, and
18 70.94.085. The office, project proponent, and ~~((the))~~ participating
19 permit agencies must be signatories to the cost-reimbursement agreement
20 or agreements. Each participating permit agency must manage
21 performance of its portion of the cost-reimbursement agreement.
22 Independent consultants hired under a cost-reimbursement agreement
23 ~~((shall))~~ must report directly to the hiring office or participating
24 permit agency. Any cost-reimbursement agreement must require that
25 final decisions are made by the participating permit agency and not by
26 a hired independent consultant.

27 (4) For ~~((a fully coordinated project using cost reimbursement, the
28 office and participating permit agencies must include a cost-
29 reimbursement work plan, including deliverables and schedules for
30 invoicing and reimbursement in the fully coordinated project work plan
31 described in RCW 43.42.060. Upon request, the office must verify that
32 the agencies have met the obligations contained in the cost-
33 reimbursement work plan and agreement. The cost reimbursement
34 agreement must identify the tasks of each agency and the maximum costs
35 for work conducted under the agreement. The agreement must include a
36 schedule that states:~~

37 (a) ~~The estimated number of weeks for initial review of the permit
38 application for comparable projects;~~

1 ~~(b) The anticipated number of revision cycles;~~

2 ~~(c) The estimated number of weeks for review of subsequent revision~~
3 ~~submittals;~~

4 ~~(d) The estimated number of billable hours of employee time;~~

5 ~~(e) The rate per hour; and~~

6 ~~(f) A process for revision of the agreement if necessary.~~

7 ~~(5) If a permit agency or the project proponent foresees, at any~~
8 ~~time, that it will be unable to meet its obligations under the cost-~~
9 ~~reimbursement agreement and fully coordinated project work plan, it~~
10 ~~must notify the office and state the reasons, along with proposals for~~
11 ~~resolving the problems and potentially amending the timelines. The~~
12 ~~office must notify the participating permit agencies and the project~~
13 ~~proponent and, upon agreement of all parties, adjust the schedule, or,~~
14 ~~if necessary, coordinate revision of the cost reimbursement agreement~~
15 ~~and fully coordinated project work plan)) any project using cost~~
16 ~~reimbursement, the cost-reimbursement agreement must require the office~~
17 ~~and participating permit agencies to develop and periodically update a~~
18 ~~project work plan, which the office must provide on the internet and~~
19 ~~share with each party to the agreement.~~

20 (5)(a) The cost-reimbursement agreement must identify the proposed
21 project, the desired outcomes, and the maximum costs for work to be
22 conducted under the agreement. The desired outcomes must refer to the
23 decision-making process and may not prejudice or predetermine whether
24 decisions will be to approve or deny any required permit or other
25 application. Each participating permit agency must agree to give
26 priority to the cost-reimbursement project but may in no way reduce or
27 eliminate regulatory requirements as part of the priority review.

28 (b) Reasonable costs are determined based on time and materials
29 estimates with a provision for contingencies, or set as a flat fee tied
30 to a reasonable estimate of staff hours required.

31 (c) The cost-reimbursement agreement may include deliverables and
32 schedules for invoicing and reimbursement. The office may require
33 advance payment of some or all of the agreed reimbursement, to be held
34 in reserve and distributed to participating permit agencies and the
35 office upon approval of invoices by the project proponent. The project
36 proponent has thirty days to request additional information or
37 challenge an invoice. If an invoice is challenged, the office must
38 respond and attempt to resolve the challenge within thirty days. If

1 the office is unable to resolve the challenge within thirty days, the
2 challenge must be submitted to the office of financial management. A
3 decision on such a challenge must be made by the office of financial
4 management and approved by the director of the office of financial
5 management and is binding on the parties.

6 (d) Upon request, the office must verify whether participating
7 permit agencies have met the obligations contained in the project work
8 plan and cost-reimbursement agreement.

9 (6) If a party to the cost-reimbursement agreement foresees, at any
10 time, that it will be unable to meet its obligations under the
11 agreement, it must notify the office and state the reasons, along with
12 proposals for resolving the problems. The office must notify the other
13 parties to the cost-reimbursement agreement and seek to resolve the
14 problems by adjusting invoices, deliverables, or the project work plan,
15 or through some other accommodation.

16 **Sec. 5.** RCW 43.42.095 and 2010 c 162 s 5 are each amended to read
17 as follows:

18 The multiagency permitting team account is created in the ((state
19 treasury. ~~All receipts from solicitations authorized in RCW 43.42.092~~
20 ~~must be deposited into the account. Moneys in the account may be spent~~
21 ~~only after appropriation. Expenditures from the account may be used~~
22 ~~only for covering the initial administrative costs of multiagency~~
23 ~~permitting teams and such other costs associated with the teams as may~~
24 ~~arise that are not recoverable through cost reimbursement or cost~~
25 ~~sharing mechanisms)) custody of the state treasurer. All receipts from
26 cost-reimbursement agreements authorized in RCW 43.42.070 and
27 solicitations authorized in RCW 43.42.092 must be deposited into the
28 account. Expenditures from the account may be used only for covering
29 staffing, consultant, technology, and other administrative costs of
30 multiagency permitting teams and other costs associated with
31 multiagency project review and management that may arise. Only the
32 director of the office of regulatory assistance or the director's
33 designee may authorize expenditures from the account. The account is
34 subject to allotment procedures under chapter 43.88 RCW, but an
35 appropriation is not required for expenditures.~~

1 **Sec. 6.** RCW 43.79A.040 and 2011 1st sp.s. c 37 s 603 are each
2 amended to read as follows:

3 (1) Money in the treasurer's trust fund may be deposited, invested,
4 and reinvested by the state treasurer in accordance with RCW 43.84.080
5 in the same manner and to the same extent as if the money were in the
6 state treasury, and may be commingled with moneys in the state treasury
7 for cash management and cash balance purposes.

8 (2) All income received from investment of the treasurer's trust
9 fund must be set aside in an account in the treasury trust fund to be
10 known as the investment income account.

11 (3) The investment income account may be utilized for the payment
12 of purchased banking services on behalf of treasurer's trust funds
13 including, but not limited to, depository, safekeeping, and
14 disbursement functions for the state treasurer or affected state
15 agencies. The investment income account is subject in all respects to
16 chapter 43.88 RCW, but no appropriation is required for payments to
17 financial institutions. Payments must occur prior to distribution of
18 earnings set forth in subsection (4) of this section.

19 (4)(a) Monthly, the state treasurer must distribute the earnings
20 credited to the investment income account to the state general fund
21 except under (b), (c), and (d) of this subsection.

22 (b) The following accounts and funds must receive their
23 proportionate share of earnings based upon each account's or fund's
24 average daily balance for the period: The Washington promise
25 scholarship account, the college savings program account, the
26 Washington advanced college tuition payment program account, the
27 accessible communities account, the community and technical college
28 innovation account, the agricultural local fund, the American Indian
29 scholarship endowment fund, the foster care scholarship endowment fund,
30 the foster care endowed scholarship trust fund, the students with
31 dependents grant account, the basic health plan self-insurance reserve
32 account, the contract harvesting revolving account, the Washington
33 state combined fund drive account, the commemorative works account, the
34 county enhanced 911 excise tax account, the Washington international
35 exchange scholarship endowment fund, the toll collection account, the
36 developmental disabilities endowment trust fund, the energy account,
37 the fair fund, the family leave insurance account, the food animal
38 veterinarian conditional scholarship account, the fruit and vegetable

1 inspection account, the future teachers conditional scholarship
2 account, the game farm alternative account, the GET ready for math and
3 science scholarship account, the Washington global health technologies
4 and product development account, the grain inspection revolving fund,
5 the industrial insurance rainy day fund, the juvenile accountability
6 incentive account, the law enforcement officers' and firefighters' plan
7 2 expense fund, the local tourism promotion account, the multiagency
8 permitting team account, the pilotage account, the produce railcar pool
9 account, the regional transportation investment district account, the
10 rural rehabilitation account, the stadium and exhibition center
11 account, the youth athletic facility account, the self-insurance
12 revolving fund, the sulfur dioxide abatement account, the children's
13 trust fund, the Washington horse racing commission Washington bred
14 owners' bonus fund and breeder awards account, the Washington horse
15 racing commission class C purse fund account, the individual
16 development account program account, the Washington horse racing
17 commission operating account (earnings from the Washington horse racing
18 commission operating account must be credited to the Washington horse
19 racing commission class C purse fund account), the life sciences
20 discovery fund, the Washington state heritage center account, the
21 reduced cigarette ignition propensity account, and the reading
22 achievement account.

23 (c) The following accounts and funds must receive eighty percent of
24 their proportionate share of earnings based upon each account's or
25 fund's average daily balance for the period: The advanced right-of-way
26 revolving fund, the advanced environmental mitigation revolving
27 account, the federal narcotics asset forfeitures account, the high
28 occupancy vehicle account, the local rail service assistance account,
29 and the miscellaneous transportation programs account.

30 (d) Any state agency that has independent authority over accounts
31 or funds not statutorily required to be held in the custody of the
32 state treasurer that deposits funds into a fund or account in the
33 custody of the state treasurer pursuant to an agreement with the office
34 of the state treasurer shall receive its proportionate share of
35 earnings based upon each account's or fund's average daily balance for
36 the period.

37 (5) In conformance with Article II, section 37 of the state

1 Constitution, no trust accounts or funds shall be allocated earnings
2 without the specific affirmative directive of this section.

3 **Sec. 7.** RCW 43.84.092 and 2011 1st sp.s. c 16 s 6, 2011 1st sp.s.
4 c 7 s 22, 2011 c 369 s 6, 2011 c 339 s 1, 2011 c 311 s 9, 2011 c 272 s
5 3, 2011 c 120 s 3, and 2011 c 83 s 7 are each reenacted and amended to
6 read as follows:

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

10 (2) The treasury income account shall be utilized to pay or receive
11 funds associated with federal programs as required by the federal cash
12 management improvement act of 1990. The treasury income account is
13 subject in all respects to chapter 43.88 RCW, but no appropriation is
14 required for refunds or allocations of interest earnings required by
15 the cash management improvement act. Refunds of interest to the
16 federal treasury required under the cash management improvement act
17 fall under RCW 43.88.180 and shall not require appropriation. The
18 office of financial management shall determine the amounts due to or
19 from the federal government pursuant to the cash management improvement
20 act. The office of financial management may direct transfers of funds
21 between accounts as deemed necessary to implement the provisions of the
22 cash management improvement act, and this subsection. Refunds or
23 allocations shall occur prior to the distributions of earnings set
24 forth in subsection (4) of this section.

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

33 (4) Monthly, the state treasurer shall distribute the earnings
34 credited to the treasury income account. The state treasurer shall
35 credit the general fund with all the earnings credited to the treasury
36 income account except:

1 (a) The following accounts and funds shall receive their
2 proportionate share of earnings based upon each account's and fund's
3 average daily balance for the period: The aeronautics account, the
4 aircraft search and rescue account, the budget stabilization account,
5 the capital vessel replacement account, the capitol building
6 construction account, the Cedar River channel construction and
7 operation account, the Central Washington University capital projects
8 account, the charitable, educational, penal and reformatory
9 institutions account, the cleanup settlement account, the Columbia
10 river basin water supply development account, the Columbia river basin
11 taxable bond water supply development account, the Columbia river basin
12 water supply revenue recovery account, the common school construction
13 fund, the county arterial preservation account, the county criminal
14 justice assistance account, the county sales and use tax equalization
15 account, the deferred compensation administrative account, the deferred
16 compensation principal account, the department of licensing services
17 account, the department of retirement systems expense account, the
18 developmental disabilities community trust account, the drinking water
19 assistance account, the drinking water assistance administrative
20 account, the drinking water assistance repayment account, the Eastern
21 Washington University capital projects account, the Interstate 405
22 express toll lanes operations account, the education construction fund,
23 the education legacy trust account, the election account, the energy
24 freedom account, the energy recovery act account, the essential rail
25 assistance account, The Evergreen State College capital projects
26 account, the federal forest revolving account, the ferry bond
27 retirement fund, the freight congestion relief account, the freight
28 mobility investment account, the freight mobility multimodal account,
29 the grade crossing protective fund, the public health services account,
30 the health system capacity account, the high capacity transportation
31 account, the state higher education construction account, the higher
32 education construction account, the highway bond retirement fund, the
33 highway infrastructure account, the highway safety account, the high
34 occupancy toll lanes operations account, the hospital safety net
35 assessment fund, the industrial insurance premium refund account, the
36 judges' retirement account, the judicial retirement administrative
37 account, the judicial retirement principal account, the local leasehold
38 excise tax account, the local real estate excise tax account, the local

1 sales and use tax account, the marine resources stewardship trust
2 account, the medical aid account, the mobile home park relocation fund,
3 the motor vehicle fund, the motorcycle safety education account, (~~the~~
4 ~~multiagency-permitting-team-account,~~) the multimodal transportation
5 account, the municipal criminal justice assistance account, the
6 municipal sales and use tax equalization account, the natural resources
7 deposit account, the oyster reserve land account, the pension funding
8 stabilization account, the perpetual surveillance and maintenance
9 account, the public employees' retirement system plan 1 account, the
10 public employees' retirement system combined plan 2 and plan 3 account,
11 the public facilities construction loan revolving account beginning
12 July 1, 2004, the public health supplemental account, the public
13 transportation systems account, the public works assistance account,
14 the Puget Sound capital construction account, the Puget Sound ferry
15 operations account, the Puyallup tribal settlement account, the real
16 estate appraiser commission account, the recreational vehicle account,
17 the regional mobility grant program account, the resource management
18 cost account, the rural arterial trust account, the rural mobility
19 grant program account, the rural Washington loan fund, the site closure
20 account, the skilled nursing facility safety net trust fund, the small
21 city pavement and sidewalk account, the special category C account, the
22 special wildlife account, the state employees' insurance account, the
23 state employees' insurance reserve account, the state investment board
24 expense account, the state investment board commingled trust fund
25 accounts, the state patrol highway account, the state route number 520
26 civil penalties account, the state route number 520 corridor account,
27 the state wildlife account, the supplemental pension account, the
28 Tacoma Narrows toll bridge account, the teachers' retirement system
29 plan 1 account, the teachers' retirement system combined plan 2 and
30 plan 3 account, the tobacco prevention and control account, the tobacco
31 settlement account, the transportation 2003 account (nickel account),
32 the transportation equipment fund, the transportation fund, the
33 transportation improvement account, the transportation improvement
34 board bond retirement account, the transportation infrastructure
35 account, the transportation partnership account, the traumatic brain
36 injury account, the tuition recovery trust fund, the University of
37 Washington bond retirement fund, the University of Washington building
38 account, the volunteer firefighters' and reserve officers' relief and

1 pension principal fund, the volunteer firefighters' and reserve
2 officers' administrative fund, the Washington judicial retirement
3 system account, the Washington law enforcement officers' and
4 firefighters' system plan 1 retirement account, the Washington law
5 enforcement officers' and firefighters' system plan 2 retirement
6 account, the Washington public safety employees' plan 2 retirement
7 account, the Washington school employees' retirement system combined
8 plan 2 and 3 account, the Washington state economic development
9 commission account, the Washington state health insurance pool account,
10 the Washington state patrol retirement account, the Washington State
11 University building account, the Washington State University bond
12 retirement fund, the water pollution control revolving fund, and the
13 Western Washington University capital projects account. Earnings
14 derived from investing balances of the agricultural permanent fund, the
15 normal school permanent fund, the permanent common school fund, the
16 scientific permanent fund, and the state university permanent fund
17 shall be allocated to their respective beneficiary accounts.

18 (b) Any state agency that has independent authority over accounts
19 or funds not statutorily required to be held in the state treasury that
20 deposits funds into a fund or account in the state treasury pursuant to
21 an agreement with the office of the state treasurer shall receive its
22 proportionate share of earnings based upon each account's or fund's
23 average daily balance for the period.

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

27 NEW SECTION. **Sec. 8.** A new section is added to chapter 43.42 RCW
28 to read as follows:

29 Within available funds, the office of regulatory assistance may
30 certify permit processes at the local level as streamlined processes.
31 In developing the certification program, the director must work with
32 local jurisdictions to establish the criteria and the process for
33 certification. Jurisdictions with permit processes certified as
34 streamlined may receive priority in receipt of state funds for
35 infrastructure projects.

1 **Sec. 9.** RCW 43.155.070 and 2009 c 518 s 16 are each amended to
2 read as follows:

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

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

8 (b) The local government must have developed a capital facility
9 plan; and

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

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

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

36 (4) The board (~~shall~~) must develop a priority process for public
37 works projects as provided in this section. The intent of the priority
38 process is to maximize the value of public works projects accomplished

1 with assistance under this chapter. The board (~~(shall)~~) must attempt
2 to assure a geographical balance in assigning priorities to projects.
3 The board (~~(shall)~~) must consider at least the following factors in
4 assigning a priority to a project:

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

8 (b) Except as otherwise conditioned by RCW 43.155.110, whether the
9 entity receiving assistance is a Puget Sound partner, as defined in RCW
10 90.71.010;

11 (c) Whether the project is referenced in the action agenda
12 developed by the Puget Sound partnership under RCW 90.71.310;

13 (d) Whether the project is critical in nature and would affect the
14 health and safety of a great number of citizens;

15 (e) Whether the applicant's permitting process has been certified
16 as streamlined by the office of regulatory assistance;

17 (f) Whether the applicant has developed and adhered to guidelines
18 regarding its permitting process for those applying for development
19 permits consistent with section 1(2), chapter 231, Laws of 2007;

20 (~~(f)~~) (g) The cost of the project compared to the size of the
21 local government and amount of loan money available;

22 (~~(g)~~) (h) The number of communities served by or funding the
23 project;

24 (~~(h)~~) (i) Whether the project is located in an area of high
25 unemployment, compared to the average state unemployment;

26 (~~(i)~~) (j) Whether the project is the acquisition, expansion,
27 improvement, or renovation by a local government of a public water
28 system that is in violation of health and safety standards, including
29 the cost of extending existing service to such a system;

30 (~~(j)~~) (k) Except as otherwise conditioned by RCW 43.155.120, and
31 effective one calendar year following the development of model
32 evergreen community management plans and ordinances under RCW
33 35.105.050, whether the entity receiving assistance has been
34 recognized, and what gradation of recognition was received, in the
35 evergreen community recognition program created in RCW 35.105.030;

36 (~~(k)~~) (l) The relative benefit of the project to the community,
37 considering the present level of economic activity in the community and

1 the existing local capacity to increase local economic activity in
2 communities that have low economic growth; and

3 ~~((1))~~ (m) Other criteria that the board considers advisable.

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

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

28 (7) The board ~~((shall))~~ may not sign contracts or otherwise
29 financially obligate funds from the public works assistance account
30 before the legislature has appropriated funds for a specific list of
31 public works projects. The legislature may remove projects from the
32 list recommended by the board. The legislature ~~((shall))~~ may not
33 change the order of the priorities recommended for funding by the
34 board.

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

37 (9) Loans made for the purpose of capital facilities plans ~~((shall~~
38 ~~be))~~ are exempted from subsection (7) of this section.

1 (10) 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.

6 (11) After January 1, 2010, any project designed to address the
7 effects of storm water or wastewater on Puget Sound may be funded under
8 this section only if the project is not in conflict with the action
9 agenda developed by the Puget Sound partnership under RCW 90.71.310.

10 **Sec. 10.** RCW 43.160.060 and 2008 c 327 s 5 are each amended to
11 read as follows:

12 (1) The board is authorized to make direct loans to political
13 subdivisions of the state and to federally recognized Indian tribes for
14 the purposes of assisting the political subdivisions and federally
15 recognized Indian tribes in financing the cost of public facilities,
16 including development of land and improvements for public facilities,
17 project-specific environmental, capital facilities, land use,
18 permitting, feasibility, and marketing studies and plans; project
19 design, site planning, and analysis; project debt and revenue impact
20 analysis; as well as the construction, rehabilitation, alteration,
21 expansion, or improvement of the facilities. A grant may also be
22 authorized for purposes designated in this chapter, but only when, and
23 to the extent that, a loan is not reasonably possible, given the
24 limited resources of the political subdivision or the federally
25 recognized Indian tribe and the finding by the board that financial
26 circumstances require grant assistance to enable the project to move
27 forward. However, no more than twenty-five percent of all financial
28 assistance approved by the board in any biennium may consist of grants
29 to political subdivisions and federally recognized Indian tribes.

30 (2) Application for funds ~~((shall))~~ must be made in the form and
31 manner as the board may prescribe. In making grants or loans the board
32 ~~((shall))~~ must conform to the following requirements:

33 ~~((+1))~~ (a) The board ~~((shall))~~ may not provide financial
34 assistance:

35 ~~((+a))~~ (i) For a project the primary purpose of which is to
36 facilitate or promote a retail shopping development or expansion.

1 ~~((b))~~ (ii) For any project that evidence exists would result in
2 a development or expansion that would displace existing jobs in any
3 other community in the state.

4 ~~((e))~~ (iii) For a project the primary purpose of which is to
5 facilitate or promote gambling.

6 ~~((d))~~ (iv) For a project located outside the jurisdiction of the
7 applicant political subdivision or federally recognized Indian tribe.

8 ~~((2))~~ (b) The board ~~((shall))~~ may only provide financial
9 assistance:

10 ~~((a))~~ (i) For a project demonstrating 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 that:

13 ~~((i))~~ (A) Results in the creation of significant private sector
14 jobs or significant private sector capital investment as determined by
15 the board and is consistent with the state comprehensive economic
16 development plan developed by the Washington economic development
17 commission pursuant to chapter 43.162 RCW, once the plan is adopted;
18 and

19 ~~((ii))~~ (B) Will improve the opportunities for the successful
20 maintenance, establishment, or expansion of industrial or commercial
21 plants or will otherwise assist in the creation or retention of long-
22 term economic opportunities;

23 ~~((b))~~ (ii) For a project that cannot meet the requirement of
24 ~~((a))~~ (b)(i) of this subsection but is a project that:

25 ~~((i))~~ (A) Results in the creation of significant private sector
26 jobs or significant private sector capital investment as determined by
27 the board and is consistent with the state comprehensive economic
28 development plan developed by the Washington economic development
29 commission pursuant to chapter 43.162 RCW, once the plan is adopted;

30 ~~((ii))~~ (B) Is part of a local economic development plan
31 consistent with applicable state planning requirements;

32 ~~((iii))~~ (C) Can demonstrate project feasibility using standard
33 economic principles; and

34 ~~((iv))~~ (D) Is located in a rural community as defined by the
35 board, or a rural county;

36 ~~((e))~~ (iii) For site-specific plans, studies, and analyses that
37 address environmental impacts, capital facilities, land use,

1 permitting, feasibility, marketing, project engineering, design, site
2 planning, and project debt and revenue impacts, as grants not to exceed
3 fifty thousand dollars.

4 ~~((3))~~ (c) The board ~~((shall))~~ must develop guidelines for local
5 participation and allowable match and activities.

6 ~~((4))~~ (d) An application must demonstrate local match and local
7 participation, in accordance with guidelines developed by the board.

8 ~~((5))~~ (e) An application must be approved by the political
9 subdivision and supported by the local associate development
10 organization or local workforce development council or approved by the
11 governing body of the federally recognized Indian tribe.

12 ~~((6))~~ (f) The board may allow de minimis general system
13 improvements to be funded if they are critically linked to the
14 viability of the project.

15 ~~((7))~~ (g) An application must demonstrate convincing evidence
16 that the median hourly wage of the private sector jobs created after
17 the project is completed will exceed the countywide median hourly wage.

18 ~~((8))~~ (h) The board ~~((shall))~~ must prioritize each proposed
19 project according to:

20 ~~((a))~~ (i) The relative benefits provided to the community by the
21 jobs the project would create, not just the total number of jobs it
22 would create after the project is completed, but also giving
23 consideration to the unemployment rate in the area in which the jobs
24 would be located;

25 ~~((b))~~ (ii) The rate of return of the state's investment,
26 including, but not limited to, the leveraging of private sector
27 investment, anticipated job creation and retention, and expected
28 increases in state and local tax revenues associated with the project;

29 ~~((c))~~ (iii) Whether the proposed project offers a health
30 insurance plan for employees that includes an option for dependents of
31 employees;

32 ~~((d))~~ (iv) Whether the public facility investment will increase
33 existing capacity necessary to accommodate projected population and
34 employment growth in a manner that supports infill and redevelopment of
35 existing urban or industrial areas that are served by adequate public
36 facilities. Projects should maximize the use of existing
37 infrastructure and provide for adequate funding of necessary
38 transportation improvements; ~~((and~~

1 ~~(e))~~ (v) Whether the applicant's permitting process has been
2 certified as streamlined by the office of regulatory assistance; and

3 (vi) Whether the applicant has developed and adhered to guidelines
4 regarding its permitting process for those applying for development
5 permits consistent with section 1(2), chapter 231, Laws of 2007.

6 ~~((9))~~ (i) A responsible official of the political subdivision or
7 the federally recognized Indian tribe (~~shall~~) must be present during
8 board deliberations and provide information that the board requests.

9 (3) Before any financial assistance application is approved, the
10 political subdivision or the federally recognized Indian tribe seeking
11 the assistance must demonstrate to the community economic
12 revitalization board that no other timely source of funding is
13 available to it at costs reasonably similar to financing available from
14 the community economic revitalization board.

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