

# HOUSE BILL ANALYSIS

## HB 3066

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**Title:** An act relating to creating the growth management infrastructure account.

**Brief Description:** Creating the growth management infrastructure account.

**Sponsors:** Representatives Esser, Edmonds, Koster, Ogden, Bush, O'Brien, Anderson, Cairnes, Cooper, Carrell, Kastama, Boldt, Reardon, D. Sommers, McIntire, Mielke, Miloscia, Dunn, Morris, Linville, Kagi and Santos.

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### Brief Summary of Bill

Establishes the growth management infrastructure account to assist counties and cities in financing infrastructure projects identified in growth management capital facilities plans.

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**Staff:** Susan Howson (786-7142)

### Background:

Any local government planning under the Growth Management Act is required to include a capital facilities plan element in its comprehensive growth management plan. A capital facilities plan must include: (1) an inventory of existing capital facilities owned by the public entity; (2) a forecast of the future needs for such capital facilities; (3) the proposed locations and capacities of expanded or new facilities; (4) at least a six-year plan that will finance such capital facilities within projected funding capacities and clearly identifies sources of public moneys for such purposes; and (5) a requirement to reassess all elements of the comprehensive plan if funding falls short of meeting existing needs and ensuring that all elements this plan are coordinated and consistent.

The Public Works Trust Fund was created by the Legislature in 1985 to provide a source funds to assist local governments with infrastructure projects. The Public Works Board, within the Department of Community, Trade, and Economic Development (CTED), has traditionally made low-interest or interest-free loans to finance the improvement of existing public works systems including: bridges, roads, water and sewage systems, and solid waste and recycling facilities.

Prior to June 1, 1999, growth related projects were not eligible to receive assistance through the Public Works Trust Fund. The Public Works Board recently revised its policy on growth.

Eligible projects may now be designed to accommodate reasonable growth. This is generally the twenty-year growth projection included in the local government's comprehensive plan under the Growth Management Act (GMA). For local governments not planning under the GMA, the use of growth projects contained in a Comprehensive Water System Plan, Comprehensive or General Sewer System Plan, Transportation Improvement Plan, or other appropriate system plan, or 20-year population projections from the Office of Financial Management may be used.

In June 1999, the Public Works Board also adopted the policy that projects specifically designed to retain or expand employment opportunities should apply to federal or state economic development funding programs rather than the Public Works Trust Fund. Recognizing that differences of interpretation may occur in determining what constitutes an employment related project, the Public Works Board has determined that differences will be resolved in favor of increasing local participation and decreasing Public Works Trust Fund participation in such projects.

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**Summary of Bill:**

The growth management infrastructure account is established to assist counties and cities in financing and constructing those infrastructure projects identified in the capital facilities plan element of growth management plans.

The Public Works Board will manage funds appropriated from the account. Appropriated moneys will be used to provide financial assistance in the form of loans or loan guarantees to qualifying local governments for capital costs directly related to providing basic services for growth infrastructure projects necessary to accommodate residential, commercial, and industrial growth.

To qualify for financial assistance, local governments must: (1) be in compliance with the requirements under the GMA or demonstrate that the local government has a capital facilities plan meeting standards established by the Public Works Board; (2) demonstrate that the growth infrastructure project is necessary to attract or accommodate the planned population and employment growth; and (3) demonstrate that the comprehensive land use plan, the zoning designations, the development regulations and the capital facilities plans are sufficient to accommodate projected growth.

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**Appropriation:** None

**Fiscal Note:** Not requested.

**Agency Rule Making Impact:** None.

**Effective Date:** Section 5 of this act takes effect September 1, 2000.