
SUBSTITUTE SENATE BILL 5679

State of Washington

56th Legislature

1999 Regular Session

By Senate Committee on State & Local Government (originally sponsored by Senators Morton, T. Sheldon, McCaslin and Hochstatter)

Read first time 03/02/1999.

1 AN ACT Relating to grant and loan requirements; amending RCW
2 43.155.070, 43.160.060, and 70.146.070; creating a new section; and
3 repealing RCW 43.17.250.

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

5 **Sec. 1.** RCW 43.155.070 and 1997 c 429 s 29 are each amended to
6 read as follows:

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

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

12 (b) The local government must have developed a long-term plan for
13 financing public works needs;

14 (c) The local government must be using all local revenue sources
15 which are reasonably available for funding public works, taking into
16 consideration local employment and economic factors; and

17 (d) Except where necessary to address a public health need or
18 substantial environmental degradation, a county, city, or town (~~that~~
19 ~~is required or chooses to plan~~) planning under RCW 36.70A.040 must

1 have adopted a comprehensive plan (~~(in conformance with the~~
2 ~~requirements of chapter 36.70A RCW, after it is required that the~~
3 ~~comprehensive plan be adopted, and must have adopted development~~
4 ~~regulations in conformance with the requirements of chapter 36.70A RCW,~~
5 ~~after it is required that development regulations be adopted)) and
6 development regulations as required by RCW 36.70A.040. This subsection
7 does not require any county, city, or town planning under RCW
8 36.70A.040 to adopt a comprehensive plan or development regulations
9 before requesting or receiving a loan or loan guarantee under this
10 chapter if such request is made before the expiration of the time
11 periods specified in RCW 36.70A.040. A county, city, or town which has
12 not adopted a comprehensive plan and development regulations within the
13 time periods specified in RCW 36.70A.040 is not prohibited from
14 receiving a loan or loan guarantee under this chapter if the county,
15 city, or town adopts a comprehensive plan and development regulations
16 as required by RCW 36.70A.040 before submitting a request for a loan or
17 loan guarantee. However, the capital facilities plan element of the
18 comprehensive plan must be in place before a county, city, or town
19 under this subsection (1)(d) may qualify for a loan or loan guarantee.~~

20 (2) The board shall develop a priority process for public works
21 projects as provided in this section. The intent of the priority
22 process is to maximize the value of public works projects accomplished
23 with assistance under this chapter. The board shall attempt to assure
24 a geographical balance in assigning priorities to projects. The board
25 shall consider at least the following factors in assigning a priority
26 to a project:

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

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

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

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

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

37 (f) Whether the project is the acquisition, expansion, improvement,
38 or renovation by a local government of a public water system that is in

1 violation of health and safety standards, including the cost of
2 extending existing service to such a system;

3 (g) The relative benefit of the project to the community,
4 considering the present level of economic activity in the community and
5 the existing local capacity to increase local economic activity in
6 communities that have low economic growth; and

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

8 (3) Existing debt or financial obligations of local governments
9 shall not be refinanced under this chapter. Each local government
10 applicant shall provide documentation of attempts to secure additional
11 local or other sources of funding for each public works project for
12 which financial assistance is sought under this chapter.

13 (4) Before November 1 of each year, the board shall develop and
14 submit to the appropriate fiscal committees of the senate and house of
15 representatives a description of the loans made under RCW 43.155.065,
16 43.155.068, and subsection (7) of this section during the preceding
17 fiscal year and a prioritized list of projects which are recommended
18 for funding by the legislature, including one copy to the staff of each
19 of the committees. The list shall include, but not be limited to, a
20 description of each project and recommended financing, the terms and
21 conditions of the loan or financial guarantee, the local government
22 jurisdiction and unemployment rate, demonstration of the jurisdiction's
23 critical need for the project and documentation of local funds being
24 used to finance the public works project. The list shall also include
25 measures of fiscal capacity for each jurisdiction recommended for
26 financial assistance, compared to authorized limits and state averages,
27 including local government sales taxes; real estate excise taxes;
28 property taxes; and charges for or taxes on sewerage, water, garbage,
29 and other utilities.

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

36 (6) Subsection (5) of this section does not apply to loans made
37 under RCW 43.155.065, 43.155.068, and subsection (7) of this section.

38 (7)(a) Loans made for the purpose of capital facilities plans shall
39 be exempted from subsection (5) of this section. In no case shall the

1 total amount of funds utilized for capital facilities plans and
2 emergency loans exceed the limitation in RCW 43.155.065.

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

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

12 **Sec. 2.** RCW 43.160.060 and 1996 c 51 s 5 are each amended to read
13 as follows:

14 The board is authorized to make direct loans to political
15 subdivisions of the state for the purposes of assisting the political
16 subdivisions in financing the cost of public facilities, including
17 development of land and improvements for public facilities, as well as
18 the construction, rehabilitation, alteration, expansion, or improvement
19 of the facilities. A grant may also be authorized for purposes
20 designated in this chapter, but only when, and to the extent that, a
21 loan is not reasonably possible, given the limited resources of the
22 political subdivision and the finding by the board that unique
23 circumstances exist. The board shall not obligate more than twenty
24 percent of its biennial appropriation as grants.

25 Application for funds shall be made in the form and manner as the
26 board may prescribe. In making grants or loans the board shall conform
27 to the following requirements:

28 (1) The board shall not provide financial assistance:

29 (a) For a project the primary purpose of which is to facilitate or
30 promote a retail shopping development or expansion.

31 (b) For any project that evidence exists would result in a
32 development or expansion that would displace existing jobs in any other
33 community in the state.

34 (c) For the acquisition of real property, including buildings and
35 other fixtures which are a part of real property.

36 (2) The board shall only provide financial assistance:

37 (a) For those projects which would result in specific private
38 developments or expansions (i) in manufacturing, production, food

1 processing, assembly, warehousing, and industrial distribution; (ii)
2 for processing recyclable materials or for facilities that support
3 recycling, including processes not currently provided in the state,
4 including but not limited to, de-inking facilities, mixed waste paper,
5 plastics, yard waste, and problem-waste processing; (iii) for
6 manufacturing facilities that rely significantly on recyclable
7 materials, including but not limited to waste tires and mixed waste
8 paper; (iv) which support the relocation of businesses from
9 nondistressed urban areas to distressed rural areas; or (v) which
10 substantially support the trading of goods or services outside of the
11 state's borders.

12 (b) For projects which it finds will improve the opportunities for
13 the successful maintenance, establishment, or expansion of industrial
14 or commercial plants or will otherwise assist in the creation or
15 retention of long-term economic opportunities.

16 (c) When the application includes convincing evidence that a
17 specific private development or expansion is ready to occur and will
18 occur only if the public facility improvement is made.

19 (3) Except where necessary to address a public health need or
20 substantial environmental degradation, a county, city, or town planning
21 under RCW 36.70A.040 may not receive a grant or loan under this chapter
22 unless it has adopted a comprehensive plan and development regulations
23 as required by RCW 36.70A.040. This subsection does not require any
24 county, city, or town planning under RCW 36.70A.040 to adopt a
25 comprehensive plan or development regulations before requesting or
26 receiving a grant or loan under this chapter if such request is made
27 before the expiration of the time periods specified in RCW 36.70A.040.
28 A county, city, or town which has not adopted a comprehensive plan and
29 development regulations within the time periods specified in RCW
30 36.70A.040 is not prohibited from receiving a grant or loan under this
31 chapter if the county, city, or town adopts a comprehensive plan and
32 development regulations as required by RCW 36.70A.040 before submitting
33 a request for a grant or loan. However, the capital facilities plan
34 element of the comprehensive plan must be in place before a county,
35 city, or town under this subsection may qualify for a grant or loan.

36 (4) The board shall prioritize each proposed project according to
37 the relative benefits provided to the community by the jobs the project
38 would create, not just the total number of jobs it would create after
39 the project is completed and according to the unemployment rate in the

1 area in which the jobs would be located. As long as there is more
2 demand for financial assistance than there are funds available, the
3 board is instructed to fund projects in order of their priority.

4 ~~((+4))~~ (5) A responsible official of the political subdivision
5 shall be present during board deliberations and provide information
6 that the board requests.

7 Before any financial assistance application is approved, the
8 political subdivision seeking the assistance must demonstrate to the
9 community economic revitalization board that no other timely source of
10 funding is available to it at costs reasonably similar to financing
11 available from the community economic revitalization board.

12 **Sec. 3.** RCW 70.146.070 and 1997 c 429 s 30 are each amended to
13 read as follows:

14 When making grants or loans for water pollution control facilities,
15 the department shall consider the following:

16 (1) The protection of water quality and public health;

17 (2) The cost to residential ratepayers if they had to finance water
18 pollution control facilities without state assistance;

19 (3) Actions required under federal and state permits and compliance
20 orders;

21 (4) The level of local fiscal effort by residential ratepayers
22 since 1972 in financing water pollution control facilities;

23 (5) The extent to which the applicant county or city, or if the
24 applicant is another public body, the extent to which the county or
25 city in which the applicant public body is located, has established
26 programs to mitigate nonpoint pollution of the surface or subterranean
27 water sought to be protected by the water pollution control facility
28 named in the application for state assistance; and

29 (6) The recommendations of the Puget Sound action team and any
30 other board, council, commission, or group established by the
31 legislature or a state agency to study water pollution control issues
32 in the state.

33 Except where necessary to address a public health need or
34 substantial environmental degradation, a county, city, or town ~~((that
35 is required or chooses to plan))~~ planning under RCW 36.70A.040 may not
36 receive a grant or loan for water pollution control facilities unless
37 it has adopted a comprehensive plan ~~((in conformance with the
38 requirements of chapter 36.70A RCW, after it is required that the~~

1 ~~comprehensive plan be adopted, or unless it has adopted development~~
2 ~~regulations in conformance with the requirements of chapter 36.70A RCW,~~
3 ~~after it is required that development regulations be adopted)) and~~
4 development regulations as required by RCW 36.70A.040. This subsection
5 does not require any county, city, or town planning under RCW
6 36.70A.040 to adopt a comprehensive plan or development regulations
7 before requesting or receiving a grant or loan under this chapter if
8 such request is made before the expiration of the time periods
9 specified in RCW 36.70A.040. A county, city, or town which has not
10 adopted a comprehensive plan and development regulations within the
11 time periods specified in RCW 36.70A.040 is not prohibited from
12 receiving a grant or loan under this chapter if the county, city, or
13 town adopts a comprehensive plan and development regulations as
14 required by RCW 36.70A.040 before submitting a request for a grant or
15 loan. However, the capital facilities plan element of the
16 comprehensive plan must be in place before a county, city, or town
17 under this subsection may qualify for a grant or loan.

18 NEW SECTION. Sec. 4. RCW 43.17.250 (County-wide planning policy
19 incentives) and 1991 sp.s. c 32 s 25 are each repealed.

20 NEW SECTION. Sec. 5. This act does not affect any existing right
21 acquired or liability or obligation incurred under the sections amended
22 or repealed in this act or under any rule or order adopted under those
23 sections, nor does it affect any proceeding instituted under those
24 sections.

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