
SUBSTITUTE HOUSE BILL 2023

State of Washington

59th Legislature

2005 Regular Session

By House Committee on Local Government (originally sponsored by Representatives Clibborn, Jarrett, McIntire, Tom, Dunn, Upthegrove, Kilmer, Anderson and Simpson)

READ FIRST TIME 03/02/05.

1 AN ACT Relating to creating the growth management infrastructure
2 account; amending RCW 43.84.092; reenacting and amending RCW 43.84.092;
3 adding new sections to chapter 36.70A RCW; creating new sections;
4 providing an effective date; and providing an expiration date.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that population growth
7 in many areas of the state requires new, improved, or additional
8 infrastructure to accommodate growth. The legislature further finds
9 that the needed infrastructure identified in the capital facilities
10 elements of comprehensive plans adopted by counties and cities far
11 exceed the existing funding available to county, city, or state
12 agencies responsible for constructing or operating the needed
13 infrastructure and that current programs available for local government
14 infrastructure assistance are oversubscribed. The legislature
15 therefore establishes the growth management infrastructure account to
16 assist counties and cities in financing and constructing those
17 infrastructure projects needed to accommodate growth, as identified in
18 the capital facilities elements of growth management plans.

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 36.70A RCW
2 to read as follows:

3 For the purposes of this section and sections 3 and 4 of this act,
4 the following definitions apply:

5 (1) "Basic service" means that level of service necessary to meet
6 only the minimum level of service sufficient to accommodate growth,
7 specifically:

8 (a) For bridge and road projects, a level of service category "c"
9 on a scale of "a" to "f";

10 (b) For domestic water projects, a level of service necessary to
11 meet the minimum standards for water systems as set by the department
12 of health;

13 (c) For sanitary sewer, storm water, and solid waste/recycling
14 projects, a level of service necessary to meet the minimum standards as
15 established by the department of ecology or the department of health.
16 If no such standards exist, the board shall establish such standards;
17 and

18 (d) In no case will project landscaping be considered a minimum
19 level of service.

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

21 (3) "Financial assistance" means loans or loan guarantees.

22 (4) "General purpose local government" means counties, cities, and
23 towns.

24 (5) "Growth infrastructure projects" means the costs of
25 acquisition, construction, reconstruction, rehabilitation, and
26 improvement of those bridges, roads, and domestic water, sanitary
27 sewer, storm sewer, and solid waste/recycling projects necessary to
28 meet the requirements of this chapter.

29 (6) "Special purpose local government" means all local governments
30 as defined in RCW 43.155.020, except counties, cities, and towns.

31 NEW SECTION. **Sec. 3.** A new section is added to chapter 36.70A RCW
32 to read as follows:

33 (1) The growth management infrastructure account is created in the
34 state treasury. Moneys may be placed in the account from the proceeds
35 of bonds when authorized by the legislature or from any other lawful
36 source. The board shall use appropriated moneys from the account to
37 provide financial assistance to qualifying local governments for

1 capital costs directly related to providing basic service for growth
2 infrastructure projects necessary to accommodate residential,
3 commercial, and industrial growth. Funds necessary to support the
4 board's cost in administering sections 2 through 5 of this act shall be
5 appropriated from the account.

6 (2) The board, established in chapter 43.155 RCW, shall manage
7 appropriated funds from the account. The board shall have all
8 responsibilities granted to it under RCW 43.155.040, 43.155.080, and
9 43.155.090 in carrying out the purposes of this section.

10 (3) Existing debt or financial obligations of local governments
11 shall not be refinanced under this chapter unless refinancing existing
12 debt or financial obligations will enable the use of other funds, in
13 like amounts, for growth infrastructure projects. Each local
14 government applicant shall provide documentation of attempts to secure
15 additional local or other sources of funding for projects for which
16 financial assistance is sought under this chapter.

17 NEW SECTION. **Sec. 4.** A new section is added to chapter 36.70A RCW
18 to read as follows:

19 To qualify for financial assistance local governments must meet the
20 following standards:

- 21 (1) For general purpose local governments:
- 22 (a) Be in compliance with the provisions of this chapter;
 - 23 (b) Demonstrate that the growth infrastructure project is necessary
24 to attract or accommodate the planned population and employment growth;
 - 25 (c) Demonstrate that the comprehensive land use plan, the zoning
26 designations, the development regulations, and the capital facilities
27 plan are sufficient to accommodate projected growth; and
 - 28 (d) Other criteria, including a commitment to maintain the growth
29 related infrastructure, that the board deems necessary to carry out the
30 purposes of this chapter.

- 31 (2) For special purpose local governments:
- 32 (a) Demonstrate that the local government has a capital facilities
33 plan meeting standards established by the board;
 - 34 (b) Demonstrate that the growth infrastructure project is necessary
35 to attract or accommodate the planned population and employment growth;

1 (c) Demonstrate that the capital facilities plan is compatible with
2 the comprehensive land use plan, zoning designations, and the
3 development regulations of the overlying general purpose local
4 government or governments; and

5 (d) Other criteria, including a commitment to maintain the growth
6 related infrastructure, that the board deems necessary to carry out the
7 purposes of section 3 of this act and this section.

8 NEW SECTION. **Sec. 5.** Nothing in sections 3 and 4 of this act
9 precludes the local government from using local funds in combination
10 with financial assistance provided under sections 3 and 4 of this act
11 to construct a project in excess of the minimum level financed under
12 this act.

13 **Sec. 6.** RCW 43.84.092 and 2003 c 361 s 602, 2003 c 324 s 1, 2003
14 c 150 s 2, and 2003 c 48 s 2 are each reenacted and amended to read as
15 follows:

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

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

34 (3) Except for the provisions of RCW 43.84.160, the treasury income
35 account may be utilized for the payment of purchased banking services
36 on behalf of treasury funds including, but not limited to, depository,

1 safekeeping, and disbursement functions for the state treasury and
2 affected state agencies. The treasury income account is subject in all
3 respects to chapter 43.88 RCW, but no appropriation is required for
4 payments to financial institutions. Payments shall occur prior to
5 distribution of earnings set forth in subsection (4) of this section.

6 (4) Monthly, the state treasurer shall distribute the earnings
7 credited to the treasury income account. The state treasurer shall
8 credit the general fund with all the earnings credited to the treasury
9 income account except:

10 (a) The following accounts and funds shall receive their
11 proportionate share of earnings based upon each account's and fund's
12 average daily balance for the period: The capitol building
13 construction account, the Cedar River channel construction and
14 operation account, the Central Washington University capital projects
15 account, the charitable, educational, penal and reformatory
16 institutions account, the common school construction fund, the county
17 criminal justice assistance account, the county sales and use tax
18 equalization account, the data processing building construction
19 account, the deferred compensation administrative account, the deferred
20 compensation principal account, the department of retirement systems
21 expense account, the drinking water assistance account, the drinking
22 water assistance administrative account, the drinking water assistance
23 repayment account, the Eastern Washington University capital projects
24 account, the education construction fund, the election account, the
25 emergency reserve fund, The Evergreen State College capital projects
26 account, the federal forest revolving account, the growth management
27 infrastructure account, the health services account, the public health
28 services account, the health system capacity account, the personal
29 health services account, the state higher education construction
30 account, the higher education construction account, the highway
31 infrastructure account, the industrial insurance premium refund
32 account, the judges' retirement account, the judicial retirement
33 administrative account, the judicial retirement principal account, the
34 local leasehold excise tax account, the local real estate excise tax
35 account, the local sales and use tax account, the medical aid account,
36 the mobile home park relocation fund, the multimodal transportation
37 account, the municipal criminal justice assistance account, the
38 municipal sales and use tax equalization account, the natural resources

1 deposit account, the oyster reserve land account, the perpetual
2 surveillance and maintenance account, the public employees' retirement
3 system plan 1 account, the public employees' retirement system combined
4 plan 2 and plan 3 account, the public facilities construction loan
5 revolving account beginning July 1, 2004, the public health
6 supplemental account, the public works assistance account, the Puyallup
7 tribal settlement account, the regional transportation investment
8 district account, the resource management cost account, the site
9 closure account, the special wildlife account, the state employees'
10 insurance account, the state employees' insurance reserve account, the
11 state investment board expense account, the state investment board
12 commingled trust fund accounts, the supplemental pension account, the
13 Tacoma Narrows toll bridge account, the teachers' retirement system
14 plan 1 account, the teachers' retirement system combined plan 2 and
15 plan 3 account, the tobacco prevention and control account, the tobacco
16 settlement account, the transportation infrastructure account, the
17 tuition recovery trust fund, the University of Washington bond
18 retirement fund, the University of Washington building account, the
19 volunteer fire fighters' and reserve officers' relief and pension
20 principal fund, the volunteer fire fighters' and reserve officers'
21 administrative fund, the Washington fruit express account, the
22 Washington judicial retirement system account, the Washington law
23 enforcement officers' and fire fighters' system plan 1 retirement
24 account, the Washington law enforcement officers' and fire fighters'
25 system plan 2 retirement account, the Washington school employees'
26 retirement system combined plan 2 and 3 account, the Washington state
27 health insurance pool account, the Washington state patrol retirement
28 account, the Washington State University building account, the
29 Washington State University bond retirement fund, the water pollution
30 control revolving fund, and the Western Washington University capital
31 projects account. Earnings derived from investing balances of the
32 agricultural permanent fund, the normal school permanent fund, the
33 permanent common school fund, the scientific permanent fund, and the
34 state university permanent fund shall be allocated to their respective
35 beneficiary accounts. All earnings to be distributed under this
36 subsection (4)(a) shall first be reduced by the allocation to the state
37 treasurer's service fund pursuant to RCW 43.08.190.

1 (b) The following accounts and funds shall receive eighty percent
2 of their proportionate share of earnings based upon each account's or
3 fund's average daily balance for the period: The aeronautics account,
4 the aircraft search and rescue account, the county arterial
5 preservation account, the department of licensing services account, the
6 essential rail assistance account, the ferry bond retirement fund, the
7 grade crossing protective fund, the high capacity transportation
8 account, the highway bond retirement fund, the highway safety account,
9 the motor vehicle fund, the motorcycle safety education account, the
10 pilotage account, the public transportation systems account, the Puget
11 Sound capital construction account, the Puget Sound ferry operations
12 account, the recreational vehicle account, the rural arterial trust
13 account, the safety and education account, the special category C
14 account, the state patrol highway account, the transportation 2003
15 account (nickel account), the transportation equipment fund, the
16 transportation fund, the transportation improvement account, the
17 transportation improvement board bond retirement account, and the urban
18 arterial trust account.

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

22 **Sec. 7.** RCW 43.84.092 and 2004 c 242 s 60 are each amended to read
23 as follows:

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

27 (2) The treasury income account shall be utilized to pay or receive
28 funds associated with federal programs as required by the federal cash
29 management improvement act of 1990. The treasury income account is
30 subject in all respects to chapter 43.88 RCW, but no appropriation is
31 required for refunds or allocations of interest earnings required by
32 the cash management improvement act. Refunds of interest to the
33 federal treasury required under the cash management improvement act
34 fall under RCW 43.88.180 and shall not require appropriation. The
35 office of financial management shall determine the amounts due to or
36 from the federal government pursuant to the cash management improvement
37 act. The office of financial management may direct transfers of funds

1 between accounts as deemed necessary to implement the provisions of the
2 cash management improvement act, and this subsection. Refunds or
3 allocations shall occur prior to the distributions of earnings set
4 forth in subsection (4) of this section.

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

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14 credited to the treasury income account. The state treasurer shall
15 credit the general fund with all the earnings credited to the treasury
16 income account except:

17 (a) The following accounts and funds shall receive their
18 proportionate share of earnings based upon each account's and fund's
19 average daily balance for the period: The capitol building
20 construction account, the Cedar River channel construction and
21 operation account, the Central Washington University capital projects
22 account, the charitable, educational, penal and reformatory
23 institutions account, the common school construction fund, the county
24 criminal justice assistance account, the county sales and use tax
25 equalization account, the data processing building construction
26 account, the deferred compensation administrative account, the deferred
27 compensation principal account, the department of retirement systems
28 expense account, the drinking water assistance account, the drinking
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32 emergency reserve fund, The Evergreen State College capital projects
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35 services account, the health system capacity account, the personal
36 health services account, the state higher education construction
37 account, the higher education construction account, the highway
38 infrastructure account, the industrial insurance premium refund

1 account, the judges' retirement account, the judicial retirement
2 administrative account, the judicial retirement principal account, the
3 local leasehold excise tax account, the local real estate excise tax
4 account, the local sales and use tax account, the medical aid account,
5 the mobile home park relocation fund, the multimodal transportation
6 account, the municipal criminal justice assistance account, the
7 municipal sales and use tax equalization account, the natural resources
8 deposit account, the oyster reserve land account, the perpetual
9 surveillance and maintenance account, the public employees' retirement
10 system plan 1 account, the public employees' retirement system combined
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20 Tacoma Narrows toll bridge account, the teachers' retirement system
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23 settlement account, the transportation infrastructure account, the
24 tuition recovery trust fund, the University of Washington bond
25 retirement fund, the University of Washington building account, the
26 volunteer fire fighters' and reserve officers' relief and pension
27 principal fund, the volunteer fire fighters' and reserve officers'
28 administrative fund, the Washington fruit express account, the
29 Washington judicial retirement system account, the Washington law
30 enforcement officers' and fire fighters' system plan 1 retirement
31 account, the Washington law enforcement officers' and fire fighters'
32 system plan 2 retirement account, the Washington public safety
33 employees' plan 2 retirement account, the Washington school employees'
34 retirement system combined plan 2 and 3 account, the Washington state
35 health insurance pool account, the Washington state patrol retirement
36 account, the Washington State University building account, the
37 Washington State University bond retirement fund, the water pollution
38 control revolving fund, and the Western Washington University capital

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14 grade crossing protective fund, the high capacity transportation
15 account, the highway bond retirement fund, the highway safety account,
16 the motor vehicle fund, the motorcycle safety education account, the
17 pilotage account, the public transportation systems account, the Puget
18 Sound capital construction account, the Puget Sound ferry operations
19 account, the recreational vehicle account, the rural arterial trust
20 account, the safety and education account, the special category C
21 account, the state patrol highway account, the transportation 2003
22 account (nickel account), the transportation equipment fund, the
23 transportation fund, the transportation improvement account, the
24 transportation improvement board bond retirement account, and the urban
25 arterial trust account.

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

29 NEW SECTION. **Sec. 8.** Section 6 of this act expires July 1, 2006.

30 NEW SECTION. **Sec. 9.** Section 7 of this act takes effect July 1,
31 2006.

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