

HOUSE BILL REPORT

HB 1569

As Passed Legislature

Title: An act relating to establishing local public works assistance funds.

Brief Description: Establishing local public works assistance funds.

Sponsors: Representatives Lias, O'Brien, Hope, Sells, Dunshee, Kagi, McCoy, Morrell and Ormsby.

Brief History:

Committee Activity:

Local Government & Housing: 2/5/09, 2/9/09 [DP].

Floor Activity

Passed House: 3/3/09, 97-0.

Passed Senate: 4/1/09, 45-1.

Passed Legislature.

Brief Summary of Bill

- Authorizes county legislative authorities to establish local public works assistance funds (Funds) for the purpose of funding qualifying public works projects located wholly or partially within the county.
- Specifies criteria, including prioritization requirements, for the use of monies from the Funds.
- Establishes related definitions.

HOUSE COMMITTEE ON LOCAL GOVERNMENT & HOUSING

Majority Report: Do pass. Signed by 9 members: Representatives Simpson, Chair; Nelson, Vice Chair; Angel, Ranking Minority Member; Cox, Assistant Ranking Minority Member; Miloscia, Short, Springer, Upthegrove and White.

Staff: Ethan Moreno (786-7386)

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The Growth Management Act (GMA or Act) is the comprehensive land use planning framework for county and city governments in Washington. Enacted in 1990 and 1991, the GMA establishes numerous requirements for local governments obligated by mandate or choice to fully plan under the Act (planning jurisdictions) and a reduced number of directives for all other counties and cities.

The GMA directs planning jurisdictions to adopt internally consistent comprehensive land use plans that are generalized, coordinated land use policy statements of the governing body. Comprehensive plans must address specified planning elements, including a land use element and a capital facilities plan element, each of which is a subset of a comprehensive plan. The implementation of comprehensive plans occurs through development regulations mandated by the GMA.

A capital facilities plan element adopted under the GMA must consist of five principal components:

- an inventory of existing capital facilities owned by public entities, showing the locations and capacities of the capital facilities;
- a forecast of the future needs for capital facilities;
- the proposed locations and capacities of expanded or new capital facilities;
- at least a six-year plan that will finance expanded or new capital facilities within projected funding capacities; and
- a requirement to reassess the land use element if probable funding falls short of meeting existing needs.

Summary of Bill:

County legislative authorities may establish local public works assistance funds (Funds) for the purpose of funding public works projects located wholly or partially within the county. Monies may be deposited in Funds from existing revenue sources of the county. Monies deposited in Funds may only be used:

- to make loans to the county and to other local governments, a term defined in the bill, for funding qualifying public works projects; and
- for costs incurred in the administration of Funds.

A "public works project" is defined as a project of a local government for the planning, acquisition, construction, repair, reconstruction, replacement, rehabilitation, or improvement of streets and roads, bridges, water systems, or storm and sanitary sewage systems and solid waste facilities, including recycling facilities.

No more than 50 percent of the monies loaned from a Fund in a calendar year may be loaned to the county providing funds. At least 25 percent of the monies anticipated to be loaned from a Fund in a calendar year must be made available for funding public works projects in cities or towns. Additionally, no more than 1 percent of the average annual balance of a county's Fund, including interest earned on balances from the Fund, may be used annually for administrative costs.

Counties, in consultation with cities and towns within the county, may make loans to qualifying local governments from Funds to local governments in funding public works projects. Counties may require terms and conditions and may charge interest on loans as they deem necessary or convenient. Counties may not pledge any amount greater than the sum of money in their Fund plus money to be received from the payment of the debt service on loans made from that Fund. Money received from local governments in repayment of loans must be paid into the Fund of the lending county for permitted uses.

Prior to receiving monies from an established Fund, a local government applying for financial assistance must demonstrate to the lending county:

- utilization of all local revenue sources that are reasonably available for funding public works projects;
- compliance with applicable requirements of the GMA; and
- consistency between the proposed project and applicable capital facilities plans.

County legislative authorities utilizing or providing money from a Fund must develop a prioritization process for funding public works projects that gives priority to projects necessary to address public health needs, substantial environmental degradation, or projects that increase existing capacity necessary to accommodate projected population and employment growth. This prioritization process must be:

- completed collaboratively with public works directors of local governments within the county;
- documented in the form of written findings produced by the county; and
- revised periodically according to a schedule developed by the county and the public works directors.

Additionally, legislative authorities providing funding to local governments through a Fund must consider, through a competitive application process, certain factors in assigning a priority to and funding a project. Examples of those factors include:

- whether the local government applying for assistance has experienced severe fiscal distress resulting from natural disaster or emergency public works needs;
- whether the project is critical in nature and would affect the health and safety of a great number of citizens; and
- the additional jobs estimated to be achieved by funding the project.

County legislative authorities providing funding for public works projects from a Fund must keep proper records of accounts and are subject to audit by the state auditor.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill will allow counties to create local public works trust funds (Funds). The bill does not include a revenue source, so counties will have to use existing taxes and fees for the Fund. Snohomish County is interested in creating a Fund for very small public works projects, projects that may serve communities well. The State Public Works Trust Fund started small and has grown, and is a model for Funds that would be created by this bill. A version of this bill passed the House last year.

This bill will stimulate the economy by allowing local governments to proceed with public works projects that may be too small to qualify for the Public Works Trust Fund. The revolving Fund created by this bill will grow and those monies will be used for other projects. This bill gives local governments another tool for helping them accomplish planned public works projects during difficult economic times. This bill will promote better planning between cities and counties for job growth, housing accommodation, and concurrency.

(Opposed) None.

Persons Testifying: Representative Liias, prime sponsor; Will Hall, Snohomish County; and Terri Jeffreys, Association of Washington Realtors.

Persons Signed In To Testify But Not Testifying: None.