

SSB 6359 - H COMM AMD

By Committee on State Government & Tribal Affairs

ADOPTED AS AMENDED 03/01/2012

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 43.42.010 and 2011 c 149 s 2 are each amended to read
4 as follows:

5 (1) The office of regulatory assistance is created in the office of
6 financial management and must be administered by the office of the
7 governor to help improve the regulatory system and assist citizens,
8 businesses, and project proponents.

9 (2) The governor must appoint a director. The director may employ
10 a deputy director and a confidential secretary and such staff as are
11 necessary, or contract with another state agency pursuant to chapter
12 39.34 RCW for support in carrying out the purposes of this chapter.

13 (3) The office must offer to:

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

16 (b) Conduct project scoping as provided in RCW 43.42.050;

17 (c) Verify that the project proponent has all the information
18 needed to correctly apply for all necessary permits;

19 (d) Provide general coordination services;

20 (e) Coordinate the efficient completion among participating
21 agencies of administrative procedures, such as collecting fees or
22 providing public notice;

23 (f) Maintain contact with the project proponent and the permit
24 agencies to promote adherence to agreed schedules;

25 (g) Assist in resolving any conflict or inconsistency among permit
26 requirements and conditions;

27 (h) Coordinate, to the extent practicable, with relevant federal
28 permit agencies and tribal governments;

29 (i) Facilitate meetings;

1 (j) Manage a fully coordinated permit process, as provided in RCW
2 43.42.060; and

3 (k) Help local jurisdictions comply with the requirements of
4 chapter 36.70B RCW (~~by providing information about best permitting~~
5 ~~practices methods to improve communication with, and solicit early~~
6 ~~involvement of, state agencies when needed; and~~

7 ~~(l) Maintain and furnish information as provided in RCW~~
8 ~~43.42.040)).~~

9 (4) The office must also:

10 (a) Provide information to local jurisdictions about best
11 permitting practices, methods to improve communication with, and
12 solicit early involvement of, state agencies when needed, and effective
13 means of assessing and communicating expected project timelines and
14 costs;

15 (b) Maintain and furnish information as provided in RCW 43.42.040;
16 and

17 (c) Provide the following by September 1, 2009, and biennially
18 thereafter, to the governor and the appropriate committees of the
19 legislature:

20 ~~((a))~~ (i) A performance report including:

21 ~~((i))~~ (A) Information regarding use of the office's voluntary
22 cost-reimbursement services as provided in RCW 43.42.070;

23 ~~((ii))~~ (B) The number and type of projects or initiatives where
24 the office provided services (~~and the resolution provided by the~~
25 ~~office on any conflicts that arose on such projects;~~

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

27 ~~(iv) Specific information on any difficulty encountered in~~
28 ~~provision of services, implementation of programs or processes, or use~~
29 ~~of tools; and~~

30 ~~(v) Trend reporting that allows comparisons between statements of~~
31 ~~goals and performance targets and the achievement of those goals and~~
32 ~~targets; and~~

33 ~~(b) Recommendations on system improvements including~~
34 ~~recommendations regarding:~~

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

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

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

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

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

11 (ii) Recommendations on system improvements including, but not
12 limited to, recommendations on improving environmental permitting.

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

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

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

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

25 (b) The permit application forms and other application requirements
26 of the participating permit agencies;

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

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

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

34 (f) The anticipated time required for permit decisions by each
35 participating permit agency, including the estimated time required to
36 determine if the permit application is complete, to conduct
37 environmental review, and to review and process the application. In

1 determining the estimated time required, full consideration must be
2 given to achieving the greatest possible efficiencies through any
3 concurrent studies and any consolidated applications, hearings, and
4 comment periods.

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

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

13 (5) Upon completion of the project scoping, the participating
14 permit agencies (~~shall~~) must proceed under their respective
15 authorities. The agencies may remain in communication with the office
16 as needed.

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

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

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

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

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

28 (c) The director determine that (i)(A) the project raises complex
29 coordination, permit processing, or substantive permit review issues;
30 or (B) if completed, the project would provide substantial benefits to
31 the state; and (ii) the office, as well as the participating permit
32 review agencies, have sufficient capacity within existing resources to
33 undertake the full coordination process without reimbursement and
34 without seriously affecting other services.

35 (2) A project proponent who requests designation as a fully
36 coordinated permit process project must provide the office with a full
37 description of the project. The office may request any information

1 from the project proponent that is necessary to make the designation
2 under this section, and may convene a scoping meeting or a work plan
3 meeting of the likely participating permit agencies.

4 (3) When a project is designated for the fully coordinated permit
5 process, the office (~~shall~~) must serve as the main point of contact
6 for the project proponent and participating agencies with regard to the
7 permit process for the project as a whole. Each participating agency
8 must designate a single point of contact for coordinating with the
9 office. The office (~~shall~~) must keep an up-to-date project
10 management log and schedule illustrating required procedural steps in
11 the permitting process, and highlighting substantive issues as
12 appropriate that must be resolved in order for the project to move
13 forward. In carrying out these responsibilities, the office (~~shall~~)
14 must:

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

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

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

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

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

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

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

36 (b) A review of the permit application forms and other application
37 requirements of the agencies that are participating in the coordinated
38 permit process;

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

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

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

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

16 (d) Available information regarding the timing of any public
17 hearings that are required to issue permits for the project and a
18 determination of the feasibility of coordinating or consolidating any
19 of those required public hearings; and

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

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

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

35 (7) If a permit agency or the project proponent foresees, at any
36 time, that it will be unable to meet the estimated timelines or other
37 obligations under the agreement, it (~~shall~~) must notify the office of
38 the reasons for the problem and offer potential solutions or an amended

1 timeline for resolving the problem. The office (~~shall~~) must notify
2 the participating permit agencies and the project proponent and, upon
3 agreement of all parties, adjust the schedule, or, if necessary,
4 schedule another work plan meeting.

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

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

12 (1) The office may enter into cost-reimbursement agreements with a
13 project proponent to recover from the project proponent the reasonable
14 costs incurred by the office in carrying out the provisions of (~~RCW~~
15 ~~43.42.050, 43.42.060, 43.42.090, and 43.42.092~~) this chapter. The
16 agreement must include provisions for covering the costs incurred by
17 the permit agencies that are participating in the cost-reimbursement
18 project and carrying out permit processing or project review tasks
19 referenced in the cost-reimbursement agreement.

20 (2) The office must maintain policies or guidelines for
21 coordinating cost-reimbursement agreements with participating agencies,
22 project proponents, and (~~outside~~) independent consultants. Policies
23 or guidelines must ensure that, in developing cost-reimbursement
24 agreements, conflicts of interest are eliminated. (~~Contracts with~~
25 ~~independent consultants hired by the office under this section must be~~
26 ~~based on competitive bids that are awarded for each agreement from a~~
27 ~~prequalified consultant roster.~~) The policies must also support
28 effective use of cost-reimbursement resources to address staffing and
29 capacity limitations as may be relevant within the office or
30 participating permit agencies.

31 (3) For fully coordinated permit processes and priority economic
32 recovery projects selected pursuant to this section, the office must
33 coordinate the negotiation of all cost-reimbursement agreements
34 executed under RCW 43.21A.690, 43.30.490, 43.70.630, 43.300.080, and
35 70.94.085. The office, project proponent, and (~~the~~) participating
36 permit agencies must be signatories to the cost-reimbursement agreement
37 or agreements. Each participating permit agency must manage

1 performance of its portion of the cost-reimbursement agreement.
2 Independent consultants hired under a cost-reimbursement agreement
3 (~~shall~~) must report directly to the hiring office or participating
4 permit agency. Any cost-reimbursement agreement must require that
5 final decisions are made by the participating permit agency and not by
6 a hired independent consultant.

7 ~~(4) For ((a fully coordinated project using cost reimbursement, the~~
8 ~~office and participating permit agencies must include a cost-~~
9 ~~reimbursement work plan, including deliverables and schedules for~~
10 ~~invoicing and reimbursement in the fully coordinated project work plan~~
11 ~~described in RCW 43.42.060. Upon request, the office must verify that~~
12 ~~the agencies have met the obligations contained in the cost-~~
13 ~~reimbursement work plan and agreement. The cost reimbursement~~
14 ~~agreement must identify the tasks of each agency and the maximum costs~~
15 ~~for work conducted under the agreement. The agreement must include a~~
16 ~~schedule that states:~~

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

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

20 ~~(c) The estimated number of weeks for review of subsequent revision~~
21 ~~submittals;~~

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

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

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

25 ~~(5) If a permit agency or the project proponent foresees, at any~~
26 ~~time, that it will be unable to meet its obligations under the cost-~~
27 ~~reimbursement agreement and fully coordinated project work plan, it~~
28 ~~must notify the office and state the reasons, along with proposals for~~
29 ~~resolving the problems and potentially amending the timelines. The~~
30 ~~office must notify the participating permit agencies and the project~~
31 ~~proponent and, upon agreement of all parties, adjust the schedule, or,~~
32 ~~if necessary, coordinate revision of the cost reimbursement agreement~~
33 ~~and fully coordinated project work plan)) any project using cost~~
34 ~~reimbursement, the cost-reimbursement agreement must require the office~~
35 ~~and participating permit agencies to develop and periodically update a~~
36 ~~project work plan, which the office must provide on the internet and~~
37 ~~share with each party to the agreement.~~

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

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

12 (c) The cost-reimbursement agreement may include deliverables and
13 schedules for invoicing and reimbursement. The office may require
14 advance payment of some or all of the agreed reimbursement, to be held
15 in reserve and distributed to participating permit agencies and the
16 office upon approval of invoices by the project proponent. The project
17 proponent has thirty days to request additional information or
18 challenge an invoice. If an invoice is challenged, the office must
19 respond and attempt to resolve the challenge within thirty days. If
20 the office is unable to resolve the challenge within thirty days, the
21 challenge must be submitted to the office of financial management. A
22 decision on such a challenge must be made by the office of financial
23 management and approved by the director of the office of financial
24 management and is binding on the parties.

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

28 (6) If a party to the cost-reimbursement agreement foresees, at any
29 time, that it will be unable to meet its obligations under the
30 agreement, it must notify the office and state the reasons, along with
31 proposals for resolving the problems. The office must notify the other
32 parties to the cost-reimbursement agreement and seek to resolve the
33 problems by adjusting invoices, deliverables, or the project work plan,
34 or through some other accommodation.

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

37 The multiagency permitting team account is created in the ((state

1 ~~treasury. All receipts from solicitations authorized in RCW 43.42.092~~
2 ~~must be deposited into the account. Moneys in the account may be spent~~
3 ~~only after appropriation. Expenditures from the account may be used~~
4 ~~only for covering the initial administrative costs of multiagency~~
5 ~~permitting teams and such other costs associated with the teams as may~~
6 ~~arise that are not recoverable through cost reimbursement or cost-~~
7 ~~sharing mechanisms)) custody of the state treasurer. All receipts from~~
8 ~~cost-reimbursement agreements authorized in RCW 43.42.070 and~~
9 ~~solicitations authorized in RCW 43.42.092 must be deposited into the~~
10 ~~account. Expenditures from the account may be used only for covering~~
11 ~~staffing, consultant, technology, and other administrative costs of~~
12 ~~multiagency permitting teams and other costs associated with~~
13 ~~multiagency project review and management that may arise. Only the~~
14 ~~director of the office of regulatory assistance or the director's~~
15 ~~designee may authorize expenditures from the account. The account is~~
16 ~~subject to allotment procedures under chapter 43.88 RCW, but an~~
17 ~~appropriation is not required for expenditures.~~

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

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

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

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

36 (4)(a) Monthly, the state treasurer must distribute the earnings

1 credited to the investment income account to the state general fund
2 except under (b), (c), and (d) of this subsection.

3 (b) The following accounts and funds must receive their
4 proportionate share of earnings based upon each account's or fund's
5 average daily balance for the period: The Washington promise
6 scholarship account, the college savings program account, the
7 Washington advanced college tuition payment program account, the
8 accessible communities account, the community and technical college
9 innovation account, the agricultural local fund, the American Indian
10 scholarship endowment fund, the foster care scholarship endowment fund,
11 the foster care endowed scholarship trust fund, the students with
12 dependents grant account, the basic health plan self-insurance reserve
13 account, the contract harvesting revolving account, the Washington
14 state combined fund drive account, the commemorative works account, the
15 county enhanced 911 excise tax account, the Washington international
16 exchange scholarship endowment fund, the toll collection account, the
17 developmental disabilities endowment trust fund, the energy account,
18 the fair fund, the family leave insurance account, the food animal
19 veterinarian conditional scholarship account, the fruit and vegetable
20 inspection account, the future teachers conditional scholarship
21 account, the game farm alternative account, the GET ready for math and
22 science scholarship account, the Washington global health technologies
23 and product development account, the grain inspection revolving fund,
24 the industrial insurance rainy day fund, the juvenile accountability
25 incentive account, the law enforcement officers' and firefighters' plan
26 2 expense fund, the local tourism promotion account, the multiagency
27 permitting team account, the pilotage account, the produce railcar pool
28 account, the regional transportation investment district account, the
29 rural rehabilitation account, the stadium and exhibition center
30 account, the youth athletic facility account, the self-insurance
31 revolving fund, the sulfur dioxide abatement account, the children's
32 trust fund, the Washington horse racing commission Washington bred
33 owners' bonus fund and breeder awards account, the Washington horse
34 racing commission class C purse fund account, the individual
35 development account program account, the Washington horse racing
36 commission operating account (earnings from the Washington horse racing
37 commission operating account must be credited to the Washington horse
38 racing commission class C purse fund account), the life sciences

1 discovery fund, the Washington state heritage center account, the
2 reduced cigarette ignition propensity account, and the reading
3 achievement account.

4 (c) The following accounts and funds must receive eighty percent of
5 their proportionate share of earnings based upon each account's or
6 fund's average daily balance for the period: The advanced right-of-way
7 revolving fund, the advanced environmental mitigation revolving
8 account, the federal narcotics asset forfeitures account, the high
9 occupancy vehicle account, the local rail service assistance account,
10 and the miscellaneous transportation programs account.

11 (d) Any state agency that has independent authority over accounts
12 or funds not statutorily required to be held in the custody of the
13 state treasurer that deposits funds into a fund or account in the
14 custody of the state treasurer pursuant to an agreement with the office
15 of the state treasurer shall receive its proportionate share of
16 earnings based upon each account's or fund's average daily balance for
17 the period.

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

21 **Sec. 7.** RCW 43.84.092 and 2011 1st sp.s. c 16 s 6, 2011 1st sp.s.
22 c 7 s 22, 2011 c 369 s 6, 2011 c 339 s 1, 2011 c 311 s 9, 2011 c 272 s
23 3, 2011 c 120 s 3, and 2011 c 83 s 7 are each reenacted and amended to
24 read as follows:

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

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

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

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

14 (4) Monthly, the state treasurer shall distribute the earnings
15 credited to the treasury income account. The state treasurer shall
16 credit the general fund with all the earnings credited to the treasury
17 income account except:

18 (a) The following accounts and funds shall receive their
19 proportionate share of earnings based upon each account's and fund's
20 average daily balance for the period: The aeronautics account, the
21 aircraft search and rescue account, the budget stabilization account,
22 the capital vessel replacement account, the capitol building
23 construction account, the Cedar River channel construction and
24 operation account, the Central Washington University capital projects
25 account, the charitable, educational, penal and reformatory
26 institutions account, the cleanup settlement account, the Columbia
27 river basin water supply development account, the Columbia river basin
28 taxable bond water supply development account, the Columbia river basin
29 water supply revenue recovery account, the common school construction
30 fund, the county arterial preservation account, the county criminal
31 justice assistance account, the county sales and use tax equalization
32 account, the deferred compensation administrative account, the deferred
33 compensation principal account, the department of licensing services
34 account, the department of retirement systems expense account, the
35 developmental disabilities community trust account, the drinking water
36 assistance account, the drinking water assistance administrative
37 account, the drinking water assistance repayment account, the Eastern
38 Washington University capital projects account, the Interstate 405

1 express toll lanes operations account, the education construction fund,
2 the education legacy trust account, the election account, the energy
3 freedom account, the energy recovery act account, the essential rail
4 assistance account, The Evergreen State College capital projects
5 account, the federal forest revolving account, the ferry bond
6 retirement fund, the freight congestion relief account, the freight
7 mobility investment account, the freight mobility multimodal account,
8 the grade crossing protective fund, the public health services account,
9 the health system capacity account, the high capacity transportation
10 account, the state higher education construction account, the higher
11 education construction account, the highway bond retirement fund, the
12 highway infrastructure account, the highway safety account, the high
13 occupancy toll lanes operations account, the hospital safety net
14 assessment fund, the industrial insurance premium refund account, the
15 judges' retirement account, the judicial retirement administrative
16 account, the judicial retirement principal account, the local leasehold
17 excise tax account, the local real estate excise tax account, the local
18 sales and use tax account, the marine resources stewardship trust
19 account, the medical aid account, the mobile home park relocation fund,
20 the motor vehicle fund, the motorcycle safety education account, (~~the~~
21 ~~multiagency permitting team account,~~) the multimodal transportation
22 account, the municipal criminal justice assistance account, the
23 municipal sales and use tax equalization account, the natural resources
24 deposit account, the oyster reserve land account, the pension funding
25 stabilization account, the perpetual surveillance and maintenance
26 account, the public employees' retirement system plan 1 account, the
27 public employees' retirement system combined plan 2 and plan 3 account,
28 the public facilities construction loan revolving account beginning
29 July 1, 2004, the public health supplemental account, the public
30 transportation systems account, the public works assistance account,
31 the Puget Sound capital construction account, the Puget Sound ferry
32 operations account, the Puyallup tribal settlement account, the real
33 estate appraiser commission account, the recreational vehicle account,
34 the regional mobility grant program account, the resource management
35 cost account, the rural arterial trust account, the rural mobility
36 grant program account, the rural Washington loan fund, the site closure
37 account, the skilled nursing facility safety net trust fund, the small
38 city pavement and sidewalk account, the special category C account, the

1 special wildlife account, the state employees' insurance account, the
2 state employees' insurance reserve account, the state investment board
3 expense account, the state investment board commingled trust fund
4 accounts, the state patrol highway account, the state route number 520
5 civil penalties account, the state route number 520 corridor account,
6 the state wildlife account, the supplemental pension account, the
7 Tacoma Narrows toll bridge account, the teachers' retirement system
8 plan 1 account, the teachers' retirement system combined plan 2 and
9 plan 3 account, the tobacco prevention and control account, the tobacco
10 settlement account, the transportation 2003 account (nickel account),
11 the transportation equipment fund, the transportation fund, the
12 transportation improvement account, the transportation improvement
13 board bond retirement account, the transportation infrastructure
14 account, the transportation partnership account, the traumatic brain
15 injury account, the tuition recovery trust fund, the University of
16 Washington bond retirement fund, the University of Washington building
17 account, the volunteer firefighters' and reserve officers' relief and
18 pension principal fund, the volunteer firefighters' and reserve
19 officers' administrative fund, the Washington judicial retirement
20 system account, the Washington law enforcement officers' and
21 firefighters' system plan 1 retirement account, the Washington law
22 enforcement officers' and firefighters' system plan 2 retirement
23 account, the Washington public safety employees' plan 2 retirement
24 account, the Washington school employees' retirement system combined
25 plan 2 and 3 account, the Washington state economic development
26 commission account, the Washington state health insurance pool account,
27 the Washington state patrol retirement account, the Washington State
28 University building account, the Washington State University bond
29 retirement fund, the water pollution control revolving fund, and the
30 Western Washington University capital projects account. Earnings
31 derived from investing balances of the agricultural permanent fund, the
32 normal school permanent fund, the permanent common school fund, the
33 scientific permanent fund, and the state university permanent fund
34 shall be allocated to their respective beneficiary accounts.

35 (b) Any state agency that has independent authority over accounts
36 or funds not statutorily required to be held in the state treasury that
37 deposits funds into a fund or account in the state treasury pursuant to

1 an agreement with the office of the state treasurer shall receive its
2 proportionate share of earnings based upon each account's or fund's
3 average daily balance for the period.

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

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

9 Within available funds, the office of regulatory assistance may
10 certify permit processes at the local level as streamlined processes.
11 In developing the certification program, the director must work with
12 local jurisdictions to establish the criteria and the process for
13 certification. Jurisdictions with permit processes certified as
14 streamlined may receive priority in receipt of state funds for
15 infrastructure projects.

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

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

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

23 (b) The local government must have developed a capital facility
24 plan; and

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

28 (2) Except where necessary to address a public health need or
29 substantial environmental degradation, a county, city, or town planning
30 under RCW 36.70A.040 must have adopted a comprehensive plan, including
31 a capital facilities plan element, and development regulations as
32 required by RCW 36.70A.040. This subsection does not require any
33 county, city, or town planning under RCW 36.70A.040 to adopt a
34 comprehensive plan or development regulations before requesting or
35 receiving a loan or loan guarantee under this chapter if such request
36 is made before the expiration of the time periods specified in RCW

1 36.70A.040. A county, city, or town planning under RCW 36.70A.040
2 which has not adopted a comprehensive plan and development regulations
3 within the time periods specified in RCW 36.70A.040 is not prohibited
4 from receiving a loan or loan guarantee under this chapter if the
5 comprehensive plan and development regulations are adopted as required
6 by RCW 36.70A.040 before submitting a request for a loan or loan
7 guarantee.

8 (3) In considering awarding loans for public facilities to special
9 districts requesting funding for a proposed facility located in a
10 county, city, or town planning under RCW 36.70A.040, the board
11 (~~shall~~) must consider whether the county, city, or town planning
12 under RCW 36.70A.040 in whose planning jurisdiction the proposed
13 facility is located has adopted a comprehensive plan and development
14 regulations as required by RCW 36.70A.040.

15 (4) The board (~~shall~~) must develop a priority process for public
16 works projects as provided in this section. The intent of the priority
17 process is to maximize the value of public works projects accomplished
18 with assistance under this chapter. The board (~~shall~~) must attempt
19 to assure a geographical balance in assigning priorities to projects.
20 The board (~~shall~~) must consider at least the following factors in
21 assigning a priority to a project:

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

25 (b) Except as otherwise conditioned by RCW 43.155.110, whether the
26 entity receiving assistance is a Puget Sound partner, as defined in RCW
27 90.71.010;

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

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

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

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

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

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

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

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

9 ~~((j))~~ (k) Except as otherwise conditioned by RCW 43.155.120, and
10 effective one calendar year following the development of model
11 evergreen community management plans and ordinances under RCW
12 35.105.050, whether the entity receiving assistance has been
13 recognized, and what gradation of recognition was received, in the
14 evergreen community recognition program created in RCW 35.105.030;

15 ~~((k))~~ (l) The relative benefit of the project to the community,
16 considering the present level of economic activity in the community and
17 the existing local capacity to increase local economic activity in
18 communities that have low economic growth; and

19 ~~((l))~~ (m) Other criteria that the board considers advisable.

20 (5) Existing debt or financial obligations of local governments
21 ~~((shall))~~ may not be refinanced under this chapter. Each local
22 government applicant ~~((shall))~~ must provide documentation of attempts
23 to secure additional local or other sources of funding for each public
24 works project for which financial assistance is sought under this
25 chapter.

26 (6) Before November 1st of each even-numbered year, the board
27 ~~((shall))~~ must develop and submit to the appropriate fiscal committees
28 of the senate and house of representatives a description of the loans
29 made under RCW 43.155.065, 43.155.068, and subsection (9) of this
30 section during the preceding fiscal year and a prioritized list of
31 projects which are recommended for funding by the legislature,
32 including one copy to the staff of each of the committees. The list
33 ~~((shall))~~ must include, but not be limited to, a description of each
34 project and recommended financing, the terms and conditions of the loan
35 or financial guarantee, the local government jurisdiction and
36 unemployment rate, demonstration of the jurisdiction's critical need
37 for the project and documentation of local funds being used to finance
38 the public works project. The list ~~((shall))~~ must also include

1 measures of fiscal capacity for each jurisdiction recommended for
2 financial assistance, compared to authorized limits and state averages,
3 including local government sales taxes; real estate excise taxes;
4 property taxes; and charges for or taxes on sewerage, water, garbage,
5 and other utilities.

6 (7) The board (~~shall~~) may not sign contracts or otherwise
7 financially obligate funds from the public works assistance account
8 before the legislature has appropriated funds for a specific list of
9 public works projects. The legislature may remove projects from the
10 list recommended by the board. The legislature (~~shall~~) may not
11 change the order of the priorities recommended for funding by the
12 board.

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

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

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

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

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

28 (1) The board is authorized to make direct loans to political
29 subdivisions of the state and to federally recognized Indian tribes for
30 the purposes of assisting the political subdivisions and federally
31 recognized Indian tribes in financing the cost of public facilities,
32 including development of land and improvements for public facilities,
33 project-specific environmental, capital facilities, land use,
34 permitting, feasibility, and marketing studies and plans; project
35 design, site planning, and analysis; project debt and revenue impact
36 analysis; as well as the construction, rehabilitation, alteration,
37 expansion, or improvement of the facilities. A grant may also be

1 authorized for purposes designated in this chapter, but only when, and
2 to the extent that, a loan is not reasonably possible, given the
3 limited resources of the political subdivision or the federally
4 recognized Indian tribe and the finding by the board that financial
5 circumstances require grant assistance to enable the project to move
6 forward. However, no more than twenty-five percent of all financial
7 assistance approved by the board in any biennium may consist of grants
8 to political subdivisions and federally recognized Indian tribes.

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

12 (~~(1)~~) (a) The board (~~(shall)~~) may not provide financial
13 assistance:

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

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

19 (~~(c)~~) (iii) For a project the primary purpose of which is to
20 facilitate or promote gambling.

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

23 (~~(2)~~) (b) The board (~~(shall)~~) may only provide financial
24 assistance:

25 (~~(a)~~) (i) For a project demonstrating convincing evidence that a
26 specific private development or expansion is ready to occur and will
27 occur only if the public facility improvement is made that:

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

34 (~~(ii)~~) (B) Will improve the opportunities for the successful
35 maintenance, establishment, or expansion of industrial or commercial
36 plants or will otherwise assist in the creation or retention of long-
37 term economic opportunities;

1 ~~((b))~~ (ii) For a project that cannot meet the requirement of
2 ~~((a))~~ (b)(i) of this subsection but is a project that:
3 ~~((i))~~ (A) Results in the creation of significant private sector
4 jobs or significant private sector capital investment as determined by
5 the board and is consistent with the state comprehensive economic
6 development plan developed by the Washington economic development
7 commission pursuant to chapter 43.162 RCW, once the plan is adopted;
8 ~~((ii))~~ (B) Is part of a local economic development plan
9 consistent with applicable state planning requirements;
10 ~~((iii))~~ (C) Can demonstrate project feasibility using standard
11 economic principles; and
12 ~~((iv))~~ (D) Is located in a rural community as defined by the
13 board, or a rural county;
14 ~~((e))~~ (iii) For site-specific plans, studies, and analyses that
15 address environmental impacts, capital facilities, land use,
16 permitting, feasibility, marketing, project engineering, design, site
17 planning, and project debt and revenue impacts, as grants not to exceed
18 fifty thousand dollars.
19 ~~((3))~~ (c) The board ~~((shall))~~ must develop guidelines for local
20 participation and allowable match and activities.
21 ~~((4))~~ (d) An application must demonstrate local match and local
22 participation, in accordance with guidelines developed by the board.
23 ~~((5))~~ (e) An application must be approved by the political
24 subdivision and supported by the local associate development
25 organization or local workforce development council or approved by the
26 governing body of the federally recognized Indian tribe.
27 ~~((6))~~ (f) The board may allow de minimis general system
28 improvements to be funded if they are critically linked to the
29 viability of the project.
30 ~~((7))~~ (g) An application must demonstrate convincing evidence
31 that the median hourly wage of the private sector jobs created after
32 the project is completed will exceed the countywide median hourly wage.
33 ~~((8))~~ (h) The board ~~((shall))~~ must prioritize each proposed
34 project according to:
35 ~~((a))~~ (i) The relative benefits provided to the community by the
36 jobs the project would create, not just the total number of jobs it
37 would create after the project is completed, but also giving

1 consideration to the unemployment rate in the area in which the jobs
2 would be located;

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

7 ~~((c))~~ (iii) Whether the proposed project offers a health
8 insurance plan for employees that includes an option for dependents of
9 employees;

10 ~~((d))~~ (iv) Whether the public facility investment will increase
11 existing capacity necessary to accommodate projected population and
12 employment growth in a manner that supports infill and redevelopment of
13 existing urban or industrial areas that are served by adequate public
14 facilities. Projects should maximize the use of existing
15 infrastructure and provide for adequate funding of necessary
16 transportation improvements; ~~((and~~

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

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

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

25 (3) Before any financial assistance application is approved, the
26 political subdivision or the federally recognized Indian tribe seeking
27 the assistance must demonstrate to the community economic
28 revitalization board that no other timely source of funding is
29 available to it at costs reasonably similar to financing available from
30 the community economic revitalization board."

31 Correct the title.

--- END ---