
SUBSTITUTE HOUSE BILL 2793

State of Washington

62nd Legislature

2012 Regular Session

By House Capital Budget (originally sponsored by Representatives Dunshee and Jinkins)

READ FIRST TIME 02/27/12.

1 AN ACT Relating to creating jobs by funding public capital
2 projects; amending RCW 82.18.020, 82.18.040, 82.16.020, 82.16.020,
3 82.21.030, 79.105.150, 43.155.050, and 43.155.070; reenacting and
4 amending RCW 70.105D.070; amending 2011 1st sp.s. c 48 s 3024
5 (uncodified); adding new chapters to Title 43 RCW; creating new
6 sections; making appropriations; providing an effective date; providing
7 an expiration date; and declaring an emergency.

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

9 **PART I**

10 NEW SECTION. **Sec. 101.** INTENT. The legislature finds that the
11 current economic state has created a critical situation under which an
12 old economy is leaving and a new economy must be built. Building
13 public infrastructure creates jobs for today and jobs for tomorrow,
14 because public infrastructure is crucial to economic development. The
15 legislature has determined that the state has the ability to respond to
16 this crisis by creating jobs through accelerating public construction
17 projects of the type that the state would ordinarily fund over future
18 periods on a cash basis from dedicated revenue sources. By leveraging

1 these dedicated revenues, the legislature will be able to stimulate the
2 economy by front-loading these construction projects. To this end, the
3 legislature proposes a comprehensive plan under which dedicated revenue
4 streams will be leveraged and will be secured by other revenue streams
5 that historically have been used to support construction of public
6 projects. A common reserve from nontax sources supports the related
7 and complementary subparts of this legislation.

8 NEW SECTION. **Sec. 102.** This act shall be known as the 2012 jobs
9 now act.

10 **PART II**

11 **LOCAL GOVERNMENT CAPITAL CONSTRUCTION ASSISTANCE**

12 NEW SECTION. **Sec. 201.** INTENT--LOCAL GOVERNMENT CAPITAL
13 CONSTRUCTION ASSISTANCE. The legislature historically has funded
14 programs of state assistance for local government capital projects,
15 including infrastructure, from dedicated tax revenues that support the
16 public works assistance account. It is the intent of the legislature
17 to accelerate funding for this state purpose by bonding against a
18 portion of this dedicated revenue stream.

19 NEW SECTION. **Sec. 202.** BONDS AUTHORIZED TO FUND LOCAL GOVERNMENT
20 CAPITAL CONSTRUCTION ASSISTANCE. (1) For the purpose of funding a
21 program of state aid for local government capital construction, the
22 state finance committee is authorized to issue a total of one hundred
23 sixty-five million dollars of limited tax obligation bonds of the state
24 of Washington.

25 (2) The state finance committee shall supervise and provide for the
26 sale, issuance, and retirement of the bonds authorized by this section
27 and sections 203 through 207 of this act in accordance with chapter
28 39.42 RCW. Bonds authorized by this section and sections 203 through
29 207 of this act shall be sold in the manner, at the time or times, in
30 one or more series, in amounts, and at the prices as the state finance
31 committee shall determine. No bonds may be offered for sale without
32 prior legislative appropriation of the net proceeds of the sale of the
33 bonds.

1 (3) The state finance committee may determine and include in any
2 resolution authorizing the issuance of any bonds authorized by this
3 section and sections 203 through 207 of this act such terms,
4 provisions, covenants, and conditions as it may deem appropriate in
5 order to assist with the marketing and sale of the bonds, confer rights
6 upon the owners of bonds, and safeguard rights of the owners of bonds,
7 including, among other things:

8 (a) Provisions that the bonds shall be payable solely from and
9 secured solely by the tax revenues received in the local government
10 capital construction assistance account and by amounts in the 2012 jobs
11 act credit enhancement reserve account created in section 601 of this
12 act;

13 (b) The conditions that must be satisfied prior to the issuance of
14 any additional bonds that are to be payable from and secured by the tax
15 revenues received in the local government capital construction
16 assistance account on an equal basis with previously issued and
17 outstanding bonds payable from the tax revenues received in the local
18 government capital construction assistance account;

19 (c) Provisions regarding reserves and credit enhancement,
20 including, without limitation, the 2012 jobs act credit enhancement
21 reserve account created in section 601 of this act; and

22 (d) Whether bonds may be issued as tax-exempt bonds or must be
23 issued as taxable bonds under the applicable provisions of the federal
24 internal revenue code.

25 (4) Bond proceeds must be used exclusively for the purposes
26 specified in subsection (1) of this section.

27 NEW SECTION. **Sec. 203.** LOCAL GOVERNMENT CAPITAL CONSTRUCTION
28 ASSISTANCE ACCOUNT REVENUES PLEDGED TO BONDS. Each bond issued under
29 the authority of sections 202 through 207 of this act shall distinctly
30 state that payment or redemption of the bond and payment of the
31 interest and any premium thereon is payable solely from and secured
32 solely by a pledge of the tax revenues received from the tax imposed
33 pursuant to RCW 82.18.020 and deposited in the local government capital
34 construction assistance account pursuant to RCW 82.18.040 and amounts
35 in the 2012 jobs act credit enhancement reserve account and is not a
36 general obligation of the state to which the full faith and credit of
37 the state is pledged. The legislature pledges to appropriate the tax

1 revenues pledged to the payment of the bonds issued under sections 202
2 through 207 of this act. The legislature further agrees for the
3 benefit of the owners of outstanding bonds issued by the state under
4 sections 202 through 205 of this act to continue in effect and not to
5 impair or withdraw the authorization of the imposition, collection, and
6 transfer of the tax as provided in RCW 82.16.020 and 82.16.040 for
7 payment of the bonds. The state finance committee shall include this
8 pledge and agreement of the state to owners of any bonds issued under
9 sections 202 through 205 of this act. The owner of any bond or the
10 trustee for the owner of any of the bonds may by mandamus or other
11 appropriate proceeding require the transfer and payment of pledged
12 funds as directed in this section.

13 NEW SECTION. **Sec. 204.** DEPOSIT OF LOCAL GOVERNMENT CAPITAL
14 CONSTRUCTION ASSISTANCE BOND PROCEEDS. The proceeds from the sale of
15 the bonds authorized in sections 202 through 207 of this act shall be
16 deposited in the local government capital construction assistance bond
17 proceeds account hereby created in the state treasury. Moneys in the
18 account may be spent only after appropriation and only for the specific
19 purpose of funding a state program of local government capital
20 assistance. The state treasurer may establish subaccounts in the
21 account for the purpose of segregating bond proceeds, including
22 separate subaccounts for segregating proceeds of tax-exempt bonds and
23 taxable bonds.

24 NEW SECTION. **Sec. 205.** LOCAL GOVERNMENT CAPITAL CONSTRUCTION
25 ASSISTANCE BOND RETIREMENT ACCOUNT ESTABLISHED--TRANSFER FROM REVENUE
26 ACCOUNT REQUIRED. (1) The local government capital construction
27 assistance bond retirement account is hereby created in the state
28 treasury. Moneys in the account must be used only for the payment of
29 the principal and interest on the bonds authorized in section 202 of
30 this act.

31 (2) The state finance committee must, on or before June 30th of
32 each year, certify to the state treasurer the amount needed in the
33 ensuing twelve months to meet the bond retirement and interest
34 requirements on the bonds authorized in section 202 of this act.

35 (3) On each date on which principal and interest payment is due on
36 bonds issued for the purposes of section 202 of this act, the state

1 treasurer shall withdraw from any tax revenues placed in the local
2 government capital construction assistance account and deposit in the
3 local government capital construction assistance bond retirement
4 account an amount equal to the amount certified by the state finance
5 committee to be due on the bond payment date. If the amount of tax
6 revenues on deposit in the local government capital construction
7 assistance account is insufficient to make the bond payment amount then
8 due, the state treasurer shall withdraw from the 2012 jobs act credit
9 enhancement reserve account and deposit in the local government capital
10 assistance bond retirement account the additional amount required to
11 provide sufficient funds for the bond payment amount then due.

12 NEW SECTION. **Sec. 206.** LOCAL GOVERNMENT CAPITAL CONSTRUCTION
13 ASSISTANCE ACCOUNT ESTABLISHED. A special account designated as the
14 local government capital construction assistance account is hereby
15 created in the state treasury. Deposits to the account must include
16 the tax revenues directed to the account under RCW 82.18.040 and any
17 other revenues directed to the account by the legislature.
18 Expenditures from the account may be made only for the specific purpose
19 of a program of state aid to local governments for capital construction
20 projects including, but not limited to, payment of principal and
21 interest on bonds issued under section 202 of this act. Moneys in the
22 account must be transferred to the local government capital assistance
23 bond retirement account as required by section 205 of this act, and any
24 moneys in the account not required for transfer to the local government
25 capital assistance bond retirement account must be transferred to the
26 public works assistance account in RCW 43.155.050 for purposes
27 consistent with this section.

28 NEW SECTION. **Sec. 207.** BONDS ARE LEGAL INVESTMENT. The bonds
29 authorized by sections 202 through 206 of this act constitute a legal
30 investment for all state funds or for funds under state control and all
31 funds of municipal corporations.

32 **Sec. 208.** RCW 82.18.020 and 1989 c 431 s 79 are each amended to
33 read as follows:

34 SOLID WASTE TAX DEDICATED TO LOCAL GOVERNMENT CAPITAL CONSTRUCTION
35 ASSISTANCE AND DEPOSITED IN LOCAL GOVERNMENT CAPITAL CONSTRUCTION

1 ASSISTANCE ACCOUNT. For the specific purpose of funding a program of
2 state aid for local government capital construction, including, but not
3 limited to, payment of debt service on bonds issued under section 202
4 of this act, there is imposed on each person using the solid waste
5 services of a solid waste collection business a solid waste collection
6 tax equal to three and six-tenths percent of the consideration charged
7 for the services. Revenues from this tax must be deposited in the
8 local government capital construction assistance account created in
9 section 206 of this act.

10 **Sec. 209.** RCW 82.18.040 and 2011 1st sp.s. c 48 s 7034 are each
11 amended to read as follows:

12 SOLID WASTE TAX DEDICATED TO LOCAL GOVERNMENT CAPITAL CONSTRUCTION
13 ASSISTANCE AND DEPOSITED IN LOCAL GOVERNMENT CAPITAL CONSTRUCTION
14 ASSISTANCE ACCOUNT. (1) Taxes collected under this chapter shall be
15 held in trust until paid to the state. Taxes received by the state
16 shall be deposited in the ((public works assistance account created in
17 RCW 43.155.050: PROVIDED, That during the fiscal year 2011, taxes
18 received by the state under this chapter must be deposited in the
19 general fund for general purpose expenditures)) local government
20 capital construction assistance account created in section 206 of this
21 act for the specific purpose of funding a program of state aid for
22 local government capital construction including, but not limited to,
23 payment of debt service on bonds issued under section 202 of this act.
24 Any person collecting the tax who appropriates or converts the tax
25 collected shall be guilty of a gross misdemeanor if the money required
26 to be collected is not available for payment on the date payment is
27 due. If a taxpayer fails to pay the tax imposed by this chapter to the
28 person charged with collection of the tax and the person charged with
29 collection fails to pay the tax to the department, the department may,
30 in its discretion, proceed directly against the taxpayer for collection
31 of the tax.

32 (2) The tax shall be due from the taxpayer within twenty-five days
33 from the date the taxpayer is billed by the person collecting the tax.

34 (3) The tax shall be due from the person collecting the tax at the
35 end of the tax period in which the tax is received from the taxpayer.
36 If the taxpayer remits only a portion of the total amount billed for

1 taxes, consideration, and related charges, the amount remitted shall be
2 applied first to payment of the solid waste collection tax and this tax
3 shall have priority over all other claims to the amount remitted.

4 **PART III**

5 **WATER QUALITY AND SAFE DRINKING WATER**

6 NEW SECTION. **Sec. 301.** WATER QUALITY IMPROVEMENT AND SAFE
7 DRINKING WATER BONDS--INTENT. It is the intent of the legislature to
8 create jobs by accelerating the construction of water quality and safe
9 drinking water projects that would otherwise be funded over future
10 periods on a cash basis with revenues that are dedicated to the public
11 works assistance account.

12 NEW SECTION. **Sec. 302.** WATER QUALITY IMPROVEMENT AND SAFE
13 DRINKING WATER BONDS AUTHORIZED. (1) For the purpose of financing the
14 construction, acquisition, and improvement of public facilities and
15 watershed improvements that improve water quality and provide safe
16 drinking water, the state finance committee is authorized to issue a
17 total of sixty-seven million five hundred thousand dollars of limited
18 tax obligation bonds of the state of Washington.

19 (2) The state finance committee shall supervise and provide for the
20 sale, issuance, and retirement of the bonds authorized by this section
21 and sections 303 through 307 of this act in accordance with chapter
22 39.42 RCW. Bonds authorized by this section and sections 303 through
23 307 of this act shall be sold in the manner, at the time or times, in
24 one or more series, in amounts, and at the prices as the state finance
25 committee shall determine. No bonds may be offered for sale without
26 prior legislative appropriation of the net proceeds of the sale of the
27 bonds.

28 (3) The state finance committee may determine and include in any
29 resolution authorizing the issuance of any bonds authorized by this
30 section and sections 303 through 307 of this act such terms,
31 provisions, covenants, and conditions as it may deem appropriate in
32 order to assist with the marketing and sale of the bonds, confer rights
33 upon the owners of bonds, and safeguard rights of the owners of bonds,
34 including, among other things:

1 (a) Provisions that the bonds shall be payable solely from and
2 secured solely by the tax revenues received in the water quality and
3 safe drinking water account and by amounts in the 2012 jobs act credit
4 enhancement reserve account created in section 601 of this act;

5 (b) The conditions that must be satisfied prior to the issuance of
6 any additional bonds that are to be payable from and secured by the tax
7 revenues received in the water quality and safe drinking water account
8 on an equal basis with previously issued and outstanding bonds payable
9 from the tax revenues received in the water quality and safe drinking
10 water account;

11 (c) Provisions regarding reserves and credit enhancement,
12 including, without limitation, the 2012 jobs act credit enhancement
13 reserve account created in section 601 of this act; and

14 (d) Whether bonds may be issued as tax-exempt bonds or must be
15 issued as taxable bonds under the applicable provisions of the federal
16 internal revenue code.

17 (4) Bond proceeds must be used exclusively for the purposes
18 specified in subsection (1) of this section.

19 NEW SECTION. **Sec. 303.** WATER QUALITY AND SAFE DRINKING WATER
20 ACCOUNT REVENUES PLEDGED TO BONDS. Each bond issued under the
21 authority of sections 302 through 307 of this act shall distinctly
22 state that payment or redemption of the bond and payment of the
23 interest and any premium thereon is payable solely from and secured
24 solely by a pledge of the tax revenues received from the taxes imposed
25 pursuant to RCW 82.16.020(1) (j) and (k) and deposited in the water
26 quality and safe drinking water account pursuant to RCW 82.16.020(3)
27 and by amounts in the 2012 jobs act credit enhancement reserve account
28 created in section 601 of this act and is not a general obligation of
29 the state to which the full faith and credit of the state is pledged.
30 The legislature pledges to appropriate the tax revenues pledged to the
31 payment of the bonds issued under sections 302 through 307 of this act.
32 The legislature further agrees for the benefit of the owners of
33 outstanding bonds issued by the state under sections 302 through 307 of
34 this act to continue in effect and not to impair or withdraw the
35 authorization of the imposition, collection, and transfer of the tax as
36 provided in RCW 82.16.020 (1)(j) and (k) and (3) for payment of the
37 bonds. The state finance committee shall include this pledge and

1 agreement of the state to owners of any bonds issued under sections 302
2 through 307 of this act. The owner of any bond or the trustee for the
3 owner of any of the bonds may by mandamus or other appropriate
4 proceeding require the transfer and payment of pledged funds as
5 directed in this section.

6 NEW SECTION. **Sec. 304.** WATER QUALITY AND SAFE DRINKING WATER
7 CONSTRUCTION BOND PROCEEDS ACCOUNT. The proceeds from the sale of the
8 bonds authorized in section 302 of this act shall be deposited in the
9 water quality and safe drinking water construction bond proceeds
10 account hereby created in the state treasury. Moneys in the account
11 may be spent only after appropriation. Moneys in the account may be
12 appropriated only for the construction and improvement of public
13 infrastructure and facilities, and watershed improvements that improve
14 water quality and safe drinking water. The state treasurer may
15 establish subaccounts in the account for the purpose of segregating
16 bond proceeds, including separate subaccounts for segregating proceeds
17 of tax-exempt bonds and taxable bonds.

18 NEW SECTION. **Sec. 305.** WATER QUALITY AND SAFE DRINKING WATER BOND
19 RETIREMENT ACCOUNT. (1) The water quality and safe drinking water bond
20 retirement account is hereby created in the state treasury. Moneys in
21 the account must be used only for the payment of the principal and
22 interest on the bonds authorized in sections 302 through 307 of this
23 act.

24 (2) The state finance committee must, on or before June 30th of
25 each year, certify to the state treasurer the amount needed in the
26 ensuing twelve months to meet the bond retirement and interest
27 requirements on the bonds authorized in sections 302 through 307 of
28 this act.

29 (3) On each date on which principal and interest payment is due on
30 bonds issued for the purposes of section 302 of this act, the state
31 treasurer shall withdraw from any tax revenues placed in the water
32 quality and safe drinking water account and deposit in the water
33 quality and safe drinking water bond retirement account an amount equal
34 to the amount certified by the state finance committee to be due on the
35 bond payment date. If the amount of tax revenues on deposit in the
36 water quality and safe drinking water account is insufficient to make

1 the bond payment amount due, the state treasurer shall withdraw from
2 the 2012 jobs act credit enhancement reserve account and deposit in the
3 water quality and safe drinking water bond retirement account the
4 additional amount required to provide sufficient funds for the bond
5 payment amount then due.

6 NEW SECTION. **Sec. 306.** WATER QUALITY AND SAFE DRINKING WATER
7 ACCOUNT. A special account designated as the water quality and safe
8 drinking water account is hereby created in the state treasury.
9 Deposits to the account must include the tax revenues directed to the
10 account under RCW 82.16.020(3) and any other revenues directed to the
11 account by the legislature. Expenditures from the account may be made
12 only for the specific purpose of funding construction of projects that
13 improve water quality and safe drinking water including, but not
14 limited to, payment of principal and interest on bonds issued under
15 section 302 of this act. Moneys in the account must be transferred to
16 the water quality and safe drinking water bond retirement account as
17 required by section 303 of this act, and any moneys in the account not
18 required for transfer to the water quality and safe drinking water bond
19 retirement account must be transferred to the public works assistance
20 account for purposes consistent with this section.

21 NEW SECTION. **Sec. 307.** BONDS ARE LEGAL INVESTMENT. The bonds
22 authorized by sections 301 through 306 of this act constitute a legal
23 investment for all state funds or for funds under state control and all
24 funds of municipal corporations.

25 **Sec. 308.** RCW 82.16.020 and 2011 1st sp.s. c 48 s 7032 are each
26 amended to read as follows:

27 PORTION OF PUBLIC UTILITIES TAX DEDICATED TO WATER QUALITY AND SAFE
28 DRINKING WATER. (1) There is levied and there shall be collected from
29 every person a tax for the act or privilege of engaging within this
30 state in any one or more of the businesses herein mentioned. The tax
31 shall be equal to the gross income of the business, multiplied by the
32 rate set out after the business, as follows:

33 (a) Express(~~(, sewerage collection,)~~) and telegraph businesses:
34 Three and six-tenths percent;

1 (b) Light and power business: Three and sixty-two one-hundredths
2 percent;

3 (c) Gas distribution business: Three and six-tenths percent;

4 (d) Urban transportation business: Six-tenths of one percent;

5 (e) Vessels under sixty-five feet in length, except tugboats,
6 operating upon the waters within the state: Six-tenths of one percent;

7 (f) Motor transportation, railroad, railroad car, and tugboat
8 businesses, and all public service businesses other than ones mentioned
9 above: One and eight-tenths of one percent;

10 (g) Water distribution business: ~~((Four and seven-tenths percent))~~
11 Three and seventy-six one-hundredths percent;

12 (h) Log transportation business: One and twenty-eight one-
13 hundredths percent;

14 (i) Sewerage collection business: One and forty-four
15 one-hundredths percent;

16 (j) For the specific purpose of financing the construction,
17 acquisition, and improvement of public facilities and watershed
18 improvements that improve water quality and safe drinking water,
19 including, but not limited to, payment of debt service on bonds issued
20 under section 302 of this act, sewerage collection business: Two and
21 sixteen one-hundredths percent;

22 (k) For the specific purpose of financing the construction,
23 acquisition, and improvement of public facilities and watershed
24 improvements that improve water quality and safe drinking water,
25 including, but not limited to, payment on debt service on bonds issued
26 under section 302 of this act, water distribution business:
27 Ninety-four one-hundredths percent.

28 (2) An additional tax is imposed equal to the rate specified in RCW
29 82.02.030 multiplied by the tax payable under subsection (1) of this
30 section.

31 (3) ~~((Twenty percent of the moneys collected under subsection (1)~~
32 ~~of this section on water distribution businesses and sixty percent of~~
33 ~~the moneys collected under subsection (1) of this section on sewerage~~
34 ~~collection businesses shall be deposited in the public works assistance~~
35 ~~account created in RCW 43.155.050: PROVIDED, That during the fiscal~~
36 ~~year 2011, twenty percent of the moneys collected under subsection (1)~~
37 ~~of this section on water distribution businesses and sixty percent of~~
38 ~~the moneys collected under subsection (1) of this section on sewerage~~

1 ~~collection businesses must be deposited in the general fund for general~~
2 ~~purpose expenditures.))~~ Moneys collected under subsection (1)(j) and
3 (k) of this section must be deposited in the water quality and safe
4 drinking water account established in section 306 of this act.

5 **Sec. 309.** RCW 82.16.020 and 2011 1st sp.s. c 48 s 7033 are each
6 amended to read as follows:

7 PORTION OF PUBLIC UTILITIES TAX DEDICATED TO WATER QUALITY AND SAFE
8 DRINKING WATER. (1) There is levied and there shall be collected from
9 every person a tax for the act or privilege of engaging within this
10 state in any one or more of the businesses herein mentioned. The tax
11 shall be equal to the gross income of the business, multiplied by the
12 rate set out after the business, as follows:

13 (a) ~~Express((, sewerage collection,))~~ and telegraph businesses:
14 Three and six-tenths percent;

15 (b) Light and power business: Three and sixty-two one-hundredths
16 percent;

17 (c) Gas distribution business: Three and six-tenths percent;

18 (d) Urban transportation business: Six-tenths of one percent;

19 (e) Vessels under sixty-five feet in length, except tugboats,
20 operating upon the waters within the state: Six-tenths of one percent;

21 (f) Motor transportation, railroad, railroad car, and tugboat
22 businesses, and all public service businesses other than ones mentioned
23 above: One and eight-tenths of one percent;

24 (g) Water distribution business: ~~((Four and seven tenths percent))~~
25 Three and seventy-six one-hundredths percent;

26 (h) Sewerage collection business: One and forty-four
27 one-hundredths percent;

28 (i) For the specific purpose of financing the construction,
29 acquisition, and improvement of public facilities and watershed
30 improvements that improve water quality and safe drinking water,
31 including, but not limited to, financing the bonds issued under section
32 302 of this act, sewerage collection business: Two and sixteen
33 one-hundredths percent;

34 (j) For the specific purpose of financing the construction,
35 acquisition, and improvement of public facilities and watershed
36 improvements that improve water quality and safe drinking water,

1 including, but not limited to, financing the bonds issued under section
2 302 of this act, water distribution business: Ninety-four
3 one-hundredths percent.

4 (2) An additional tax is imposed equal to the rate specified in RCW
5 82.02.030 multiplied by the tax payable under subsection (1) of this
6 section.

7 ~~(3) ((Twenty percent of the moneys collected under subsection (1)~~
8 ~~of this section on water distribution businesses and sixty percent of~~
9 ~~the moneys collected under subsection (1) of this section on sewerage~~
10 ~~collection businesses shall be deposited in the public works assistance~~
11 ~~account created in RCW 43.155.050: PROVIDED, That during the fiscal~~
12 ~~year 2011, twenty percent of the moneys collected under subsection (1)~~
13 ~~of this section on water distribution businesses and sixty percent of~~
14 ~~the moneys collected under subsection (1) of this section on sewerage~~
15 ~~collection businesses must be deposited in the general fund for general~~
16 ~~purpose expenditures.))~~ Moneys collected under subsection (1)(i) and
17 (j) of this section must be deposited in the water quality and safe
18 drinking water account established in section 306 of this act.

19 NEW SECTION. Sec. 310. Section 308 of this act expires June 30,
20 2013.

21 NEW SECTION. Sec. 311. Section 309 of this act takes effect June
22 30, 2013.

23 **PART IV**
24 **ENVIRONMENTAL CLEANUP AND RESTORATION**

25 NEW SECTION. Sec. 401. ENVIRONMENTAL CLEANUP AND RESTORATION--
26 INTENT. It is the intent of the legislature to accelerate construction
27 of environmental cleanup and restoration projects.

28 NEW SECTION. Sec. 402. BONDS AUTHORIZED FOR ENVIRONMENTAL CLEANUP
29 AND RESTORATION. (1) For the purpose of financing environmental
30 cleanup and restoration, the state finance committee is authorized to
31 issue a total of two hundred seventeen million two hundred thousand
32 dollars of limited tax obligation bonds of the state of Washington.

1 (2) The state finance committee shall supervise and provide for the
2 sale, issuance, and retirement of the bonds authorized by this section
3 and sections 403 through 407 of this act in accordance with chapter
4 39.42 RCW. Bonds authorized by this section and sections 403 through
5 407 of this act shall be sold in the manner, at the time or times, in
6 one or more series, in amounts, and at the prices as the state finance
7 committee shall determine. No bonds may be offered for sale without
8 prior legislative appropriation of the net proceeds of the sale of the
9 bonds.

10 (3) The state finance committee may determine and include in any
11 resolution authorizing the issuance of any bonds authorized by this
12 section and sections 403 through 407 of this act such terms,
13 provisions, covenants, and conditions as it may deem appropriate in
14 order to assist with the marketing and sale of the bonds, confer rights
15 upon the owners of bonds, and safeguard rights of the owners of bonds,
16 including, among other things:

17 (a) Provisions that the bonds shall be payable solely from and
18 secured solely by the tax revenues received in the environmental
19 cleanup and restoration account and by amounts in the 2012 jobs act
20 credit enhancement reserve account created in section 601 of this act;

21 (b) The conditions that must be satisfied prior to the issuance of
22 any additional bonds that are to be payable from and secured by the tax
23 revenues received in the environmental cleanup and restoration account
24 on an equal basis with previously issued and outstanding bonds payable
25 from the tax revenues received in the environmental cleanup and
26 restoration account;

27 (c) Provisions regarding reserves and credit enhancement,
28 including, without limitation, the 2012 jobs act credit enhancement
29 reserve account created in section 601 of this act; and

30 (d) Whether bonds may be issued as tax-exempt bonds or must be
31 issued as taxable bonds under the applicable provisions of the federal
32 internal revenue code.

33 (4) Bond proceeds must be used exclusively for the purposes
34 specified in subsection (1) of this section.

35 NEW SECTION. **Sec. 403.** ENVIRONMENTAL CLEANUP AND RESTORATION
36 ACCOUNT REVENUES PLEDGED TO BONDS. Each bond issued under the
37 authority of section 402 of this act shall distinctly state that

1 payment or redemption of the bond and payment of the interest and any
2 premium thereon is payable solely from and secured solely by a pledge
3 of the tax revenues received from the tax imposed pursuant to RCW
4 82.21.030(1) and deposited in the environmental cleanup and restoration
5 account pursuant to RCW 82.21.030(2) and by amounts in the 2012 jobs
6 act credit enhancement reserve account created in section 601 of this
7 act and is not a general obligation of the state to which the full
8 faith and credit of the state is pledged. The legislature pledges to
9 appropriate the tax revenues pledged to the payment of the bonds issued
10 under sections 402 through 407 of this act. The legislature further
11 agrees for the benefit of the owners of outstanding bonds issued by the
12 state under sections 402 through 407 of this act to continue in effect
13 and not to impair or withdraw the authorization of the imposition,
14 collection, and transfer of the tax as provided in RCW 82.21.030 (1)
15 and (2) for payment of the bonds. The state finance committee shall
16 include this pledge and agreement of the state to owners of any bonds
17 issued under sections 402 through 407 of this act. The owner of any
18 bond or the trustee for the owner of any of the bonds may by mandamus
19 or other appropriate proceeding require the transfer and payment of
20 pledged funds as directed in this section.

21 NEW SECTION. **Sec. 404.** ENVIRONMENTAL CLEANUP AND RESTORATION
22 CONSTRUCTION BOND PROCEEDS ACCOUNT. The proceeds from the sale of the
23 bonds authorized in sections 402 through 407 of this act shall be
24 deposited in the environmental cleanup and restoration construction
25 bond proceeds account hereby created in the state treasury. Moneys in
26 the account may be spent only after appropriation. Moneys in the
27 account may be appropriated only for the construction and improvement
28 of environmental cleanup and restoration projects. The state treasurer
29 may establish subaccounts in the account for the purpose of segregating
30 bond proceeds, including separate subaccounts for segregating proceeds
31 of tax-exempt bonds and taxable bonds.

32 NEW SECTION. **Sec. 405.** ENVIRONMENTAL CLEANUP AND RESTORATION BOND
33 RETIREMENT ACCOUNT CREATED. (1) The environmental cleanup and
34 restoration bond retirement account is hereby created in the state
35 treasury. Moneys in the account must be used only for the payment of

1 the principal and interest on the bonds authorized in sections 402
2 through 407 of this act.

3 (2) The state finance committee must, on or before June 30th of
4 each year, certify to the state treasurer the amount needed in the
5 ensuing twelve months to meet the bond retirement and interest
6 requirements on the bonds authorized in section 402 of this act.

7 (3) On each date on which principal and interest payment is due on
8 bonds issued for the purposes of section 402 of this act, the state
9 treasurer shall withdraw from any tax revenues placed in the
10 environmental cleanup and restoration account and deposit in the
11 environmental cleanup and restoration bond retirement account an amount
12 equal to the amount certified by the state finance committee to be due
13 on the bond payment date. If the amount of tax revenues on deposit in
14 the environmental cleanup and restoration account is insufficient to
15 make the bond payment amount then due, the state treasurer shall
16 withdraw from the 2012 jobs act credit enhancement reserve account and
17 deposit in the environmental cleanup and restoration bond retirement
18 account the additional amount required to provide sufficient funds for
19 the bond payment amount then due.

20 NEW SECTION. **Sec. 406.** ENVIRONMENTAL CLEANUP AND RESTORATION
21 ACCOUNT CREATED. A special account designated as the environmental
22 cleanup and restoration account is hereby created in the state
23 treasury. Deposits to the account must include the tax revenues
24 directed to the account under RCW 82.21.030(2) and any other revenues
25 directed to the account by the legislature. Expenditures from the
26 account may be made only for the specific purpose of funding
27 environmental cleanup and restoration projects including, but not
28 limited to, payment of principal and interest on bonds issued pursuant
29 to section 402 of this act. Moneys in the account must be transferred
30 to the environmental cleanup and restoration bond retirement account as
31 required by section 403 of this act, and any moneys in the account not
32 required for transfer to the environmental cleanup and restoration bond
33 retirement account must be transferred to the state and local toxics
34 control accounts in RCW 70.105D.070 for purposes consistent with this
35 section. Amounts so transferred to the state and local toxics control
36 accounts must be allocated at a rate of forty-seven percent to the

1 state toxics control account in RCW 70.105D.070(1) and fifty-three
2 percent to the local toxics control account in RCW 70.105D.070(3).

3 NEW SECTION. **Sec. 407.** BONDS LEGAL INVESTMENT. The bonds
4 authorized by sections 401 through 406 of this act constitute a legal
5 investment for all state funds or for funds under state control and all
6 funds of municipal corporations.

7 **Sec. 408.** RCW 82.21.030 and 1989 c 2 s 10 are each amended to read
8 as follows:

9 HAZARDOUS SUBSTANCE TAX DEDICATED TO ENVIRONMENTAL CLEANUP AND
10 RESTORATION. (1) For the specific purpose of financing environmental
11 cleanup and restoration, including but not limited to payment of debt
12 service on bonds issued under section 402 of this act, a tax is imposed
13 on the privilege of possession of hazardous substances in this state.
14 The rate of the tax shall be seven-tenths of one percent multiplied by
15 the wholesale value of the substance.

16 (2) Moneys collected under this chapter shall be deposited (~~in the~~
17 ~~toxics control accounts under RCW 70.105D.070~~) into the environmental
18 cleanup and restoration account in section 406 of this act.

19 (3) Chapter 82.32 RCW applies to the tax imposed in this chapter.
20 The tax due dates, reporting periods, and return requirements
21 applicable to chapter 82.04 RCW apply equally to the tax imposed in
22 this chapter.

23 **Sec. 409.** RCW 70.105D.070 and 2011 1st sp.s. c 50 s 964 are each
24 reenacted and amended to read as follows:

25 (1) The state toxics control account and the local toxics control
26 account are hereby created in the state treasury.

27 (2) The following moneys shall be deposited into the state toxics
28 control account: (a) Those revenues which are raised by the tax
29 imposed under RCW 82.21.030 (~~and which are attributable to that~~
30 ~~portion of the rate equal to thirty three one hundredths of one~~
31 ~~percent~~) and are transferred from the environmental cleanup and
32 restoration account into the state toxics control account under section
33 406 of this act; (b) the costs of remedial actions recovered under this
34 chapter or chapter 70.105A RCW; (c) penalties collected or recovered
35 under this chapter; and (d) any other money appropriated or transferred

1 to the account by the legislature. Moneys in the account may be used
2 only to carry out the purposes of this chapter, including but not
3 limited to the following activities:

4 (i) The state's responsibility for hazardous waste planning,
5 management, regulation, enforcement, technical assistance, and public
6 education required under chapter 70.105 RCW;

7 (ii) The state's responsibility for solid waste planning,
8 management, regulation, enforcement, technical assistance, and public
9 education required under chapter 70.95 RCW;

10 (iii) The hazardous waste cleanup program required under this
11 chapter;

12 (iv) State matching funds required under the federal cleanup law;

13 (v) Financial assistance for local programs in accordance with
14 chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;

15 (vi) State government programs for the safe reduction, recycling,
16 or disposal of hazardous wastes from households, small businesses, and
17 agriculture;

18 (vii) Hazardous materials emergency response training;

19 (viii) Water and environmental health protection and monitoring
20 programs;

21 (ix) Programs authorized under chapter 70.146 RCW;

22 (x) A public participation program, including regional citizen
23 advisory committees;

24 (xi) Public funding to assist potentially liable persons to pay for
25 the costs of remedial action in compliance with cleanup standards under
26 RCW 70.105D.030(2)(e) but only when the amount and terms of such
27 funding are established under a settlement agreement under RCW
28 70.105D.040(4) and when the director has found that the funding will
29 achieve both (A) a substantially more expeditious or enhanced cleanup
30 than would otherwise occur, and (B) the prevention or mitigation of
31 unfair economic hardship;

32 (xii) Development and demonstration of alternative management
33 technologies designed to carry out the hazardous waste management
34 priorities of RCW 70.105.150;

35 (xiii) During the 2009-2011 and 2011-2013 fiscal biennia, shoreline
36 update technical assistance;

37 (xiv) During the 2009-2011 fiscal biennium, multijurisdictional
38 permitting teams; and

1 (xv) During the 2011-2013 fiscal biennium, actions for reducing
2 public exposure to toxic air pollution.

3 (3) The following moneys shall be deposited into the local toxics
4 control account: Those revenues which are raised by the tax imposed
5 under RCW 82.21.030 (~~(and which are attributable to that portion of the~~
6 ~~rate equal to thirty seven one hundredths of one percent))~~ and are
7 transferred to the local toxics control account under section 406 of
8 this act.

9 (a) Moneys deposited in the local toxics control account shall be
10 used by the department for grants or loans to local governments for the
11 following purposes in descending order of priority:

12 (i) Remedial actions;

13 (ii) Hazardous waste plans and programs under chapter 70.105 RCW;

14 (iii) Solid waste plans and programs under chapters 70.95, 70.95C,
15 70.95I, and 70.105 RCW;

16 (iv) Funds for a program to assist in the assessment and cleanup of
17 sites of methamphetamine production, but not to be used for the initial
18 containment of such sites, consistent with the responsibilities and
19 intent of RCW 69.50.511; and

20 (v) Cleanup and disposal of hazardous substances from abandoned or
21 derelict vessels, defined for the purposes of this section as vessels
22 that have little or no value and either have no identified owner or
23 have an identified owner lacking financial resources to clean up and
24 dispose of the vessel, that pose a threat to human health or the
25 environment.

26 (b) Funds for plans and programs shall be allocated consistent with
27 the priorities and matching requirements established in chapters
28 70.105, 70.95C, 70.95I, and 70.95 RCW, except that any applicant that
29 is a Puget Sound partner, as defined in RCW 90.71.010, along with any
30 project that is referenced in the action agenda developed by the Puget
31 Sound partnership under RCW 90.71.310, shall, except as conditioned by
32 RCW 70.105D.120, receive priority for any available funding for any
33 grant or funding programs or sources that use a competitive bidding
34 process. During the 2007-2009 fiscal biennium, moneys in the account
35 may also be used for grants to local governments to retrofit public
36 sector diesel equipment and for storm water planning and implementation
37 activities.

1 (c) To expedite cleanups throughout the state, the department shall
2 partner with local communities and liable parties for cleanups. The
3 department is authorized to use the following additional strategies in
4 order to ensure a healthful environment for future generations:

5 (i) The director may alter grant-matching requirements to create
6 incentives for local governments to expedite cleanups when one of the
7 following conditions exists:

8 (A) Funding would prevent or mitigate unfair economic hardship
9 imposed by the clean-up liability;

10 (B) Funding would create new substantial economic development,
11 public recreational, or habitat restoration opportunities that would
12 not otherwise occur; or

13 (C) Funding would create an opportunity for acquisition and
14 redevelopment of vacant, orphaned, or abandoned property under RCW
15 70.105D.040(5) that would not otherwise occur;

16 (ii) The use of outside contracts to conduct necessary studies;

17 (iii) The purchase of remedial action cost-cap insurance, when
18 necessary to expedite multiparty clean-up efforts.

19 (d) To facilitate and expedite cleanups using funds from the local
20 toxics control account, during the 2009-2011 fiscal biennium the
21 director may establish grant-funded accounts to hold and disperse local
22 toxics control account funds and funds from local governments to be
23 used for remedial actions.

24 (4) Except for unanticipated receipts under RCW 43.79.260 through
25 43.79.282, moneys in the state and local toxics control accounts may be
26 spent only after appropriation by statute.

27 (5) Except during the 2009-2011 fiscal biennium, one percent of the
28 moneys deposited into the state and local toxics control accounts shall
29 be allocated only for public participation grants to persons who may be
30 adversely affected by a release or threatened release of a hazardous
31 substance and to not-for-profit public interest organizations. The
32 primary purpose of these grants is to facilitate the participation by
33 persons and organizations in the investigation and remedying of
34 releases or threatened releases of hazardous substances and to
35 implement the state's solid and hazardous waste management priorities.
36 No grant may exceed sixty thousand dollars. Grants may be renewed
37 annually. Moneys appropriated for public participation from either

1 account which are not expended at the close of any biennium shall
2 revert to the state toxics control account.

3 (6) No moneys deposited into either the state or local toxics
4 control account may be used for solid waste incinerator feasibility
5 studies, construction, maintenance, or operation, or, after January 1,
6 2010, for projects designed to address the restoration of Puget Sound,
7 funded in a competitive grant process, that are in conflict with the
8 action agenda developed by the Puget Sound partnership under RCW
9 90.71.310.

10 (7) The department shall adopt rules for grant or loan issuance and
11 performance.

12 ~~((During the 2007-2009 and 2009-2011 fiscal biennia, the~~
13 ~~legislature may transfer from the local toxics control account to~~
14 ~~either the state general fund or the oil spill prevention account, or~~
15 ~~both such amounts as reflect excess fund balance in the account.~~

16 ~~(9) During the 2009-2011 fiscal biennium, the local toxics control~~
17 ~~account may also be used for a standby rescue tug at Neah Bay, local~~
18 ~~government shoreline update grants, private and public sector diesel~~
19 ~~equipment retrofit, and oil spill prevention, preparedness, and~~
20 ~~response activities.~~

21 ~~(10) During the 2009-2011 fiscal biennium, the legislature may~~
22 ~~transfer from the state toxics control account to the state general~~
23 ~~fund such amounts as reflect the excess fund balance in the account.~~

24 ~~(11))~~ During the 2011-2013 fiscal biennium, the local toxics
25 control account may also be used for local government shoreline update
26 grants and actions for reducing public exposure to toxic air pollution.

27 (9) During the 2011-2013 fiscal biennium, the legislature may
28 transfer from the local toxics control account to the 2012 jobs act
29 credit enhancement reserve account such amounts as reflect the excess
30 fund balance of the account.

31 **PART V**

32 **FOREST TO SHORE RESTORATION**

33 NEW SECTION. Sec. 501. FOREST TO SHORE RESTORATION IMPROVEMENT--
34 INTENT. It is the intent of the legislature to accelerate construction
35 of forest to shore restoration projects.

1 NEW SECTION. **Sec. 502.** BONDS AUTHORIZED FOR FOREST TO SHORE
2 RESTORATION. (1) For the purpose of financing forest to shore
3 restoration projects, the state finance committee is authorized to
4 issue a total of forty million dollars of aquatic lands revenue bonds
5 of the state of Washington.

6 (2) The state finance committee shall supervise and provide for the
7 sale, issuance, and retirement of the bonds authorized by this section
8 and sections 503 through 506 of this act in accordance with chapter
9 39.42 RCW. Bonds authorized by this section and sections 503 through
10 506 of this act shall be sold in the manner, at the time or times, in
11 one or more series, in amounts, and at the prices as the state finance
12 committee shall determine. No bonds may be offered for sale without
13 prior legislative appropriation of the net proceeds of the sale of the
14 bonds.

15 (3) The state finance committee may determine and include in any
16 resolution authorizing the issuance of any bonds authorized by this
17 section and sections 503 through 506 of this act such terms,
18 provisions, covenants, and conditions as it may deem appropriate in
19 order to assist with the marketing and sale of the bonds, confer rights
20 upon the owners of bonds, and safeguard rights of the owners of bonds,
21 including, among other things:

22 (a) Provisions that the bonds shall be payable from and secured
23 solely by the aquatic lands enhancement account;

24 (b) The conditions that must be satisfied prior to the issuance of
25 any additional bonds that are to be payable from and secured by the
26 aquatic lands revenues received in the aquatic lands enhancement
27 account on an equal basis with previously issued and outstanding bonds
28 payable from the aquatic lands revenues received in the aquatic lands
29 enhancement account;

30 (c) Provisions regarding reserves and credit enhancement,
31 including, without limitation, the 2012 jobs act credit enhancement
32 reserve account; and

33 (d) Whether bonds may be issued as tax-exempt bonds or must be
34 issued as taxable bonds under the applicable provisions of the federal
35 internal revenue code.

36 (4) Bond proceeds must be used exclusively for the purposes
37 specified in subsection (1) of this section.

1 NEW SECTION. **Sec. 503.** AQUATIC LANDS ENHANCEMENT ACCOUNT REVENUES
2 PLEGGED TO BONDS. Each bond issued under the authority of sections 502
3 through 506 of this act shall distinctly state that payment or
4 redemption of the bond and payment of the interest and any premium
5 thereon is payable solely from and secured solely by a pledge of the
6 aquatic lands revenues received from state ownership of aquatic lands
7 and deposited in the aquatic lands enhancement account under RCW
8 79.105.150 and amounts in the 2012 jobs act credit enhancement reserve
9 account and is not a general obligation of the state to which the full
10 faith and credit of the state is pledged. The legislature pledges to
11 appropriate the aquatic lands revenues pledged to the payment of the
12 bonds issued under sections 502 through 506 of this act. The
13 legislature further agrees for the benefit of the owners of outstanding
14 bonds issued by the state under sections 502 through 506 of this act to
15 continue in effect and not to impair or withdraw the authorization of
16 the imposition, collection, and transfer of the aquatic lands revenues
17 as provided in RCW 79.105.150 for payment of the bonds. The state
18 finance committee shall include this pledge and agreement of the state
19 to owners of any bonds issued under section 502 of this act. The owner
20 of any bond or the trustee for the owner of any of the bonds may by
21 mandamus or other appropriate proceeding require the transfer and
22 payment of pledged funds as directed in this section.

23 NEW SECTION. **Sec. 504.** FOREST TO SHORE RESTORATION CONSTRUCTION
24 BOND PROCEEDS ACCOUNT. The proceeds from the sale of the bonds
25 authorized in sections 502 through 506 of this act shall be deposited
26 in the forest to shore restoration construction bond proceeds account
27 hereby created in the state treasury. Moneys in the account may be
28 spent only after appropriation. Moneys in the account may be
29 appropriated only for the construction and improvement of forest to
30 shore restoration projects including, but not limited to, forest hazard
31 reduction and safety projects, forest improvement and health treatments
32 that improve the health of streams and navigable waters, and
33 restoration projects for Puget Sound and other shorelines. The state
34 treasurer may establish subaccounts in the account for the purpose of
35 segregating bond proceeds, including separate subaccounts for
36 segregating proceeds of tax-exempt bonds and taxable bonds.

1 NEW SECTION. **Sec. 505.** FOREST TO SHORE RESTORATION BOND
2 RETIREMENT ACCOUNT CREATED. (1) The forest to shore restoration bond
3 retirement account is hereby created in the state treasury. Moneys in
4 the account must be used only for the payment of the principal and
5 interest on the bonds authorized in sections 502 through 506 of this
6 act.

7 (2) The state finance committee must, on or before June 30th of
8 each year, certify to the state treasurer the amount needed in the
9 ensuing twelve months to meet the bond retirement and interest
10 requirements on the bonds authorized in sections 502 through 506 of
11 this act.

12 (3) On each date on which principal and interest payment is due on
13 bonds issued for the purposes of section 502 of this act, the state
14 treasurer shall withdraw from any revenues placed in the aquatic lands
15 enhancement account and deposit in the forest to shore restoration bond
16 retirement account an amount equal to the amount certified by the state
17 finance committee to be due on the bond payment date. If the amount of
18 revenues on deposit in the aquatic lands enhancement account is
19 insufficient to make the bond payment amount then due, the state
20 treasurer shall withdraw from the 2012 jobs act credit enhancement
21 reserve account and deposit in the Puget Sound restoration bond
22 retirement account the additional amount required to provide sufficient
23 funds for the bond payment amount then due.

24 NEW SECTION. **Sec. 506.** BONDS LEGAL INVESTMENT. The bonds
25 authorized by sections 502 through 505 of this act constitute a legal
26 investment for all state funds or for funds under state control and all
27 funds of municipal corporations.

28 **Sec. 507.** RCW 79.105.150 and 2011 2nd sp.s. c 9 s 911 are each
29 amended to read as follows:

30 AQUATIC LANDS ENHANCEMENT ACCOUNT REVENUES DEDICATED. (1) After
31 deduction for management costs as provided in RCW 79.64.040 and
32 payments to towns under RCW 79.115.150(2), all moneys received by the
33 state from the sale or lease of state-owned aquatic lands and from the
34 sale of valuable material from state-owned aquatic lands shall be
35 deposited in the aquatic lands enhancement account which is hereby
36 created in the state treasury. After appropriation, these funds shall

1 be used solely for aquatic lands enhancement projects, including, but
2 not limited to, debt service on forest to shore restoration bonds
3 issued under section 502 of this act; for the purchase, improvement, or
4 protection of aquatic lands for public purposes; for providing and
5 improving access to the lands; and for volunteer cooperative fish and
6 game projects. During the 2009-2011 and 2011-2013 fiscal biennia, the
7 aquatic lands enhancement account may also be used for scientific
8 research as part of the adaptive management process and for developing
9 a planning report for McNeil Island. During the 2009-2011 and 2011-
10 2013 fiscal biennia, the legislature may transfer from the aquatic
11 lands enhancement account to the state general fund such amounts as
12 reflect excess fund balance of the account. During the 2011-2013
13 fiscal biennium, the aquatic lands enhancement account may be used to
14 support the shellfish program, the ballast water program, and the Puget
15 Sound toxic sampling program at the department of fish and wildlife,
16 and the knotweed program at the department of agriculture.

17 (2) In providing grants for aquatic lands enhancement projects, the
18 recreation and conservation funding board shall:

19 (a) Require grant recipients to incorporate the environmental
20 benefits of the project into their grant applications;

21 (b) Utilize the statement of environmental benefits, consideration,
22 except as provided in RCW 79.105.610, of whether the applicant is a
23 Puget Sound partner, as defined in RCW 90.71.010, whether a project is
24 referenced in the action agenda developed by the Puget Sound
25 partnership under RCW 90.71.310, and except as otherwise provided in
26 RCW 79.105.630, and effective one calendar year following the
27 development and statewide availability of model evergreen community
28 management plans and ordinances under RCW 35.105.050, whether the
29 applicant is an entity that has been recognized, and what gradation of
30 recognition was received, in the evergreen community recognition
31 program created in RCW 35.105.030 in its prioritization and selection
32 process; and

33 (c) Develop appropriate outcome-focused performance measures to be
34 used both for management and performance assessment of the grants.

35 (3) To the extent possible, the department should coordinate its
36 performance measure system with other natural resource-related agencies
37 as defined in RCW 43.41.270.

1 (4) The department shall consult with affected interest groups in
2 implementing this section.

3 (5) After January 1, 2010, any project designed to address the
4 restoration of Puget Sound may be funded under this chapter only if the
5 project is not in conflict with the action agenda developed by the
6 Puget Sound partnership under RCW 90.71.310.

7 **PART VI**
8 **RESERVE FUND**

9 NEW SECTION. **Sec. 601.** RESERVE ACCOUNT ESTABLISHED. (1) The 2012
10 jobs act credit enhancement reserve account is hereby created in the
11 state treasury. Moneys in the account must be used exclusively to
12 secure the payment of debt service on all bonds issued by the state
13 pursuant to this act, including, without limitation, for transfers to
14 the bond retirement accounts as required under the provisions of
15 sections 205, 305, 405, and 505 of this act.

16 (2) The 2012 jobs act credit enhancement reserve account
17 constitutes a common reserve account for all bonds issued by the state
18 pursuant to this act. The amount on deposit in the 2012 jobs act
19 credit enhancement reserve account shall be maintained in an amount
20 equal to maximum annual debt service on all outstanding bonds secured
21 thereby or in such other amount as may be required by the bond
22 proceedings. Any withdrawal from the 2012 jobs act credit enhancement
23 reserve account to pay debt service on bonds secured thereby shall be
24 replenished within six months after the withdrawal or in such other
25 manner as may be required by the bond proceedings by transfers from the
26 public works assistance account required by section 602 of this act.

27 (3) By July 1st of each year, the state treasurer must transfer
28 sufficient amounts from loan repayment revenues received in the public
29 works assistance account under RCW 43.155.060(1) to the 2012 jobs act
30 credit enhancement reserve account so that the account balance is equal
31 to the sum of the amounts certified in sections 205, 305, 405, and 505
32 of this act.

33 **Sec. 602.** RCW 43.155.050 and 2011 1st sp.s. c 50 s 951 are each
34 amended to read as follows:

35 PUBLIC WORKS ASSISTANCE ACCOUNT LOAN REPAYMENTS DEDICATED TO

1 RESERVE. (1) The public works assistance account is hereby established
2 in the state treasury. Money may be placed in the public works
3 assistance account from the proceeds of bonds when authorized by the
4 legislature or from any other lawful source.

5 (2) Money in the public works assistance account shall be used to
6 make loans and to give financial guarantees to local governments for
7 public works projects.

8 (3) Repayments of loans made under this chapter must be deposited
9 in the public works assistance account. Moneys in the account received
10 from loan repayments under RCW 43.155.060(1) also must be transferred
11 to the 2012 jobs act credit enhancement reserve account as required to
12 maintain a balance therein as provided by section 601 of this act and
13 to secure payment of debt service on all bonds issued by the state
14 under this act in accordance with the bond proceedings. The
15 legislature pledges to continue and maintain and not to impair the
16 statutory and financial framework contained in this act and in this
17 chapter to provide loan repayments under RCW 43.155.060(1) and to fund
18 transfers to the 2012 jobs act credit enhancement reserve account as
19 required to secure payment of debt service on all bonds issued by the
20 state under this act in accordance with the bond proceedings. The
21 legislature further pledges to continue to use amounts held in the
22 public works assistance account to make loans to local governments for
23 public works projects in a manner that is reasonably calculated to
24 produce loan repayments in amounts at least sufficient to meet the
25 requirements of this subsection (3) in accordance with the bond
26 proceedings.

27 (4) Moneys in the account may also be appropriated or transferred
28 to provide for state match requirements under federal law for projects
29 ~~((and activities conducted and financed by the board under))~~ funded by
30 the drinking water assistance account and the water pollution control
31 revolving account.

32 (5) Not more than fifteen percent of the biennial capital budget
33 appropriation to the public works board from this account may be
34 expended or obligated for preconstruction loans, emergency loans, or
35 loans for capital facility planning under this chapter; of this amount,
36 not more than ten percent of the biennial capital budget appropriation
37 may be expended for emergency loans and not more than one percent of
38 the biennial capital budget appropriation may be expended for capital

1 facility planning loans. ((For the 2007-2009 biennium, moneys in the
2 account may be used for grants for projects identified in section 138,
3 chapter 488, Laws of 2005 and section 1033, chapter 520, Laws of 2007.
4 During the 2009-2011 fiscal biennium, sums in the public works
5 assistance account may be used for the water pollution control
6 revolving fund program match in section 3013, chapter 36, Laws of 2010
7 1st sp. sess. During the 2009-2011 fiscal biennium, the legislature
8 may transfer from the job development fund to the general fund such
9 amounts as reflect the excess fund balance of the fund.)) During the
10 2011-2013 fiscal biennium, the legislature may transfer from the public
11 works assistance account to the general fund((, the water pollution
12 control revolving account, and the drinking water assistance account))
13 and the 2012 jobs act credit enhancement reserve account such amounts
14 as reflect the excess fund balance of the account.

15 NEW SECTION. Sec. 603. FOR THE STATE TREASURER--TRANSFERS. (1)
16 No later than June 30, 2012, the state treasurer shall transfer the sum
17 of nineteen million seven hundred thousand dollars from the public
18 works assistance account to the 2012 jobs act credit enhancement
19 reserve account.

20 (2) No later than June 30, 2012, the state treasurer shall transfer
21 the sum of fifteen million seven hundred thousand dollars from the
22 local toxics control account to the 2012 jobs act credit enhancement
23 reserve account.

24 **PART VII**
25 **APPROPRIATIONS--LOCAL GOVERNMENT CAPITAL CONSTRUCTION ASSISTANCE**

26 NEW SECTION. Sec. 701. FOR THE DEPARTMENT OF COMMERCE
27 Energy Efficiency Grants for Local Governments (91000241)

28 The appropriation in this section is subject to the following
29 conditions and limitations:

30 (1) The appropriation is provided solely for grants to local
31 agencies for operational cost savings improvements to local agency
32 facilities and related projects that result in energy and operational
33 cost savings. Related projects are those projects that must be
34 completed in order for the energy efficiency improvements to be

1 effective. Grants may also be used for loan interest payments over the
2 term of a loan.

3 (2) The community services and housing division within the
4 department of commerce, in consultation with the department of
5 enterprise services, and the Washington State University energy program
6 shall establish a competitive process to solicit and evaluate
7 applications from local agencies. Final grant awards shall be
8 determined by the department of commerce.

9 (3) For the purposes of this section:

10 (a) "Cost-effectiveness" means that the present value to the local
11 agency of the energy reasonably expected to be saved or produced by a
12 facility, activity, measure, or piece of equipment over its useful
13 life, including any compensation received from a utility or the
14 Bonneville power administration, is greater than the net present value
15 of the costs of implementing, maintaining, and operating such facility,
16 activity, measure, or piece of equipment over its useful life, when
17 discounted at the cost of public borrowing.

18 (b) "Energy equipment" means energy management systems and any
19 equipment, materials, or supplies that are expected, upon installation,
20 to reduce the energy use or energy cost of an existing building or
21 facility, and the services associated with the equipment, materials, or
22 supplies, including, but not limited to, design, engineering,
23 financing, installation, project management, guarantees, operations,
24 and maintenance. Reduction in energy use or energy cost may also
25 include reductions in the use or cost of water, wastewater, or solid
26 waste.

27 (c) "Energy cost savings" means savings realized in expenses for
28 energy use and expenses associated with water, wastewater, or solid
29 waste systems.

30 (d) "Energy savings performance contracting" means the process
31 authorized by chapter 39.35C RCW by which a company contracts with a
32 local agency to conduct energy audits and guarantee energy savings from
33 energy efficiency.

34 (e) "Operational cost savings" means savings realized from parts,
35 service fees, capital renewal costs, and other measurable annual
36 expenses to maintain and repair systems. This definition does not mean
37 labor savings related to existing facility staff.

1 (f) "Public facilities" means buildings, building components, and
2 major equipment or systems owned by local agencies.

3 (g) "Local agency" means any city and any town, county, special
4 district, municipal corporation, agency, port district or authority, or
5 political subdivision of any type, or any other entity or authority of
6 local government in corporate form or otherwise.

7 (4) Grants must be awarded in competitive rounds, based on demand
8 and capacity, with at least ten percent of each competitive grant round
9 awarded to small cities or towns with a population of fewer than five
10 thousand residents.

11 (5) In order to be eligible for energy efficiency grants under this
12 section, applicants must complete an investment grade audit, or an
13 equivalent, prior to submitting an application for funding.

14 (6) Within each competitive round, projects must be weighted and
15 prioritized based on the following criteria and in the following order:

16 (a) Leverage ratio: In each round, the higher the leverage ratio
17 of nonstate funding sources to state grant, the higher the project
18 ranking.

19 (b) Energy savings: In each round, the higher the energy savings,
20 the higher the project ranking. Applicants must submit documentation
21 that demonstrates energy and operational cost savings resulting from
22 the installation of the energy equipment and improvements. The energy
23 savings analysis shall be performed by a licensed engineer, and the
24 documentation must include but is not limited to the following:

25 (i) A description of the energy equipment and improvements; and

26 (ii) A description of the energy and operational cost savings.

27 (c) Expediency of expenditure: Project readiness to spend funds
28 must be prioritized so that the legislative intent to expend funds
29 quickly is met.

30 (7) Projects that do not use energy savings performance contracting
31 must: (a) Verify energy and operational cost savings for ten years or
32 until the energy and operational costs savings pay for the project,
33 whichever is shorter; (b) follow the department of enterprise services
34 energy savings performance contracting project guidelines; and (c)
35 employ a licensed engineer for the energy audit and construction. The
36 department of commerce may require third-party verification of savings
37 if a project is not implemented by an energy savings performance
38 contractor selected by the department of enterprise services through

1 the request of qualifications process. Third-party verification must
2 be conducted either by an energy savings performance contractor
3 selected by the department of enterprise services through a request for
4 qualifications, a licensed engineer that is a certified energy manager,
5 or a project resource conservation manager.

6 (8) To intensify competition, the department of commerce may only
7 award funds to the top eighty-five percent of projects applying in a
8 round until the department of commerce determines a final round is
9 appropriate. Projects that do not receive a grant award in one round
10 may reapply in subsequent rounds.

11 (9) Grant amounts awarded to each project must allow for the
12 maximum number of projects funded with the greatest energy and cost
13 benefit.

14 (10) The department of commerce may charge projects administrative
15 fees and may pay the department of enterprise services, and the
16 Washington State University energy program administration fees in an
17 amount determined through a memorandum of understanding.

18 (11) The department of commerce and the department of enterprise
19 services must submit a joint report to the appropriate committees of
20 the legislature and the office of financial management on the timing
21 and use of the grant funds, program administrative function, compliance
22 with apprenticeship utilization requirements in RCW 39.04.320,
23 compliance with prevailing wage requirements, and administration fees
24 by the end of each fiscal year, until the funds are fully expended and
25 all savings verification requirements are fulfilled.

26 Appropriation:

27	Local Government Capital Construction Assistance	
28	Bond Proceeds Account--State	\$43,000,000
29	Prior Biennia (Expenditures)	\$0
30	Future Biennia (Projected Costs)	\$0
31	TOTAL	\$43,000,000

32 NEW SECTION. **Sec. 702. FOR THE DEPARTMENT OF COMMERCE**

33 State Aid for Local Governments (91000324)

34 The appropriations in this section are subject to the following
35 conditions and limitations:

1 (1) Except as directed otherwise prior to the effective date of
2 this section, the department shall not expend the appropriations in
3 this section unless and until the nonstate share of project costs have
4 been either expended, or firmly committed, or both, in an amount
5 sufficient to complete the project or a distinct phase of the project
6 that is useable to the public for the purpose intended by the
7 legislature.

8 (2) Prior to receiving funds, project recipients must demonstrate
9 that the project site is under control for a minimum of ten years,
10 either through ownership or a long-term lease. This requirement does
11 not apply to appropriations for preconstruction activities or
12 appropriations whose sole purpose is to purchase real property that
13 does not include a construction or renovation component.

14 (3) Projects funded in this section may be required to comply with
15 Washington's high performance building standards as required by chapter
16 39.35D RCW.

17 (4) Project funds are available on a reimbursement basis only, and
18 shall not be advanced under any circumstances.

19 (5) Projects funded in this section must be held by the recipient
20 for a minimum of ten years and used for the same purpose or purposes
21 intended by the legislature as required in RCW 43.63A.125(6).

22 (6) Projects funded in this section, including those that are owned
23 and operated by nonprofit organizations, are generally required to pay
24 state prevailing wages.

25 (7) The appropriation is provided solely for the following list of
26 projects:

27 Project	Authorized Amount
28 Port of Quincy Industrial Park No. 6 Infrastructure	\$1,100,000
29 Roslyn Northwest Improvement Building	\$1,035,000
30 Main Street Edmonds	\$500,000
31 Federal Way Sewer Line	\$1,500,000
32 Everett Park Roofs	\$400,000
33 Total	\$4,535,000

34 (8) \$1,035,000 of the appropriation is provided solely to the city
35 of Roslyn for the purchase of the northwest improvement (NWI) building.

1 Appropriation:

2 Local Government Capital Assistance Bond Proceeds

3 Account--State \$4,535,000

4 Prior Biennia (Expenditures) \$0

5 Future Biennia (Projected Costs) \$0

6 TOTAL \$4,535,000

7 **NEW SECTION. Sec. 703. FOR THE DEPARTMENT OF COMMERCE**

8 Public Works Assistance Account Program--Additional Round
9 (91000320)

10 The appropriation in this section is subject to the following
11 conditions and limitations: The public works board must conduct an
12 additional funding round for public works projects. The public works
13 board, local government applicants, and proposed projects must meet all
14 requirements of chapter 43.155 RCW; except that, the public works board
15 must approve the prioritized list of projects and loan amounts without
16 seeking legislative approval.

17 Appropriation:

18 Local Government Capital Construction Assistance

19 Bond Proceeds Account--State \$70,000,000

20 Prior Biennia (Expenditures) \$0

21 Future Biennia (Projected Costs) \$0

22 TOTAL \$70,000,000

23 **NEW SECTION. Sec. 704. FOR THE DEPARTMENT OF COMMERCE**

24 Financing Energy/Water Efficiency (30000180)

25 Appropriation:

26 Local Government Capital Construction Assistance

27 Bond Proceeds Account--State \$5,000,000

28 Prior Biennia (Expenditures) \$0

29 Future Biennia (Projected Costs) \$0

30 TOTAL \$5,000,000

31 **NEW SECTION. Sec. 705. FOR THE DEPARTMENT OF COMMERCE**

32 Community Economic Revitalization Board (30000183)

33 Appropriation:

1	Local Government Capital Construction Assistance	
2	Bond Proceeds Account--State	\$15,000,000
3	Prior Biennia (Expenditures) . . . . .	.\$0
4	Future Biennia (Projected Costs)	\$0
5	TOTAL	\$15,000,000

6 NEW SECTION. **Sec. 706. FOR THE DEPARTMENT OF COMMERCE**

7 Public Works Pre-Construction Loan Program (91000319)

8 Appropriation:

9	Local Government Capital Construction Assistance	
10	Bond Proceeds Account--State	\$15,000,000
11	Prior Biennia (Expenditures) . . . . .	.\$0
12	Future Biennia (Projected Costs)	\$0
13	TOTAL	\$15,000,000

14 NEW SECTION. **Sec. 707. FOR THE DEPARTMENT OF COMMERCE**

15 New Energy (91000254)

16 The appropriation in this section is subject to the following
17 conditions and limitations:

18 (1) The appropriation in this section is provided solely for grants
19 to fund installation of Washington-manufactured solar energy systems,
20 including solar modules and inverters, in public buildings. The
21 purpose of the grants is to create immediate, high quality jobs in an
22 emerging local manufacturing industry and reduce the costs of
23 electrical energy.

24 (2) The department must conduct a competitive application process,
25 evaluate project proposals according to objective criteria, allocate
26 grant funds, and enter into contracts with the selected local agencies.

27 (a) Eligible applicants are "local agencies," which include cities,
28 towns, counties, special districts, school districts, municipal
29 corporations, port districts or authorities, political subdivisions of
30 any type, or any other entity or authority of local government in
31 corporate form or otherwise.

32 (b) The department must, to the extent possible, allocate one-third
33 of the dollars to projects in eastern Washington.

34 (c) To be considered for funding, project proposals must, at a
35 minimum, include:

- 1 (i) Purchasing and installing solar modules and inverters
- 2 manufactured in Washington; and
- 3 (ii) Installing solar energy systems of 40kW or less in order to
- 4 ensure maximum public exposure to different solar power applications.

5 Appropriation:

6	Local Government Capital Construction Assistance	
7	Bond Proceeds Account--State	\$5,000,000
8	Prior Biennia (Expenditures)	\$0
9	Future Biennia (Projected Costs)	\$0
10	TOTAL	\$5,000,000

11 **NEW SECTION. Sec. 708. FOR THE DEPARTMENT OF COMMERCE**

12 Connell Klindworth Water Line Distribution (91000318)

13 Appropriation:

14	Local Government Capital Construction Assistance	
15	Bond Proceeds Account--State	\$540,000
16	Prior Biennia (Expenditures)	\$0
17	Future Biennia (Projected Costs)	\$0
18	TOTAL	\$540,000

19 **NEW SECTION. Sec. 709. FOR THE DEPARTMENT OF COMMERCE**

20 Lewis County Economic Development (91000398)

21 The appropriation in this section is subject to the following

22 conditions and limitations: The appropriation in this section is

23 provided solely as grant funding for infrastructure development on

24 industrial lands near Interstate 5 in the vicinity of Winlock,

25 Washington.

26 Appropriation:

27	Local Government Capital Construction Assistance	
28	Bond Proceeds Account--State	\$5,000,000
29	Prior Biennia (Expenditures)	\$0
30	Future Biennia (Projected Costs)	\$0
31	TOTAL	\$5,000,000

32 **NEW SECTION. Sec. 710. FOR THE DEPARTMENT OF ARCHAEOLOGY AND**

1 **HISTORIC PRESERVATION**

2 Courthouse Preservation (91000001)

3 The appropriation in this section is subject to the following
4 conditions and limitations: \$150,000 of the appropriation is provided
5 solely for the Mason County Courthouse Renovation Project.

6 Appropriation:

7	Local Government Capital Construction Assistance	
8	Bond Proceeds Account--State	\$338,000
9	Prior Biennia (Expenditures) . . . . .	.\$0
10	Future Biennia (Projected Costs)	\$0
11	TOTAL	\$338,000

12 **PART VIII**

13 **APPROPRIATIONS--WATER QUALITY AND SAFE DRINKING WATER**

14 NEW SECTION. **Sec. 801. FOR THE DEPARTMENT OF COMMERCE**

15 Scriber Creek Pedestrian Bridge (91000330)

16 Appropriation:

17	Water Quality and Safe Drinking Water Construction	
18	Bond Proceeds Account--State	\$800,000
19	Prior Biennia (Expenditures) . . . . .	.\$0
20	Future Biennia (Projected Costs)	\$0
21	TOTAL	\$800,000

22 NEW SECTION. **Sec. 802. FOR THE DEPARTMENT OF HEALTH**

23 Drinking Water Safety (91000004)

24 The appropriation in this section is subject to the following
25 conditions and limitations: The appropriation in this section is
26 provided solely for the following ranked list of projects:

27	Project	Authorized Amount
28	Whatcom PUD Water System Consolidation	\$2,925,000
29	Cowlitz County Water Treatment	\$200,000
30	Kapowsin Water District Water Treatment	\$50,000

1	Rhodena Beach Water District Water Treatment	\$721,000
2	Greater Bar Water District Water System Consolidation	\$1,000,000
3	City of Ilwaco Water Treatment	\$940,000
4	Town of Malden Water Facility Repair	\$975,000
5	Kitsap PUD Water System Consolidation	\$5,000,000
6	City of Colville System Repair/Upgrade	\$750,000
7	City of Buckley System Repair/Upgrade	\$4,000,000
8	City of Shelton Water System Consolidation	\$6,000,000
9	City of Moses Lake Water System Consolidation	\$4,700,000
10	Skagit PUD Water System Consolidation	\$200,000
11	Pend Oreille PUD System Repair/Upgrade	\$900,000
12	Administrative Costs	\$340,000
13	Total	\$28,701,000

14 Appropriation:

15	Water Quality and Safe Drinking Water Construction	
16	Bond Proceeds Account--State	\$28,701,000
17	Prior Biennia (Expenditures)	\$0
18	Future Biennia (Projected Costs)	\$0
19	TOTAL	\$28,701,000

20 NEW SECTION. **Sec. 803. FOR THE DEPARTMENT OF HEALTH**

21 Drinking Water Grants: Hanson Harbor (91000021)

22 The appropriation in this section is subject to the following
 23 conditions and limitations: \$699,000 of the appropriation is provided
 24 solely for the Hanson Harbor water supply project.

25 Appropriation:

26	Water Quality and Safe Drinking Water Construction	
27	Bond Proceeds Account--State	\$699,000
28	Prior Biennia (Expenditures)	\$0
29	Future Biennia (Projected Costs)	\$0
30	TOTAL	\$699,000

31 **Sec. 804.** 2011 1st sp.s. c 48 s 3024 (uncodified) is amended to
 32 read as follows:

1 **FOR THE DEPARTMENT OF ECOLOGY**

2 Centennial Clean Water Program (30000208)

3 The appropriations in this section are subject to the following
4 conditions and limitations:

5 (1) \$3,500,000 of the appropriation is provided solely to the city
6 of Snohomish to implement the near-term wastewater treatment plant
7 improvement project required under agreed order No. 7973 between the
8 department of ecology and the city.

9 (2) \$3,500,000 of the appropriation is provided solely for a grant
10 for the Freeland sewer project.

11 ~~(3) (\$540,000 of the appropriation is provided solely for the city
12 of Connell's Klindworth Campbell waterline distribution project.~~

13 ~~(4))~~ \$600,000 of the appropriation is provided solely for a grant
14 for the town of Mabton's wastewater treatment project.

15 ~~((5))~~ (4) For projects involving repair, replacement, or
16 improvement of a wastewater treatment plant or other public works
17 facility for which an investment grade audit is obtainable, the
18 department of ecology must require as a contract condition that the
19 project sponsor undertake an investment grade audit. The project
20 sponsor may finance the costs of the audit as part of its centennial
21 clean water program grant.

22 (5) \$20,709,000 of the appropriation is provided solely as grants
23 for the following ranked list of projects:

<u>Project</u>	<u>Authorized Amount</u>
<u>Granger Wastewater System Improvements</u>	<u>\$3,838,000</u>
<u>Mabton Wastewater Treatment Facility Improvements</u>	<u>\$4,400,000</u>
<u>Rock Island Wastewater Treatment Plant and Side Sewers</u>	<u>\$1,618,000</u>
<u>Potlatch Wastewater Reclamation Facility</u>	<u>\$1,203,000</u>
<u>Belfair WWTP Phase 2</u>	<u>\$4,982,000</u>
<u>Deer Park Wastewater Storage Lagoon Upgrade</u>	<u>\$4,668,000</u>
<u>Total</u>	<u>\$20,709,000</u>

32 Appropriation:

33 State Toxics Control Account--State	\$34,100,000
34 <u>Water Quality and Safe Drinking Water Construction</u>	

1	<u>Bond Proceeds Account--State</u>	<u>\$15,389,000</u>
2	<u>Subtotal Appropriation</u>	<u>\$49,489,000</u>
3	Prior Biennia (Expenditures) . . . . .	.\$0
4	Future Biennia (Projected Costs)	\$0
5	TOTAL	((\$34,100,000))
6		<u>\$49,489,000</u>

NEW SECTION. Sec. 805. FOR THE DEPARTMENT OF ECOLOGY

Skagit Mitigation (91000181)

The appropriation in this section is subject to the following conditions and limitations:

(1) If Engrossed Substitute Senate Bill No. 6312 is not enacted by June 30, 2012, the amount provided in this section shall lapse.

(2) The appropriation in this section is provided solely for the following list of projects:

15	Project	Authorized Amount
16		
17	Instream Water Right Acquisition Feasibility Studies of Carpenter and	
18	Nookachamps Basins	\$50,000
19	Hanika Water Right Acquisition	\$50,000
20	Group A Water System Acquisition and Consolidation	\$125,000
21	Satellite System Development - Group A Water System Consolidation	\$1,000,000
22	Snohomish County Group A System Extension	\$1,000,000

Appropriation:

24	Water Quality and Safe Drinking Water Construction	
25	Bond Proceeds Account--State	\$2,225,000
26	Prior Biennia (Expenditures) . . . . .	.\$0
27	Future Biennia (Projected Costs)	\$0
28	TOTAL	\$2,225,000

NEW SECTION. Sec. 806. FOR THE STATE CONSERVATION COMMISSION

Farms and Water Quality (91000004)

Appropriation:

Water Quality and Safe Drinking Water Construction

1	Bond Proceeds Account--State	\$6,000,000
2	Prior Biennia (Expenditures) . . . . .	.\$0
3	Future Biennia (Projected Costs)	\$0
4	TOTAL	\$6,000,000

5 **NEW SECTION. Sec. 807. FOR THE STATE CONSERVATION COMMISSION**

6 Conservation Reserve Enhancement Program (CREP) (91000006)

7 Appropriation:

8 Water Quality and Safe Drinking Water Construction

9	Bond Proceeds Account--State	\$3,277,000
10	Prior Biennia (Expenditures) . . . . .	.\$0
11	Future Biennia (Projected Costs)	\$0
12	TOTAL	\$3,277,000

13 **NEW SECTION. Sec. 808. FOR THE DEPARTMENT OF FISH AND WILDLIFE**

14 Hatchery Improvements (91000142)

15 Appropriation:

16 Water Quality and Safe Drinking Water Construction

17	Bond Proceeds Account--State	\$8,580,000
18	Prior Biennia (Expenditures) . . . . .	.\$0
19	Future Biennia (Projected Costs)	\$0
20	TOTAL	\$8,580,000

21 **NEW SECTION. Sec. 809. FOR THE DEPARTMENT OF FISH AND WILDLIFE**

22 Minor Works--Dam and Dike (91000143)

23 Appropriation:

24 Water Quality and Safe Drinking Water Construction

25	Bond Proceeds Account--State	\$3,200,000
26	Prior Biennia (Expenditures) . . . . .	.\$0
27	Future Biennia (Projected Costs)	\$0
28	TOTAL	\$3,200,000

29 **PART IX**

30 **APPROPRIATIONS--ENVIRONMENTAL CLEANUP AND RESTORATION**

1 NEW SECTION. Sec. 901. FOR THE DEPARTMENT OF ECOLOGY

2 Clean Up Toxic Sites - Puget Sound (91000032)

3 The appropriation in this section is subject to the following
 4 conditions and limitations: The appropriation in this section is
 5 provided solely for the following ranked list of projects:

6 Project	7 Authorized Amount
8 Port Gamble Bay - Open up 90 acres of geoduck tracks	\$2,000,000
9 Port Gamble Bay - Source control, habitat preservation, 10 and cleanup sustainability	\$7,000,000
11 Olympia West Bay Marina	\$500,000
12 Olympia Reliable Steel	\$750,000
13 Oak Harbor Cornet Bay	\$2,500,000
14 Seattle Lower Duwamish Waterway Slivers	\$5,000,000
15 Anacortes Guemes Channel	\$6,000,000
16 Puget Sound Bioaccumulative Levels	\$950,000
17 Bellingham Bay Site - Habitat Restoration	\$1,500,000
18 Anacortes Whitmarsh Landfill Accelerated Cleanup	\$1,500,000
19 Port Gardner Bay	\$75,000
20 Port Angeles Harbor	\$850,000
21 Anacortes Custom Plywood Dioxin Removal Interim 22 Action	\$3,500,000
23 Seattle Jacobsen Property	\$1,182,000
Total	\$33,307,000

24 Appropriation:

25 Environmental Cleanup and Restoration Construction	
26 Bond Proceeds Account--State	\$33,307,000
27 Prior Biennia (Expenditures)	\$0
28 Future Biennia (Projected Costs)	\$0
29 TOTAL	\$33,307,000

30 NEW SECTION. Sec. 902. FOR THE DEPARTMENT OF ECOLOGY

31 Eastern Washington Clean Sites Initiative (91000033)

32 The appropriation in this section is subject to the following

1 conditions and limitations: The appropriation in this section is
 2 provided solely for the following ranked list of projects:

3 Project	4 Authorized Amount
5 Cashmere Mill Site	\$1,500,000
6 Marshall Landfill	\$8,500,000
7 Ione Airport Kwik Stop	\$300,000
8 Okanogan Mine Lands (Four Metals, Horn Silver, Brook)	\$250,000
9 Chewelah Grange UST #100319	\$75,000
10 Coulee City Frontier Corner #100748	\$25,000
11 Marcus Country Store #100546	\$19,000
12 North of Davenport Fort Spokane Store #619627	\$30,000
13 Spokane Fitzgerald Motors (Unregistered)	\$15,000
14 Chelan Investigation	\$200,000
15 Richland Perchloroethylene (PCE) Investigation	\$200,000
16 Total	\$11,114,000

16 Appropriation:

17 Environmental Cleanup and Restoration Construction	
18 Bond Proceeds Account--State	\$11,114,000
19 Prior Biennia (Expenditures)	\$0
20 Future Biennia (Projected Costs)	\$0
21 TOTAL	\$11,114,000

22 NEW SECTION. **Sec. 903. FOR THE DEPARTMENT OF ECOLOGY**

23 Remedial Action Grant Program (91000038)

24 The appropriation in this section is subject to the following
 25 conditions and limitations: The appropriation in this section is
 26 provided solely for the following ranked list of projects:

27 Project	28 Authorized Amount
29 Port of Seattle Lower Duwamish Waterway Terminal 117	\$11,000,000
30 Seattle Public Utilities Lower Duwamish Waterway Terminal 117 & Slip 4	\$2,000,000
Seattle City Light Lower Duwamish Waterway Terminal 117 & Slip 4	\$2,000,000

1	Seattle Gas Works Park Sediment Cleanup	\$6,923,000
2	Port of Olympia Budd Inlet Sediments	\$2,000,000
3	Port of Seattle Lora Lake	\$1,000,000
4	Port of Seattle Terminal 91	\$3,000,000
5	Port of Seattle Terminal 30	\$394,000
6	King County East Waterway	\$500,000
7	Kitsap County Olalla Landfill	\$138,000
8	King County Lander - Combined Sewer Overflow	\$1,000,000
9	King County King Street - Combined Sewer Overflow	\$670,000
10	King County Brandon - Combined Sewer Overflow	\$300,000
11	Kitsap County Hansville Landfill	\$252,000
12	Yakima Trolley Barn (3rd & Walnut)	\$500,000
13	Voluntary Cleanup and Integrated Planning Grants	\$1,500,000
14	Total	\$33,177,000

15 Appropriation:

16	Environmental Cleanup and Restoration Construction	
17	Bond Proceeds Account--State	\$33,177,000
18	Prior Biennia (Expenditures)	\$0
19	Future Biennia (Projected Costs)	\$0
20	TOTAL	\$33,177,000

21 NEW SECTION. **Sec. 904. FOR THE DEPARTMENT OF ECOLOGY**

22 FY 2012 Statewide Storm Water Grant Program (91000053)

23 The appropriation in this section is subject to the following
24 conditions and limitations: The appropriation is provided solely for
25 the following ranked list of projects:

26	Project	Authorized Amount
27	Lakewood 2012 Drywell Replacement Project	\$330,000
28	Ferndale Southwest Storm Water Management Facility	\$871,000
29	Tacoma Cheney Stadium Storm Water LID Retrofit	\$1,000,000
30	Bellingham Central Business District Raingarden Retrofits	\$450,000
31	Walla Walla 13th Avenue Storm Water LID Project	\$290,000
32	Spokane County Regional Decant Facility	\$684,000

1	Milton 5th Avenue Storm Water Treatment Facility	\$112,000
2	Pierce County Clarks/Rody Creek Storm Water Retrofits	\$829,000
3	Mount Vernon Downtown Plaza	\$351,000
4	Vancouver Water Quality Retrofits for Existing Drywells	\$562,000
5	Camas Vactor Waste Facility Retrofit	\$150,000
6	Tumwater Valley Regional Storm Water Facility	\$469,000
7	West Richland Bombing Range Outfall Elimination Project	\$479,000
8	Kitsap County Parks: Replace and Installation of Pervious Parking	\$735,000
9	Lots	
10	Woodinville Lake Leota Storm Water Quality Retrofit Project	\$866,000
11	Richland Leslie Groves Park Regional Infiltration Facility	\$199,000
12	Spokane County Country Homes Boulevard Restoration Project	\$1,000,000
13	Redmond NE 84th Street Storm Water Retrofit	\$1,000,000
14	Pierce County Groundwater Pollutant Reduction Project	\$578,000
15	Kitsap County Illahee Storm Water - LID Retrofit Project	\$625,000
16	Bellingham Storm Water Retrofit - Bloedel Donovan Park	\$384,000
17	Puyallup Porous Alley Initiative Program	\$665,000
18	Lacey Vactor Waste Decant Facility	\$342,000
19	Fife 70th Avenue East Phase 2	\$786,000
20	Kent James Street Storm Water Outfall Retrofit	\$75,000
21	Renton Sunset Terrace Regional Storm Water Facility	\$983,000
22	Sumner Site A.2 Outfall Treatment Retrofit	\$1,000,000
23	Asotin Second Street Storm Water Project	\$172,000
24	University Place Bridgeport Way Low Impact Development Project	\$758,000
25	Sumner Site J Outfall Treatment Retrofit	\$538,000
26	Richland Canyon Terrace Storm Water Treatment Project	\$211,000
27	Olympia SPSCC Storm Water Retrofit for Water Quality	\$312,000
28	Renton Harrington Avenue NE Green Connection	\$913,000
29	Longview Municipal Pervious Concrete	\$86,000
30	Kirkland Northeast King County Co-op Recycling Decant Center	\$2,250,000
31	Burlington Gages Slough Storm Water LID Improvements	\$204,000
32	Clark County Columbia River High School Storm Water Retrofit	\$267,000
33	Bainbridge Island Lynwood Center Outfall Improvement Project	\$188,000
34	Puyallup Clarks Creek Targeted Outfall Retrofit Project	\$551,000
35	Pierce County Tacoma Narrows Airport Pavement Removal	\$326,000
36	Pierce County Spanaway Lake Park Storm Water Retrofit	\$690,000
37	Kennewick Vactor Waste Project	\$600,000

1	West Richland Yakima River Outfall Elimination Project	\$124,000
2	Administrative Costs	\$816,000
3	Total	\$24,821,000

4 Appropriation:

5	Environmental Cleanup and Restoration Construction	
6	Bond Proceeds Account--State	\$24,821,000
7	Prior Biennia (Expenditures)	\$0
8	Future Biennia (Projected Costs)	\$0
9	TOTAL	\$24,821,000

10 NEW SECTION. **Sec. 905. FOR THE DEPARTMENT OF ECOLOGY**

11 Storm Water Retrofit and LID Competitive Grants (91000054)

12 The appropriation in this section is subject to the following
 13 conditions and limitations: The appropriation is provided solely for
 14 the following ranked list of projects:

15	Project	Authorized Amount
16	Burien Miller Creek Storm Water Management Facility	\$1,000,000
17	Tacoma Asotin Court LID Retrofit	\$710,000
18	Seattle Public Utilities Midvale Storm Water Facility	\$1,000,000
19	Lakewood Steilacoom Blvd Outfall Project	\$225,000
20	Mukileto Smuggler's Gulch Drainage Basin LID and Storm Water Retrofit	\$1,000,000
21	Kirkland Park Lane Pedestrian Corridor	\$739,000
22	Port Angeles 4th Street Storm Water Project	\$1,000,000
23	Snohomish County Dept. of Parks & Rec. Kayak Park Storm Water Treatment	\$1,000,000
24	Renton Rainier Avenue Storm Water Retrofit	\$645,000
25	Vancouver Peterson Channel Industrial LID Improvements	\$287,000
26	Wenatchee Snowmelt Facility	\$975,000
27	Port Orchard Cedar Heights Junior High Sidewalks	\$135,000
28	Centralia Downtown Rain Garden Revitalization Project	\$487,000
29	Snohomish County Paine Field Drainage Subbasin SC-5	\$967,000
30	Seattle Public Utilities West Seattle Decant Facility	\$289,000
31	Skagit County LID Demonstration Project	\$291,000
32	Snohomish LID Improvements Project	\$104,000

1	Douglas County 23rd Street (Baker to SR28)	\$166,000
2	Renton NE 10th St and Anacortes Ave NE Detention Pond Retrofit	\$206,000
3	Redmond Public Works Kelsey Creek Erosion Reduction Facility	\$1,000,000
4	Whatcom County Upper Silver Beach Creek Restoration	\$988,000
5	Port of Vancouver Terminal 4 Storm Water Pond Retrofit	\$1,000,000
6	Administrative Costs	\$483,000
7	Total	\$14,695,000

8 Appropriation:

9	Environmental Cleanup and Restoration Construction	
10	Bond Proceeds Account--State	\$14,695,000
11	Prior Biennia (Expenditures)	\$0
12	Future Biennia (Projected Costs)	\$0
13	TOTAL	\$14,695,000

14 NEW SECTION. **Sec. 906.** A new section is added to 2011 1st sp.s.
15 c 49 (uncodified) to read as follows:

16 **FOR THE DEPARTMENT OF ECOLOGY**

17 Columbia River Water Management Projects (91000179)

18 The appropriation in this section is subject to the following
19 conditions and limitations: The appropriation in this section is
20 provided solely for the Gardena Irrigation District Main Canal Project
21 in Walla Walla County.

22 Appropriation:

23	Environmental Cleanup and Restoration Construction	
24	Bond Proceeds Account--State	\$11,000,000
25	Prior Biennia (Expenditures)	\$0
26	Future Biennia (Projected Costs)	\$0
27	TOTAL	\$11,000,000

28 NEW SECTION. **Sec. 907. FOR THE STATE PARKS AND RECREATION**
29 **COMMISSION**

30 Culverts (91000046)

31 Appropriation:

32	Environmental Cleanup and Restoration Construction	
33	Bond Proceeds Account--State	\$1,000,000

1 Prior Biennia (Expenditures) \$0
 2 Future Biennia (Projected Costs) \$0
 3 TOTAL \$1,000,000

4 **NEW SECTION. Sec. 908. FOR THE RECREATION AND CONSERVATION**
 5 **FUNDING BOARD**

6 Family Forest Fish Passage Program (91000097)
 7 Appropriation:
 8 Environmental Cleanup and Restoration Construction
 9 Bond Proceeds Account--State \$10,000,000
 10 Prior Biennia (Expenditures) \$0
 11 Future Biennia (Projected Costs) \$0
 12 TOTAL \$10,000,000

13 **NEW SECTION. Sec. 909. FOR THE DEPARTMENT OF FISH AND WILDLIFE**
 14 Dry Forest Restoration (91000039)

15 The appropriation in this section is subject to the following
 16 conditions and limitations:

- 17 (1) \$375,000 of the appropriation is provided solely for the
 18 Sherman Creek prescribed burning project.
 19 (2) \$421,000 of the appropriation is provided solely for the
 20 Sinlahekin dry forest restoration project.

21 Appropriation:
 22 Environmental Cleanup and Restoration Construction
 23 Bond Proceeds Account--State \$796,000
 24 Prior Biennia (Expenditures) \$0
 25 Future Biennia (Projected Costs) \$0
 26 TOTAL \$796,000

27 **NEW SECTION. Sec. 910. FOR THE DEPARTMENT OF FISH AND WILDLIFE**
 28 Fishway Improvements/Diversions (91000033)

29 Appropriation:
 30 Environmental Cleanup and Restoration Construction
 31 Bond Proceeds Account--State \$8,000,000
 32 Prior Biennia (Expenditures) \$0
 33 Future Biennia (Projected Costs) \$0

1 TOTAL \$8,000,000

2 NEW SECTION. **Sec. 911. FOR THE DEPARTMENT OF FISH AND WILDLIFE**
3 Hatchery Improvements (91000036)

4 Appropriation:
5 Environmental Cleanup and Restoration Construction
6 Bond Proceeds Account--State \$35,195,000
7 Prior Biennia (Expenditures) \$0
8 Future Biennia (Projected Costs) \$0
9 TOTAL \$35,195,000

10 NEW SECTION. **Sec. 912. FOR THE DEPARTMENT OF FISH AND WILDLIFE**
11 Minor Works - Dam and Dike (91000042)

12 Appropriation:
13 Environmental Cleanup and Restoration Construction
14 Bond Proceeds Account--State \$450,000
15 Prior Biennia (Expenditures) \$0
16 Future Biennia (Projected Costs) \$0
17 TOTAL \$450,000

18 NEW SECTION. **Sec. 913. FOR THE DEPARTMENT OF FISH AND WILDLIFE**
19 Minor Works - Access Sites (91000044)

20 Appropriation:
21 Environmental Cleanup and Restoration Construction
22 Bond Proceeds Account--State \$7,406,000
23 Prior Biennia (Expenditures) \$0
24 Future Biennia (Projected Costs) \$0
25 TOTAL \$7,406,000

26 NEW SECTION. **Sec. 914. FOR THE DEPARTMENT OF FISH AND WILDLIFE**
27 Minor Works - Fish Passage Barriers (Culverts) (91000045)

28 Appropriation:
29 Environmental Cleanup and Restoration Construction
30 Bond Proceeds Account--State \$1,495,000
31 Prior Biennia (Expenditures) \$0
32 Future Biennia (Projected Costs) \$0

1 TOTAL \$1,495,000

2 NEW SECTION. Sec. 915. FOR THE DEPARTMENT OF FISH AND WILDLIFE

3 Minor Works - Road Maintenance and Abandonment Plan (91000046)

4 Appropriation:

5 Environmental Cleanup and Restoration Construction

6 Bond Proceeds Account--State \$1,576,000

7 Prior Biennia (Expenditures) \$0

8 Future Biennia (Projected Costs) \$0

9 TOTAL \$1,576,000

10 NEW SECTION. Sec. 916. FOR THE DEPARTMENT OF FISH AND WILDLIFE

11 Wildlife Area Improvements (91000047)

12 Appropriation:

13 Environmental Cleanup and Restoration Construction

14 Bond Proceeds Account--State \$5,268,000

15 Prior Biennia (Expenditures) \$0

16 Future Biennia (Projected Costs) \$0

17 TOTAL \$5,268,000

18 NEW SECTION. Sec. 917. FOR THE DEPARTMENT OF NATURAL RESOURCES

19 Road Maintenance and Abandonment Plan (91000040)

20 The appropriation is subject to the following conditions and
21 limitations:

22 (1) \$1,084,000 of the appropriation in this section is provided
23 solely to replace fish passage barriers and bring roads up to salmon
24 recovery and clean water standards within natural area preserves and
25 natural resource conservation areas.

26 (2) \$10,750,000 of the appropriation in this section is provided
27 solely to replace fish passage barriers and bring roads up to salmon
28 recovery and clean water standards on state grant lands and state
29 forest lands.

30 Appropriation:

31 Environmental Cleanup and Restoration Construction

32 Bond Proceeds Account--State \$11,834,000

33 Prior Biennia (Expenditures) \$0

1 Future Biennia (Projected Costs) \$0
2 TOTAL \$11,834,000

3 NEW SECTION. **Sec. 918. FOR THE DEPARTMENT OF NATURAL RESOURCES**
4 Restoration Projects to Improve Natural Resources (91000054)

5 The appropriation in this section is subject to the following
6 conditions and limitations:

7 (1) \$435,000 of the appropriation is provided solely for a grant to
8 a nonprofit organization for road repairs and restoration of
9 forestlands along the Clearwater River.

10 (2) \$1,020,000 of the appropriation is provided solely for a grant
11 for road repairs and forest treatments in the Ellsworth Creek
12 watershed.

13 (3) \$1,030,000 of the appropriation is provided solely for a grant
14 for dike removal and construction of a setback dike and flood
15 attenuation structure at Port Susan Bay.

16 (4) \$75,000 of the appropriation is provided solely to the
17 department of fish and wildlife for forest restoration treatments in
18 the Oak Creek - Tieton landscape.

19 Appropriation:

20 Environmental Cleanup and Restoration Construction
21 Bond Proceeds Account--State \$2,560,000
22 Prior Biennia (Expenditures) \$0
23 Future Biennia (Projected Costs) \$0
24 TOTAL \$2,560,000

25 NEW SECTION. **Sec. 919. FOR WASHINGTON STATE UNIVERSITY**

26 Washington State University Spokane - Riverpoint Biomedical and
27 Health Sciences (20162953)

28 The appropriation in this section is subject to the following
29 conditions and limitations: The appropriation is provided solely for
30 soil remediation necessary for the construction of the Riverpoint
31 Biomedical and Health Sciences building.

32 Appropriation:

33 Environmental Cleanup and Restoration Construction
34 Bond Proceeds Account--State \$1,300,000

1	Prior Biennia (Expenditures)	\$0
2	Future Biennia (Projected Costs)	\$0
3	TOTAL	\$1,300,000

4 **PART X**

5 **APPROPRIATIONS--FOREST TO SHORE RESTORATION**

6 NEW SECTION. **Sec. 1001. FOR THE STATE PARKS AND RECREATION**
7 **COMMISSION**

8 Comfort Stations (91000036)

9 Appropriation:

10 Forest to Shore Restoration Construction Bond

11 Proceeds Account--State \$1,754,000

12 Prior Biennia (Expenditures) \$0

13 Future Biennia (Projected Costs) \$0

14 TOTAL \$1,754,000

15 NEW SECTION. **Sec. 1002. FOR THE STATE PARKS AND RECREATION**
16 **COMMISSION**

17 Wallace Falls Footbridge (91000047)

18 Appropriation:

19 Forest to Shore Restoration Construction Bond

20 Proceeds Account--State \$486,000

21 Prior Biennia (Expenditures) \$0

22 Future Biennia (Projected Costs) \$0

23 TOTAL \$486,000

24 NEW SECTION. **Sec. 1003. FOR THE RECREATION AND CONSERVATION**
25 **FUNDING BOARD**

26 Puget Sound Restoration (30000147)

27 The appropriation in this section is subject to the following
28 conditions and limitations: The appropriation shall not be expended on
29 the acquisition of lands by state agencies.

30 Appropriation:

31 Forest to Shore Restoration Construction Bond

1	Proceeds Account--State	\$10,500,000
2	Prior Biennia (Expenditures) . . . . .	.\$0
3	Future Biennia (Projected Costs)	\$0
4	TOTAL	\$10,500,000

5 **NEW SECTION. Sec. 1004. FOR THE DEPARTMENT OF NATURAL RESOURCES**
6 Forest Hazard Reduction and Safety (91000066)

7 The appropriation in this section is subject to the following
8 conditions and limitations:

9 (1) Up to \$4,320,000 of the appropriation in this section is for
10 forest treatments that benefit state trust lands in eastern Washington
11 by reducing insect, disease and wildfire hazards, of which not more
12 than \$500,000 may be used for implementing treatments on federal lands
13 solely within areas identified by a forest health technical advisory
14 committee to warrant a forest health hazard warning or order authorized
15 under RCW 76.06.180;

16 (2) Up to \$4,150,000 of the appropriation in this section is for
17 noxious weed abatement and precommercial thinning on state trust lands;
18 and

19 (3) Forest treatments to reduce insect, disease and wildfire
20 hazards on private or federal lands shall require a contract with the
21 department of natural resources to provide at least a one-to-one
22 nonstate or in-kind fund match, and to provide a ten-year landowner
23 maintenance agreement.

24 Appropriation:

25	Forest to Shore Restoration Construction Bonds Proceeds	
26	Account--State	\$8,470,000
27	Prior Biennia (Expenditures) . . . . .	.\$0
28	Future Biennia (Projected Costs)	\$0
29	TOTAL	\$8,470,000

30 **NEW SECTION. Sec. 1005. FOR THE DEPARTMENT OF NATURAL RESOURCES**
31 Puget SoundCorps (91000046)

32 The appropriation is subject to the following conditions and
33 limitations: The appropriation in this section is provided solely for
34 water quality and habitat protection and restoration projects that
35 benefit Puget Sound recovery and that are primarily on public lands.

1 The department of natural resources must contract with the department
2 of ecology for Puget SoundCorps crews of youth and military veterans to
3 implement these projects pursuant to chapter 20, Laws of 2011.

4 Appropriation:

5	Forest to Shore Restoration Construction Bond	
6	Proceeds Account--State	\$10,000,000
7	Prior Biennia (Expenditures) . . . . .	.\$0
8	Future Biennia (Projected Costs)	\$0
9	TOTAL	\$10,000,000

10 **NEW SECTION. Sec. 1006. FOR THE DEPARTMENT OF NATURAL RESOURCES**

11 Creosote Piling Removal (91000047)

12 The appropriation is subject to the following conditions and
13 limitations: The appropriation in this section is provided solely to
14 remove creosote pilings from Puget Sound.

15 Appropriation:

16	Forest to Shore Restoration Construction Bond	
17	Proceeds Account--State	\$1,250,000
18	Prior Biennia (Expenditures) . . . . .	.\$0
19	Future Biennia (Projected Costs)	\$0
20	TOTAL	\$1,250,000

21 **NEW SECTION. Sec. 1007. FOR THE DEPARTMENT OF NATURAL RESOURCES**

22 Derelict Vessel Removal and Disposal (91000049)

23 The appropriation is subject to the following conditions and
24 limitations:

25 (1) \$700,000 of the appropriation in this section is provided
26 solely to remove derelict or abandoned vessels up to 100 feet in length
27 from Washington waters; and

28 (2) \$3,000,000 of the appropriation in this section is provided
29 solely to remove derelict or abandoned vessels exceeding one hundred
30 feet in length from Washington waters.

31 Appropriation:

32	Forest to Shore Restoration Construction Bond	
33	Proceeds Account--State	\$3,700,000
34	Prior Biennia (Expenditures) . . . . .	.\$0

1 Future Biennia (Projected Costs) \$0
 2 TOTAL \$3,700,000

3 **NEW SECTION. Sec. 1008. FOR THE DEPARTMENT OF NATURAL RESOURCES**
 4 Shoreline Restoration (91000050)

5 The appropriation is subject to the following conditions and
 6 limitations: The appropriation in this section is provided solely to
 7 fund aquatic restoration projects in Puget Sound through partnerships
 8 with other agencies and organizations.

9 Appropriation:

10 Forest to Shore Restoration Construction Bond
 11 Proceeds Account--State \$2,000,000
 12 Prior Biennia (Expenditures) \$0
 13 Future Biennia (Projected Costs) \$0
 14 TOTAL \$2,000,000

15 **NEW SECTION. Sec. 1009. FOR THE DEPARTMENT OF NATURAL RESOURCES**
 16 Urban Forest Restoration (Puget Sound Basin)(91000051)

17 The appropriation is subject to the following conditions and
 18 limitations: The appropriation in this section is provided solely to
 19 assist municipalities and jurisdictions across the state to better
 20 manage existing urban forests and plan for improvements to the urban
 21 forest infrastructure.

22 Appropriation:

23 Forest to Shore Restoration Construction Bond
 24 Proceeds Account--State \$800,000
 25 Prior Biennia (Expenditures) \$0
 26 Future Biennia (Projected Costs) \$0
 27 TOTAL \$800,000

28 **NEW SECTION. Sec. 1010. FOR THE DEPARTMENT OF NATURAL RESOURCES**
 29 Large Debris Removal (91000052)

30 The appropriation is subject to the following conditions and
 31 limitations: The appropriation in this section is provided solely to
 32 assist public and private shoreline property owners with the removal of
 33 large, artificial marine debris from Puget Sound shorelines.

1 Appropriation:

2 Forest to Shore Restoration Construction Bond

3	Proceeds Account--State	\$200,000
4	Prior Biennia (Expenditures) . . . . .	.\$0
5	Future Biennia (Projected Costs)	\$0
6	TOTAL	\$200,000

7 **NEW SECTION. Sec. 1011. FOR THE DEPARTMENT OF NATURAL RESOURCES**

8 Secret Harbor Estuary Restoration - Cypress Island (91000053)

9 The appropriation is subject to the following conditions and
 10 limitations: The appropriation in this section is provided solely to
 11 restore the Secret Harbor estuary, enhance public access, and expand
 12 the capacity of the Cypress Island natural resources conservation area
 13 for tourism and low-impact public use.

14 Appropriation:

15 Forest to Shore Restoration Construction Bond

16	Proceeds Account--State	\$535,000
17	Prior Biennia (Expenditures) . . . . .	.\$0
18	Future Biennia (Projected Costs)	\$0
19	TOTAL	\$535,000

20 **PART XI**
 21 **MISCELLANEOUS**

22 **NEW SECTION. Sec. 1101. REIMBURSEMENT OF BOND PROCEEDS ACCOUNTS.**

23 To the extent that any appropriation authorizes expenditures of state
 24 funds from the local government capital construction assistance bond
 25 proceeds account, water quality improvement construction bond proceeds
 26 account, environmental cleanup and restoration construction bond
 27 proceeds account, and forest to shore construction bond proceeds
 28 account in the state treasury for the respective programs and projects
 29 described in this act that are specified to be funded with proceeds
 30 from the sale of bonds authorized in this act, the legislature declares
 31 that any such expenditures made prior to the issue date of the
 32 applicable bonds to be issued for the respective programs and projects

1 are intended to be reimbursed from proceeds of the sale of the
2 applicable bonds in a maximum amount equal to the amount of the
3 applicable authorized bonds.

4 NEW SECTION. **Sec. 1102.** (1) Allotments for appropriations in this
5 act shall be provided in accordance with expedited capital project
6 review requirements adopted by the office of financial management.

7 (2) Each project is defined as proposed in the legislative budget
8 notes or in the governor's budget document.

9 NEW SECTION. **Sec. 1103.** (1) To ensure minor works appropriations
10 are carried out in accordance with legislative intent, funds
11 appropriated in this act shall not be allotted until project lists are
12 on file at the office of financial management, the house of
13 representatives capital budget committee, and the senate ways and means
14 committee. All projects must meet the criteria included in subsection
15 (2)(a) of this section. Revisions to the lists must be filed with the
16 office of financial management, the house of representatives capital
17 budget committee, and the senate ways and means committee and include
18 an explanation of variances from the prior lists before funds may be
19 expended on the revisions.

20 (2)(a) Minor works projects are single line appropriations that
21 include multiple projects of a similar nature and that are valued
22 between \$25,000 and \$1,000,000 each, with the exception of higher
23 education minor works projects that may be valued up to \$2,000,000.
24 These projects can generally be completed within two years of the
25 appropriation with the funding provided. Agencies are prohibited from
26 including projects on their minor works lists that are a phase of a
27 larger project, and that if combined over a continuous period of time,
28 would exceed \$1,000,000, or \$2,000,000 for higher education minor works
29 projects. Improvements for accessibility in compliance with the
30 Americans with disabilities act may be included in any of the above
31 minor works categories.

32 (b) Minor works appropriations shall not be used for, among other
33 things: Studies, except for technical or engineering reviews or
34 designs that lead directly to and support a project on the same minor
35 works list; planning; design outside the scope of work on a minor works
36 list; moveable, temporary, and traditionally funded operating equipment

1 not in compliance with the equipment criteria established by the office
2 of financial management; software not dedicated to control of a
3 specialized system; moving expenses; land or facility acquisition; or
4 to supplement funding for projects with funding shortfalls unless
5 expressly authorized elsewhere in this act. The office of financial
6 management may make an exception to the limitations described in this
7 subsection (2)(b) for exigent circumstances after notifying the
8 legislative fiscal committees and waiting ten days for comments by the
9 legislature regarding the proposed exception.

10 (c) Minor works preservation projects may include program
11 improvements of no more than twenty-five percent of the individual
12 minor works preservation project cost.

13 (3) It is generally not the intent of the legislature to make
14 future appropriations for capital expenditures or for maintenance and
15 operating expenses for an acquisition project or a significant
16 expansion project that is initiated through the minor works process and
17 therefore does not receive a policy and fiscal analysis by the
18 legislature. Minor works projects are intended to be one-time
19 expenditures that do not require future state resources to complete.

20 NEW SECTION. **Sec. 1104.** (1) The office of financial management
21 may authorize a transfer of appropriation authority provided for a
22 capital project that is in excess of the amount required for the
23 completion of such project to another capital project for which the
24 appropriation is insufficient. No such transfer may be used to expand
25 the capacity of any facility beyond that intended in making the
26 appropriation. Such transfers may be effected only between capital
27 appropriations to a specific department, commission, agency, or
28 institution of higher education and only between capital projects that
29 are funded from the same fund or account. No transfers may occur
30 between projects to local government agencies except where the grants
31 are provided within a single omnibus appropriation and where such
32 transfers are specifically authorized by the implementing statutes that
33 govern the grants.

34 (2) The office of financial management may find that an amount is
35 in excess of the amount required for the completion of a project only
36 if: (a) The project as defined in the notes to the budget document is
37 substantially complete and there are funds remaining; or (b) bids have

1 been let on a project and it appears to a substantial certainty that
2 the project as defined in the notes to the budget document can be
3 completed within the biennium for less than the amount appropriated in
4 this act.

5 (3) For the purposes of this section, the intent is that each
6 project be defined as proposed to the legislature in the governor's
7 budget document, unless it clearly appears from the legislative history
8 that the legislature intended to define the scope of a project in a
9 different way.

10 (4) The office of financial management shall report any transfer
11 effected under this section to the house of representatives capital
12 budget committee, the senate ways and means committee, and the
13 legislative evaluation and accountability program committee, at least
14 thirty days before the date the transfer is effected. The office of
15 financial management shall report all emergency or smaller transfers
16 within thirty days from the date of transfer. The governor's capital
17 budget request following any transfer shall reflect that transfer in
18 the affected agency.

19 NEW SECTION. **Sec. 1105.** (1) It is expected that projects be ready
20 to proceed in a timely manner depending on the type or phase of the
21 project or program that is the subject of the appropriation in this
22 act. Except for major projects that customarily may take more than two
23 biennia to complete from predesign to the end of construction, or large
24 infrastructure grant or loan programs supporting projects that often
25 take more than two biennia to complete, the legislature generally does
26 not intend to reappropriate funds more than once, particularly for
27 smaller grant programs, local/community projects, and minor works.

28 (2) Agencies shall expedite the expenditure of reappropriations and
29 appropriations in this act in order to: (a) Rehabilitate
30 infrastructure resources; (b) accelerate environmental rehabilitation
31 and restoration projects for the improvement of the state's natural
32 environment; (c) reduce additional costs associated with acquisition
33 and construction inflationary pressures; and (d) provide additional
34 employment opportunities associated with capital expenditures.

35 (3) To the extent feasible, agencies are directed to accelerate
36 expenditure rates at their current level of permanent employees and

1 shall use contracted design and construction services wherever
2 necessary to meet the goals of this section.

3 **Sec. 1106.** RCW 43.155.070 and 2009 c 518 s 16 are each amended to
4 read as follows:

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

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

10 (b) The local government must have developed a capital facility
11 plan; and

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

15 (2) Except where necessary to address a public health need or
16 substantial environmental degradation, a county, city, or town planning
17 under RCW 36.70A.040 must have adopted a comprehensive plan, including
18 a capital facilities plan element, and development regulations as
19 required by RCW 36.70A.040. This subsection does not require any
20 county, city, or town planning under RCW 36.70A.040 to adopt a
21 comprehensive plan or development regulations before requesting or
22 receiving a loan or loan guarantee under this chapter if such request
23 is made before the expiration of the time periods specified in RCW
24 36.70A.040. A county, city, or town planning under RCW 36.70A.040
25 which has not adopted a comprehensive plan and development regulations
26 within the time periods specified in RCW 36.70A.040 is not prohibited
27 from receiving a loan or loan guarantee under this chapter if the
28 comprehensive plan and development regulations are adopted as required
29 by RCW 36.70A.040 before submitting a request for a loan or loan
30 guarantee.

31 (3) In considering awarding loans for public facilities to special
32 districts requesting funding for a proposed facility located in a
33 county, city, or town planning under RCW 36.70A.040, the board shall
34 consider whether the county, city, or town planning under RCW
35 36.70A.040 in whose planning jurisdiction the proposed facility is
36 located has adopted a comprehensive plan and development regulations as
37 required by RCW 36.70A.040.

1 (4) The board shall develop a priority process for public works
2 projects as provided in this section. The intent of the priority
3 process is to maximize the value of public works projects accomplished
4 with assistance under this chapter. The board shall attempt to assure
5 a geographical balance in assigning priorities to projects. The board
6 shall consider at least the following factors in assigning a priority
7 to a project:

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

11 (b) Except as otherwise conditioned by RCW 43.155.110, whether the
12 entity receiving assistance is a Puget Sound partner, as defined in RCW
13 90.71.010;

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

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

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

21 (f) The cost of the project compared to the size of the local
22 government and amount of loan money available;

23 (g) The number of communities served by or funding the project;

24 (h) Whether the project is located in an area of high unemployment,
25 compared to the average state unemployment;

26 (i) Whether the project is the acquisition, expansion, improvement,
27 or renovation by a local government of a public water system that is in
28 violation of health and safety standards, including the cost of
29 extending existing service to such a system;

30 (j) Except as otherwise conditioned by RCW 43.155.120, and
31 effective one calendar year following the development of model
32 evergreen community management plans and ordinances under RCW
33 35.105.050, whether the entity receiving assistance has been
34 recognized, and what gradation of recognition was received, in the
35 evergreen community recognition program created in RCW 35.105.030;

36 (k) The relative benefit of the project to the community,
37 considering the present level of economic activity in the community and

1 the existing local capacity to increase local economic activity in
2 communities that have low economic growth; and

3 (1) Other criteria that the board considers advisable.

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

9 (6) Before November 1st of each even-numbered year, the board shall
10 develop and submit to the appropriate fiscal committees of the senate
11 and house of representatives a description of the loans made under RCW
12 43.155.065, 43.155.068, and subsection (9) of this section during the
13 preceding fiscal year and a prioritized list of projects which are
14 recommended for funding by the legislature, including one copy to the
15 staff of each of the committees. The list shall include, but not be
16 limited to, a description of each project and recommended financing,
17 the terms and conditions of the loan or financial guarantee, the local
18 government jurisdiction and unemployment rate, demonstration of the
19 jurisdiction's critical need for the project and documentation of local
20 funds being used to finance the public works project. The list shall
21 also include measures of fiscal capacity for each jurisdiction
22 recommended for financial assistance, compared to authorized limits and
23 state averages, including local government sales taxes; real estate
24 excise taxes; property taxes; and charges for or taxes on sewerage,
25 water, garbage, and other utilities.

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

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

34 (9) Loans made for the purpose of capital facilities plans shall be
35 exempted from subsection (7) of this section.

36 (10) To qualify for loans or pledges for solid waste or recycling
37 facilities under this chapter, a city or county must demonstrate that

1 the solid waste or recycling facility is consistent with and necessary
2 to implement the comprehensive solid waste management plan adopted by
3 the city or county under chapter 70.95 RCW.

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

8 (12) During the 2011-2013 biennium, solely for the additional
9 funding round described in section 703 of this act, the public works
10 board, local government applicants and proposed projects must meet all
11 requirements of this section; except that, the public works board must
12 approve the prioritized list of projects and funding amounts without
13 seeking legislative approval.

14 NEW SECTION. Sec. 1107. State agencies, including institutions of
15 higher education, shall allot and report full-time equivalent staff for
16 capital projects in a manner comparable to staff reporting for
17 operating expenditures.

18 NEW SECTION. Sec. 1108. Executive Order No. 05-05, archaeological
19 and cultural resources, was issued effective November 10, 2005.
20 Agencies and higher education institutions shall comply with the
21 requirements set forth in this executive order.

22 NEW SECTION. Sec. 1109. (1) Unless otherwise stated, for all
23 appropriations under this act that require a match of nonstate money or
24 in-kind contributions, the following requirement, consistent with RCW
25 43.88.150, shall apply: Expenditures of state money shall be timed so
26 that the state share of project expenditures never exceeds the intended
27 state share of total project costs.

28 (2) Provision of the full amount of required matching funds is not
29 required to permit the expenditure of capital budget appropriations for
30 phased projects if a proportional amount of the required matching funds
31 is provided for each distinct, identifiable phase of the project.

32 NEW SECTION. Sec. 1110. CODIFICATION. (1) Sections 201 through
33 208 of this act constitute a new chapter in Title 43 RCW.

1 (2) Sections 301 through 307 of this act constitute a new chapter
2 in Title 43 RCW.

3 (3) Sections 401 through 407 of this act constitute a new chapter
4 in Title 43 RCW.

5 (4) Sections 501 through 506 of this act constitute a new chapter
6 in Title 43 RCW.

7 NEW SECTION. **Sec. 1111.** SEVERABILITY. If any provision of this
8 act or its application to any person or circumstance is held invalid,
9 the remainder of the act or the application of the provision to other
10 persons or circumstances is not affected.

11 NEW SECTION. **Sec. 1112.** EFFECTIVE DATE. This act is necessary
12 for the immediate preservation of the public peace, health, or safety,
13 or support of the state government and its existing public
14 institutions, and takes effect immediately.

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