

1 appear that the amount certified by the college board is insufficient  
2 to pay and secure the payment of the principal of and interest on the  
3 outstanding building bonds, the state treasurer shall notify the  
4 college board and such board shall adjust its certificate so that all  
5 requirements of moneys to pay and secure the payment of the principal  
6 and interest on all such bonds then outstanding shall be fully met at  
7 all times.

8 (2) The community and technical college capital projects account is  
9 hereby created in the state treasury. The sums deposited in the  
10 capital projects account shall be appropriated and expended to pay and  
11 secure the payment of the principal of and interest on bonds payable  
12 out of the building fees and for the construction, reconstruction,  
13 erection, equipping, maintenance, demolition and major alteration of  
14 buildings and other capital assets owned by the state board for  
15 community and technical colleges in the name of the state of  
16 Washington, and the acquisition of sites, rights-of-way, easements,  
17 improvements or appurtenances in relation thereto, engineering and  
18 architectural services provided by the department of (~~general  
19 administration~~) enterprise services, and for the payment of principal  
20 of and interest on any bonds issued for such purposes. During the  
21 2011-2013 biennium, sums in the capital projects account shall also be  
22 used for routine facility maintenance and utility costs. During the  
23 2013-2015 biennium, sums in the capital projects account shall also be  
24 used for routine facility maintenance and utility costs.

25 (3) Funds available in the community and technical college capital  
26 projects account may also be used for certificates of participation  
27 under chapter 39.94 RCW.

28 **Sec. 7032.** RCW 43.155.070 and 2013 c 275 s 3 are each amended to  
29 read as follows:

30 (1) To qualify for financial assistance under this chapter the  
31 board must determine that a local government meets all of the following  
32 conditions:

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

35 (b) The local government must have developed a capital facility  
36 plan; and

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

4 (2) Except where necessary to address a public health need or  
5 substantial environmental degradation, a county, city, or town planning  
6 under RCW 36.70A.040 may not receive financial assistance under this  
7 chapter unless it has adopted a comprehensive plan, including a capital  
8 facilities plan element, and development regulations as required by RCW  
9 36.70A.040. This subsection does not require any county, city, or town  
10 planning under RCW 36.70A.040 to adopt a comprehensive plan or  
11 development regulations before requesting or receiving financial  
12 assistance under this chapter if such request is made before the  
13 expiration of the time periods specified in RCW 36.70A.040. A county,  
14 city, or town planning under RCW 36.70A.040 that has not adopted a  
15 comprehensive plan and development regulations within the time periods  
16 specified in RCW 36.70A.040 may apply for and receive financial  
17 assistance under this chapter if the comprehensive plan and development  
18 regulations are adopted as required by RCW 36.70A.040 before executing  
19 a contractual agreement for financial assistance with the board.

20 (3) In considering awarding financial assistance for public  
21 facilities to special districts requesting funding for a proposed  
22 facility located in a county, city, or town planning under RCW  
23 36.70A.040, the board must consider whether the county, city, or town  
24 planning under RCW 36.70A.040 in whose planning jurisdiction the  
25 proposed facility is located has adopted a comprehensive plan and  
26 development regulations as required by RCW 36.70A.040.

27 (4) The board must develop a priority process for public works  
28 projects as provided in this section. The intent of the priority  
29 process is to maximize the value of public works projects accomplished  
30 with assistance under this chapter. The board must attempt to assure  
31 a geographical balance in assigning priorities to projects. The board  
32 must consider at least the following factors in assigning a priority to  
33 a project:

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

37 (b) Except as otherwise conditioned by RCW 43.155.110, whether the

1 entity receiving assistance is a Puget Sound partner, as defined in RCW  
2 90.71.010;

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

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

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

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

12 (g) The cost of the project compared to the size of the local  
13 government and amount of loan money available;

14 (h) The number of communities served by or funding the project;

15 (i) Whether the project is located in an area of high unemployment,  
16 compared to the average state unemployment;

17 (j) Whether the project is the acquisition, expansion, improvement,  
18 or renovation by a local government of a public water system that is in  
19 violation of health and safety standards, including the cost of  
20 extending existing service to such a system;

21 (k) Except as otherwise conditioned by RCW 43.155.120, and  
22 effective one calendar year following the development of model  
23 evergreen community management plans and ordinances under RCW  
24 35.105.050, whether the entity receiving assistance has been  
25 recognized, and what gradation of recognition was received, in the  
26 evergreen community recognition program created in RCW 35.105.030;

27 (l) The relative benefit of the project to the community,  
28 considering the present level of economic activity in the community and  
29 the existing local capacity to increase local economic activity in  
30 communities that have low economic growth; and

31 (m) Other criteria that the board considers advisable.

32 (5) For the 2013-2015 fiscal biennium, in place of the criteria,  
33 ranking, and submission processes for construction loan lists provided  
34 in subsections (4) and (7) of this section:

35 (a) The board must develop a process for numerically ranking  
36 applications for construction loans submitted by local governments.  
37 The board must consider, at a minimum and in any order, the following  
38 factors in assigning a numerical ranking to a project:

1       (i) Whether the project is critical in nature and would affect the  
2 health and safety of many people;  
3       (ii) The extent to which the project leverages nonstate funds;  
4       (iii) The extent to which the project is ready to proceed to  
5 construction;  
6       (iv) Whether the project is located in an area of high  
7 unemployment, compared to the average state unemployment;  
8       (v) Whether the project promotes the sustainable use of resources  
9 and environmental quality;  
10       (vi) Whether the project consolidates or regionalizes systems;  
11       (vii) Whether the project encourages economic development through  
12 mixed-use and mixed income development consistent with chapter 36.70A  
13 RCW;  
14       (viii) Whether the system is being well-managed in the present and  
15 for long-term sustainability;  
16       (ix) Achieving equitable distribution of funds by geography and  
17 population;  
18       (x) The extent to which the project meets the following state  
19 policy objectives:  
20       (A) Efficient use of state resources;  
21       (B) Preservation and enhancement of health and safety;  
22       (C) Abatement of pollution and protection of the environment;  
23       (D) Creation of new, family wage jobs, and avoidance of shifting  
24 existing jobs from one Washington state community to another;  
25       (E) Fostering economic development consistent with chapter 36.70A  
26 RCW;  
27       (F) Efficiency in delivery of goods and services, public transit,  
28 and transportation;  
29       (G) Avoidance of additional costs to state and local governments  
30 that adversely impact local residents and small businesses; and  
31       (H) Reduction of the overall cost of public infrastructure; and  
32       (xi) Other criteria that the board considers necessary to achieve  
33 the purposes of this chapter.  
34       (b) Before November 1, 2014, the board must develop and submit to  
35 the appropriate fiscal committees of the senate and house of  
36 representatives a ranked list of qualified public works projects which  
37 have been evaluated by the board and are recommended for funding by the  
38 legislature. The maximum amount of funding that the board may

1 recommend for any jurisdiction is ten million dollars per biennium.  
2 For each project on the ranked list, as well as for eligible projects  
3 not recommended for funding, the board must document the numerical  
4 ranking that was assigned.

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

10 ((+6+)) (7) Before November 1st of each even-numbered year, the  
11 board must develop and submit to the appropriate fiscal committees of  
12 the senate and house of representatives a description of the loans made  
13 under RCW 43.155.065, 43.155.068, and subsection ((+9+)) (10) of this  
14 section during the preceding fiscal year and a prioritized list of  
15 projects which are recommended for funding by the legislature,  
16 including one copy to the staff of each of the committees. The list  
17 must include, but not be limited to, a description of each project and  
18 recommended financing, the terms and conditions of the loan or  
19 financial guarantee, the local government jurisdiction and unemployment  
20 rate, demonstration of the jurisdiction's critical need for the project  
21 and documentation of local funds being used to finance the public works  
22 project. The list must also include measures of fiscal capacity for  
23 each jurisdiction recommended for financial assistance, compared to  
24 authorized limits and state averages, including local government sales  
25 taxes; real estate excise taxes; property taxes; and charges for or  
26 taxes on sewerage, water, garbage, and other utilities.

27 ((+7+)) (8) The board may not sign contracts or otherwise  
28 financially obligate funds from the public works assistance account  
29 before the legislature has appropriated funds for a specific list of  
30 public works projects. The legislature may remove projects from the  
31 list recommended by the board. The legislature may not change the  
32 order of the priorities recommended for funding by the board.

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

36 ((+9+)) (10) Loans made for the purpose of capital facilities plans  
37 are exempted from subsection ((+7+)) (8) of this section.

1       (~~(10)~~) (11) To qualify for loans or pledges for solid waste or  
2 recycling facilities under this chapter, a city or county must  
3 demonstrate that the solid waste or recycling facility is consistent  
4 with and necessary to implement the comprehensive solid waste  
5 management plan adopted by the city or county under chapter 70.95 RCW.

6       (~~(11)~~) (12) After January 1, 2010, any project designed to  
7 address the effects of storm water or wastewater on Puget Sound may be  
8 funded under this section only if the project is not in conflict with  
9 the action agenda developed by the Puget Sound partnership under RCW  
10 90.71.310.

11       (13) During the 2013-2015 fiscal biennium, for projects involving  
12 repair, replacement, or improvement of a wastewater treatment plant or  
13 other public works facility for which an investment grade efficiency  
14 audit is obtainable, the public works board must require as a contract  
15 condition that the project sponsor undertake an investment grade  
16 efficiency audit. The project sponsor may finance the costs of the  
17 audit as part of its public works assistance account program loan.

18       (14)(a) For public works assistance account application rounds  
19 conducted during the 2013-2015 fiscal biennium, the board must  
20 implement policies and procedures designed to maximize local government  
21 use of federally-funded drinking water and clean water state revolving  
22 funds operated by the state departments of health and ecology. The  
23 board, department of ecology, and department of health must jointly  
24 develop evaluation criteria and application procedures that will  
25 increase access of eligible drinking water and wastewater projects to  
26 the public works assistance account for short-term preconstruction  
27 financing and to the federally funded state revolving funds for  
28 construction financing. The procedures must also strengthen  
29 coordinated funding of preconstruction and construction projects.

30       (b) For all construction loan projects proposed to the legislature  
31 for funding during the 2013-2015 fiscal biennium, the board must base  
32 interest rates on the average daily market interest rate for tax-exempt  
33 municipal bonds as published in the bond buyer's index for the period  
34 from sixty to thirty days before the start of the application cycle.  
35 For projects with a repayment period between five and twenty years, the  
36 rate must be sixty percent of the market rate. For projects with a  
37 repayment period under five years, the rate must be thirty percent of  
38 the market rate. The board must also provide reduced interest rates,

1 extended repayment periods, or forgivable principal loans for projects  
2 that meet financial hardship criteria as measured by the affordability  
3 index or similar standard measure of financial hardship.

4 (c) By December 1, 2013, the board must recommend to the  
5 appropriate committees of the legislature statutory language to make  
6 permanent these new criteria, procedures, and financing policies.

7 **Sec. 7033.** RCW 70.105D.070 and 2013 2nd sp.s. c 1 s 9 are each  
8 amended to read as follows:

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

11 (2)(a) Moneys collected under RCW 82.21.030 must be deposited as  
12 follows: Fifty-six percent to the state toxics control account under  
13 subsection (3) of this section and forty-four percent to the local  
14 toxics control account under subsection (4) of this section. When the  
15 cumulative amount of deposits made to the state and local toxics  
16 control accounts under this section reaches the limit during a fiscal  
17 year as established in (b) of this subsection, the remainder of the  
18 moneys collected under RCW 82.21.030 during that fiscal year must be  
19 deposited into the environmental legacy stewardship account created in  
20 RCW 70.105D.--- (section 10, chapter 1, Laws of 2013 2nd sp. sess.).

21 (b) The limit on distributions of moneys collected under RCW  
22 82.21.030 to the state and local toxics control accounts for the fiscal  
23 year beginning July 1, 2013, is one hundred forty million dollars.

24 (c) In addition to the funds required under (a) of this subsection,  
25 the following moneys must be deposited into the state toxics control  
26 account: (i) The costs of remedial actions recovered under this  
27 chapter or chapter 70.105A RCW; (ii) penalties collected or recovered  
28 under this chapter; and (iii) any other money appropriated or  
29 transferred to the account by the legislature.

30 (3) Moneys in the state toxics control account must be used only to  
31 carry out the purposes of this chapter, including but not limited to  
32 the following activities:

33 (a) The state's responsibility for hazardous waste planning,  
34 management, regulation, enforcement, technical assistance, and public  
35 education required under chapter 70.105 RCW;

36 (b) The state's responsibility for solid waste planning,