HB 2793

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

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

PART I

NEW SECTION. Sec. 101. INTENT. The legislature finds that the current economic state has created a critical situation under which an old economy is leaving and a new economy must be built. Building public infrastructure creates jobs for today and jobs for tomorrow, because public infrastructure is crucial to economic development. The legislature has determined that the state has the ability to respond to this crisis by creating jobs through accelerating public construction projects of the type that the state would ordinarily fund over future periods on a cash basis from dedicated revenue sources. By leveraging
these dedicated revenues, the legislature will be able to stimulate the
economy by front-loading these construction projects. To this end, the
legislature proposes a comprehensive plan under which dedicated revenue
streams will be leveraged and will be secured by other revenue streams
that historically have been used to support construction of public
projects. A common reserve from nontax sources supports the related
and complementary subparts of this legislation.

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

PART II
LOCAL GOVERNMENT CAPITAL CONSTRUCTION ASSISTANCE

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

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

(2) The state finance committee shall supervise and provide for the
sale, issuance, and retirement of the bonds authorized by this section
and sections 203 through 207 of this act in accordance with chapter
39.42 RCW. Bonds authorized by this section and sections 203 through
207 of this act shall be sold in the manner, at the time or times, in
one or more series, in amounts, and at the prices as the state finance
committee shall determine. No bonds may be offered for sale without
prior legislative appropriation of the net proceeds of the sale of the
bonds.
(3) The state finance committee may determine and include in any resolution authorizing the issuance of any bonds authorized by this section and sections 203 through 207 of this act such terms, provisions, covenants, and conditions as it may deem appropriate in order to assist with the marketing and sale of the bonds, confer rights upon the owners of bonds, and safeguard rights of the owners of bonds, including, among other things:

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

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

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

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

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

NEW SECTION. Sec. 203. LOCAL GOVERNMENT CAPITAL CONSTRUCTION ASSISTANCE ACCOUNT REVENUES PLEDGED TO BONDS. Each bond issued under the authority of sections 202 through 207 of this act shall distinctly state that payment or redemption of the bond and payment of the interest and any premium thereon is payable solely from and secured solely by a pledge of the tax revenues received from the tax imposed pursuant to RCW 82.18.020 and deposited in the local government capital construction assistance account pursuant to RCW 82.18.040 and amounts in the 2012 jobs act credit enhancement reserve account and is not a general obligation of the state to which the full faith and credit of the state is pledged. The legislature pledges to appropriate the tax
revenues pledged to the payment of the bonds issued under sections 202 through 207 of this act. The legislature further agrees for the benefit of the owners of outstanding bonds issued by the state under sections 202 through 205 of this act to continue in effect and not to impair or withdraw the authorization of the imposition, collection, and transfer of the tax as provided in RCW 82.16.020 and 82.16.040 for payment of the bonds. The state finance committee shall include this pledge and agreement of the state to owners of any bonds issued under sections 202 through 205 of this act. The owner of any bond or the trustee for the owner of any of the bonds may by mandamus or other appropriate proceeding require the transfer and payment of pledged funds as directed in this section.

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

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

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

(3) On each date on which principal and interest payment is due on bonds issued for the purposes of section 202 of this act, the state...
treasurer shall withdraw from any tax revenues placed in the local
government capital construction assistance account and deposit in the
local government capital construction assistance bond retirement
account an amount equal to the amount certified by the state finance
committee to be due on the bond payment date. If the amount of tax
revenues on deposit in the local government capital construction
assistance account is insufficient to make the bond payment amount then
due, the state treasurer shall withdraw from the 2012 jobs act credit
enhancement reserve account and deposit in the local government capital
assistance bond retirement account the additional amount required to
provide sufficient funds for the bond payment amount then due.

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

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

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

SOLID WASTE TAX DEDICATED TO LOCAL GOVERNMENT CAPITAL CONSTRUCTION
ASSISTANCE AND DEPOSITED IN LOCAL GOVERNMENT CAPITAL CONSTRUCTION
ASSISTANCE ACCOUNT. For the specific purpose of funding a program of state aid for local government capital construction, including, but not limited to, payment of debt service on bonds issued under section 202 of this act, there is imposed on each person using the solid waste services of a solid waste collection business a solid waste collection tax equal to three and six-tenths percent of the consideration charged for the services. Revenues from this tax must be deposited in the local government capital construction assistance account created in section 206 of this act.

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

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

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

(3) The tax shall be due from the person collecting the tax at the end of the tax period in which the tax is received from the taxpayer. If the taxpayer remits only a portion of the total amount billed for
taxes, consideration, and related charges, the amount remitted shall be
applied first to payment of the solid waste collection tax and this tax
shall have priority over all other claims to the amount remitted.

PART III
WATER QUALITY AND SAFE DRINKING WATER

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

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

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

(3) The state finance committee may determine and include in any
resolution authorizing the issuance of any bonds authorized by this
section and sections 303 through 307 of this act such terms,
provisions, covenants, and conditions as it may deem appropriate in
order to assist with the marketing and sale of the bonds, confer rights
upon the owners of bonds, and safeguard rights of the owners of bonds,
including, among other things:
(a) Provisions that the bonds shall be payable solely from and secured solely by the tax revenues received in the water quality and safe drinking water account and by amounts in the 2012 jobs act credit enhancement reserve account created in section 601 of this act;

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

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

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

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

NEW SECTION. Sec. 303. Water quality and safe drinking water account revenues pledged to bonds. Each bond issued under the authority of sections 302 through 307 of this act shall distinctly state that payment or redemption of the bond and payment of the interest and any premium thereon is payable solely from and secured solely by a pledge of the tax revenues received from the taxes imposed pursuant to RCW 82.16.020(1)(j) and (k) and deposited in the water quality and safe drinking water account pursuant to RCW 82.16.020(3) and by amounts in the 2012 jobs act credit enhancement reserve account created in section 601 of this act and is not a general obligation of the state to which the full faith and credit of the state is pledged. The legislature pledges to appropriate the tax revenues pledged to the payment of the bonds issued under sections 302 through 307 of this act. The legislature further agrees for the benefit of the owners of outstanding bonds issued by the state under sections 302 through 307 of this act to continue in effect and not to impair or withdraw the authorization of the imposition, collection, and transfer of the tax as provided in RCW 82.16.020 (1)(j) and (k) and (3) for payment of the bonds. The state finance committee shall include this pledge and
agreement of the state to owners of any bonds issued under sections 302 through 307 of this act. The owner of any bond or the trustee for the owner of any of the bonds may by mandamus or other appropriate proceeding require the transfer and payment of pledged funds as directed in this section.

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

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

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

(3) On each date on which principal and interest payment is due on bonds issued for the purposes of section 302 of this act, the state treasurer shall withdraw from any tax revenues placed in the water quality and safe drinking water account and deposit in the water quality and safe drinking water bond retirement account an amount equal to the amount certified by the state finance committee to be due on the bond payment date. If the amount of tax revenues on deposit in the water quality and safe drinking water account is insufficient to make
the bond payment amount due, the state treasurer shall withdraw from
the 2012 jobs act credit enhancement reserve account and deposit in the
water quality and safe drinking water bond retirement account the
additional amount required to provide sufficient funds for the bond
payment amount then due.

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

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

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

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

(a) Express(, sewerage collection,) and telegraph businesses:
Three and six-tenths percent;
(b) Light and power business: Three and sixty-two one-hundredths percent;
(c) Gas distribution business: Three and six-tenths percent;
(d) Urban transportation business: Six-tenths of one percent;
(e) Vessels under sixty-five feet in length, except tugboats, operating upon the waters within the state: Six-tenths of one percent;
(f) Motor transportation, railroad, railroad car, and tugboat businesses, and all public service businesses other than ones mentioned above: One and eight-tenths of one percent;
(g) Water distribution business: ((Four and seven-tenths percent)) Three and seventy-six one-hundredths percent;
(h) Log transportation business: One and twenty-eight one-hundredths percent;
(i) Sewerage collection business: One and forty-four one-hundredths percent;
(j) For the specific purpose of financing the construction, acquisition, and improvement of public facilities and watershed improvements that improve water quality and safe drinking water, including, but not limited to, payment of debt service on bonds issued under section 302 of this act, sewerage collection business: Two and sixteen one-hundredths percent;
(k) For the specific purpose of financing the construction, acquisition, and improvement of public facilities and watershed improvements that improve water quality and safe drinking water, including, but not limited to, payment on debt service on bonds issued under section 302 of this act, water distribution business: Ninety-four one-hundredths percent.

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

(3) ((Twenty percent of the moneys collected under subsection (1) of this section on water distribution businesses and sixty percent of the moneys collected under subsection (1) of this section on sewerage collection businesses shall be deposited in the public works assistance account created in RCW 43.155.050: PROVIDED, That during the fiscal year 2011, twenty percent of the moneys collected under subsection (1) of this section on water distribution businesses and sixty percent of the moneys collected under subsection (1) of this section on sewerage collection businesses shall be deposited in the public works assistance account created in RCW 43.155.050))
collection businesses must be deposited in the general fund for general
purpose expenditures.)) Moneys collected under subsection (1)(j) and
(k) of this section must be deposited in the water quality and safe
drinking water account established in section 306 of this act.

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

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

(a) Express((, sewerage collection)) and telegraph businesses:
Three and six-tenths percent;
(b) Light and power business: Three and sixty-two one-hundredths
percent;
(c) Gas distribution business: Three and six-tenths percent;
(d) Urban transportation business: Six-tenths of one percent;
(e) Vessels under sixty-five feet in length, except tugboats,
operating upon the waters within the state: Six-tenths of one percent;
(f) Motor transportation, railroad, railroad car, and tugboat
businesses, and all public service businesses other than ones mentioned
above: One and eight-tenths of one percent;
(g) Water distribution business: (((Four and seven-tenths percent))
Three and seventy-six one-hundredths percent;
(h) Sewerage collection business: One and forty-four
one-hundredths percent;
(i) For the specific purpose of financing the construction,
acquisition, and improvement of public facilities and watershed
improvements that improve water quality and safe drinking water,
including, but not limited to, financing the bonds issued under section
302 of this act, sewerage collection business: Two and sixteen
one-hundredths percent;
(j) For the specific purpose of financing the construction,
acquisition, and improvement of public facilities and watershed
improvements that improve water quality and safe drinking water,
including, but not limited to, financing the bonds issued under section 302 of this act, water distribution business: Ninety-four one-hundredths percent.

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

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

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

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

PART IV

ENVIRONMENTAL CLEANUP AND RESTORATION

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

NEW SECTION. Sec. 402. BONDS AUTHORIZED FOR ENVIRONMENTAL CLEANUP AND RESTORATION. (1) For the purpose of financing environmental cleanup and restoration, the state finance committee is authorized to issue a total of two hundred seventeen million two hundred thousand dollars of limited tax obligation bonds of the state of Washington.
(2) The state finance committee shall supervise and provide for the sale, issuance, and retirement of the bonds authorized by this section and sections 403 through 407 of this act in accordance with chapter 39.42 RCW. Bonds authorized by this section and sections 403 through 407 of this act shall be sold in the manner, at the time or times, in one or more series, in amounts, and at the prices as the state finance committee shall determine. No bonds may be offered for sale without prior legislative appropriation of the net proceeds of the sale of the bonds.

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

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

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

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

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

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

NEW SECTION. Sec. 403. ENVIRONMENTAL CLEANUP AND RESTORATION ACCOUNT REVENUES PLEDGED TO BONDS. Each bond issued under the authority of section 402 of this act shall distinctly state that
payment or redemption of the bond and payment of the interest and any
currency thereon is payable solely from and secured solely by a pledge
of the tax revenues received from the tax imposed pursuant to RCW
82.21.030(1) and deposited in the environmental cleanup and restoration
account pursuant to RCW 82.21.030(2) and by amounts in the 2012 jobs
act credit enhancement reserve account created in section 601 of this
act and is not a general obligation of the state to which the full
faith and credit of the state is pledged. The legislature pledges to
appropriate the tax revenues pledged to the payment of the bonds issued
under sections 402 through 407 of this act. The legislature further
agrees for the benefit of the owners of outstanding bonds issued by the
state under sections 402 through 407 of this act to continue in effect
and not to impair or withdraw the authorization of the imposition,
collection, and transfer of the tax as provided in RCW 82.21.030 (1)
and (2) for payment of the bonds. The state finance committee shall
include this pledge and agreement of the state to owners of any bonds
issued under sections 402 through 407 of this act. The owner of any
bond or the trustee for the owner of any of the bonds may by mandamus
or other appropriate proceeding require the transfer and payment of
pledged funds as directed in this section.

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

NEW SECTION. Sec. 405. ENVIRONMENTAL CLEANUP AND RESTORATION BOND
RETIREMENT ACCOUNT CREATED. (1) The environmental cleanup and
restoration bond retirement account is hereby created in the state
treasury. Moneys in the account must be used only for the payment of
the principal and interest on the bonds authorized in sections 402 through 407 of this act.

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

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

NEW SECTION. Sec. 406. ENVIRONMENTAL CLEANUP AND RESTORATION ACCOUNT CREATED. A special account designated as the environmental cleanup and restoration account is hereby created in the state treasury. Deposits to the account must include the tax revenues directed to the account under RCW 82.21.030(2) and any other revenues directed to the account by the legislature. Expenditures from the account may be made only for the specific purpose of funding environmental cleanup and restoration projects including, but not limited to, payment of principal and interest on bonds issued pursuant to section 402 of this act. Moneys in the account must be transferred to the environmental cleanup and restoration bond retirement account as required by section 403 of this act, and any moneys in the account not required for transfer to the environmental cleanup and restoration bond retirement account must be transferred to the state and local toxics control accounts in RCW 70.105D.070 for purposes consistent with this section. Amounts so transferred to the state and local toxics control accounts must be allocated at a rate of forty-seven percent to the
state toxics control account in RCW 70.105D.070(1) and fifty-three percent to the local toxics control account in RCW 70.105D.070(3).

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

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

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

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

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

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

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

(2) The following moneys shall be deposited into the state toxics control account: (a) Those revenues which are raised by the tax imposed under RCW 82.21.030 ((and which are attributable to that portion of the rate equal to thirty-three one-hundredths of one percent)) and are transferred from the environmental cleanup and restoration account into the state toxics control account under section 406 of this act; (b) the costs of remedial actions recovered under this chapter or chapter 70.105A RCW; (c) penalties collected or recovered under this chapter; and (d) any other money appropriated or transferred
to the account by the legislature. Moneys in the account may be used
only to carry out the purposes of this chapter, including but not
limited to the following activities:

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

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

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

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

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

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

(vii) Hazardous materials emergency response training;

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

(ix) Programs authorized under chapter 70.146 RCW;

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

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

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

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

(xiv) During the 2009-2011 fiscal biennium, multijurisdictional
permitting teams; and
(xv) During the 2011-2013 fiscal biennium, actions for reducing public exposure to toxic air pollution.

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

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

(i) Remedial actions;

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

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

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

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

(b) Funds for plans and programs shall be allocated consistent with the priorities and matching requirements established in chapters 70.105, 70.95C, 70.95I, and 70.95 RCW, except that any applicant that is a Puget Sound partner, as defined in RCW 90.71.010, along with any project that is referenced in the action agenda developed by the Puget Sound partnership under RCW 90.71.310, shall, except as conditioned by RCW 70.105D.120, receive priority for any available funding for any grant or funding programs or sources that use a competitive bidding process. During the 2007-2009 fiscal biennium, moneys in the account may also be used for grants to local governments to retrofit public sector diesel equipment and for storm water planning and implementation activities.
(c) To expedite cleanups throughout the state, the department shall partner with local communities and liable parties for cleanups. The department is authorized to use the following additional strategies in order to ensure a healthful environment for future generations:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PART V
FOREST TO SHORE RESTORATION

NEW SECTION. Sec. 501. FOREST TO SHORE RESTORATION IMPROVEMENT--INTENT. It is the intent of the legislature to accelerate construction of forest to shore restoration projects.
NEW SECTION. Sec. 502. BONDS AUTHORIZED FOR FOREST TO SHORE RESTORATION. (1) For the purpose of financing forest to shore restoration projects, the state finance committee is authorized to issue a total of forty million dollars of aquatic lands revenue bonds of the state of Washington.

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

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

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

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

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

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

(4) Bond proceeds must be used exclusively for the purposes specified in subsection (1) of this section.
NEW SECTION. Sec. 503. AQUATIC LANDS ENHANCEMENT ACCOUNT REVENUES PLEDGED TO BONDS. Each bond issued under the authority of sections 502 through 506 of this act shall distinctly state that payment or redemption of the bond and payment of the interest and any premium thereon is payable solely from and secured solely by a pledge of the aquatic lands revenues received from state ownership of aquatic lands and deposited in the aquatic lands enhancement account under RCW 79.105.150 and amounts in the 2012 jobs act credit enhancement reserve account and is not a general obligation of the state to which the full faith and credit of the state is pledged. The legislature pledges to appropriate the aquatic lands revenues pledged to the payment of the bonds issued under sections 502 through 506 of this act. The legislature further agrees for the benefit of the owners of outstanding bonds issued by the state under sections 502 through 506 of this act to continue in effect and not to impair or withdraw the authorization of the imposition, collection, and transfer of the aquatic lands revenues as provided in RCW 79.105.150 for payment of the bonds. The state finance committee shall include this pledge and agreement of the state to owners of any bonds issued under section 502 of this act. The owner of any bond or the trustee for the owner of any of the bonds may by mandamus or other appropriate proceeding require the transfer and payment of pledged funds as directed in this section.

NEW SECTION. Sec. 504. FOREST TO SHORE RESTORATION CONSTRUCTION BOND PROCEEDS ACCOUNT. The proceeds from the sale of the bonds authorized in sections 502 through 506 of this act shall be deposited in the forest to shore restoration construction bond proceeds account hereby created in the state treasury. Moneys in the account may be spent only after appropriation. Moneys in the account may be appropriated only for the construction and improvement of forest to shore restoration projects including, but not limited to, forest hazard reduction and safety projects, forest improvement and health treatments that improve the health of streams and navigable waters, and restoration projects for Puget Sound and other shorelines. The state treasurer may establish subaccounts in the account for the purpose of segregating bond proceeds, including separate subaccounts for segregating proceeds of tax-exempt bonds and taxable bonds.
NEW SECTION.  Sec. 505.  FOREST TO SHORE RESTORATION BOND RETIREMENT ACCOUNT CREATED.  (1) The forest to shore restoration bond retirement account is hereby created in the state treasury. Moneys in the account must be used only for the payment of the principal and interest on the bonds authorized in sections 502 through 506 of this act.

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

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

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

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

AQUATIC LANDS ENHANCEMENT ACCOUNT REVENUES DEDICATED.  (1) After deduction for management costs as provided in RCW 79.64.040 and payments to towns under RCW 79.115.150(2), all moneys received by the state from the sale or lease of state-owned aquatic lands and from the sale of valuable material from state-owned aquatic lands shall be deposited in the aquatic lands enhancement account which is hereby created in the state treasury. After appropriation, these funds shall
be used solely for aquatic lands enhancement projects, including, but not limited to, debt service on forest to shore restoration bonds issued under section 502 of this act; for the purchase, improvement, or protection of aquatic lands for public purposes; for providing and improving access to the lands; and for volunteer cooperative fish and game projects. During the 2009-2011 and 2011-2013 fiscal biennia, the aquatic lands enhancement account may also be used for scientific research as part of the adaptive management process and for developing a planning report for McNeil Island. During the 2009-2011 and 2011-2013 fiscal biennia, the legislature may transfer from the aquatic lands enhancement account to the state general fund such amounts as reflect excess fund balance of the account. During the 2011-2013 fiscal biennium, the aquatic lands enhancement account may be used to support the shellfish program, the ballast water program, and the Puget Sound toxic sampling program at the department of fish and wildlife, and the knotweed program at the department of agriculture.

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

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

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

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

(3) To the extent possible, the department should coordinate its performance measure system with other natural resource-related agencies as defined in RCW 43.41.270.
(4) The department shall consult with affected interest groups in implementing this section.

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

PART VI
RESERVE FUND

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

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

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

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

PUBLIC WORKS ASSISTANCE ACCOUNT LOAN REPAYMENTS DEDICATED TO
RESERVE.  (1) The public works assistance account is hereby established in the state treasury. Money may be placed in the public works assistance account from the proceeds of bonds when authorized by the legislature or from any other lawful source.

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

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

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

(5) Not more than fifteen percent of the biennial capital budget appropriation to the public works board from this account may be expended or obligated for preconstruction loans, emergency loans, or loans for capital facility planning under this chapter; of this amount, not more than ten percent of the biennial capital budget appropriation may be expended for emergency loans and not more than one percent of the biennial capital budget appropriation may be expended for capital
facility planning loans. (For the 2007-2009 biennium, moneys in the
account may be used for grants for projects identified in section 138,
During the 2009-2011 fiscal biennium, sums in the public works
assistance account may be used for the water pollution control
revolving fund program match in section 3013, chapter 36, Laws of 2010
1st sp. sess. During the 2009-2011 fiscal biennium, the legislature
may transfer from the job development fund to the general fund such
amounts as reflect the excess fund balance of the fund.) During the
2011-2013 fiscal biennium, the legislature may transfer from the public
works assistance account to the general fund (the water pollution
control revolving account, and the drinking water assistance account)
and the 2012 jobs act credit enhancement reserve account such amounts
as reflect the excess fund balance of the account.

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

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

PART VII
APPROPRIATIONS--LOCAL GOVERNMENT CAPITAL CONSTRUCTION ASSISTANCE

NEW SECTION. Sec. 701. FOR THE DEPARTMENT OF COMMERCE

Energy Efficiency Grants for Local Governments (91000241)

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

(1) The appropriation is provided solely for grants to local
agencies for operational cost savings improvements to local agency
facilities and related projects that result in energy and operational
cost savings. Related projects are those projects that must be
completed in order for the energy efficiency improvements to be
effective. Grants may also be used for loan interest payments over the
term of a loan.

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

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

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

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

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

(e) "Operational cost savings" means savings realized from parts,
service fees, capital renewal costs, and other measurable annual
expenses to maintain and repair systems. This definition does not mean
labor savings related to existing facility staff.
(f) "Public facilities" means buildings, building components, and major equipment or systems owned by local agencies.

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

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

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

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

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

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

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

(7) Projects that do not use energy savings performance contracting must: (a) Verify energy and operational cost savings for ten years or until the energy and operational costs savings pay for the project, whichever is shorter; (b) follow the department of enterprise services energy savings performance contracting project guidelines; and (c) employ a licensed engineer for the energy audit and construction. The department of commerce may require third-party verification of savings if a project is not implemented by an energy savings performance contractor selected by the department of enterprise services through
the request of qualifications process. Third-party verification must be conducted either by an energy savings performance contractor selected by the department of enterprise services through a request for qualifications, a licensed engineer that is a certified energy manager, or a project resource conservation manager.

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

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

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

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

Appropriation:

Local Government Capital Construction Assistance
Bond Proceeds Account--State .................. $43,000,000

Prior Biennia (Expenditures) .................. $0
Future Biennia (Projected Costs) ............... $0
TOTAL ...................................... $43,000,000

NEW SECTION. Sec. 702. FOR THE DEPARTMENT OF COMMERCE
State Aid for Local Governments (91000324)

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

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

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

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

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

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

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

<table>
<thead>
<tr>
<th>Project</th>
<th>Authorized Amount</th>
</tr>
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<tbody>
<tr>
<td>Port of Quincy Industrial Park No. 6 Infrastructure</td>
<td>$1,100,000</td>
</tr>
<tr>
<td>Roslyn Northwest Improvement Building</td>
<td>$1,035,000</td>
</tr>
<tr>
<td>Main Street Edmonds</td>
<td>$500,000</td>
</tr>
<tr>
<td>Federal Way Sewer Line</td>
<td>$1,500,000</td>
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<tr>
<td>Everett Park Roofs</td>
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<td><strong>Total</strong></td>
<td><strong>$4,535,000</strong></td>
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</table>

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

Local Government Capital Assistance Bond Proceeds
Account--State ........................................... $4,535,000
Prior Biennia (Expenditures) ........................................... $0
Future Biennia (Projected Costs) ................................. $0
TOTAL ......................................................... $4,535,000

NEW SECTION. Sec. 703. FOR THE DEPARTMENT OF COMMERCE
Public Works Assistance Account Program--Additional Round (91000320)
The appropriation in this section is subject to the following conditions and limitations: The public works board must conduct an additional funding round for public works projects. The public works board, local government applicants, and proposed projects must meet all requirements of chapter 43.155 RCW; except that, the public works board must approve the prioritized list of projects and loan amounts without seeking legislative approval.

Appropriation:

Local Government Capital Construction Assistance
Bond Proceeds Account--State ................................. $70,000,000
Prior Biennia (Expenditures) ........................................... $0
Future Biennia (Projected Costs) ................................. $0
TOTAL ......................................................... $70,000,000

NEW SECTION. Sec. 704. FOR THE DEPARTMENT OF COMMERCE
Financing Energy/Water Efficiency (30000180)

Appropriation:

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

NEW SECTION. Sec. 705. FOR THE DEPARTMENT OF COMMERCE
Community Economic Revitalization Board (30000183)

Appropriation:
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<tr>
<td>Bond Proceeds Account--State</td>
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<td>Prior Biennia (Expenditures)</td>
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<td>Future Biennia (Projected Costs)</td>
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<td>TOTAL</td>
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**NEW SECTION.** Sec. 706. FOR THE DEPARTMENT OF COMMERCE

Public Works Pre-Construction Loan Program (91000319)

Appropriation:

<table>
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<tbody>
<tr>
<td>Bond Proceeds Account--State</td>
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<tr>
<td>Prior Biennia (Expenditures)</td>
</tr>
<tr>
<td>Future Biennia (Projected Costs)</td>
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<tr>
<td>TOTAL</td>
</tr>
<tr>
<td>$15,000,000</td>
</tr>
</tbody>
</table>

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

New Energy (91000254)

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

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

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

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

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

   c. To be considered for funding, project proposals must, at a minimum, include:
(i) Purchasing and installing solar modules and inverters manufactured in Washington; and

(ii) Installing solar energy systems of 40kW or less in order to ensure maximum public exposure to different solar power applications.

Appropriation:

Local Government Capital Construction Assistance
Bond Proceeds Account--State .................... $5,000,000

Prior Biennia (Expenditures) ....................... $0
Future Biennia (Projected Costs) ................. $0
TOTAL ............................................ $5,000,000

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

Connell Klindworth Water Line Distribution (91000318)

Appropriation:

Local Government Capital Construction Assistance
Bond Proceeds Account--State .................... $540,000

Prior Biennia (Expenditures) ....................... $0
Future Biennia (Projected Costs) .................. $0
TOTAL ............................................ $540,000

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

Lewis County Economic Development (91000398)

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely as grant funding for infrastructure development on industrial lands near Interstate 5 in the vicinity of Winlock, Washington.

Appropriation:

Local Government Capital Construction Assistance
Bond Proceeds Account--State .................... $5,000,000

Prior Biennia (Expenditures) ....................... $0
Future Biennia (Projected Costs) .................. $0
TOTAL ............................................ $5,000,000

NEW SECTION. Sec. 710. FOR THE DEPARTMENT OF ARCHAEOLOGY AND
HISTORIC PRESERVATION

Courthouse Preservation (91000001)

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

Appropriation:

Local Government Capital Construction Assistance
Bond Proceeds Account--State ...................... $338,000

Prior Biennia (Expenditures) ......................... $0
Future Biennia (Projected Costs) ...................... $0

TOTAL ........................................... $338,000

PART VIII

APPROPRIATIONS--WATER QUALITY AND SAFE DRINKING WATER

NEW SECTION. Sec. 801. FOR THE DEPARTMENT OF COMMERCE
Scriber Creek Pedestrian Bridge (91000330)

Appropriation:

Water Quality and Safe Drinking Water Construction
Bond Proceeds Account--State ...................... $800,000

Prior Biennia (Expenditures) ......................... $0
Future Biennia (Projected Costs) ...................... $0

TOTAL ........................................... $800,000

NEW SECTION. Sec. 802. FOR THE DEPARTMENT OF HEALTH
Drinking Water Safety (91000004)

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

<table>
<thead>
<tr>
<th>Project</th>
<th>Authorized Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whatcom PUD Water System Consolidation</td>
<td>$2,925,000</td>
</tr>
<tr>
<td>Cowlitz County Water Treatment</td>
<td>$200,000</td>
</tr>
<tr>
<td>Kapowsin Water District Water Treatment</td>
<td>$50,000</td>
</tr>
</tbody>
</table>
Rhodena Beach Water District Water Treatment $721,000
Greater Bar Water District Water System Consolidation $1,000,000
City of Ilwaco Water Treatment $940,000
Town of Malden Water Facility Repair $975,000
Kitsap PUD Water System Consolidation $5,000,000
City of Colville System Repair/Upgrade $750,000
City of Buckley System Repair/Upgrade $4,000,000
City of Shelton Water System Consolidation $6,000,000
City of Moses Lake Water System Consolidation $4,700,000
Skagit PUD Water System Consolidation $200,000
Pend Oreille PUD System Repair/Upgrade $900,000
Administrative Costs $340,000
Total $28,701,000

Appropriation:
Water Quality and Safe Drinking Water Construction
Bond Proceeds Account--State $28,701,000
Prior Biennia (Expenditures) $0
Future Biennia (Projected Costs) $0
Total $28,701,000

NEW SECTION. Sec. 803. FOR THE DEPARTMENT OF HEALTH
Drinking Water Grants: Hanson Harbor (91000021)
The appropriation in this section is subject to the following conditions and limitations: $699,000 of the appropriation is provided solely for the Hanson Harbor water supply project.

Appropriation:
Water Quality and Safe Drinking Water Construction
Bond Proceeds Account--State $699,000
Prior Biennia (Expenditures) $0
Future Biennia (Projected Costs) $0
Total $699,000

Sec. 804. 2011 1st sp.s. c 48 s 3024 (uncodified) is amended to read as follows:
FOR THE DEPARTMENT OF ECOLOGY

Centennial Clean Water Program (30000208)

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

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

2. $3,500,000 of the appropriation is provided solely for a grant for the Freeland sewer project.

3. $540,000 of the appropriation is provided solely for the city of Connell's Klindworth Campbell waterline distribution project.

4. $600,000 of the appropriation is provided solely for a grant for the town of Mabton's wastewater treatment project.

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

6. $20,709,000 of the appropriation is provided solely as grants for the following ranked list of projects:

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

Appropriation:

State Toxics Control Account--State ............. $34,100,000

Water Quality and Safe Drinking Water Construction
Bond Proceeds Account--State .................. $15,389,000
Subtotal Appropriation .......................... $49,489,000

Prior Biennia (Expenditures) ................... $0
Future Biennia (Projected Costs) .............. $0
TOTAL ............................................ ($34,100,000)

$49,489,000

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:

<table>
<thead>
<tr>
<th>Project</th>
<th>Authorized Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nookachamps Basins</td>
<td>$50,000</td>
</tr>
<tr>
<td>Hanika Water Right Acquisition</td>
<td>$50,000</td>
</tr>
<tr>
<td>Group A Water System Acquisition and Consolidation</td>
<td>$125,000</td>
</tr>
<tr>
<td>Satellite System Development - Group A Water System Consolidation</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Snohomish County Group A System Extension</td>
<td>$1,000,000</td>
</tr>
</tbody>
</table>

Appropriation:

Water Quality and Safe Drinking Water Construction
Bond Proceeds Account--State .................. $2,225,000
Prior Biennia (Expenditures) ................... $0
Future Biennia (Projected Costs) .............. $0
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
<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
<th>Bond Proceeds Account--State</th>
<th>Prior Biennia (Expenditures)</th>
<th>Future Biennia (Projected Costs)</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>807</td>
<td>Conservation Reserve Enhancement Program (CREP) (91000006)</td>
<td>$6,000,000</td>
<td>$0</td>
<td>$0</td>
<td>$6,000,000</td>
</tr>
<tr>
<td>808</td>
<td>Hatchery Improvements (91000142)</td>
<td>$3,277,000</td>
<td>$0</td>
<td>$0</td>
<td>$3,277,000</td>
</tr>
<tr>
<td>809</td>
<td>Minor Works--Dam and Dike (91000143)</td>
<td>$3,200,000</td>
<td>$0</td>
<td>$0</td>
<td>$3,200,000</td>
</tr>
</tbody>
</table>

**NEW SECTION. Sec. 807. FOR THE STATE CONSERVATION COMMISSION**
Conservation Reserve Enhancement Program (CREP) (91000006)

Appropriation:
- Water Quality and Safe Drinking Water Construction
  - Bond Proceeds Account--State: $3,277,000
- Prior Biennia (Expenditures): $0
- Future Biennia (Projected Costs): $0
- TOTAL: $3,277,000

**NEW SECTION. Sec. 808. FOR THE DEPARTMENT OF FISH AND WILDLIFE**
Hatchery Improvements (91000142)

Appropriation:
- Water Quality and Safe Drinking Water Construction
  - Bond Proceeds Account--State: $8,580,000
- Prior Biennia (Expenditures): $0
- Future Biennia (Projected Costs): $0
- TOTAL: $8,580,000

**NEW SECTION. Sec. 809. FOR THE DEPARTMENT OF FISH AND WILDLIFE**
Minor Works--Dam and Dike (91000143)

Appropriation:
- Water Quality and Safe Drinking Water Construction
  - Bond Proceeds Account--State: $3,200,000
- Prior Biennia (Expenditures): $0
- Future Biennia (Projected Costs): $0
- TOTAL: $3,200,000

**PART IX**

**APPROPRIATIONS--ENVIRONMENTAL CLEANUP AND RESTORATION**
NEW SECTION.  Sec. 901. FOR THE DEPARTMENT OF ECOLOGY

Clean Up Toxic Sites - Puget Sound (91000032)

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

<table>
<thead>
<tr>
<th>Project</th>
<th>Authorized Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Port Gamble Bay - Open up 90 acres of geoduck tracks</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Port Gamble Bay - Source control, habitat preservation, and cleanup sustainability</td>
<td>$7,000,000</td>
</tr>
<tr>
<td>Olympia West Bay Marina</td>
<td>$500,000</td>
</tr>
<tr>
<td>Olympia Reliable Steel</td>
<td>$750,000</td>
</tr>
<tr>
<td>Oak Harbor Cornet Bay</td>
<td>$2,500,000</td>
</tr>
<tr>
<td>Seattle Lower Duwamish Waterway Slivers</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>Anacortes Guemes Channel</td>
<td>$6,000,000</td>
</tr>
<tr>
<td>Puget Sound Bioaccumulative Levels</td>
<td>$950,000</td>
</tr>
<tr>
<td>Bellingham Bay Site - Habitat Restoration</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Anacortes Whitmarsh Landfill Accelerated Cleanup</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Port Gardner Bay</td>
<td>$75,000</td>
</tr>
<tr>
<td>Port Angeles Harbor</td>
<td>$850,000</td>
</tr>
<tr>
<td>Anacortes Custom Plywood Dioxin Removal Interim Action</td>
<td>$3,500,000</td>
</tr>
<tr>
<td>Seattle Jacobsen Property</td>
<td>$1,182,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$33,307,000</strong></td>
</tr>
</tbody>
</table>

Appropriation:

- Environmental Cleanup and Restoration Construction
  - Bond Proceeds Account--State ............................................. $33,307,000
- Prior Biennia (Expenditures) .............................................. $0
- Future Biennia (Projected Costs) ........................................... $0
- **TOTAL** ........................................................................... $33,307,000

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

Eastern Washington Clean Sites Initiative (91000033)

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

<table>
<thead>
<tr>
<th>Project</th>
<th>Authorized Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cashmere Mill Site</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Marshall Landfill</td>
<td>$8,500,000</td>
</tr>
<tr>
<td>Ione Airport Kwik Stop</td>
<td>$300,000</td>
</tr>
<tr>
<td>Okanogan Mine Lands (Four Metals, Horn Silver, Brook)</td>
<td>$250,000</td>
</tr>
<tr>
<td>Chewelah Grange UST #100319</td>
<td>$75,000</td>
</tr>
<tr>
<td>Coulee City Frontier Corner #100748</td>
<td>$25,000</td>
</tr>
<tr>
<td>Marcus Country Store #100546</td>
<td>$19,000</td>
</tr>
<tr>
<td>North of Davenport Fort Spokane Store #619627</td>
<td>$30,000</td>
</tr>
<tr>
<td>Spokane Fitzgerald Motors (Unregistered)</td>
<td>$15,000</td>
</tr>
<tr>
<td>Chelan Investigation</td>
<td>$200,000</td>
</tr>
<tr>
<td>Richland Perchloroethylene (PCE) Investigation</td>
<td>$200,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$11,114,000</strong></td>
</tr>
</tbody>
</table>

Appropriation:

Environmental Cleanup and Restoration Construction

Bond Proceeds Account--State ................................................. $11,114,000

Prior Biennia (Expenditures) ........................................................................... $0

Future Biennia (Projected Costs) ...................................................................... $0

TOTAL .............................................................................................................. $11,114,000

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

Remedial Action Grant Program (91000038)

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

<table>
<thead>
<tr>
<th>Project</th>
<th>Authorized Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Port of Seattle Lower Duwamish Waterway Terminal 117</td>
<td>$11,000,000</td>
</tr>
<tr>
<td>Seattle Public Utilities Lower Duwamish Waterway Terminal 117 &amp; Slip 4</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Seattle City Light Lower Duwamish Waterway Terminal 117 &amp; Slip 4</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Project</td>
<td>Authorized Amount</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>Seattle Gas Works Park Sediment Cleanup</td>
<td>$6,923,000</td>
</tr>
<tr>
<td>Port of Olympia Budd Inlet Sediments</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Port of Seattle Lora Lake</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Port of Seattle Terminal 91</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>Port of Seattle Terminal 30</td>
<td>$394,000</td>
</tr>
<tr>
<td>King County East Waterway</td>
<td>$500,000</td>
</tr>
<tr>
<td>Kitsap County Olalla Landfill</td>
<td>$138,000</td>
</tr>
<tr>
<td>King County Lander - Combined Sewer Overflow</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>King County King Street - Combined Sewer Overflow</td>
<td>$670,000</td>
</tr>
<tr>
<td>King County Brandon - Combined Sewer Overflow</td>
<td>$300,000</td>
</tr>
<tr>
<td>Kitsap County Hansville Landfill</td>
<td>$252,000</td>
</tr>
<tr>
<td>Yakima Trolley Barn (3rd &amp; Walnut)</td>
<td>$500,000</td>
</tr>
<tr>
<td>Voluntary Cleanup and Integrated Planning Grants</td>
<td>$1,500,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$33,177,000</strong></td>
</tr>
</tbody>
</table>

**Appropriation:**

Environmental Cleanup and Restoration Construction
Bond Proceeds Account--State .............. $33,177,000
Prior Biennia (Expenditures) .............. $0
Future Biennia (Projected Costs) ........... $0
**TOTAL** ........................................ $33,177,000

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

FY 2012 Statewide Storm Water Grant Program (91000053)

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

<table>
<thead>
<tr>
<th>Project</th>
<th>Authorized Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lakewood 2012 Drywell Replacement Project</td>
<td>$330,000</td>
</tr>
<tr>
<td>Ferndale Southwest Storm Water Management Facility</td>
<td>$871,000</td>
</tr>
<tr>
<td>Tacoma Cheney Stadium Storm Water LID Retrofit</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Bellingham Central Business District Raingarden Retrofits</td>
<td>$450,000</td>
</tr>
<tr>
<td>Walla Walla 13th Avenue Storm Water LID Project</td>
<td>$290,000</td>
</tr>
<tr>
<td>Spokane County Regional Decant Facility</td>
<td>$684,000</td>
</tr>
<tr>
<td></td>
<td>Project Description</td>
</tr>
<tr>
<td>---</td>
<td>-------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>1</td>
<td>Milton 5th Avenue Storm Water Treatment Facility</td>
</tr>
<tr>
<td>2</td>
<td>Pierce County Clarks/Rody Creek Storm Water Retrofits</td>
</tr>
<tr>
<td>3</td>
<td>Mount Vernon Downtown Plaza</td>
</tr>
<tr>
<td>4</td>
<td>Vancouver Water Quality Retrofits for Existing Drywells</td>
</tr>
<tr>
<td>5</td>
<td>Camas Vactor Waste Facility Retrofit</td>
</tr>
<tr>
<td>6</td>
<td>Tumwater Valley Regional Storm Water Facility</td>
</tr>
<tr>
<td>7</td>
<td>West Richland Bombing Range Outfall Elimination Project</td>
</tr>
<tr>
<td>8</td>
<td>Kitsap County Parks: Replace and Installation of Pervious Parking</td>
</tr>
<tr>
<td>9</td>
<td>Lots</td>
</tr>
<tr>
<td>10</td>
<td>Woodinville Lake Leota Storm Water Quality Retrofit Project</td>
</tr>
<tr>
<td>11</td>
<td>Richland Leslie Groves Park Regional Infiltration Facility</td>
</tr>
<tr>
<td>12</td>
<td>Spokane County Country Homes Boulevard Restoration Project</td>
</tr>
<tr>
<td>13</td>
<td>Redmond NE 84th Street Storm Water Retrofit</td>
</tr>
<tr>
<td>14</td>
<td>Pierce County Groundwater Pollutant Reduction Project</td>
</tr>
<tr>
<td>15</td>
<td>Kitsap County Illahee Storm Water - LID Retrofit Project</td>
</tr>
<tr>
<td>16</td>
<td>Bellingham Storm Water Retrofit - Bloedel Donovan Park</td>
</tr>
<tr>
<td>17</td>
<td>Puyallup Porous Alley Initiative Program</td>
</tr>
<tr>
<td>18</td>
<td>Lacey Vactor Waste Decant Facility</td>
</tr>
<tr>
<td>19</td>
<td>Fife 70th Avenue East Phase 2</td>
</tr>
<tr>
<td>20</td>
<td>Kent James Street Storm Water Outfall Retrofit</td>
</tr>
<tr>
<td>21</td>
<td>Renton Sunset Terrace Regional Storm Water Facility</td>
</tr>
<tr>
<td>22</td>
<td>Sumner Site A.2 Outfall Treatment Retrofit</td>
</tr>
<tr>
<td>23</td>
<td>Asotin Second Street Storm Water Project</td>
</tr>
<tr>
<td>24</td>
<td>University Place Bridgeport Way Low Impact Development Project</td>
</tr>
<tr>
<td>25</td>
<td>Sumner Site J Outfall Treatment Retrofit</td>
</tr>
<tr>
<td>26</td>
<td>Richland Canyon Terrace Storm Water Treatment Project</td>
</tr>
<tr>
<td>27</td>
<td>Olympia SPSCC Storm Water retrofit for Water Quality</td>
</tr>
<tr>
<td>28</td>
<td>Renton Harrington Avenue NE Green Connection</td>
</tr>
<tr>
<td>29</td>
<td>Longview Municipal Pervious Concrete</td>
</tr>
<tr>
<td>30</td>
<td>Kirkland Northeast King County Co-op Recycling Decant Center</td>
</tr>
<tr>
<td>31</td>
<td>Burlington Gages Slough Storm Water LID Improvements</td>
</tr>
<tr>
<td>32</td>
<td>Clark County Columbia River High School Storm Water Retrofit</td>
</tr>
<tr>
<td>33</td>
<td>Bainbridge Island Lynwood Center Outfall Improvement Project</td>
</tr>
<tr>
<td>34</td>
<td>Puyallup Clarks Creek Targeted Outfall Retrofit Project</td>
</tr>
<tr>
<td>35</td>
<td>Pierce County Tacoma Narrows Airport Pavement Removal</td>
</tr>
<tr>
<td>36</td>
<td>Pierce County Spanaway Lake Park Storm Water Retrofit</td>
</tr>
<tr>
<td>37</td>
<td>Kennewick Vactor Waste Project</td>
</tr>
</tbody>
</table>
1. West Richland Yakima River Outfall Elimination Project $124,000
2. Administrative Costs $816,000
3. **Total** $24,821,000

**Appropriation:**

Environmental Cleanup and Restoration Construction
Bond Proceeds Account--State $24,821,000

Prior Biennia (Expenditures) $0
Future Biennia (Projected Costs) $0
**TOTAL** $24,821,000

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

Storm Water Retrofit and LID Competitive Grants (91000054)

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

<table>
<thead>
<tr>
<th>Project</th>
<th>Authorized Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burien Miller Creek Storm Water Management Facility</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Tacoma Asotin Court LID Retrofit</td>
<td>$710,000</td>
</tr>
<tr>
<td>Seattle Public Utilities Midvale Storm Water Facility</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Lakewood Steilacoom Blvd Outfall Project</td>
<td>$225,000</td>
</tr>
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<td>Snohomish County Dept. of Parks &amp; Rec. Kayak Park Storm Water Treatment</td>
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<td>Renton Rainier Avenue Storm Water Retrofit</td>
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<td>Wenatchee Snowmelt Facility</td>
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<td>Port Orchard Cedar Heights Junior High Sidewalks</td>
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<td>Snohomish LID Improvements Project</td>
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<td>Renton NE 10th St and Anacortes Ave NE Detention Pond Retrofit</td>
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<td>Redmond Public Works Kelsey Creek Erosion Reduction Facility</td>
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**Appropriation:**
- Environmental Cleanup and Restoration Construction
  - Bond Proceeds Account--State ............... $14,695,000
- Prior Biennia (Expenditures) .................. $0
- Future Biennia (Projected Costs) ............. $0
- TOTAL .......................................... $14,695,000

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

FOR THE DEPARTMENT OF ECOLOGY

Columbia River Water Management Projects (91000179)

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

**Appropriation:**
- Environmental Cleanup and Restoration Construction
  - Bond Proceeds Account--State ...................... $11,000,000
- Prior Biennia (Expenditures) .................... $0
- Future Biennia (Projected Costs) .............. $0
- TOTAL .......................................... $11,000,000

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

Culverts (91000046)

**Appropriation:**
- Environmental Cleanup and Restoration Construction
  - Bond Proceeds Account--State ...................... $1,000,000
NEW SECTION. Sec. 908. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Family Forest Fish Passage Program (91000097)

Appropriation:

- Environmental Cleanup and Restoration Construction Bond Proceeds Account--State ................... $10,000,000

TOTAL .......................... $10,000,000

NEW SECTION. Sec. 909. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Dry Forest Restoration (91000039)

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

1. $375,000 of the appropriation is provided solely for the Sherman Creek prescribed burning project.
2. $421,000 of the appropriation is provided solely for the Sinlahekin dry forest restoration project.

Appropriation:

- Environmental Cleanup and Restoration Construction Bond Proceeds Account--State ................... $796,000

TOTAL .......................... $796,000

NEW SECTION. Sec. 910. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Fishway Improvements/Diversions (91000033)

Appropriation:

- Environmental Cleanup and Restoration Construction Bond Proceeds Account--State ................... $8,000,000

TOTAL .......................... $8,000,000
NEW SECTION. Sec. 911. FOR THE DEPARTMENT OF FISH AND WILDLIFE
Hatchery Improvements (91000036)

Appropriation:
Environmental Cleanup and Restoration Construction
Bond Proceeds Account--State ....................... $35,195,000
Prior Biennia (Expenditures) .......................... $0
Future Biennia (Projected Costs) ........................ $0
TOTAL .................................................. $35,195,000

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

Appropriation:
Environmental Cleanup and Restoration Construction
Bond Proceeds Account--State ....................... $450,000
Prior Biennia (Expenditures) .......................... $0
Future Biennia (Projected Costs) ........................ $0
TOTAL .................................................. $450,000

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

Appropriation:
Environmental Cleanup and Restoration Construction
Bond Proceeds Account--State ....................... $7,406,000
Prior Biennia (Expenditures) .......................... $0
Future Biennia (Projected Costs) ........................ $0
TOTAL .................................................. $7,406,000

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

Appropriation:
Environmental Cleanup and Restoration Construction
Bond Proceeds Account--State ....................... $1,495,000
Prior Biennia (Expenditures) .......................... $0
Future Biennia (Projected Costs) ........................ $0
NEW SECTION.  

Sec. 915. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Minor Works - Road Maintenance and Abandonment Plan (91000046)

Appropriation:

Environmental Cleanup and Restoration Construction
Bond Proceeds Account--State ....................... $1,576,000

Prior Biennia (Expenditures) ........................ $0
Future Biennia (Projected Costs) ..................... $0
TOTAL .............................................. $1,576,000

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

Wildlife Area Improvements (91000047)

Appropriation:

Environmental Cleanup and Restoration Construction
Bond Proceeds Account--State ....................... $5,268,000

Prior Biennia (Expenditures) ........................ $0
Future Biennia (Projected Costs) ..................... $0
TOTAL .............................................. $5,268,000

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

Road Maintenance and Abandonment Plan (91000040)

The appropriation is subject to the following conditions and limitations:

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

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

Appropriation:

Environmental Cleanup and Restoration Construction
Bond Proceeds Account--State ....................... $11,834,000

Prior Biennia (Expenditures) ........................ $0
NEW SECTION. Sec. 918. FOR THE DEPARTMENT OF NATURAL RESOURCES

Restoration Projects to Improve Natural Resources (91000054)

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

1. $435,000 of the appropriation is provided solely for a grant to a nonprofit organization for road repairs and restoration of forestlands along the Clearwater River.
2. $1,020,000 of the appropriation is provided solely for a grant for road repairs and forest treatments in the Ellsworth Creek watershed.
3. $1,030,000 of the appropriation is provided solely for a grant for dike removal and construction of a setback dike and flood attenuation structure at Port Susan Bay.
4. $75,000 of the appropriation is provided solely to the department of fish and wildlife for forest restoration treatments in the Oak Creek – Tieton landscape.

Appropriation:

- Environmental Cleanup and Restoration Construction
  - Bond Proceeds Account--State .................. $2,560,000

NEW SECTION. Sec. 919. FOR WASHINGTON STATE UNIVERSITY

Washington State University Spokane – Riverpoint Biomedical and Health Sciences (20162953)

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

Appropriation:

- Environmental Cleanup and Restoration Construction
  - Bond Proceeds Account--State .................. $1,300,000
Prior Biennia (Expenditures) ...........................................$0
Future Biennia (Projected Costs) ................................. $0
TOTAL ................................................................. $1,300,000

PART X
APPROPRIATIONS--FOREST TO SHORE RESTORATION

NEW SECTION. Sec. 1001. FOR THE STATE PARKS AND RECREATION COMMISSION
Comfort Stations (91000036)

Appropriation:
Forest to Shore Restoration Construction Bond
  Proceeds Account--State ......................................... $1,754,000
Prior Biennia (Expenditures) ....................................... $0
Future Biennia (Projected Costs) ................................. $0
TOTAL ................................................................. $1,754,000

NEW SECTION. Sec. 1002. FOR THE STATE PARKS AND RECREATION COMMISSION
Wallace Falls Footbridge (91000047)

Appropriation:
Forest to Shore Restoration Construction Bond
  Proceeds Account--State ......................................... $486,000
Prior Biennia (Expenditures) ....................................... $0
Future Biennia (Projected Costs) ................................. $0
TOTAL ................................................................. $486,000

NEW SECTION. Sec. 1003. FOR THE RECREATION AND CONSERVATION FUNDING BOARD
Puget Sound Restoration (30000147)

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

Appropriation:
Forest to Shore Restoration Construction Bond
**NEW SECTION. Sec. 1004. FOR THE DEPARTMENT OF NATURAL RESOURCES**

Forest Hazard Reduction and Safety (91000066)

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

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

2. Up to $4,150,000 of the appropriation in this section is for noxious weed abatement and precommercial thinning on state trust lands; and

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

**Appropriation:**

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<th>Forest to Shore Restoration Construction Bonds Proceeds Account--State</th>
<th>$8,470,000</th>
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<td>Future Biennia (Projected Costs)</td>
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</tr>
<tr>
<td>TOTAL</td>
<td>$8,470,000</td>
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</table>

**NEW SECTION. Sec. 1005. FOR THE DEPARTMENT OF NATURAL RESOURCES**

Puget SoundCorps (91000046)

The appropriation is subject to the following conditions and limitations: The appropriation in this section is provided solely for water quality and habitat protection and restoration projects that benefit Puget Sound recovery and that are primarily on public lands.
The department of natural resources must contract with the department of ecology for Puget SoundCorps crews of youth and military veterans to implement these projects pursuant to chapter 20, Laws of 2011.

Appropriation:

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

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

Creosote Piling Removal (91000047)

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

Appropriation:

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

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

Derelict Vessel Removal and Disposal (91000049)

The appropriation is subject to the following conditions and limitations:

1. $700,000 of the appropriation in this section is provided solely to remove derelict or abandoned vessels up to 100 feet in length from Washington waters; and
2. $3,000,000 of the appropriation in this section is provided solely to remove derelict or abandoned vessels exceeding one hundred feet in length from Washington waters.

Appropriation:

- Forest to Shore Restoration Construction Bond
  
  Proceeds Account--State ............... $3,700,000
  
  Prior Biennia (Expenditures) ......... $0
NEW SECTION.  Sec. 1008. FOR THE DEPARTMENT OF NATURAL RESOURCES
Shoreline Restoration (91000050)

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

Appropriation:
Forest to Shore Restoration Construction Bond
Proceeds Account--State .................... $2,000,000
Prior Biennia (Expenditures) .................. $0
Future Biennia (Projected Costs) .............. $0
TOTAL ................................................... $2,000,000

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

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

Appropriation:
Forest to Shore Restoration Construction Bond
Proceeds Account--State .................... $800,000
Prior Biennia (Expenditures) .................. $0
Future Biennia (Projected Costs) .............. $0
TOTAL ................................................... $800,000

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

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

Forest to Shore Restoration Construction Bond
Proceeds Account--State ................................ $200,000

Prior Biennia (Expenditures) ............................. $0
Future Biennia (Projected Costs) ........................ $0
TOTAL ....................................................... $200,000

NEW SECTION. Sec. 1011. FOR THE DEPARTMENT OF NATURAL RESOURCES
Secret Harbor Estuary Restoration - Cypress Island (91000053)

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

Appropriation:

Forest to Shore Restoration Construction Bond
Proceeds Account--State ................................. $535,000

Prior Biennia (Expenditures) ............................. $0
Future Biennia (Projected Costs) ........................ $0
TOTAL ....................................................... $535,000

PART XI
MISCELLANEOUS

NEW SECTION. Sec. 1101. REIMBURSEMENT OF BOND PROCEEDS ACCOUNTS.
To the extent that any appropriation authorizes expenditures of state funds from the local government capital construction assistance bond proceeds account, water quality improvement construction bond proceeds account, environmental cleanup and restoration construction bond proceeds account, and forest to shore construction bond proceeds account in the state treasury for the respective programs and projects described in this act that are specified to be funded with proceeds from the sale of bonds authorized in this act, the legislature declares that any such expenditures made prior to the issue date of the applicable bonds to be issued for the respective programs and projects...
are intended to be reimbursed from proceeds of the sale of the applicable bonds in a maximum amount equal to the amount of the applicable authorized bonds.

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

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

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

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

(b) Minor works appropriations shall not be used for, among other things: Studies, except for technical or engineering reviews or designs that lead directly to and support a project on the same minor works list; planning; design outside the scope of work on a minor works list; moveable, temporary, and traditionally funded operating equipment
not in compliance with the equipment criteria established by the office of financial management; software not dedicated to control of a specialized system; moving expenses; land or facility acquisition; or to supplement funding for projects with funding shortfalls unless expressly authorized elsewhere in this act. The office of financial management may make an exception to the limitations described in this subsection (2)(b) for exigent circumstances after notifying the legislative fiscal committees and waiting ten days for comments by the legislature regarding the proposed exception.

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

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

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

(2) The office of financial management may find that an amount is in excess of the amount required for the completion of a project only if: (a) The project as defined in the notes to the budget document is substantially complete and there are funds remaining; or (b) bids have
been let on a project and it appears to a substantial certainty that
the project as defined in the notes to the budget document can be
completed within the biennium for less than the amount appropriated in
this act.

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

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

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

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

(3) To the extent feasible, agencies are directed to accelerate
expenditure rates at their current level of permanent employees and
shall use contracted design and construction services wherever necessary to meet the goals of this section.

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

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

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

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

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

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

(3) In considering awarding loans for public facilities to special districts requesting funding for a proposed facility located in a county, city, or town planning under RCW 36.70A.040, the board shall consider whether the county, city, or town planning under RCW 36.70A.040 in whose planning jurisdiction the proposed facility is located has adopted a comprehensive plan and development regulations as required by RCW 36.70A.040.
The board shall develop a priority process for public works projects as provided in this section. The intent of the priority process is to maximize the value of public works projects accomplished with assistance under this chapter. The board shall attempt to assure a geographical balance in assigning priorities to projects. The board shall consider at least the following factors in assigning a priority to a project:

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

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

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

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

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

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

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

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

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

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

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

(1) Other criteria that the board considers advisable.

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

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

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

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

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

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

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

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

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

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

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

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

NEW SECTION. Sec. 1110. CODIFICATION. (1) Sections 201 through
208 of this act constitute a new chapter in Title 43 RCW.
(2) Sections 301 through 307 of this act constitute a new chapter in Title 43 RCW.

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

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

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

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