

HOUSE BILL REPORT

SHB 2256

As Passed Legislature

Title: An act relating to appropriations for projects recommended by the public works board.

Brief Description: Authorizing certain public works projects.

Sponsors: By House Committee on Capital Budget (originally sponsored by Representatives Honeyford, Chopp, Keiser, Regala, Dickerson, Mason and Patterson; by request of Public Works Board and Department of Community, Trade, and Economic Development).

Brief History:

Committee Activity:

Capital Budget: 1/25/96, 1/26/96 [DPS].

Floor Activity:

Passed House: 2/6/96, 97-0.

Passed Legislature.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 14 members: Representatives Sehlin, Chairman; Honeyford, Vice Chairman; Ogden, Ranking Minority Member; Chopp, Assistant Ranking Minority Member; Costa; Hankins; Koster; Mitchell; Pennington; Regala; Silver; D. Sommers; L. Thomas and Valle.

Staff: Karl Herzog (786-7271).

Background: The public works assistance account, commonly known as the public works trust fund, was created by the Legislature in 1985 as a revolving loan program to assist local governments and special purpose districts with infrastructure projects. The Public Works Board, within the Department of Community, Trade and Economic Development (CTED), is authorized to make low-interest or interest-free loans from the account to finance the repair, replacement, or improvement of the following public works systems: bridges, roads, water systems, and sanitary and storm sewer projects. Neither port districts nor school districts are eligible to receive loans from the account.

The account receives dedicated revenue from utility and sales taxes on water, sewer service, and garbage collection; from a portion of the real estate excise tax; and from loan repayments.

Each year, the Public Works Board is required to submit a list of public works projects to the Legislature for approval. The Legislature may delete projects from the list, but it can neither add any projects nor change the order of project priorities.

The public works assistance account appropriation is made in the capital budget, but the project list is submitted annually in separate legislation.

CTED received an appropriation of \$148.9 million from the public works assistance account in the 1995-97 capital budget. Twenty million dollars of this amount was provided specifically for pre-construction activity loans under Chapter 363, Laws of 1995. The remaining \$128.9 million is available for public works project loans.

Summary of Bill: As recommended by the Public Works Board for fiscal year 1996, loans for 67 public works projects, totalling \$96,785,915, are authorized to be issued from the public works assistance account using funds previously appropriated in the capital budget. These projects fall into the following categories:

- (1) Thirty-eight water projects, totalling \$43,203,009;
- (2) Eighteen sewer projects, totalling \$36,150,717;
- (3) Seven road projects totalling, \$9,629,289;
- (4) Three storm sewer projects, totalling \$3,802,900; and
- (5) One bridge project, totalling \$4,000,000.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: This loan program was created 10 years ago in response to a study that showed that local governments could afford to fix only about one-half of failing infrastructure. Since then, the need for this type of public infrastructure work has continued to grow. The program is accessible to both small and large jurisdictions, and represents a partnership between state government, local government, labor, and the private sector. The program also provides wages that enhance the tax base.

Testimony Against: None.

Testified: Duke Schaub, Associated General Contractors; Jim Justin, Association of Washington Cities; Alan Darr, International Union of Operating Engineers; and Bob Dilger, Washington State Building and Construction Trades Council.