

HOUSE BILL REPORT

HB 2657

As Reported By House Committee On:
Capital Budget

Title: An act relating to the definition of public works projects.

Brief Description: Redefining the term "public works project."

Sponsors: Representatives Silver and Costa.

Brief History:

Committee Activity:

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

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, 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 through the Public Works Board.

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 may neither add projects nor change the order of project priorities.

Local planning for solid waste and recycling facilities is conducted by counties in cooperation with cities located within the counties. State law requires that local solid waste management plans include: a six-year construction and capital acquisition program; a financing plan for capital and operational expenses; an inventory of solid waste collection needs and operations; a comprehensive waste reduction and recycling program; and an assessment of the plan's impact on the cost of solid waste collection. Solid waste management plans must be reviewed and revised, if necessary, at least every five years.

Summary of Substitute Bill: Solid waste facilities, including recycling facilities, are added to the list of projects eligible to receive funding from the public works assistance account. In order to qualify for loan funding for a solid waste or recycling facility, a city or county must demonstrate that the facility is consistent with and necessary to implement the comprehensive solid waste management plan adopted by the city or county.

Substitute Bill Compared to Original Bill: The substitute bill adds the requirement that the solid waste or recycling facility must be consistent with and necessary to implement the city's or county's comprehensive solid waste management plan.

Appropriation: None.

Fiscal Note: Requested on January 22, 1996.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: There have not been many county applications for public works assistance account loans in prior years because counties generally do not operate enterprise activities that generate revenues to pay back the loans. However, counties do operate solid waste systems as enterprise activities. Therefore, this bill provides increased opportunities for counties to participate in the program. Most landfills in the state are operated by counties. Over 40 percent of tax revenue to the public works assistance account comes from solid waste taxes. County solid waste activities serve cities; therefore, this bill indirectly benefits cities. Though bringing solid waste facilities into the program has been opposed in the past, most of the large landfill problems in the state have been addressed, as other funding sources are available for landfill closure. This is a job-enhancing bill.

Testimony Against: None.

Testified: Pete Butkus, Department of Community, Trade and Economic Development; Bill Vogler, Washington State Association of Counties; Don Scheibe, Asotin County Commissioner; Peter Hahn, Snohomish County; Duke Schaub, Associated General Contractors; Jim Justin, Association of Washington Cities; Alan Darr, International Union of Operating Engineers; Bob Dilger, Washington State Building and Construction Trades Council; and Dick Ducharme, Utility Contractors Association of Washington.