

HOUSE BILL REPORT

HB 2537

As Passed House:

February 11, 2002

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

Brief Description: Providing authorization for projects recommended by the public works board.

Sponsors: By Representatives McIntire, Hankins, Chase, Hatfield, Ogden, Simpson, Kessler, Haigh, Conway, Rockefeller, Kenney, Lantz, Quall, Dickerson, Upthegrove, Veloria, Kagi, Murray, Schual-Berke, Fisher, Cody, Tokuda, O'Brien, Lovick, Ruderman, Hunt, McDermott, Linville and Jackley; by request of Governor Locke.

Brief History:

Committee Activity:

Capital Budget: 1/28/02, 1/30/02 [DP].

Floor Activity:

Passed House: 2/11/02, 94-0.

Brief Summary of Bill

- Approves the 2002 list of local government infrastructure projects funded under the Public Works Trust Fund program. The list includes 64 projects totaling \$206 million.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: Do pass. Signed by 17 members: Representatives Murray, Chair; McIntire, Vice Chair; Alexander, Ranking Minority Member; Armstrong, Bush, Casada, Chase, Esser, Hankins, Hunt, Lantz, O'Brien, Ogden, Reardon, Schoesler, Veloria and Woods.

Staff: Susan Howson (786-7142).

Background:

The Public Works Assistance Account, commonly known as the Public Works Trust Fund, was created by the Legislature in 1985 to provide a source of loan funds 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 and sewage systems, and solid waste and recycling facilities. All local governments except port districts and school districts are eligible to receive loans.

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

The Public Works Assistance Account appropriation is made in the capital budget, but the project list is submitted annually in separate legislation. The CTED received an appropriation of approximately \$230.3 million from the Public Works Assistance Account in the 2001-03 capital budget. The funding is available for public works project loans in the 2002 and 2003 loan cycles.

Each year, the Public Works Board is required to submit a list of public works projects to the Legislature for approval. The Legislature may remove projects from the list, but it may not add any projects or change the order of project priorities. Legislative approval is not required for pre-construction activities, planning loans, or emergency loans.

Summary of Bill:

As recommended by the Public Works Board, 64 public works project loans totaling \$206,019,133 are authorized for the 2002 loan cycle. The 64 authorized projects fall into the following categories:

- (1) Twenty-nine water projects totaling \$82,661,311;
- (2) Twenty-four sewer projects totaling \$95,404,497;
- (3) Nine road projects totaling \$16,528,325; and
- (4) Two solid waste/recycling projects totaling \$11,425,000.

Appropriation: None.

Fiscal Note: Requested on January 23, 2002.

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

Testimony For: The Public Works Trust Fund program, created in 1985, has become a model process nationwide. It is a successful program that supports local communities and creates jobs. The \$206 million in project loans will be a great economic stimulus

that will benefit both the economy and the citizens of Washington, especially in our smaller communities. The program has an excellent track record. There have been no defaults on project loans made through the Public Works Trust Fund. The approach of the Public Works Board to use the full 2001-03 capital budget appropriation in the first year of the biennium is manageable.

Testimony Against: None.

Testified: John LaRocque, Public Works Board; Doug Levy, city of Kent; Rick Slunaker, Associated General Contractors of Washington; and Bryan Wahl, Washington Association of Realtors.