

# FINAL BILL REPORT

## HB 2544

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Synopsis as Enacted

**Brief Description:** Authorizing project loans recommended by the public works board.

**Sponsors:** By Representatives P. Sullivan, Jarrett, Green, Dunshee, Upthegrove, McCoy, Ericks, Simpson, Schual-Berke, Lantz, Ormsby, Springer, Kilmer and Kagi; by request of Department of Community, Trade, and Economic Development.

**House Committee on Capital Budget**

**Senate Committee on Ways & Means**

### **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 (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 state capital budget, but the project list is submitted annually in separate legislation. The CTED received an appropriation of \$288.9 million from the Public Works Assistance Account in the 2005-07 Capital Budget. The funding is available for public works project loans in the 2006 and 2007 loan cycles.

Each year, the 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.

The Board adopted two project lists for the 2006 loan cycle. The first list was adopted on August 16, 2005. Due to increased revenue projections released in September of 2005, the Board adopted a second list of projects on December 6, 2005.

### **Summary:**

As recommended by the Board, 51 public works project loans totaling \$181.7 million are authorized for the 2006 loan cycle. The 51 authorized projects fall into the following categories: (1) 11 domestic water projects totaling \$33.2 million; (2) 31 sanitary sewer projects totaling \$128.8 million; (3) three storm sewer projects totaling \$10.1 million; and(4) six road projects totaling \$9.6 million. The Board may reimburse for expenses incurred prior to the execution of a loan agreement if the project meets the following requirements: (1) the project replaces a water line over a creek; and (2) the project need and timeline are being determined by a state agency and the city within its boundaries.

**Votes on Final Passage:**

House	96	0	
Senate	45	0	(Senate amended)
House	97	0	(House concurred)

**Effective:** March 28, 2006