

FINAL BILL REPORT

HB 2063

C 363 L 95

Synopsis as Enacted

Brief Description: Accelerating the implementation of projects currently eligible for funding under the public works assistance program.

Sponsors: Representatives Honeyford, Sehlin and Chopp.

House Committee on Capital Budget
Senate Committee on Ways & Means

Background: The Public Works Trust Fund Program (program) was created by the Legislature in 1985 as a revolving loan program to assist local governments and special purpose districts with infrastructure projects. The program is funded through the Public Works Assistance Account (account), which receives revenue from utility and sales taxes on water, sewer, and garbage collection services; loan repayments; and a portion of the real estate excise tax. Infrastructure projects eligible for loan funding through the program include acquisition, construction, repair, and replacement of bridges, streets and roads, water systems, and sanitary and storm sewer projects. Port districts and school districts are expressly prohibited from receiving loans through the program.

The program is administered by the Public Works Board (board) within the Department of Community, Trade, and Economic Development. The board is composed of 13 members appointed by the Governor, representing cities; counties; water, sewer, and public utility districts; and the general public.

The Capital Budget provides for appropriations from the Public Works Assistance Account. Before allocating loan funds to local governments, the board must submit a list of recommended projects to the Legislature for approval. The Legislature may remove projects from the list but may not change the order of recommended priorities. Loans for capital facilities plans and emergency projects are exempt from the legislative approval requirement but must be reported to the Legislature in an annual report.

Summary: In order to accelerate project completion, the Public Works Board may make loans for preconstruction activities on public works projects before legislative approval of the construction phase. Preconstruction activities are defined to include design, engineering, bid-document preparation, environmental studies, right-of-way acquisition, and other preliminary phases of projects prior to construction.

The board must adopt a single application process for local governments seeking both a preconstruction activity loan and a construction loan for a project. The receipt of a preconstruction activity loan does not ensure receipt of a construction loan for the project. Construction loans continue to require approval by the Legislature through the annual approval process.

Preconstruction loans may be made only from funds specifically appropriated for such purpose by the Legislature. The board must report any preconstruction loans made under this new authority to the Legislature in the annual report.

Votes on Final Passage:

House	96	0
Senate	45	3

Effective: July 23, 1995