

# SENATE BILL REPORT

## ESHB 2657

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As Reported By Senate Committee On:  
Government Operations, February 23, 1996

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

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

**Sponsors:** House Committee on Capital Budget (originally sponsored by Representatives Silver and Costa).

**Brief History:**

**Committee Activity:** Government Operations: 2/21/96, 2/23/96 [DP].

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### SENATE COMMITTEE ON GOVERNMENT OPERATIONS

**Majority Report:** Do pass.

Signed by Senators Haugen, Chair; Sheldon, Vice Chair; Hale, Heavey, McCaslin and Winsley.

**Staff:** Eugene Green (786-7405)

**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.

The Rural Natural Resources Program (RNRP) within the public works trust fund provides loans to nonmetropolitan counties and nonurbanized areas experiencing job losses in the lumber, wood products, and commercial salmon fishing industries, and unemployment rates 20 percent or more above the state average. Loans under the RNRP may be used for public works projects that support new or expanded public works facilities and stimulate economic growth or diversification. In contrast, the regular public works trust fund program cannot be used for growth-related projects. Loan repayments under the RNRP may be deferred for up to five years, though the loan must be repaid within 20 years.

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 Bill:** Solid waste facilities, including recycling facilities, are added to the list of projects eligible to receive funding from the public works assistance account. Eligible solid waste and recycling projects include remedial actions related to landfill closure; repair, replacement, or restoration of existing solid waste and recycling facilities, including transfer facilities; and opening new cells in existing and permitted landfills. 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.

Loans under the Rural Natural Resources Program (RNRP) are permitted in zip code areas immediately adjacent and contiguous to rural natural resource impact areas within the same county if workers living in natural resource impact areas benefit from the loan, and there is projected to be at least \$800 million in private sector investment within six years in a project benefitting from the loan.

**Appropriation:** None.

**Fiscal Note:** Available for original bill.

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

**Testimony For:** This will allow counties to increase their small percentage of loans from the public works trust fund. This bill may also help secure the siting of a high technology industry in Clark County.

**Testimony Against:** None.

**Testified:** Bill Vogler, WA State Assn. of Counties (pro); Jim Juston, AWC (pro); Alan Darr, Operating Engineers (pro).