

FINAL BILL REPORT

HB 1019

PARTIAL VETO

C 292 L 97

Synopsis as Enacted

Brief Description: Implementing the public works board's recommendations for project loans.

Sponsors: Representatives Honeyford, Ogden, D. Sommers and Mason; by request of Public Works Board.

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, 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; from a portion of the real estate excise tax; and from loan repayments. The cash balance in the account has steadily grown since 1985 because of the delay between project authorization and construction.

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 a project from the list, but may not add any projects or change the order of project priorities. Legislative approval is not required for emergency loans from funds specifically appropriated for this purpose by the Legislature.

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 \$148.9 million from the public works assistance account in the 1995-97 capital budget. This amount included \$128.9 million in expected revenue to the account and \$20 million from the account's cash balance. Twenty million dollars of the 1995-97 appropriation was provided specifically for preconstruction activity loans. The remaining \$128.9 million is available for public works project loans in the 1996

and 1997 loan cycles. During the 1996 session, the Legislature approved 67 projects totaling \$96,785,915 for the 1996 loan cycle.

Summary: Thirty-four public works project loans totaling \$57,720,494 are authorized for the 1997 loan cycle. This authorization includes 15 projects, totaling \$29,960,307, from funds previously appropriated by the Legislature, and 19 projects, totaling \$27,760,187, from a \$25 million supplemental appropriation contained in the act. The supplemental appropriation is from the cash balance that has accumulated within the public works assistance account.

The 34 authorized projects consist of: 1) seventeen water projects totaling \$21,537,372; 2) twelve sewer projects totaling \$26,109,602; 3) two road projects totaling \$2,331,995; and 4) three bridge projects totaling \$7,741,525.

The sum of \$1,898,649 is authorized to be used by the Public Works Board to provide emergency loans to local governments.

The Public Works Board is required to ensure that, at the beginning of each fiscal quarter, there is a sufficient fund balance in the public works assistance account to cover the disbursements anticipated during the quarter.

Votes on Final Passage:

House	97	0	
Senate	48	0	(Senate amended)
House	89	0	(House concurred)

Effective: May 9, 1997

Partial Veto Summary: The Governor vetoed the section requiring the Board to ensure that a sufficient fund balance exists in the Public Works Assistance Account at the beginning of each fiscal quarter to fund all disbursements anticipated during the quarter.