

SENATE BILL REPORT

HB 1049

As Reported By Senate Committee On:
Ways & Means, February 16, 2005

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

Brief Description: Authorizing projects recommended by the public works board.

Sponsors: Representatives Green, DeBolt, Upthegrove, Kilmer, Kessler, McCoy, Sells, Blake, Schual-Berke, Kenney, P. Sullivan, Jarrett, Kagi, Simpson, Wood, Lantz, Hudgins, Morrell, Hunt and Ormsby; by request of Public Works Board.

Brief History: Passed House: 1/26/05, 96-0.

Committee Activity: Ways & Means: 2/16/05 [DP].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Doumit, Vice Chair; Fraser, Vice Chair; Zarelli, Ranking Minority Member; Brandland, Fairley, Hewitt, Kohl-Welles, Parlette, Pflug, Pridemore, Rasmussen, Regala, Roach, Rockefeller, Schoesler and Thibaudeau.

Staff: Brian Sims (786-7431)

Background: The Public Works Assistance Account provides low interest loans to local governments and special purpose districts for a variety of public infrastructure projects. Eligible projects include the construction or repair of bridges, roads, water and sewer systems, and solid waste and recycling facilities. All local governments except ports and school districts are eligible to receive loans.

Funding for the account comes from taxes and loan repayments. In the 2003-05 biennium about \$180 million in taxes, and about \$130 million in loan repayments are projected revenues for the account. About half of the taxes come from the Real Estate Excise Tax and the remainder comes from the refuse collection tax and public utility tax.

The legislature appropriates funding for the public works projects in the capital budget. However, the legislature must approve a list of prioritized projects prepared by the Public Works Board before the loans are actually granted. In 2003, the legislature appropriated \$261 million for the 2003-05 biennium. In 2004, the legislature approved a loan list totaling \$236 million. The balance of the appropriation was dedicated to pre-construction, planning, and emergency loans that do not require specific legislative approval.

The Public Works Board is requesting a supplemental appropriation of \$155 million to finance the 2005 loan list.

Summary of Bill: Sixty-four public works project loans totaling \$155 million are authorized for the 2005 loan cycle. The projects are in the following categories:

- 28 domestic water projects, \$43.8 million;
- 27 sanitary sewer projects, \$85.5 million;
- five storm water projects, 9.3 million;
- three road projects, \$13.8 million; and
- one solid waste project, \$2.6 million.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

Testimony For: The Public Works program provides low interest loans to local governments for needed infrastructure projects. Other states consider the Public Works Trust Fund a model program for addressing infrastructure needs. (Testimony was on companion Senate Bill 5036.)

Testimony Against: None

Who Testified: PRO: John LaRocque, Public Works Board staff; Katy Isaksen, Public Works Board; Lynne Danielson, Public Works Board; Rebecca Francik, Public Works Board; Rick Slunaker, Associated General Contractors.

Signed in, Unable to Testify & Submitted Written Testimony: Doug Levy, City of Everett; Joe Daniels, Wash. Assoc. Of Sewer/Water Districts; Bryan Wahl, Realtors; Tim Layton, Architects and Engineers Legislative Council; Dave Ducharme, Utility Contractors Assoc. Of Wash.; Steve Lindstrom, Snoh-King Water District Coalition.