

SENATE BILL REPORT

HB 2544

As Reported By Senate Committee On:
Ways & Means, February 22, 2006

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

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

Sponsors: 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.

Brief History: Passed House: 1/30/06, 96-0.

Committee Activity: Ways & Means: 2/22/06 [DP].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

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

Staff: Brian Sims (786-7431)

Background: The Public Works Assistance Account 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 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 of Bill: As recommended by the Board, 16 public works projects loans totaling \$53.2 million are authorized in this bill. The 16 authorized projects fall into the following categories:

- 1) three domestic water projects totaling \$12.9 million;
- 2) seven sanitary sewer projects totaling \$25.7 million;
- 3) two storm sewer projects totaling \$6.5 million; and
- 4) four road projects totaling \$8.1 million.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

Testimony For: (For SB 6210) These are important and necessary infrastructure projects that benefit their communities and stimulate the economy. Moving quickly to authorize these loans will get these project moving and add new jobs. Protect the integrity of the program by not allowing further transfers out of the account. This is a model program that supports local communities and creates jobs.

Testimony Against: None.

Who Testified: (For SB 6210) PRO: Kelly Snyder, Public Works Board/CTED; Bryan Wahl, Washington Realtors; Rick Slunaker, Association of General Contractors.