

FINAL BILL REPORT

HB 2437

C 5 L 08

Synopsis as Enacted

Brief Description: Authorizing public works board projects.

Sponsors: By Representatives Seaquist, McDonald, Fromhold, Armstrong, Takko, Hankins, Blake, Lantz, Morrell, McCoy, McIntire, Kenney, Schual-Berke, Appleton, Kagi, Sullivan, Dunn, Chase, Upthegrove, Lias, Simpson, Barlow, Ericks, Green and Warnick; by request of Department of Community, Trade, and Economic Development.

House Committee on Capital Budget
Senate Committee on Ways & Means

Background:

The Public Works Assistance Account (PWAA), 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 (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 PWAA 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 PWAA appropriation is included in the capital budget, but the project list is submitted annually in separate legislation. The CTED received an appropriation of \$327 million from the PWAA in the 2007-09 capital budget. The funding is available for public works project loans in the 2008 and 2009 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.

Summary:

As recommended by the Board, 52 PWAA project loans totaling \$278 million are authorized for the 2008 loan cycle. All of the appropriation available for construction loans in the 2007-09 biennium is being used for the 2008 loan list. Of the 52 authorized projects: 10 are domestic water projects totaling \$48.8 million; 34 are sanitary sewer projects totaling \$187

million; six are road projects totaling \$39.8 million; and two are solid waste projects totaling \$2.4 million. Loan interest rates may not exceed one-half of 1 percent.

Votes on Final Passage:

House	97	0	
Senate	46	0	(Senate amended)
House	93	0	(House concurred)

Effective: March 7, 2008