

SENATE BILL REPORT

HB 1025

As Reported By Senate Committee On:
Ways & Means, February 7, 2007

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

Brief Description: Recommending authorization for projects by the public works board.

Sponsors: Representatives Rolfes, Newhouse, Lovick, Armstrong, Dunshee, Eickmeyer, Ericks, Blake, Morrell, Kenney, P. Sullivan, Wallace, Moeller, Warnick, Chase and Miloscia; by request of Department of Community, Trade, and Economic Development.

Brief History: Passed House: 1/22/07, 94-0.

Committee Activity: Ways & Means: 2/07/07, 2/7/07 [DP].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Pridemore, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Fairley, Hatfield, Hewitt, Hobbs, Honeyford, Keiser, Kohl-Welles, Parlette, Rasmussen, Regala, Roach, Rockefeller, Schoesler and Tom.

Staff: Brian Sims (786-7431)

Background: The Public Works Assistance Account (PWAA) was created by the Legislature in 1985 to provide a source of low-interest 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 PWAA appropriation is made in the Capital Budget, but the project list is submitted annually in separate legislation. 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

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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 of Bill: As recommended by the Board, 19 public works project loans totaling \$71 million are authorized for the 2007 loan cycle. The 19 authorized projects fall into the following categories: (1) six domestic water projects totaling \$16.2 million; and (2) 13 sanitary sewer projects totaling \$54.8 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.

Staff Summary of Public Testimony (on companion SB 5006): PRO: These are solid projects that make a difference in communities and for citizens. In the 22 years that the program has existed, there has not been a default. The total cost of the projects on the list, including the local matching funds, is \$185 million in economic activity, and the total impact is \$400 million in economic activity in terms of job creation and the spin-off of the loan dollars. The faster the bill passes, the faster construction on projects can begin.

Persons Testifying (on companion SB 5006): PRO: Kelly Snyder, Public Works Board; Rick Slunaker, Association of General Contractors.