

HB 1068 - DIGEST

(AS OF HOUSE 2ND READING 2/28/2007)

Finds that it is in the state's best fiscal interest to ensure that community infrastructure projects are ready to proceed when applying for and receiving public works board approved construction loans. Many jurisdictions use portions of their construction loans to pay for nonconstruction activities, such as planning and preconstruction, to get ready for construction. This means some of the construction phase takes place at the end of the loan agreement, and requires jurisdictions to request loan extensions.

Recognizes this type of financing strategy slows down the expenditure of funds, limits the amount of funding available for construction loans, and increases the amount requested for reappropriation.