

HOUSE BILL REPORT

SB 5923

As Reported by House Committee On: Transportation

Title: An act relating to establishing an emergency loan program to be administered by the county road administration board.

Brief Description: Establishing an emergency loan program to be administered by the county road administration board.

Sponsors: Senators Hobbs, King and Lovelett.

Brief History:

Committee Activity:

Transportation: 3/21/19, 3/27/19 [DP].

Brief Summary of Bill

- Authorizes the County Road Administration Board (CRAB) to create an emergency revolving loan program for certain counties, for road or bridge work that is necessary due to a natural or manmade event for which a disaster was declared.
- Creates the CRAB Emergency Loan Account, and requires expenditures to only be used for the above-described purposes.
- Requires the CRAB to administer the Emergency Revolving Loan Program.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 31 members: Representatives Fey, Chair; Slatter, 2nd Vice Chair; Valdez, 2nd Vice Chair; Wylie, 1st Vice Chair; Barkis, Ranking Minority Member; Walsh, Assistant Ranking Minority Member; Young, Assistant Ranking Minority Member; Boehnke, Chambers, Chapman, Dent, Doglio, Dufault, Entenman, Eslick, Goehner, Gregerson, Irwin, Kloba, Lovick, McCaslin, Mead, Orcutt, Ortiz-Self, Paul, Pellicciotti, Ramos, Riccelli, Shea, Shewmake and Van Werven.

Staff: David Munnecke (786-7315).

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Background:

The County Road Administration Board (CRAB) is a nine-member board composed of six county commissioners or councilmembers and three county engineers. Among its various activities, the CRAB establishes and maintains standards of good practice, to guide and ensure consistency and professional management of county road departments, and administers the Rural Arterial Program, the County Arterial Preservation Program, and the County Ferry Capital Improvement Program.

The CRAB can provide funding for emergency projects from the Rural Arterial Trust Account (RATA). An emergency project must be on a RATA-eligible facility and is defined as one that:

- is necessary due to a natural or manmade event;
- causes a roadway section or structure to be closed or substantially restricted to normal use; and
- is beyond the scope of work done by the county in restoring damages normally or reasonably expected to occur.

In order to be eligible for such emergency funds, the requesting county must declare an emergency. The requesting county's eligibility for RATA funding in the next funding period is also reduced by the amount of RATA funding provided. If the county's eligible funding is insufficient, the requesting county must withdraw, amend, or delay a project equal to the RATA funding provided.

Summary of Bill:

The CRAB is authorized to create a self-supporting Emergency Revolving Loan Program (program) for counties with a population of fewer than 800,000 people.

Loans from the program may only go to eligible counties where a county, state, or federal disaster has been declared. The county receiving a loan must agree to repay the loan to the program, with interest of not more than 3 percent.

A loan from the program must be used for road or bridge work that:

- is necessary due to a natural or manmade event for which a disaster was declared;
- causes a roadway section or structure to be closed or substantially restricted to normal use; and
- is beyond the scope of work done by the county in restoring damages normally or reasonably expected to occur.

The CRAB Emergency Loan Account (account) is created in the custody of the State Treasurer. Any expenditures from the account may only be used for purposes allowed under the program and related administrative expenses. The account retains its own earnings, and an appropriation is not required for expenditures.

The CRAB is required to administer the program and must report on various aspects of the program by December 1 of each even-numbered year.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill is modelled after the Public Works Trust Fund and is based on a recommendation in the Washington State Transportation Plan (WSTP) that is developed by the Washington State Transportation Commission.

The requests for emergency funds have been increasing, and this has required the CRAB to keep a larger balance in the RATA fund, rather than using these funds for projects.

The recommendation in the WSTP was for an emergency fund for both cities and counties. Unfortunately, it is often necessary to rebuild from disasters in Washington.

(Opposed) None.

Persons Testifying: John Koster, County Road Administration Board; and Paul Parker, Washington State Transportation Commission.

Persons Signed In To Testify But Not Testifying: None.