

HOUSE BILL REPORT

HB 2266

As Reported By House Committee On:
Capital Budget

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

Brief Description: Authorizing public works board project loans.

Sponsors: Representatives Moak, Ogden, Sehlin, Patterson, Wood and Springer; by request of Department of Community Development.

Brief History:

Reported by House Committee on:
Capital Budget, February 2, 1994, DP.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: Do pass. Signed by 14 members: Representatives Wang, Chair; Ogden, Vice Chair; Sehlin, Ranking Minority Member; McMorris, Assistant Ranking Minority Member; Brough; Eide; R. Fisher; Heavey; Jones; Moak; Romero; Silver; Sommers and B. Thomas.

Staff: Karl Herzog (786-7271).

Background: The public works trust fund was created by the Legislature in 1985 as a revolving loan fund program to assist local governments and special purpose districts with infrastructure projects. The Public Works Board, within the Department of Community Development, is authorized to make low-interest or interest-free loans to finance the repair, replacement or improvement of the following public works systems: bridges, roads, water systems, and sanitary and storm sewer projects. Growth-related public works projects, port districts and school districts are not eligible to receive loans through the Public Works Board.

The public works trust fund receives its funding from utility and sales taxes on water, sewer and garbage collection, from a portion of the real estate excise tax, and from loan repayments. The Department of Community Development received an appropriation of \$93,876,640 from the public works trust fund for the 1993-95 biennium.

Each year, the Public Works Board is required to submit a list of projects to the Legislature for approval. The Legislature may delete a project from the list but may not add any projects or change the order of project priorities.

Summary of Bill: As recommended by the Public Works Board for fiscal year 1994, the following are authorized: loans for 48 public works projects totaling \$44,835,775; and a \$1 million loan pool for emergency public works projects.

The public works projects authorized for funding fall into the following categories:

- (1) 25 water projects for a total of \$20,403,579;
- (2) 10 sewer projects for a total \$10,600,347;
- (3) 8 road projects for a total of \$8,068,649;
- (4) 4 storm sewer projects for a total of \$5,463,200; and
- (5) 1 bridge project for a total of \$300,000.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect immediately upon enactment.

Testimony For: The Public Works Trust Fund, in addition to providing vital infrastructure financing for local governments, creates jobs and fosters economic activity through construction projects. The Public Works Trust Fund program has very low administrative costs in comparison to other similar programs.

Testimony Against: None.

Witnesses: Representative Thomas Moak, prime sponsor (pro); Jim Justin, Association of Washington Cities, (pro - suggested an amendment to accelerate the legislative process for approving projects); Rick Slunaker, Associated General Contractors (pro); Charles Shell, City of Seattle (pro); Robert Verzani, Don Wassou and Bob Ricketts, King County Water District #54 (pro); and Joe Daniels, Washington State Water/Wastewater Association (pro).