

HOUSE BILL REPORT

SSB 5821

As Passed House
April 8, 1993

Title: An act relating to the public works board.

Brief Description: Modifying public works board loan restrictions.

Sponsors: Senate Committee on Government Operations
(originally sponsored by Senator Loveland; by request of Department of Community Development).

Brief History:

Reported by House Committee on:
Capital Budget, April 1, 1993, DP;
Passed House, April 8, 1993, 97-0.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: Do pass. Signed by 13 members:
Representatives Wang, Chair; Ogden, Vice Chair; Sehlin,
Ranking Minority Member; Morton, Assistant Ranking Minority
Member; Brough; Eide; R. Fisher; Heavey; Jacobsen; Jones;
Romero; Sommers; and Thomas.

Staff: Kenny Pittman (786-7392).

Background: The Public Works Trust Fund (PWTF) is a state revolving loan fund designed to help local governments and special districts maintain or improve essential public works systems. The public works board, within the Department of Community Development, administers four types of loan programs: a construction loan program; a capital facilities planning loan program; a timber PWTF program; and an emergency loan program. Financial assistance is in the form of low-interest or interest-free loans.

The criteria for receiving financial assistance from the public works assistance account include the requirement that: (1) proposed projects be listed and prioritized in an annual report to the budget committees of the Legislature, and; (2) the funds for the project be appropriated by the Legislature before any project goes forward. The exceptions to these requirements are for emergency public works projects and timber PWTF projects in timber impact areas. These projects may only be funded from amounts specifically

appropriated by the Legislature. The emergency public works projects can not exceed 5 percent of the amount appropriated in any biennium. The timber set-aside has been funded at \$7 million per biennium.

Currently, loans to fund capital facilities plans funded under the Capital Facilities Planning Loan program must be included in the annual priority list that is submitted to the Legislature, and must be specifically appropriated.

Summary of Bill: Public works trust fund loans made under the Capital Facilities Planning Loan program may be made without the requirements that they be: (1) listed and prioritized in the annual report from the public works board to the budget committees of the Legislature; or (2) specifically appropriated. The total funds used for capital facilities plans and emergency loans may not exceed 5 percent of the total amount appropriated from the public works assistance account in any biennium.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 1993.

Testimony For: Many of the smaller cities do not have the resources for capital facilities planning. The present law requires planning loans to follow the same process as loans to construct the public works facility. This change would shorten the time frame between planning and actual application for loans to improve the capital facility.

Testimony Against: None.

Witnesses: Pete Butkus, Department of Community Development (Pro); Jim Justin, Association of Washington Cities (Pro); and Duke Schaub, Associated General Contractors of Washington (Pro).