

SENATE BILL REPORT

SB 5821

AS REPORTED BY COMMITTEE ON GOVERNMENT OPERATIONS,  
FEBRUARY 25, 1993

**Brief Description:** Modifying public works board loan restrictions.

**SPONSORS:** Senator Loveland; by request of Department of Community Development

**SENATE COMMITTEE ON GOVERNMENT OPERATIONS**

**Majority Report:** That Substitute Senate Bill No. 5821 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chairman; Drew, Vice Chairman; Loveland, Oke, von Reichbauer, and Winsley.

**Staff:** Rod McAulay (786-7754)

**Hearing Dates:** February 23, 1993; February 25, 1993

**BACKGROUND:**

In 1985, to assist local governments with a backlog of public works projects, the Legislature established the public works board which operates with the support of the Department of Community Development. The board may provide technical and financial assistance to local governments for public works planning and projects. Financial assistance is in the form of loans and guarantees from the public works assistance account.

The criteria for receiving financial assistance from the public works assistance account include the requirement that (1) proposed projects be listed and prioritized on an annual report to the legislative budget committees, and (2) the funds for the projects be appropriated by the Legislature before any project goes forward. Emergency public works projects are exempt from these two requirements, but may be funded only from an amount expressly appropriated by the Legislature for emergencies.

Loans to fund capital facilities plans must be included in the annual priority list, and must be specifically appropriated.

**SUMMARY:**

Public works board loans for capital facilities plans, not to exceed an aggregate of \$300,000 annually, may be made from the appropriated emergency project fund without the requirements that they be listed and prioritized in the annual report from the board to the budget committees of the Legislature or that they be 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 account in any biennium.

**EFFECT OF PROPOSED SUBSTITUTE:**

The \$300,000 limit and the sunset provision for June 30, 1997 are deleted.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** none requested

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

**TESTIMONY FOR:**

This bill will enable DCD to meet an urgent need to assist local governments in preparing capital facilities plans. It will not cost additional monies and is subject to a 5 percent cap on monies appropriated from the public works account.

**TESTIMONY AGAINST:** None

**TESTIFIED:** Jim Justin, AWC (pro); P.A. Butkus, DCD (pro)