

SENATE BILL REPORT

SB 6171

As Passed Senate, February 10, 1998

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

Brief Description: Authorizing loans for projects recommended by the public works board.

Sponsors: Senators Strannigan, Fraser, West and Spanel; by request of Public Works Board.

Brief History:

Committee Activity: Ways & Means: 1/21/98, 1/27/98 [DP].
Passed Senate, 2/10/98, 49-0.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators West, Chair; Strannigan, Vice Chair; Brown, Fraser, Hochstatter, Kohl, Long, Loveland, Roach, Rossi, B. Sheldon, Snyder, Spanel, Swecker, Thibaudeau and Winsley.

Staff: Maura Sullivan (786-7431)

Background: The public works assistance account, commonly known as the public works trust fund, was created by the Legislature in 1985 to provide a source of loan funds to assist local governments and special purpose districts with infrastructure projects. The Public Works Board, within the Department of Community, Trade, and Economic Development (CTED), is authorized to make low-interest or interest-free loans from the account to finance the repair, replacement, or improvement of the following public works systems: bridges, roads, water and sewage systems, and solid waste and recycling facilities. All local governments except port districts and school districts are eligible to receive loans.

The account receives dedicated revenue from: utility and sales taxes on water, sewer service, and garbage collection; a portion of the real estate excise tax; and loan repayments. The cash balance in the account has been steadily growing since 1985 because of the delay between project authorization and construction.

Each year, the Public Works Board is required to submit a list of public works 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. Legislative approval is not required for emergency loans from funds specifically appropriated for this purpose by the Legislature.

The public works assistance account appropriation is made in the capital budget, but the project list is submitted annually in separate legislation. CTED received an appropriation of about \$181 million from the public works assistance account in the 1997-99 capital budget. This amount included \$150 million in expected revenue to the account and \$30

million from the account's cash balance. The \$181 million is available for public works project loans in the 1998 and 1999 loan cycles. During the 1997 session, the Legislature approved 34 projects totaling \$57,720,494 for the 1997 loan cycle.

Summary of Bill: As recommended by the Public Works Board, 71 public works project loans totaling \$124,465,982 are authorized for the 1998 loan cycle.

The 71 authorized projects fall into the following categories:

- (1) Thirty-eight water projects totaling \$55,611,70;
- (2) Nineteen sewer projects totaling \$32,281,917;
- (3) Six road projects totaling \$20,923,038;
- (4) Three bridge projects totaling \$7,694,103;
- (5) Four storm projects totaling \$6,104,218; and
- (6) One solid waste project totaling \$1,851,000.

The sum of \$2,205,326 is authorized to be used by the Public Works Board to provide emergency loans to local governments.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: This program offers a successful partnership between state and local governments. These funds are essential for maintaining and re-building infrastructure. This loan fund program works well because it results in many beneficiaries.

Testimony Against: None.

Testified: PRO: John Woodworth, Chair, Public Works Board; Betty Lochner, DCTED; Brandi Dennis-Pena, City of Lacey Public Works; Richard Brinkman, City of Aberdeen; Dave Mandyke, City of Spokane; Helen Nilon, City of Issaquah Public Works; Duke Schaub, Associated General Contractors of WA; Michael Transue, Utility Contractors Association of WA; Steve Lindstrom, Sno-King Water District Coalition.