

HOUSE BILL REPORT

HB 1041

As Reported By House Committee On:
Capital Budget

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

Brief Description: Authorizing project loans recommended by the Public Works Board from funds previously appropriated by the Legislature.

Sponsors: By House Committee on Capital Budget (originally sponsored by Representatives Mitchell, Murray, Kessler, O'Brien, Ogden, Lantz, Rockefeller, Hankins, Esser and Morris).

Brief History:

Committee Activity:

Capital Budget: 2/3/99, 2/4/99 [DPS].

Brief Summary of Substitute Bill

- Approves the 1999 list of projects recommended by the Public Works Board.
- Appropriates \$26,521,688 to correct prior biennia reappropriation levels from the Public Works Trust Fund.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 14 members: Representatives Mitchell, Republican Co-Chair; Murray, Democratic Co-Chair; Edmonds, Democratic Vice Chair; Esser, Republican Vice Chair; Anderson; Barlean; Bush; Constantine; Dunshee; Hankins; Koster; Lantz; Ogden and Schoesler.

Staff: Susan Howson (786-7142).

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 Public Works Assistance Account receives dedicated revenue from: 7.7 percent of the real estate excise tax net proceeds to the state; 20 percent of the moneys collected on water distribution businesses; 60 percent of the moneys collected on sewerage collection businesses; 3.6 percent solid waste collection tax on garbage collection, public and private dumps and transfer stations; and loan repayments.

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 it 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. The CTED received an appropriation of approximately \$181 million from the public works assistance account in the 1997-99 capital budget. The \$181 million is available for public works project loans in the 1998 and 1999 loan cycles. During the 1998 session, the Legislature approved 71 projects totaling \$124,465,982 for the 1998 loan cycle. Also, the Public Works Board was authorized to use \$2,205,326 for emergency loans to local governments. In addition, approximately \$15 million is available from loan refunds and de-obligated loan funds from projects withdrawn or terminated.

Summary of Substitute Bill:

As recommended by the Public Works Board, 42 public works project loans totaling \$76,163,079 are authorized for the 1999 loan cycle.

The 42 authorized projects fall into the following categories:

- (1) Twenty-one water projects totaling \$27,652,616;
- (2) Eighteen sewer projects totaling \$39,900,463;
- (3) Two road projects totaling \$3,610,000; and
- (4) One bridge project totaling \$5,000,000.

In addition, \$26,521,688 is appropriated to the Department of Community, Trade, and Economic Development for projects previously approved under the Public Works Trust Fund program. The appropriation is to correct prior biennia reappropriation levels.

Substitute Bill Compared to Original Bill: The substitute bill adds an appropriation of \$26,521,688 to the Department of Community, Trade, and Economic Development for projects previously approved under the Public Works Trust Fund program.

Appropriation: \$26,521,688 is appropriated from the public works assistance account.

Fiscal Note: Not requested.

Agency Rule Making Impact: None.

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

Testimony For: (Original bill) This is a successful program that creates jobs and provides a valuable infrastructure funding source for local governments. Projects benefit both the economy and the citizens of the state of Washington. Thirty-two percent of the total funds for projects recommended by the Public Works Board for the current biennium have a direct benefit to salmon, either through fish passage issues such as bridge or culvert work or water quality projects in the areas of sanitary sewer, waste water treatment plant or storm sewer projects. Quick approval of the legislation will allow local governments to take advantage of the spring construction season.

Testified: (In support) Pete Butkus, Public Works Board; Patrick Curran, Silver Lake Water District; Katy Isaksen, Public Works Board; Rick Slunaker, Associated General Contractors; Jim Potts, city of Yakima; Jeff Pratt, city of Federal Way; Jim Justin, Association of Washington Cities; Michael Transue, Utility Contractors Association of Washington; Dan Sexton, Washington State Association of Plumbers and Pipefitters; Allan Darr, Washington State Building Trades.