

HOUSE BILL ANALYSIS

HB 1041

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: Representatives Mitchell and Murray; by request of Public Works Board.

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% of the real estate excise tax net proceeds to the state; 20% of the moneys collected on water distribution businesses; 60% of the moneys collected on sewerage collection businesses; 3.6% 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 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 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 projects totaling \$5,000,000.

Appropriation: None.

Fiscal Note: Not requested.

Agency Rule Making Impact: None.

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



