

FINAL BILL REPORT

SB 6275

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Synopsis as Enacted

Brief Description: Providing loans for certain public works projects.

Sponsors: Senators McAuliffe and Zarelli; by request of Public Works Board.

Senate Committee on Ways & Means

House Committee on Capital Budget

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. Approximately \$212 million is expected to be generated by these sources during the 1999-01 biennium. The cash balance in the account has been steadily growing since 1985 because of the delay between project authorization and construction.

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 \$203 million from the public works assistance account in the 1999-01 capital budget: \$191 million for construction loans; \$10 million for pre-construction loans; and \$2 million for emergency loans. The funding is available for public works project loans in the 2000 and 2001 loan cycles.

Each year, the Public Works Board is required to submit a list of public works projects to the Legislature for approval. RCW 43.155.070 states: The legislature may remove projects from the list recommended by the board.– And continues to state, The legislature shall not change the order of the priorities recommended for funding by the board.– Legislative approval is not required for funds specifically appropriated for pre-construction activities or emergency loans.

Summary: As recommended by the Public Works Board, 63 public works project loans totaling \$123,524,762 are authorized for the 2000 loan cycle.

The 63 authorized projects fall into the following categories:

- (1) Twenty-six water projects totaling \$37,227,432;

- (2) Twenty-one sewer projects totaling \$32,982,676;
- (3) Ten road projects totaling \$21,630,310;
- (4) Two bridge projects totaling \$12,391,144;
- (5) Three storm projects totaling \$9,293,200; and
- (6) One solid waste project totaling \$10,000,000.

Votes on Final Passage:

Senate	40	0
House	97	0

Effective: March 17, 2000