

SENATE BILL REPORT

SB 6398

As of January 31, 2002

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

Brief Description: Providing authorization for projects recommended by the public works board.

Sponsors: Senators Fairley, Zarelli and Spanel; by request of Governor Locke.

Brief History:

Committee Activity: Ways & Means: 2/5/02.

SENATE COMMITTEE ON WAYS & MEANS

Staff: David Schumacher (786-7474)

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 \$240 million is expected to be generated by these sources during the 2001-03 biennium. (\$140 million from the tax sources and \$100 million from loan repayments and interest.)

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 approximately \$230 million from the Public Works Assistance Account in the 2001-03 capital budget. The funding is available for public works project loans in the 2002 and 2003 loan cycles.

Each year, the Public Works Board is required to submit a list of public works projects to the Legislature for approval. The Legislature may remove projects from the list, but it may not add any projects or change the order of project priorities. Legislative approval is not required for funds specifically appropriated for pre-construction activities or emergency loans.

Summary of Bill: As recommended by the Public Works Board, 64 public works project loans totaling \$206,019,133 are authorized for the 2002 loan cycle. The 64 authorized projects fall into the following categories:

- (1) Twenty-nine water projects totaling \$82,661,311;
- (2) Twenty-four sewer projects totaling \$95,404,497;
- (3) Nine road projects totaling \$16,528,325; and
- (4) Two solid waste/recycling projects totaling \$11,425,000.

Appropriation: None.

Fiscal Note: Not requested.

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