

HOUSE BILL REPORT

HB 2859

As Passed House:

February 11, 2004

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

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

Sponsors: By Representatives Wallace, Boldt, Dunshee, Orcutt, Lantz, Hankins, Alexander, Linville, Eickmeyer, Murray, Morrell, Upthegrove and Schual-Berke.

Brief History:

Committee Activity:

Capital Budget: 1/28/04, 1/29/04 [DP].

Floor Activity:

Passed House: 2/11/04, 95-0.

Brief Summary of Bill

- Approves the list of local government infrastructure projects funded under the Public Works Trust Fund program in the 2003-05 Capital Budget. The list includes 79 projects totaling \$236.3 million.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: Do pass. Signed by 24 members: Representatives Dunshee, Chair; Alexander, Ranking Minority Member; Priest, Assistant Ranking Minority Member; Armstrong, Benson, Blake, Bush, Chase, Eickmeyer, Flannigan, Hankins, Hinkle, Kirby, Lantz, Mastin, Morrell, Murray, Newhouse, O'Brien, Orcutt, Schoesler, Simpson, G., Veloria and Woods.

Staff: Charlie Gavigan (786-7340).

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 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 \$261 million from the Public Works Assistance Account in the 2003-05 Capital Budget. The funding is available for public works project loans in the 2004 and 2005 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 pre-construction activities, planning loans, or emergency loans.

Summary of Bill:

As recommended by the Public Works Board, 79 public works project loans totaling \$236.3 million are authorized for the 2004 loan cycle. The 79 authorized projects fall into the following categories:

- (1) 27 domestic water projects totaling \$57.2 million;
- (2) 29 sanitary sewer projects totaling \$110.4 million;
- (3) three storm sewer projects totaling \$8.6 million;
- (4) 19 road projects totaling \$59.2 million; and
- (4) one bridge project totaling \$1 million.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: The Public Works Trust Fund program is a successful program that supports local communities and creates jobs. The project loans will be a great economic stimulus that will benefit both the economy and the citizens of Washington, especially in our smaller communities. The program has an excellent track record. It helps local

governments fund projects critical to the health of their citizens.

Testimony Against: None.

Persons Testifying: Representative Wallace, prime sponsor; John LaRoque, Public Works Board; Eric Johnson, Lewis County Commissioner's Public Works Board; and Bryan Wahl, Washington Association of Realtors.

Persons Signed In To Testify But Not Testifying: None.