

# HOUSE BILL REPORT

## HB 2544

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### 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.

**Sponsors:** Representatives P. Sullivan, Jarrett, Green, Dunshee, Upthegrove, McCoy, Ericks, Simpson, Schual-Berke, Lantz, Ormsby, Springer, Kilmer and Kagi; by request of Department of Community, Trade, and Economic Development.

#### **Brief History:**

##### **Committee Activity:**

Capital Budget: 1/16/06, 1/18/06 [DP].

#### **Brief Summary of Bill**

- Approves the second list of local government infrastructure projects funded under the Public Works Trust Fund Program in the 2005-07 Capital Budget. The list was adopted by the Public Works Board in December 2005 and includes 16 projects totaling \$53.2 million.

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### HOUSE COMMITTEE ON CAPITAL BUDGET

**Majority Report:** Do pass. Signed by Representatives Dunshee, Chair; Ormsby, Vice Chair; Jarrett, Ranking Minority Member; Hankins, Assistant Ranking Minority Member; Blake, Chase, Cox, Eickmeyer, Ericks, Ericksen, Green, Hasegawa, Kretz, Kristiansen, Lantz, McCune, Moeller, Morrell, Newhouse, O'Brien, Roach, Schual-Berke, Serben, Springer, Strow and Upthegrove.

**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 (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 \$288.9 million from the Public Works Assistance Account in the 2005-07 Capital Budget. The funding is available for public works project loans in the 2006 and 2007 loan cycles.

Each year, the 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.

The Board adopted two project lists for the 2006 loan cycle. The first list was adopted on August 16, 2005. Due to increased revenue projections released in September of 2005, the Board adopted a second list of projects on December 6, 2005.

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**Summary of Bill:**

As recommended by the Board, 16 public works project loans totaling \$53.2 million are authorized for the 2006 loan cycle. The 16 authorized projects fall into the following categories:

- (1) three domestic water projects totaling \$12.9 million;
- (2) seven sanitary sewer projects totaling \$25.7 million;
- (3) two storm sewer projects totaling \$6.5 million; and
- (4) four road projects totaling \$8.1 million.

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**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 provides local governments with needed resources to address the replacement and repair of critical infrastructure. There is tremendous economic activity that is generated from the dollars provided to the program. For every dollar loaned, \$6 in economic activity is generated in our communities.

**Testimony Against:** None.

**Persons Testifying:** None.

**Persons Signed In To Testify But Not Testifying: None.**