

SENATE BILL REPORT

SB 6150

As Reported By Senate Committee On:
Ways & Means, January 26, 2006

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: Senators Fraser, Hewitt, Doumit, Pflug, Brandland, Roach, Rasmussen, Pridemore, Deccio, Fairley, Thibaudeau, Schmidt, Regala and Rockefeller; by request of Department of Community, Trade, and Economic Development and Public Works Board.

Brief History:

Committee Activity: Ways & Means: 1/24/06, 1/26/06 [DPS].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6150 be substituted therefor, and the substitute bill do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Doumit, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Fairley, Hewitt, Kohl-Welles, Parlette, Pflug, Pridemore, Rasmussen, Regala, Roach, Rockefeller, Schoesler and Thibaudeau.

Staff: Brian Sims (786-7431)

Background: The Public Works Assistance Account 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.

Summary of Substitute Bill: As recommended by the Board, 51 public works project loans totaling \$181 million are authorized for the 2006 loan cycle. The 51 authorized projects fall into the following categories:

- 1) eleven domestic water projects totaling \$33 million;
- 2) thirty-one sanitary sewer projects totaling \$129 million;
- 3) three storm sewer project totaling \$10 million; and
- 4) six road projects totaling \$10 million.

Substitute Bill Compared to Original Bill: The substitute bill increases the number of projects authorized by consolidating the additional projects included in SB 6210 with the projects in the original bill. The substitute bill also grants authority for reimbursement for expenses prior to execution of a loan agreement for a project to replace a water line over a creek where the time line is dictated by a state agency.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

Testimony For: These are important and necessary infrastructure projects that benefit their communities and stimulate the economy. Moving quickly to authorize these loans will get these projects moving and add new jobs. Protect the integrity of the program by not allowing further transfers out of the account. This is a model program that supports local communities and creates jobs.

Testimony Against: None.

Who Testified: PRO: Kelly Snyder, Public Works Board/CTED; Bryan Wahl, Washington Realtors; Rick Slunaker, Association of General Contractors.