

HOUSE BILL REPORT

HB 1025

As Reported by House Committee On:
Capital Budget

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

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

Sponsors: Representatives Rolfes, Newhouse, Lovick, Armstrong, Dunshee, Eickmeyer, Ericks, Blake, Morrell, Kenney, P. Sullivan, Wallace, Moeller, Warnick, Chase and Miloscia; by request of Department of Community, Trade, and Economic Development.

Brief History:

Committee Activity:

Capital Budget: 1/16/07, 1/18/07 [DP].

Brief Summary of Bill

- Approves the local government infrastructure projects list adopted by the Public Works Board for the 2007 loan cycle. The list includes 19 projects totaling approximately \$71 million in loan requests.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: Do pass. Signed by 22 members: Representatives Fromhold, Chair; Ormsby, Vice Chair; Schual-Berke, Vice Chair; McDonald, Ranking Minority Member; Newhouse, Assistant Ranking Minority Member; Blake, Chase, Dunshee, Eickmeyer, Flannigan, Goodman, Hankins, Hasegawa, Kelley, McCune, Orcutt, Pearson, Pedersen, Sells, Skinner, Strow and Upthegrove.

Staff: Nona Snell (786-7153).

Background:

The Public Works Assistance Account (PWAA), 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.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

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 PWAA 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 Bill:

As recommended by the Board, 19 public works project loans totaling \$71 million are authorized for the 2007 loan cycle. The 19 authorized projects fall into the following categories: (1) six domestic water projects totaling \$16.2 million; and (2) 13 sanitary sewer projects totaling \$54.8 million.

Appropriation: None.

Fiscal Note: Not requested.

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

Staff Summary of Public Testimony:

(In support) The annual Public Works Board project list comes before the committee every year. The 2007 list includes 19 projects across the state at a cost of \$71 million. They are solid projects that make a difference in communities and for citizens. In the 22 years that the program has existed, there has not been a default. The total cost of the projects on the list, including the local matching funds, is \$185 million in economic activity, and the total impact is \$400 million in economic activity in terms of job creation and the spin-off of the loan dollars. The faster the bill passes, the faster construction on projects can begin.

There are no projects in King or Pierce County on the list in the bill; however, there are projects in urban areas. The projects are in addition to the Community Economic Revitalization Board (CERB) projects, which CERB projects do not have to be approved by the Legislature.

There is a four-to-one ratio of need, especially for sewer projects. They are expensive projects looking for sizeable loans.

(Opposed) None.

Persons Testifying: Rep. Rolfes, Prime Sponsor; Duke Schaub, Associated General Contractors; and Kelly Snyder, Public Works Board.

Persons Signed In To Testify But Not Testifying: None.