

# HOUSE BILL REPORT

## HB 1137

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### As Reported by House Committee On: Capital Budget

**Title:** An act relating to creating the water quality capital account.

**Brief Description:** Creating the water quality capital account.

**Sponsors:** Representatives Fromhold, McDonald, Ormsby, Moeller and Haler; by request of Office of Financial Management.

**Brief History:**

**Committee Activity:**

Capital Budget: 2/6/07, 2/20/07 [DP].

<p style="text-align: center;"><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>• Creates the Water Quality Capital Account in the state Treasury.</li></ul>
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### HOUSE COMMITTEE ON CAPITAL BUDGET

**Majority Report:** Do pass. Signed by 20 members: Representatives Fromhold, Chair; Ormsby, Vice Chair; Schual-Berke, Vice Chair; McDonald, Ranking Minority Member; Newhouse, Assistant Ranking Minority Member; Blake, Chase, Dunshee, Eickmeyer, Goodman, Hankins, Hasegawa, Kelley, McCune, Pearson, Pedersen, Sells, Skinner, Strow and Upthegrove.

**Minority Report:** Do not pass. Signed by 1 member: Representative Orcutt.

**Staff:** Alicia Dunkin (786-7178).

**Background:**

Initiative 601, enacted by the voters in 1993, established an annual limit on expenditures from the State General Fund. Beginning with the 2007-09 fiscal biennium, the annual state expenditure limit is extended to accounts other than the State General Fund including the Water Quality Account (WQA). This means the WQA will be appropriated on an annual basis.

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*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 WQA is a dedicated account administered by the Department of Ecology. This WQA account is appropriated in both the operating and capital budgets for grants and loans to public bodies for planning, implementation, design, acquisition, and construction of water pollution control facilities and activities. Expenditures from the WQA are primarily used for grants to address non-point water quality programs, and to assist small communities with building wastewater treatment systems that would otherwise cause a financial hardship.

The capital budget makes biennial appropriations from the WQA account, rather than annual appropriations. Unexpended funds are often "reappropriated" or re-authorized in subsequent capital budgets.

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**Summary of Bill:**

Effective July 1, 2007, the Water Quality Capital Account (WQCA) is created in the state Treasury. Expenditures from the WQCA may only be spent after appropriation and may only be used: (1) to make grants or loans to public bodies for the capital component of water pollution control facilities and activities; (2) to assist a public body in obtaining ownership interest in pollution control facilities; or (3) for capital components of payments made by public bodies for certain pollution control service agreements.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill has an emergency clause and takes effect on July 1, 2007.

**Staff Summary of Public Testimony:**

(In support) Puget Sound is one of our four priorities and to implement the Governor's initiative to clean up the sound by 2020 we clearly need to enhance investments in the Sound. This bill is a technical fix and is assumed in the Governor's operating and capital budgets.

(Opposed) None.

**Persons Testifying:** Naki Stevens, People for Puget Sound; and Tom Saelid, Office of Financial Management.

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