

# FINAL BILL REPORT

## HB 1137

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Synopsis as Enacted

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

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

**House Committee on Capital Budget**  
**Senate Committee on Ways & Means**

**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.

The WQA is a dedicated account administered by the Department of Ecology. This WQA 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, rather than annual appropriations. Unexpended funds are often "reappropriated" or re-authorized in subsequent capital budgets.

**Summary:**

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.

**Votes on Final Passage:**

House	95	0
Senate	49	0

**Effective:** July 1, 2007