

---

## Capital Budget Committee

---

### HB 1392

**Brief Description:** Concerning authorization for projects and appropriating funds recommended by the public works board.

**Sponsors:** Representatives Blake, Dent, Ryu, Peterson, Sullivan, Lovick, Springer, Stambaugh, Goodman, Bergquist, Fitzgibbon, Gregerson, Hudgins, Sells, Sawyer, Appleton, Chapman, Pollet, Ortiz-Self and Kloba.

<p style="text-align: center;"><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>• Authorizes loans for the 25 projects submitted by the Public Works Board.</li></ul>
---



**Hearing Date:** 2/14/17

**Staff:** Melissa Palmer (786-7388).

**Background:**

Public Works Assistance Account.

The Public Works Assistance Account (PWAA) was established in 1985 to encourage local government self-reliance in meeting public works needs, and to assist in financing critical infrastructure projects. Moneys in the Account must be used to make loans and give financial guarantees, and may also be appropriated to provide state match for federal dollars. Loan repayments and revenues from three tax sources have historically been deposited into the Account. However, in recent years, there have not been loans funded with the Account and repayments and tax revenues have been redirected to the State General Fund or Education Legacy Trust Account.

Historically, the PWAA has received deposits of loan repayments and revenues from the following three taxes: (1) 6.1 percent of the Real Estate Excise Tax (REET) imposed on the sale of real property; (2) 20 percent of the Public Utility Tax (PUT) revenues from water utilities and

---

*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.*

60 percent of the PUT revenues from sewer utilities; and (3) 100 percent of the Solid Waste Collection Tax (SWCT) imposed on garbage utilities.

The Legislature has transferred cash and redirected tax revenues from the PWAA to the State General Fund and the Education Legacy Trust Account (ELTA). In the 2013-15 biennium, the Legislature: (1) transferred \$277 million in the PWAA loan repayments to the ELTA; (2) redirected 4.1 percent of the REET revenues into the ELTA, leaving 2 percent in the PWAA; (3) redirected the PUT revenues into the ELTA; and (4) suspended the deposit of the SWCT revenues into the PWAA. The taxes are redirected statutorily from the PWAA through June 30, 2019. In the 2015-17 biennium, the Legislature transferred \$89 million from the PWAA to the State General Fund. Additionally, the legislature added language to the PWAA statute stating the intent to transfer \$73 million in the 2017-19 biennium to support basic education.

#### The Board Responsibilities.

By the first of November of each even-numbered year, the Board must develop and submit to legislative fiscal committees a prioritized recommended funding list of public works construction projects. The Legislature may remove projects from the list, but may not change the priority order of the Board's recommendations. Funds cannot be obligated by the Board until the Legislature has appropriated funds for a specific list of projects. Since the 2013-15 biennium, there have not been new loans through the Public Works Assistance Account.

#### **Summary of Bill:**

The 25 loan projects submitted by the Public Works Board, totaling \$97,345,023, are to be made.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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