
Capital Budget Committee

HB 1691

Brief Description: Concerning funding and administering local government infrastructure by the public works board.

Sponsors: Representatives Peterson, Fey, Chapman, Doglio, Appleton, Kirby, Pollet and Gregerson.

Brief Summary of Bill

- Specifies that public works projects may include natural or green infrastructure.
- Allows up to 1 percent of the biennial capital budget appropriation for the Public Works Board to be for value planning grants.
- Ends the deposit of the Refuse Tax into Education Legacy Trust Account on June 30, 2019, rather than June 30, 2023.
- Prioritizes the Refuse Tax that is deposited into the Public Works Assistance Account, from fiscal year 2020 through fiscal year 2030, for grants to address fish barriers.

Hearing Date: 2/19/19

Staff: Melissa Palmer (786-7388).

Background:

The Public Work Board.

The Public Works Board (Board) may make low-interest loans or grants from the Public Works Assistance Account (PWAA) to finance the acquisition, construction, repair, replacement, or improvement of the following local public works: bridges, streets, and roads; water systems; storm and sanitary sewage systems; and solid waste facilities, including recycling, and lead pipes in drinking water systems. For up to a maximum of 20 percent of the biennial PWAA capital budget appropriation, the Board may make loans or grants for preconstruction, emergency, and capital facilities planning. Up to 10 percent of the PWAA capital budget appropriation may be provided for grants. Local governments and special purpose districts, except port and school

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districts, are eligible to apply for loans from the PWAA. The Board may provide technical assistance. The Board may require a local government to provide a long-term financial plan for maintenance and loan repayments, and undergo value planning at the predesign stage. Existing debt or financial obligations may not be refinanced.

Public Works Board Membership.

The Board is staffed by the Department of Commerce and includes 13 voting members appointed by the Governor: two elected officials and one public works manager representing cities; two elected officials and one public works manager representing counties; three members representing public utility and water-sewer districts; and four members representing the general public.

Public Works Assistance Account.

The 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 PWAA 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 PWAA. However, in recent years, there have not been projects funded with the PWAA. Repayments and tax revenues that were deposited into the PWAA have been transferred to the State General Fund or Education Legacy Trust Account in prior biennia. The Refuse (Solid Waste) Tax, 4.1 percent of the Real Estate Excise Tax (REET), and the portion of the Public Utilities Tax, which were historically deposited into the PWAA, are deposited into the Education Legacy Trust Account through fiscal year 2023. In the 2017-19 biennium, the projects were funded with general obligation bonds.

Fish Passage Barrier Removal Board.

The Legislature established the grant program of the Brian Abbott Fish Passage Barrier Removal Board (FBRB) in 2014 to identify and remove impediments to salmon and steelhead migration. The FBRB consists of nine voting members and one non-voting member. The FBRB must adopt governing policies, set project evaluation criteria, review project scoring and recommendations from the FBRB technical review team, and provide a project priority list to the Governor and Legislature for funding considering. The grant program is administered jointly by the Washington Department of Fish and Wildlife (WDFW) and the Recreation and Conservation Office (RCO). The 2017-19 Capital Budget included a general obligation bond appropriation of \$19.7 million in RCO for 13 fish passage projects.

Summary of Bill:

Public works projects may include natural or green infrastructure measures that complement the project and demonstrate enhanced life-cycle cost or performance gains. Value planning, which occurs at the predesign stage, also must address innovation, affordability, environmental performance, and local economic development.

In addition to the 10 percent maximum that may be provided for grants, the Board may offer other grants. Up to 1 percent of the Board's biennial Capital Budget appropriation may be used for grants for the purpose of value planning. The grant may be up to \$60,000 per project.

During fiscal years 2020 through 2030, the Refuse (Solid Waste) Tax that collected and deposited into the PWAA must be prioritized for grants to address fish barriers, consistent with the strategy to maximize habitat value of culvert corrections, as recommended by the FBRB. The Board must provide the grant and contract management for the grants that are issued.

The Department of Fish and Wildlife may coordinate with the Public Works Board to administer grants identified by the FBRB.

The deposit of the Refuse (Solid Waste) Tax into the Education Legacy Trust Account is ended on June 30, 2019, instead of June 30, 2023. From fiscal year 2020 through fiscal year 2030, the Refuse (Solid Waste) Tax that is deposited into the PWAA must be prioritized for grants to address fish barriers, consistent with recommendations by the FBRB.

Appropriation: None.

Fiscal Note: Requested on January 28, 2019.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2019.