

HOUSE BILL REPORT

HB 1951

As Reported by House Committee On: Transportation

Title: An act relating to establishing an emergency loan program to be administered by the county road administration board.

Brief Description: Establishing an emergency loan program to be administered by the county road administration board.

Sponsors: Representatives Walsh, Chapman, Eslick and Tharinger.

Brief History:

Committee Activity:

Transportation: 2/21/19, 2/27/19 [DP].

Brief Summary of Bill

- Authorizes the County Road Administration Board (CRAB) to create an emergency revolving loan program for certain counties, for road or bridge work that is necessary due to a natural or manmade event for which a disaster was declared.
- Creates the CRAB Emergency Loan Account, and requires expenditures to only be used for the above-described purposes.
- Requires the CRAB to administer the Emergency Revolving Loan Program.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 30 members: Representatives Fey, Chair; Slatter, 2nd Vice Chair; Valdez, 2nd Vice Chair; Wylie, 1st Vice Chair; Barkis, Ranking Minority Member; Walsh, Assistant Ranking Minority Member; Young, Assistant Ranking Minority Member; Boehnke, Chambers, Chapman, Dent, Doglio, Dufault, Entenman, Eslick, Goehner, Gregerson, Irwin, Kloba, Lovick, McCaslin, Mead, Orcutt, Ortiz-Self, Paul, Pellicciotti, Ramos, Riccelli, Shea and Van Werven.

Staff: David Munnecke (786-7315).

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.

Background:

The County Road Administration Board (CRAB) is a nine-member board composed of six county commissioners or councilmembers and three county engineers. Among its various activities, the CRAB establishes and maintains standards of good practice, to guide and ensure consistency and professional management of county road departments, and administers the Rural Arterial Program, the County Arterial Preservation Program, and the County Ferry Capital Improvement Program.

The CRAB can provide funding for emergency projects from the Rural Arterial Trust Account (RATA). An emergency project must be on a RATA-eligible facility and is defined as one that:

- is necessary due to a natural or manmade event;
- causes a roadway section or structure to be closed or substantially restricted to normal use; and
- is beyond the scope of work done by the county in restoring damages normally or reasonably expected to occur.

In order to be eligible for such emergency funds, the requesting county must declare an emergency. The requesting county's eligibility for RATA funding in the next funding period is also reduced by the amount of RATA funding provided. If the county's eligible funding is insufficient, the requesting county must withdraw, amend, or delay a project equal to the RATA funding provided.

Summary of Bill:

The CRAB is authorized to create a self-supporting Emergency Revolving Loan Program (program) for counties with a population of fewer than 800,000 people.

Loans from the program may only go to eligible counties where a county, state, or federal disaster has been declared. The county receiving a loan must agree to repay the loan to the program, with interest of not more than 3 percent.

A loan from the program must be used for road or bridge work that:

- is necessary due to a natural or manmade event for which a disaster was declared;
- causes a roadway section or structure to be closed or substantially restricted to normal use; and
- is beyond the scope of work done by the county in restoring damages normally or reasonably expected to occur.

The CRAB Emergency Loan Account (account) is created in the custody of the State Treasurer. Any expenditures from the account may only be used for purposes allowed under the program and related administrative expenses. The account retains its own earnings, and an appropriation is not required for expenditures.

The CRAB is required to administer the program and must report on various aspects of the program every other year.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The bill sets in place a revolving loan program for smaller entities, which would allow for emergency repairs. Once the fund is funded, then the monies could be used for future projects as the loans are repaid. The bill puts the system in place, but the funds would need to come from somewhere else, such as the transportation budget.

The bill is modeled after the Public Works Trust Fund.

Counties experience damage every year from various disasters. The RATA is a grant program, so other funds are reduced for recipients of its emergency funds. To deal with these emergencies, the RATA program is also forced to keep a larger balance, so it can fund fewer projects.

The proposed emergency loan program would be more broadly available than the current program, and all county routes would be eligible.

The need for this program was identified in the Washington State Transportation Plan, which, among other things, makes recommendations for funding. Federal Emergency Management Agency funds can sometimes require matching funds, which this fund could provide.

(Opposed) None.

Persons Testifying: Representative Walsh, prime sponsor; Derek Pohle, County Road Administration Board; and Paul Parker, Washington State Transportation Commission.

Persons Signed In To Testify But Not Testifying: None.