

# SENATE BILL REPORT

## SJR 8201

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As Reported by Senate Committee On:  
Ways & Means, February 16, 2023

**Brief Description:** Creating a public works assistance revolving account.

**Sponsors:** Senators Mullet, Warnick, Holy and Keiser.

**Brief History:**

**Committee Activity:** Ways & Means: 2/02/23, 2/16/23 [DPS, DNP].

**Brief Summary of First Substitute Joint Resolution**

- The state Constitution is amended to establish the Public Works Revolving Trust Account.
- The repayment of loans from local governments made from the Public Works Assistance Account and the Public Works Revolving Trust Account are paid into the Public Works Revolving Trust Account.
- The Public Works Revolving Trust Account can only be used to provide loans and grants to local governments for public works projects.

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Substitute Senate Joint Resolution No. 8201 be substituted therefor, and the substitute joint resolution do pass.

Signed by Senators Rolfes, Chair; Robinson, Vice Chair, Operating & Revenue; Mullet, Vice Chair, Capital; Wilson, L., Ranking Member, Operating; Gildon, Assistant Ranking Member, Operating; Schoesler, Ranking Member, Capital; Warnick, Assistant Ranking Member, Capital; Billig, Boehnke, Braun, Conway, Dhingra, Hunt, Keiser, Muzzall, Nguyen, Pedersen, Saldaña, Torres, Van De Wege, Wagoner and Wellman.

**Minority Report:** Do not pass.

Signed by Senator Hasegawa.

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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 part of the legislation nor does it constitute a statement of legislative intent.*

**Staff:** Michael Bezanson (786-7449)

**Background:** Public Works Project. A public works project is a project of a local government for the planning, acquisition, construction, repair, reconstruction, replacement, rehabilitation, or improvement of streets and roads, bridges, water systems, or storm and sanitary sewage systems, lead remediation of drinking water systems, and solid waste facilities, including recycling facilities and composting and other organic materials management facilities. A planning project may include the compilation of biological, hydrological, or other data on a county, drainage basin, or region necessary to develop a base of information for a capital facility plan.

Public Works Assistance Account. The Public Works Assistance Account is an appropriated account created in statute. The Public Works Assistance Account receives money from the repayment of local government loans made under the Public Works Assistance Account, 1.7 percent of the real estate excise tax—increasing to 5.2 percent beginning July 1, 2023, and money placed in the Public Works Assistance Account from the proceeds of bonds when authorized by the Legislature, or from any other lawful source.

Beginning July 1, 2023, 20 percent of the public utility tax levied on water distribution businesses, 60 percent of the public utility tax levied on sewerage collection businesses, and taxes collected under the solid waste collection tax are to be deposited into the Public Works Assistance Account. Prior to July 1, 2013, the real estate excise tax and the public utility tax were deposited into the Public Works Assistance Account, and prior to July 1, 2011, the solid waste collection tax was deposited into the Public Works Assistance Account.

Money in the Public Works Assistance Account shall be used to make loans and grants to local governments for public works projects. From July 1, 2023 through July 1, 2037, the State Treasurer must transfer \$57 million each fiscal year from the Public Works Assistance Account to the Move Ahead WA Account.

Accounts in the State Constitution. In addition to the state general fund, which may be expended for any lawful purpose, the state maintains several hundred accounts dedicated to particular statutory purposes. These accounts generally created in policy bills for the purpose of dedicating moneys in the account for the policy purposes of the bill. However, accounts have also been created in the state Constitution. Examples include the Common School Construction fund to be used exclusively for financing the construction of facilities for the common schools and the Budget Stabilization Account that may be accessed only in instances of low employment growth, a gubernatorial declaration of emergency resulting from a catastrophic event, or by a three-fifths vote of the Legislature. The Washington State Constitution imposes limitations to the power of the Legislature. Unlike a statute that a current Legislature can amend or repeal, the Legislature must adhere to the requirements of an account created in the state Constitution until changed by a constitutional amendment.

**Summary of Bill:** The bill as referred to committee not considered.

**Summary of Bill (First Substitute):** The summary below reflects the contents of both SJR 8201 and SB 5303. SJR 8203 proposes a constitutional amendment, while SB 5303 implements those changes should the amendment pass. If the proposed amendment is not approved and ratified, SB 5303 is void in its entirety.

The state Constitution is amended to establish the Public Works Revolving Trust Account. All moneys received from local governments in the repayment of loans made from the Public Works Assistance Account and the Public Works Revolving Trust Account shall be paid into the Public Works Revolving Trust Account.

Moneys in the Public Works Revolving Trust Account can only be used to provide loans and grants to local governments for public works projects.

The Legislature may enact legislation to implement the Constitutional amendment.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** The bill takes effect on July 1, 2025.

**Staff Summary of Public Testimony on First Substitute:** PRO: This bill will not take away the Ways & Means Committee's ability to appropriate money from the Public Works Account. The new account will let the money grow to become a self-sustaining system if left alone for long enough. Diversion of the public utility, and solid waste taxes will be stopped this year, and those revenues will be restored to the fund. This will help the people of Washington by supporting critical Washington infrastructure and ensuring resiliency. It will repair roads, bridges, waste facilities, stormwater treatment facilities, and drinking water facilities. The public works trust fund is also necessary for keeping rates affordable.

**Persons Testifying:** PRO: Senator Mark Mullet, Prime Sponsor; Kathryn Gardow, Chair, Public Works Board; Justin Clary, Member, Public Works Board; Scott Hazlegrove, WA Association of Sewer & Water Districts; Brandy DeLange, Association of Washington Cities; Marc Powell, Tacoma Water/Tacoma Public Utilities; Jerry Vanderwood, Associated General Contractors of Washington; Van Collins, American Council of Engineering Companies.

**Persons Signed In To Testify But Not Testifying:** No one.