
SENATE BILL 5005

State of Washington

60th Legislature

2007 Regular Session

By Senators Brandland and Fraser; by request of Department of Community, Trade, and Economic Development

Read first time 01/08/2007. Referred to Committee on Ways & Means.

1 AN ACT Relating to increasing the nonconstruction loan limit for
2 projects using financing through the public works board; amending RCW
3 43.155.050; reenacting and amending RCW 43.155.050; creating a new
4 section; providing an effective date; and providing an expiration date.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** The legislature finds that it is in the
7 state's best fiscal interest to ensure that community infrastructure
8 projects are ready to proceed when applying for and receiving public
9 works board approved construction loans. Many jurisdictions use
10 portions of their construction loans to pay for nonconstruction
11 activities, such as planning and preconstruction, to get ready for
12 construction. This means some of the construction phase takes place at
13 the end of the loan agreement, and requires jurisdictions to request
14 loan extensions. The legislature recognizes this type of financing
15 strategy slows down the expenditure of funds, limits the amount of
16 funding available for construction loans, and increases the amount
17 requested for reappropriation.

18 The legislature finds that from fiscal years 2002 to 2005, the
19 public works board had one hundred two construction loan extension

1 requests. Creating an opportunity to make more projects ready to
2 proceed benefits the state and local jurisdictions by ensuring that
3 construction loan funds will be spent on construction activities in a
4 more timely manner, thereby increasing the amount of funds available
5 for new construction loans through quicker repayment of the loans.

6 **Sec. 2.** RCW 43.155.050 and 2005 c 488 s 925 and 2005 c 425 s 4 are
7 each reenacted and amended to read as follows:

8 (1) The public works assistance account is hereby established in
9 the state treasury. Money may be placed in the public works assistance
10 account from the proceeds of bonds when authorized by the legislature
11 or from any other lawful source. Money in the public works assistance
12 account shall be used to make loans and to give financial guarantees to
13 local governments for public works projects. Moneys in the account may
14 also be appropriated to provide for state match requirements under
15 federal law for projects and activities conducted and financed by the
16 board under the drinking water assistance account. Not more than
17 (~~fifteen~~) twenty-five percent of the biennial capital budget
18 appropriation to the public works board from this account may be
19 expended or obligated for preconstruction loans, emergency loans, or
20 loans for capital facility planning under this chapter; of this amount,
21 not more than ten percent of the biennial capital budget appropriation
22 may be expended for emergency loans and not more than one percent of
23 the biennial capital budget appropriation may be expended for capital
24 facility planning loans. For the 2005-2007 biennium, moneys in the
25 account may be used for grants for projects identified in section 138,
26 chapter 488, Laws of 2005.

27 (2) The job development fund is hereby established in the state
28 treasury. Up to fifty million dollars each biennium from the public
29 works assistance account may be transferred into the job development
30 fund. Money in the job development fund may be used solely for job
31 development fund program grants, administrative expenses related to the
32 administration of the job development fund program created in RCW
33 43.160.230, and for the report prepared by the joint legislative audit
34 and review committee pursuant to RCW 44.28.801(2). Moneys in the job
35 development fund may be spent only after appropriation. The board
36 shall prepare a prioritized list of proposed projects of up to fifty
37 million dollars as part of the department's 2007-09 biennial budget

1 request. The board may provide an additional alternate job development
2 fund project list of up to ten million dollars. The legislature may
3 remove projects from the list recommended by the board. The
4 legislature may not change the prioritization of projects recommended
5 for funding by the board, but may add projects from the alternate list
6 in order of priority, as long as the total funding does not exceed
7 fifty million dollars.

8 **Sec. 3.** RCW 43.155.050 and 2005 c 488 s 925 are each amended to
9 read as follows:

10 The public works assistance account is hereby established in the
11 state treasury. Money may be placed in the public works assistance
12 account from the proceeds of bonds when authorized by the legislature
13 or from any other lawful source. Money in the public works assistance
14 account shall be used to make loans and to give financial guarantees to
15 local governments for public works projects. Moneys in the account may
16 also be appropriated to provide for state match requirements under
17 federal law for projects and activities conducted and financed by the
18 board under the drinking water assistance account. Not more than
19 (~~fifteen~~) twenty-five percent of the biennial capital budget
20 appropriation to the public works board from this account may be
21 expended or obligated for preconstruction loans, emergency loans, or
22 loans for capital facility planning under this chapter; of this amount,
23 not more than ten percent of the biennial capital budget appropriation
24 may be expended for emergency loans and not more than one percent of
25 the biennial capital budget appropriation may be expended for capital
26 facility planning loans. For the 2005-2007 biennium, moneys in the
27 account may be used for grants for projects identified in section 138,
28 chapter 488, Laws of 2005.

29 NEW SECTION. **Sec. 4.** Section 2 of this act expires June 30, 2011.

30 NEW SECTION. **Sec. 5.** Section 3 of this act takes effect June 30,
31 2011.

--- END ---