

SENATE BILL REPORT

SJR 8201

As of February 1, 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.

Brief Summary of Bill

- 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.

SENATE COMMITTEE ON WAYS & MEANS

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.

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.

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. The state Constitution contains two accounts. The first is the Common School Construction fund to be used exclusively for financing the construction of facilities for the common schools. The second is the Budget Stabilization Account, which is also known as the rainy-day fund. Moneys in the Budget Stabilization Account may be appropriated by a majority vote of each house of the Legislature if forecasted state employment growth for any fiscal year is less than 1 percent; or the Governor declares an emergency resulting from a catastrophic event that requires government action to protect life or public safety. Other withdrawals from the Budget Stabilization Account may be made only by a three-fifths vote of the Legislature.

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

Summary of Bill (Proposed Substitute): 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. New fiscal note requested on January 30, 2023.

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

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