

SENATE BILL REPORT

ESHB 2125

As Reported by Senate Committee On:
Economic Development, Trade & Innovation, March 26, 2009

Title: An act relating to community preservation and development authorities.

Brief Description: Addressing community preservation and development authorities.

Sponsors: House Committee on Community & Economic Development & Trade (originally sponsored by Representatives Santos and Kenney).

Brief History: Passed House: 3/06/09, 63-32.

Committee Activity: Economic Development, Trade & Innovation: 3/19/09, 3/26/09 [DP].

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

Majority Report: Do pass.

Signed by Senators Kastama, Chair; Shin, Vice Chair; Zarelli, Ranking Minority Member; Delvin, Eide and Kilmer.

Staff: Philip Brady (786-7460)

Background: In 2007 the Legislature authorized creation of Community Preservation and Development Authorities (Authority). Formation and legislative authorization of the Authorities requires completion of certain steps, and must be managed by a nine-member board of directors. Members of the board include business owners and operators, nonprofit community service providers, persons involved in local arts and entertainment, people who know the community and its history, and at least one organization directly serving the impacted community. An Authority has the power to accept public or private gifts, grants, loans, or other aid from public or private entities, and to exercise additional powers as authorized by law, but has no power of eminent domain or power to levy taxes or special assessments.

Authorities must set geographic boundaries, solicit community input, establish funding mechanisms, and demonstrate accountability to the Legislature, including convening an annual meeting with its constituency and maintaining books and records. Local and state agencies participating in major public capital projects may consult with the Authority when making decisions about those projects.

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.

Summary of Bill: The Legislature finds that preserving and restoring the character, history, and cultural values of communities affected by major public projects are important public policy goals that can be achieved through Authorities. An Authority may be created to restore or enhance the health, safety, and economic well-being of such adversely impacted communities.

An Authority's nine-member board of directors is expanded to 11 to include two members who reside in the community, and the procedures for establishing the initial board are revised. The powers of an Authority are also expanded to include employing and appointing agents; partnering with groups or individuals; buying, owning, leasing, and selling real estate; investing, depositing, and reinvesting funds; incurring debt; and lending its funds for corporate purposes. An Authority may use its financial resources to enhance public safety; reduce community blight; provide ongoing mitigation of the adverse community effects of multiple publicly-funded projects; and address other issues consistent with an Authority's purpose.

State and local government agencies must communicate and consult fully with an Authority and the impacted community before making decisions regarding major public projects.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This is a true technical correction. Key elements in the original bill were stricken in the Senate, and the intent section was vetoed by the Governor. This puts them back in, and no objection has been raised by the Governor. The existing Authority faces some difficulties stemming from the fact that it has no power to enter into a contract. As a result, it was unable to contract with an agency to utilize the funds it was allocated. Without putting back in the intent and definition section, new Authorities cannot be created. The powers section is legal boilerplate for local entities, and should avoid lending of credit issues. Local community members are most impacted by public works projects, so they should have a voice in decision-making processes.

Persons Testifying: PRO: Representative Santos, prime sponsor.