

HOUSE BILL REPORT

SSB 5400

As Reported by House Committee On:
Trade & Economic Development

Title: An act relating to clarifying the authority of the community economic revitalization board to make loans and grants to political subdivisions and federally recognized Indian tribes for public facilities.

Brief Description: Clarifying that the community economic revitalization board may make loans and grants to federally recognized Indian tribes.

Sponsors: By Senate Committee on Economic Development & Telecommunications (originally sponsored by Senators T. Sheldon, Franklin, Shin, Regala, Costa and Gardner; by request of Governor Locke).

Brief History:

Committee Activity:

Trade & Economic Development: 3/27/01, 3/29/01 [DP].

Brief Summary of Substitute Bill

- Makes federally recognized Indian tribes eligible to receive financial assistance, for economic development-related infrastructure improvements, through the Community Economic Revitalization Board (CERB).
- Prohibits the use of CERB funds for projects that facilitate or promote gambling.

HOUSE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

Majority Report: Do pass. Signed by 7 members: Representatives Van Luven, Republican Co-Chair; Veloria, Democratic Co-Chair; Dunn, Republican Vice Chair; Eickmeyer, Democratic 1st Vice Chair; Fromhold, Democratic 2nd Vice Chair; Jackley and O'Brien.

Minority Report: Do not pass. Signed by 4 members: Representatives Ahern, Mulliken, Pflug and Woods.

Staff: Kenny Pittman (786-7392).

Background:

The Community Economic Revitalization Board (CERB) Program was created in 1982 to provide direct loans and grants to counties, cities, and ports for economic development-related infrastructure improvements. The CERB eligible infrastructure improvements include the acquisition, construction, or repair of: domestic and industrial water, sewer, and storm water infrastructure; bridge, railroad, and road improvements; buildings and structures; port facilities; and feasibility studies. The CERB financing must be necessary to either bring a new business into the community or expand an existing business that is already located in the community. In 1999, the type of projects that the CERB program could finance was expanded to include telecommunications infrastructure, transportation and pre-construction costs.

The CERB funds cannot be used: (1) to facilitate or promote a retail shopping development or expansion; (2) to finance projects that would displace existing jobs in any other community in the state, except where jobs are being relocated from nondistressed urban areas to rural areas or rural natural resources impact areas; and (3) to acquire real property, including buildings and other fixtures that are part of real property.

Summary of Bill:

The Community Economic Revitalization Board (CERB) is authorized to make loans or grants to federally recognized Indian tribes for the purpose of financing the cost of economic development-related infrastructure improvements, as part of a project, that result in specific private development or expansion. The Community Economic Revitalization Board is specifically prohibited from providing financial assistance to projects that facilitate or promote gambling.

Appropriation: None.**Fiscal Note:** Available.**Effective Date:** Ninety days after adjournment of session in which bill is passed.**Testimony For:** Washington's Indian tribes are a major economic engine in the state's rural areas and are strong partners in rural economic development efforts. They hire both tribal and non-tribal members in their enterprises. Having access to Community Economic Revitalization Board funds would provide needed funding for infrastructure that will help the tribes in their job creation and retention efforts. Another benefit is that it supports the state's mission of sharing the economic prosperity throughout all regions of the state.

Testimony Against: None.

Testified: (In support) Senator Sheldon, prime sponsor; Sheila Martin, Governor's Office; William Coyler, Alliance 2005 Economic Development Council; Sung Yang, Department of Community, Trade, and Economic Development; Diane Nelson, Colville Tribes; and Ron Newbry, Washington Economic Development Association.