

HOUSE BILL REPORT

HB 1958

As Reported by House Committee On:
Capital Budget

Title: An act relating to accelerating rural job growth and promoting economic recovery across Washington through a shovel-ready site certification program and grants.

Brief Description: Accelerating rural job growth and promoting economic recovery across Washington through a shovel-ready site certification program and grants.

Sponsors: Representatives Berg, Boehnke, Chapman, Ryu, Paul, Peterson, Frame and Taylor.

Brief History:

Committee Activity:

Capital Budget: 1/25/22, 2/4/22 [DPS].

Brief Summary of Substitute Bill

- Permits the Community Economic Revitalization Board to provide planning program grants to qualifying projects for the costs to achieve shovel-ready status.
- Increases the maximum award limit on the Community Economic Revitalization Board planning program grants.
- Directs the Department of Commerce to develop and implement a shovel-ready certification program.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 21 members: Representatives Tharinger, Chair; Callan, Vice Chair; Hackney, Vice Chair; Steele, Ranking Minority Member; Abbarno, Assistant Ranking Minority Member; McEntire, Assistant Ranking Minority Member; Bateman, Dye, Eslick, Gilday, Kloba, Leavitt, MacEwen, Mosbrucker, Peterson, Riccelli, Rule, Santos, Sells, Shewmake

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.

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Minority Report: Without recommendation. Signed by 1 member: Representative Kraft.

Staff: Richelle Geiger (786-7139).

Background:

Community Economic Revitalization Board.

The Community Economic Revitalization Board (CERB) provides financial assistance to local governments and federally recognized tribes for public infrastructure that encourages new business development and economic growth. The Department of Commerce (Department) provides administrative support for CERB.

The CERB is authorized to make direct loans and grants to political subdivisions of the state and to federally recognized Indian tribes to finance public facilities. Grants are available for eligible planning and constructing projects.

Community Economic Revitalization Board Planning Program Grants.

The CERB provides grant funding for studies to evaluate economic development projects. Eligible uses include site-specific plans, studies, and analyses that address environmental impacts, capital facilities, land use, permitting, feasibility, marketing, project engineering, design, and site planning. The maximum award limit for planning grants is \$50,000.

Summary of Substitute Bill:

The CERB may award planning program grants to projects for costs of achieving shovel-ready status. The maximum award limit on planning grants is increased. Until December 31, 2026, there is no maximum award limit. Beginning January 1, 2027, grants may not exceed \$200,000.

The Department must develop and implement a shovel-ready certification program for the purpose of certifying sites seeking shovel-ready status designation. In developing the program, the Department must consult with CERB, economic development professionals, industry leaders, and local governments. The Department may consult with other interested parties at its discretion. The Department must establish an application process, criteria for certification, and may adopt rules to implement this section.

Substitute Bill Compared to Original Bill:

The substitute bill makes a technical correction. Section 3 creates a new section in the

Department of Commerce chapter of the Revised Code of Washington, instead of the Economic Development chapter.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill is about encouraging job creation and levels the playing field for rural communities with respect to economic recovery. A longstanding concern of rural communities is that they are being extracted from, and not invested in. A key element of economic recovery is to get sites and real estate ready for new commercial construction. Other states have successfully utilized similar programs to encourage economic activity. These planning grants could also be used to help support urban communities as well.

The planning grants expanded in this bill support predevelopment activities including Growth Management Act compliance and potable water infrastructure. These activities make land marketable for development. The state has lost multiple manufacturing development opportunities because sites have had unexpected predevelopment delays.

(Opposed) None.

Persons Testifying: Representative April Berg, prime sponsor; Suzanne Dale Estey, Washington Economic Development Association; Victoria Lincoln, Washington Public Ports Association; Randy Hayden, Michael Echanove, and Mike Mason, Community Economic Revitalization Board; Marie Davis, Department of Commerce; Ted Sturdevant, Center for Sustainable Infrastructure; and Garry Clark, Economic Alliance of Snohomish County.

Persons Signed In To Testify But Not Testifying: None.