

HOUSE BILL REPORT

HB 1662

As Reported By House Committee On:
Trade, Economic Development & Housing
Capital Budget

Title: An act relating to the community economic revitalization board.

Brief Description: Reauthorizing the community economic revitalization board.

Sponsors: Representatives Wineberry, Shin, Forner, Sheldon, Wang, Riley, Ogden, Silver, Valle, Jones, Holm, Basich, Rayburn, Jacobsen, Kremen, Cooke and J. Kohl; by request of Department of Trade and Economic Development.

Brief History:

Reported by House Committee on:
Trade, Economic Development & Housing, February 18, 1993,
DPS;
Capital Budget, March 4, 1993, DPS(TEH-A CB).

HOUSE COMMITTEE ON TRADE, ECONOMIC DEVELOPMENT & HOUSING.

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives Wineberry, Chair; Shin, Vice Chair; Forner, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Campbell; Casada; Conway; Morris; Schoesler; Sheldon; Springer; Valle; and Wood.

Staff: Charlie Gavigan (786-7340).

Background: The Community Economic Revitalization Board (CERB) program was created by the Legislature in 1982 to provide loans or grants to counties, cities, and ports for economic development-related infrastructure. The loan or grant must be necessary to bring an identified business or development into the community.

The CERB program was expanded in 1991 to provide funds for feasibility studies and public infrastructure projects that support industrial and tourism development in timber-impacted communities. In addition, there is a Department of Transportation/CERB grant program which supports state highway improvement projects.

Fifty percent of CERB funds are required to go to projects in designated distressed or timber-dependent communities.

CERB expires on June 30, 1993.

Summary of Substitute Bill: The expiration date of the statute authorizing CERB is extended to June 30, 1999, with a sunset review required at that time. The board is directed to forward a copy of any application for financial assistance to encourage the development of a recycling facility to the Department of Ecology and to notify the department of any decision regarding the application. The protections under the Public Records Act are extended to proprietary information submitted in an application for CERB loans or program services.

Substitute Bill Compared to Original Bill: An emergency clause is added to make the extension of CERB effective immediately.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed, except for section 6 which is effective immediately.

Testimony For: CERB is an effective program that enables local governments to provide the infrastructure necessary for businesses to locate or expand. CERB has created or retained nearly 11,000 full-time, direct jobs since its inception 10 years ago. The program has been a key part of assistance to timber communities.

Testimony Against: None.

Witnesses: Robert Cowan, Community Economic Revitalization Board (pro); George Rohrbacher, Klickitat Economic Development Council (pro); and Scott Taylor, Washington Public Ports Association (pro).

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: The substitute bill by Committee on Trade, Economic Development & Housing be substituted therefor and the substitute bill as amended by Committee on Capital Budget do pass. Signed by 12 members: Representatives Wang, Chair; Ogden, Vice Chair; Sehlin, Ranking Minority Member; Morton, Assistant Ranking Minority Member; Brough; Eide; R. Fisher; Jacobsen; Jones; Romero; Sommers; and Thomas.

Staff: Karl Herzog (786-7271).

Summary of Recommendation of Committee on Capital Budget Compared to Recommendation of Committee on Trade, Economic Development, and Housing: The termination of CERB on June 30, 1999, and the associated sunset review requirement are deleted. Instead, CERB is required to report to the Legislature by June 30, 1999, on the effectiveness of the financial assistance provided by CERB and whether the program should be continued, modified, or terminated. A requirement that the CERB chair be a member of the Governor's Council of Economic Advisors is deleted.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed, except for section 6 which is effective immediately.

Testimony For: CERB has been an effective catalyst for local economic development efforts. The Legislative Budget Committee recommended that CERB be continued.

Testimony Against: None.

Witnesses: Robert Cowan, Community Economic Revitalization Board (pro); Donna Batch, Department of Trade and Economic Development (pro); Wendy Paulin, Port of Centralia (pro); and Scott Taylor, Washington Public Ports Association (pro).