

SENATE BILL REPORT

SB 5073

As Reported By Senate Committee On;
Commerce & Labor, February 17, 1997

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

Brief Description: Funding public facilities.

Sponsors: Senators Swecker, Snyder, Newhouse, Loveland and Winsley.

Brief History:

Committee Activity: Commerce & Labor: 2/11/97, 2/17/97 [DP, DNP].

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass.

Signed by Senators Schow, Chair; Horn, Vice Chair; Anderson and Newhouse.

Minority Report: Do not pass.

Signed by Senator Heavey.

Staff: Jack Brummel (786-7428)

Background: The Community Economic Revitalization Board (CERB) was created by the Legislature in 1982 to provide low-interest loans and grants to political subdivisions of the state (cities, towns, counties, port districts, and special purpose utility districts). The financial assistance is used to finance public infrastructure required for business and industry expansion or retention. Typical projects financed through CERB include sewer, water, roads, and industrial buildings.

CERB is funded through legislative appropriations in the capital budget and through a portion of the revenue from the repayment of loan principal and interest. The payments are deposited into the public facilities construction loan revolving account. The repayments are also reappropriated for CERB use by the Legislature.

Summary of Bill: The provision directing 75 percent of principal and interest payments to the general fund when loans were made with proceeds from bonds issued in 1983 is eliminated.

Ten percent of the public utility tax imposed on sewerage and water distribution businesses is deposited in the public facilities construction loan revolving account for the next six years.

Appropriation: None.

Fiscal Note: Requested on January 24, 1997.

Effective Date: The bill takes effect October 1, 1997.

Testimony For: CERB infrastructure expenditures create jobs and create a tax base. CERB has not had guaranteed funding. This bill would provide long-term stability to CERB.

Testimony Against: None.

Testified: Scott Taylor, WA Public Ports Association; Jim Toomey, CERB; Rick Slunaker, Association of General Contractors; Stan Finkelstein, Association of WA Cities; Dick Ducharme, Utility Contractors Association of Washington.