

HOUSE BILL ANALYSIS HB 2316

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

Brief Description: Clarifying the authority of the community economic revitalization board to make loans and grants to political subdivisions for public facilities.

Sponsors: Dunn, Ogden, Carlson, Edwards and D. Sommers.

BRIEF SUMMARY OF BILL

- Clarifies the project eligibility for financial assistance, to political subdivisions, for public facility improvements through the Community Economic Revitalization Board (CERB).

HOUSE ECONOMIC DEVELOPMENT, HOUSING & TRADE COMMITTEE

Staff: Kenny Pittman (786-7392)

Background:

The Community Economic Revitalization Board (CERB) was created by the Legislature in 1982 to provide low-interest loans, and in certain circumstances outright grants, to political subdivisions of the state (cities, towns, counties, port districts, and special purpose districts, and other municipal corporations or quasi-municipal corporations). 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 operates under policy guidelines and project selection developed by its board. The Legislature has limited the type of projects that can receive financial assistance through CERB. These projects must: (1) result in specific private development or expansion; (2) improve opportunities for the successful maintenance, establishment, or expansion of industrial or commercial plants or will otherwise assist in the creation or retention of long-term economic opportunities; or (3) show evidence that a specific private development or expansion is ready to occur or will occur only if the public facility improvement is made.

The Legislature prohibited the board from providing financial assistance to projects that: (1) promotes the development or expansion of a retail shopping center; (2) results in development or expansion that would displace existing jobs in any other community in the state; or (3) acquires real property, including buildings and other fixtures that are part of real property.

Summary of Bill:

The Community Economic Revitalization Board (CERB) project eligibility criteria is clarified for those type of public facility improvement projects that are eligible or ineligible for funding.

Appropriation: None.

Fiscal Note: Not requested.

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