

HOUSE BILL REPORT

SSB 5400

As Passed House:

March 8, 2002

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: 2/25/02, 2/28/02 [DP];

Capital Budget: 3/4/02 [DP].

Floor Activity:

Passed House: 3/8/02, 71-25.

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 9 members: Representatives Veloria, Chair; Eickmeyer, Vice Chair; Van Luven, Ranking Minority Member; Ahern, Chase, Dunn, Fromhold, Gombosky and Mulliken.

Staff: Kenny Pittman (786-7392).

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: Do pass. Signed by 14 members: Representatives Murray, Chair; McIntire, Vice Chair; Alexander, Ranking Minority Member; Bush, Casada, Chase, Esser, Hankins, Hunt, Lantz, O'Brien, Ogden, Reardon and Veloria.

Minority Report: Do not pass. Signed by 2 members: Representatives Schoesler and Woods.

Staff: Susan Howson (786-7142).

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. 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: (a) to facilitate or promote a retail shopping development or expansion; (b) to finance projects that would displace existing jobs in any other community in the state, except where jobs are being relocated from non-distressed urban areas to rural areas or rural natural resources impact areas; and (c) to acquire real property, including buildings and other fixtures that are part of real property.

Summary of Substitute 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.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: (Trade & Economic Development) The state's rural communities are looking for partners in their economic development efforts. The state's Indian tribes have a long history in their area and are willing participants in economic development efforts. The inclusion of federally recognized Indian tribes adds another partner to those efforts. Tribal enterprises not only benefit tribal members, but everyone in the area by providing employment opportunities for all area citizens.

Testimony For: (Capital Budget) In many parts of Washington, federally recognized Indian tribes are in the best position to create economic opportunity for tribal and nontribal members. Tribal enterprises provide good-paying jobs for the community, thus creating an economic base for other businesses. Providing infrastructure on tribal lands will enable the tribes to create more jobs in their communities by attracting private investment and by improving the sustainability of tribal businesses.

Testimony Against: (Trade & Economic Development) None.

Testimony Against: (Capital Budget) None.

Testified: (Trade & Economic Development) (In support) Sheila Martin, Governor's Office; Sung Yang, Office of Trade and Economic Development; and Michael Moran, Samish Tribe.

Testified: (Capital Budget) Senator T. Sheldon, prime sponsor; Sheila Martin, Governor's Office; Sung Yang, Office of Trade and Economic Development; and Michael Moran, Samish Tribe.