

HOUSE BILL REPORT

HB 1265

As Reported by House Committee On:

Trade & Economic Development
Capital Budget

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: Representatives Eickmeyer (co-prime sponsor), Dunn (co-prime sponsor), Conway, McIntire, Edmonds and Haigh; by request of Governor Locke.

Brief History:

Committee Activity:

Trade & Economic Development: 2/2/01, 2/22/01 [DP];
Capital Budget: 3/7/01, 3/8/01 [DP].

Brief Summary of Bill

- Authorizes the Community Economic Revitalization Board (CERB) to make financial assistance, in the form of loans and grants, to federally recognized Indian tribes for the purpose of financing economic development-related infrastructure improvements that result in specific private development or expansion.

HOUSE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

Majority Report: Do pass. Signed by 12 members: Representatives Van Luven, Republican Co-Chair; Veloria, Democratic Co-Chair; Dunn, Republican Vice Chair; Eickmeyer, Democratic 1st Vice Chair; Fromhold, Democratic 2nd Vice Chair; Ahern, Gombosky, Jackley, Mulliken, O'Brien, Pflug and Woods.

Staff: Kenny Pittman (786-7392).

Background:

The (CERB) Program was created in 1982 to provide direct loans and grants to counties, cities, and ports for economic development-related infrastructure improvements. The CERB 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: (1) to facilitate or promote a retail shopping development or expansion; (2) 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 (3) to acquire real property, including buildings and other fixtures that are part of real property.

Summary of Bill:

The (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: Washington's economic vitality requires that all segments of the economy prosper. The state has been working with Indian tribes to encourage economic development. Many of the jobs created on tribal lands are filled by non-tribal members. This contributes to the economic well-being of the area and the state. This technical change will allow the state and tribal partnership to continue and grow.

Testimony Against: None.

Testified: (In support) Representative Eickmeyer, co-prime sponsor; Kelly Croman, Squaxin Island Tribe; Sheila Martin, Governor's Office; Dara Fredericksen, Department of Community, Trade, and Economic Development; Kimberly Craven, Governor's Office of Indian Affairs; and Ron Newbry, Washington Economic Development Association.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: Do pass. Signed by 14 members: Representatives Alexander, Republican Co-Chair; Murray, Democratic Co-Chair; Esser, Republican Vice Chair; McIntire, Democratic Vice Chair; Barlean, Hankins, Hunt, Lantz, O'Brien, Ogden, Poulsen, Reardon, Veloria and Woods.

Minority Report: Do not pass. Signed by 4 members: Representatives Armstrong, Republican Vice Chair; Bush, Casada and Schoesler.

Staff: Susan Howson (786-7142).

Summary of Recommendation of Committee On Capital Budget Compared to Recommendation of Committee On Trade & Economic Development:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: Particularly for rural areas, there is value in Indian tribes building infrastructure capacity that supports development of new manufacturing, agricultural processing and high technology businesses and jobs. By extending CERB eligibility to Indian tribes, new opportunities for partnership investments in economic development infrastructure become possible. All of Washington benefits when rural Washington has more infrastructure capacity to support business development and expansion.

Testimony Against: None.

Testified: (In support) Rep. Eickmeyer, co-prime sponsor; Rep. Dunn, co-prime sponsor; Kelly Croman, Squaxin Island Tribe; John Savich, Office of Trade and Economic Development; Sheila Martin, Governor's Office; Kimberly Craven, Governor's Office of Indian Affairs; Randy Lewis, city of Tacoma; Kari Lynn Frank, Puyallup Tribe; and Ron Newbry, Washington Economic Development Association.