

SENATE BILL REPORT

SB 5400

As Reported By Senate Committee On:
Economic Development & Telecommunications, February 20, 2001

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: Senators T. Sheldon, Franklin, Shin, Regala, Costa and Gardner; by request of Governor Locke.

Brief History:

Committee Activity: Economic Development & Telecommunications: 2/12/01, 2/20/01 [DPS].

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT & TELECOMMUNICATIONS

Majority Report: That Substitute Senate Bill No. 5400 be substituted therefor, and the substitute bill do pass.

Signed by Senators T. Sheldon, Chair; B. Sheldon, Vice Chair; Fairley, Finkbeiner, Haugen, McCaslin, Rossi and Stevens.

Staff: Andrea McNamara (786-7483)

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. 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 bring a new business into the community or to 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 to: (1) facilitate or promote a retail shopping development or expansion; (2) finance projects that would displace existing jobs in any other community in the state, except where jobs are being relocated from nondistressed urban areas to rural areas or rural natural resources impact areas; and (3) acquire real property, including buildings and other fixtures that are part of real property.

Summary of Substitute Bill: Federally-recognized Indian tribes are added to the list of eligible recipients of loans or grants from the Community Economic Revitalization Board (CERB) for the purpose of financing economic development-related infrastructure improvements that result in specific private development or expansion.

CERB funds may not be used to facilitate or promote gambling.

Substitute Bill Compared to Original Bill: The substitute prohibits any CERB funds from being used to finance projects that are primarily designed to promote or facilitate gambling.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: In many areas of the state, tribes are in the best position to assist both tribal members and nontribal members with employment opportunities through economic development efforts. Improving infrastructure on tribal lands is an important piece of the Governor's overall strategy for promoting economic vitality across all of Washington. The federal government has no strategy for economic development in Indian country, and access to capital is extremely difficult for tribal infrastructure projects.

Testimony Against: None.

Testified: Sheila Martin, Governor's Office (pro); Kimberly Craven, Governor's Office of Indian Affairs (pro); Dawn Vyvyan, Yakama Nation (pro).