

HOUSE BILL REPORT

SHB 2338

As Passed House:

March 13, 2007

Title: An act relating to termination of the job development fund program.

Brief Description: Terminating the job development fund program.

Sponsors: By House Committee on Capital Budget (originally sponsored by Representatives Fromhold and Kenney).

Brief History:

Committee Activity:

Capital Budget: 3/2/07 [DPS].

Floor Activity:

Passed House: 3/13/07, 95-0.

Brief Summary of Substitute Bill

- Terminates the Job Development Fund Account and program.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 22 members: Representatives Fromhold, Chair; Ormsby, Vice Chair; Schual-Berke, Vice Chair; McDonald, Ranking Minority Member; Newhouse, Assistant Ranking Minority Member; Blake, Chase, Dunshee, Eickmeyer, Flannigan, Goodman, Hankins, Hasegawa, Kelley, McCune, Orcutt, Pearson, Pedersen, Sells, Skinner, Strow and Upthegrove.

Staff: Nona Snell (786-7153).

Background:

The Job Development Fund (JDF) program was created in 2005 to provide grants for public infrastructure projects that directly stimulate community and economic development by supporting the creation of new jobs or the retention of existing jobs. The JDF program is administered by the Community Economic Revitalization Board (CERB).

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The maximum grant available from the JDF for any single project is \$10 million and may not exceed 33 percent of the total cost of the project.

Statute allows for a transfer of up to \$50 million each biennium from the Public Works Assistance Account into the JDF through June 30, 2011, when the act expires. A list of 18 projects totaling \$50 million was included in the 2005-07 Capital Budget. As required by statute, the CERB submitted a prioritized list of recommended projects totaling \$49.93 million for the 2007-09 biennium. The CERB also provided an alternate prioritized list of projects for an additional \$10 million in funds.

Summary of Substitute Bill:

The bill terminates the JDF account and grant program.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect on July 1, 2009.

Staff Summary of Public Testimony:

(In support) The bill eliminates the JDF program, of which counties are not necessarily proponents. Counties have a need for large infrastructure projects and would like an alternative to the program. Two bills currently being considered address counties' needs: the Local Infrastructure Financing Tool bill and the Community Economic Revitalization Board bill that includes a permanent source of funds.

(Opposed) None.

Persons Testifying: Julie Murray, Washington State Association of Counties.

Persons Signed In To Testify But Not Testifying: None.