

FINAL BILL REPORT

2SSB 6855

PARTIAL VETO

C 327 L 08

Synopsis as Enacted

Brief Description: Concerning funding for jobs, economic development, and local capital projects.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Kilmer, Brandland, Hatfield and McAuliffe).

Senate Committee on Economic Development, Trade & Management

Senate Committee on Ways & Means

House Committee on Community & Economic Development & Trade

House Committee on Capital Budget

Background: The Legislature established the Study Committee on Public Infrastructure Programs and Funding Structures in 2007. The committee was directed to make recommendations for a comprehensive funding structure and a systematic approach to support the integration, consolidation, and standardization of processes and procedures for community and economic development infrastructure programs.

The committee determined that economic development resources should promote family wage jobs, job growth and retention, and that expenditures should be based on regional plans that are consistent with the workforce development goals and the state economic development plan.

The committee recommended eliminating the Job Development Fund Program established in 2005, identifying a permanent funding source for the Community Economic Revitalization Board (CERB) program, and evaluating the rural/urban mix of projects and the maximum dollar amount allowed for each project for an expanded CERB program. The committee also recommended that CERB funding criteria prioritize projects compatible with statewide policy goals, and that performance measures indicate whether projects are meeting the policy goals.

Summary: Applicants for CERB funds must demonstrate convincing evidence that a specific private development, consistent with the Washington Economic Development Commission (commission) strategic plan and recommendations, is ready to occur. Applicants in rural areas do not need to show that a specific private development is ready to occur but must demonstrate project feasibility, and that the project is part of a local economic development plan. Tourism projects in rural counties are also eligible for CERB funding.

Projects must result in the creation of significant private sector jobs or capital investment. Applicants must demonstrate approval from a local jurisdiction, support from a local associate Development Organization or local workforce development council, local participation, and local matching funds. Financial assistance may be provided for the acquisition of real

property, but not for projects located outside the jurisdiction of the applicant. Grants of up to \$50,000 are allowed for plans, studies, and analyses related to a project.

No more than 25 percent of the financial assistance approved by CERB may consist of grants. Applicants must show that jobs created will have hourly wages above the countywide median wage. In evaluating applications for funds, the board will consider the leveraging of private sector investment, anticipated job creation and retention, health plans associated with the project, and accommodations for infill and redevelopment. Financial assistance in Pierce, King, and Snohomish Counties may exceed 60 percent of disbursed funds.

The board is to provide at least 75 percent of the first \$20 million of available funds and 50 percent of any fund greater than that each biennium to projects in rural areas unless there are insufficient qualified projects in rural areas. The CERB is to perform an outcome-based evaluation of CERB funding and forward it to the commission for review and comment.

Vacancies on the CERB board will not be counted for purposes of obtaining a quorum at board meetings. A variety of statutory provisions related to CERB are repealed. Obsolete references are removed. The job development fund act expires June 30, 2009, and the requirement that the Joint Legislative Audit & Review Committee study the job development fund is repealed.

The Building Communities Fund Program is created in CTED to make grants for acquiring, constructing, or rehabilitating nonresidential community services' facilities. The Building Communities Fund Account is created in the State Treasury. Grant assistance is not to exceed 25 percent of the total project cost except under exceptional circumstances. CTED is to submit an unranked list of qualified projects annually to the Governor and the Legislature.

Votes on Final Passage:

Senate	42	6	
House	65	28	(House amended)
Senate			(Senate refused to concur)
House	64	33	(House amended)
Senate	49	0	(Senate concurred)

Effective: April 1, 2008 (Section 3)
June 12, 2008
July 1, 2009 (Sections 1, 2, 4 - 11, and 17)

Partial Veto Summary: The provisions relating to the commission's reviewing and commenting on the CERB outcome-based evaluation were in two sections; one of these was vetoed. The intent section relating to the Building Communities Fund Program was vetoed.