

SENATE BILL REPORT

SB 5676

As Reported by Senate Committee On:
Economic Development, Trade & Innovation, February 17, 2011

Title: An act relating to projects of statewide significance for economic development.

Brief Description: Concerning projects of statewide significance for economic development.

Sponsors: Senators Kastama, Holmquist Newbry and Shin.

Brief History:

Committee Activity: Economic Development, Trade & Innovation: 2/09/11, 2/17/11 [DPS, DNP].

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

Majority Report: That Substitute Senate Bill No. 5676 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kastama, Chair; Chase, Vice Chair; Baumgartner, Ranking Minority Member; Hatfield, Holmquist Newbry, Kilmer, Shin and Zarelli.

Minority Report: Do not pass.

Signed by Senator Ericksen.

Staff: Jack Brummel (786-7428)

Background: In 1997 a process was enacted to expedite the development of industrial projects of statewide significance. In 2009 the Legislature changed the statute and industrial projects of statewide significance were renamed projects of statewide significance. Such projects must meet capital investment or job creation requirements. The job creation requirements are full-time employment of at least 50 people in rural counties or at least 100 people in urban counties.

Border crossing projects and private projects investing in manufacturing or research and development may be designated as projects of statewide significance. Projects that will provide net environmental benefit or will further commercialization of innovations may also be so designated.

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.

An application for designation as a project of statewide significance must be submitted to the Department of Commerce. The application must include a letter of approval from jurisdictions where a project is located and must commit to providing the local staff necessary to expedite the completion of a project. Counties and cities requesting a project's designation as one of statewide significance must ensure the participation of local officials on the public-private team expediting a project's completion.

Counties and cities with projects are to enter into agreements with the Office of Regulatory Assistance (ORA) and local project managers to expedite the processes necessary for the design and construction of projects. The ORA is to provide facilitation and coordination services to expedite completion of industrial projects of statewide significance. The project proponents may provide the funding necessary for the local jurisdiction to hire the staff required to expedite the process.

Summary of Bill (Recommended Substitute): Private development projects that invest in the basic commodities of transportation, energy development, conservation, or efficiency may be designated as projects of statewide significance.

Job creation requirements are changed to full-time employment of at least 30 people in rural counties, and at least 70 people in urban counties, or at least 70 people if the project will create jobs in both rural and urban counties.

The agreement between ORA and cities or counties is to include provisions relating to completing a coordinated and comprehensive review of a project of statewide significance.

The application process is changed. Upon a proponent's application, responsible local jurisdictions must provide a letter stating whether the jurisdiction joins the request for designation and whether they have or will hire staff to expedite the processes necessary to the completion of the project. If the local jurisdiction does not join in the request for designation, the Department of Commerce may not further consider the designation.

EFFECT OF CHANGES MADE BY ECONOMIC DEVELOPMENT, TRADE & INNOVATION COMMITTEE (Recommended Substitute): Requires a local jurisdiction's participation in the request for designation of a project as one of statewide significance.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Original Bill: PRO: This expedites the regulatory process. However, approval still rests with the local jurisdiction. This will help create jobs.

CON: This is of concern because it impacts the authority of local government - it seems to abdicate the local authority. Local commissioners oppose the pit to peer project. If locals have express final authority, it should be made clear in the bill.

Persons Testifying: PRO: Senator Kastama, prime sponsor; Gordon Baxter, Teamsters Local 174.

CON: Brendan Donckers, Hood Canal Coalition.