
**Technology & Economic Development
Committee**

HB 1856

Brief Description: Concerning the community economic revitalization board program.

Sponsors: Representatives Ryu, Walkinshaw, Morris, Riccelli, Stanford, Wylie, Ormsby, Fitzgibbon, Reykdal, Gregerson and Tarleton.

Brief Summary of Bill

- Allows qualifying distressed counties to delay meeting median wage requirements for Community Economic Revitalization Board project funding.

Hearing Date: 2/11/15

Staff: Kirsten Lee (786-7133).

Background:

Community Economic Revitalization Board.

The Community Economic Revitalization Board (CERB) is a 20-member statutory state board charged with funding public infrastructure improvements that encourage new business development and expansion in areas seeking economic growth. The CERB receives administrative support from the Department of Commerce.

Through CERB, local governments can apply for low-interest loans and grants to help finance public facility projects. Counties, cities, towns, port districts, federally-recognized Indian tribes, special purpose districts, municipal corporations, and quasi-municipal corporations with economic development purposes are eligible to apply. Public facilities eligible for the CERB financing include the following: bridges, roads, domestic and industrial water, earth stabilization, sanitary sewer, storm sewer, railroad, telecommunications, electricity, transportation, natural gas, buildings or structures, and port facilities.

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The traditional CERB program offers three financing programs: 1) Committed Private Partner Construction, which requires evidence that a private development or expansion is ready to occur, contingent on approval of CERB funds; 2) Prospective Development Construction, which requires evidence that a private development or expansion is likely to occur as a result of the public improvements; and 3) planning projects, which evaluate high-priority economic development projects.

One of the threshold application requirements for CERB funding is demonstrating with convincing evidence that the median hourly wage of the private sector jobs created after the project is completed will exceed the countywide median hourly wage.

Funding for CERB projects is appropriated in the capital budget primarily from the Public Facilities Construction Loan Revolving Account. The CERB must make at least 75 percent of the first \$20 million of funds available and at least 50 percent of additional funds available to financial assistance for projects in rural counties.

Summary of Bill:

For qualifying distressed counties, an exception to the requirement that an applicant for CERB funding must be able to demonstrate with convincing evidence that the median hourly wage of the private sector jobs created after the project is completed will exceed the countywide median hourly wage is created.

Qualifying counties are the 25 percent of counties that have the state's highest average unemployment rates over the previous three years and are not able to meet the CERB median hourly wage requirement.

Applications for projects located within a qualifying distressed county must demonstrate that the median hourly wage requirement for CERB funding will be met within three years of the hire date, rather than after project completion.

Certification of the commitment to the median wage requirement by the private sector business and the local government must be a condition of the local government contract with the CERB.

Appropriation: None.

Fiscal Note: Requested on February 5, 2015.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.