
HOUSE BILL 2943

State of Washington

65th Legislature

2018 Regular Session

By Representative Ryu

Read first time 01/26/18. Referred to Committee on Capital Budget.

1 AN ACT Relating to community economic revitalization board
2 administered broadband infrastructure; and amending 2018 c 2 s 1021
3 (uncodified).

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** 2018 c 2 s 1021 (uncodified) is amended to read as
6 follows:

7 **FOR THE DEPARTMENT OF COMMERCE**

8 CERB Administered Broadband Infrastructure (91000943)

9 The appropriation in this section is subject to the following
10 conditions and limitations: During the 2017-2019 fiscal biennium, the
11 community economic revitalization board may make grants and loans to
12 local governments and federally recognized tribes to build
13 infrastructure to provide high-speed, open-access broadband service,
14 with a minimum of 25 megabits per second download speed, to rural and
15 underserved communities, for the purpose of ((economie)) community
16 development.

17 (1) "Local governments" means cities, towns, counties, municipal
18 corporations, public port districts, quasi-municipal corporations,
19 and special purpose districts.

1 (2) "Broadband" means networks of deployed telecommunications
2 equipment and technologies necessary to provide high-speed Internet
3 access and other advanced telecommunications services.

4 (3) The board is authorized to make rural broadband loans to
5 local governments and to federally recognized Indian tribes for the
6 purposes of financing the cost to build infrastructure to provide
7 high-speed, open-access broadband service, to rural and underserved
8 communities, for the purpose of ((economie)) community development.
9 Grants may also be authorized for purposes designated in this
10 chapter, but only when, and to the extent that, a loan is not
11 reasonably possible, given the limited resources of the local
12 government or the federally recognized Indian tribe, and subject to a
13 finding by the board that financial circumstances require grant
14 assistance to enable the project to move forward. However, no more
15 than 25 percent of all financial assistance approved by the board in
16 any biennium may consist of grants to local governments and federally
17 recognized Indian tribes.

18 (4) Application for funding must be made in the form and manner
19 as the board may prescribe. In making grants or loans the board must
20 conform to the following requirements:

21 (a) The board may not provide financial assistance:

22 (i) For a project the primary purpose of which is to facilitate
23 or promote a retail shopping development or expansion.

24 (ii) For any project that evidence exists would result in a
25 development or expansion that would displace existing jobs in any
26 other community in the state.

27 (iii) For a project the primary purpose of which is to facilitate
28 or promote gambling.

29 (iv) For a project located outside the jurisdiction of the
30 applicant local government or federally recognized Indian tribe.

31 (v) For equipment or facilities which would enable a public
32 entity to provide retail telecommunications services or services that
33 the entity is not authorized by statute to provide.

34 (vi) For the deployment of publicly-owned telecommunication
35 network infrastructure ("backbone") solely for the sake of creating
36 competitive, publicly-owned telecommunication network infrastructure.

37 (b) The board may provide financial assistance only(÷

38 ~~(i) For projects demonstrating convincing evidence that a~~
39 ~~specific private development or expansion is ready to occur and will~~
40 ~~occur only if the public facility improvement is made that÷~~

1 ~~(A) Results in the creation of significant private sector jobs or~~
2 ~~significant private sector capital investment as determined by the~~
3 ~~board;~~

4 ~~(B) Will improve the opportunities for the successful~~
5 ~~maintenance, establishment, or expansion of industrial or commercial~~
6 ~~plants or will otherwise assist in the creation or retention of long-~~
7 ~~term economic opportunities; and~~

8 ~~(C) Is located in a rural community as defined by the board, or a~~
9 ~~rural county; or~~

10 ~~(ii) For a project that does not meet the requirements of (b)(i)~~
11 ~~of this subsection but is a project that:~~

12 ~~(A) Results in the creation of significant private sector jobs or~~
13 ~~significant private sector capital investment as determined by the~~
14 ~~board;~~

15 ~~(B) Is part of a local economic development plan consistent with~~
16 ~~applicable state planning requirements;~~

17 ~~(C) Can demonstrate project feasibility using standard economic~~
18 ~~principles; and~~

19 ~~(D) Is located in a rural community as defined by the board, or a~~
20 ~~rural county;~~

21 ~~(e) The board must develop guidelines for local participation and~~
22 ~~allowable match and activities.~~

23 ~~(d) An application must demonstrate local match and local~~
24 ~~participation, in accordance with guidelines developed by the board.~~

25 ~~(e)) for projects located in a rural community as defined by the~~
26 ~~board, or located in a rural county, that encourage, foster, develop,~~
27 ~~and improve broadband within the state in order to:~~

28 ~~(i) Drive job creation, promote innovation, and expand markets~~
29 ~~for local businesses; or~~

30 ~~(ii) Serve the ongoing and growing needs of local education~~
31 ~~systems, health care system, public safety system, industries and~~
32 ~~businesses, governmental operations, and citizens; and~~

33 ~~(iii) Improve accessibility for underserved communities and~~
34 ~~populations.~~

35 ~~(c) An application must be approved by the local government and~~
36 ~~supported by the local associate development organization or local~~
37 ~~workforce development council or approved by the governing body of~~
38 ~~the federally recognized Indian tribe.~~

1 ~~((f))~~ (d) The board may allow de minimis general system
2 improvements to be funded if they are critically linked to the
3 viability of the project.

4 ~~((g) An application must demonstrate convincing evidence that
5 the median hourly wage of the private sector jobs created after the
6 project is completed will exceed the countywide median hourly wage.~~

7 ~~(h) The board must prioritize each proposed project according to:~~

8 ~~(i) The relative benefits provided to the community by the jobs
9 the project would create, not just the total number of jobs it would
10 create after the project is completed, but also giving consideration
11 to the unemployment rate in the area in which the jobs would be
12 located;~~

13 ~~(ii) The rate of return of the state's investment, including, but
14 not limited to, the leveraging of private sector investment,
15 anticipated job creation and retention, and expected increases in
16 state and local tax revenues associated with the project;~~

17 ~~(iii) Whether the proposed project offers a health insurance plan
18 for employees that includes an option for dependents of employees;~~

19 ~~(iv) Whether the public facility investment will increase
20 existing capacity necessary to accommodate projected population and
21 employment growth in a manner that supports infill and redevelopment
22 of existing urban or industrial areas that are served by adequate
23 public facilities. Projects should maximize the use of existing
24 infrastructure and provide for adequate funding of necessary
25 transportation improvements;~~

26 ~~(v) Whether the applicant's permitting process has been certified
27 as streamlined by the office of regulatory assistance; and~~

28 ~~(vi) Whether the applicant has developed and adhered to
29 guidelines regarding its permitting process for those applying for
30 development permits consistent with section 1(2), chapter 231, Laws
31 of 2007.~~

32 ~~(i))~~ (e) When evaluating and prioritizing projects, the board
33 must give consideration, at a minimum, to the following factors:

34 (i) The project's value to the community, including evidence of
35 support from affected local businesses and government;

36 (ii) The project's feasibility, using standard economic
37 principles;

38 (iii) Commitment of local matching resources and local
39 participation;

1 (iv) The project's inclusion in a capital facilities plan,
2 comprehensive plan, or local economic development plan consistent
3 with applicable state planning requirements; and

4 (v) The project's readiness to proceed.

5 (5) A responsible official of the local government or the
6 federally recognized Indian tribe must be present during board
7 deliberations and provide information that the board requests.

8 ~~((+5))~~ (6) Before any financial assistance application is
9 approved, the local government or the federally recognized Indian
10 tribe seeking the assistance must demonstrate to the community
11 economic revitalization board that no other timely source of funding
12 is available to it at costs reasonably similar to financing available
13 from the community economic revitalization board.

14 Appropriation:

15	State <u>Taxable</u> Building Construction Account—	
16	State.	((\$5,000,000))
17		<u>\$10,000,000</u>
18	Prior Biennia (Expenditures).	\$0
19	Future Biennia (Projected Costs).	\$0
20	TOTAL.	((\$5,000,000))
21		<u>\$10,000,000</u>

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