

HOUSE BILL REPORT

HB 1982

As Reported by House Committee On:

Innovation, Community & Economic Development, & Veterans
Capital Budget

Title: An act relating to the authority of the community economic revitalization board with respect to loans and grants to political subdivisions and federally recognized Indian tribes for broadband.

Brief Description: Concerning the authority of the community economic revitalization board with respect to loans and grants to political subdivisions and federally recognized Indian tribes for broadband.

Sponsors: Representatives Waters, Shavers, Ryu, Couture, Ramos, McClintock, Callan, Cheney, Doglio, Sandlin, Paul, Harris, Berg, Tharinger, Riccelli and Santos.

Brief History:

Committee Activity:

Innovation, Community & Economic Development, & Veterans: 1/9/24, 1/16/24 [DP];
Capital Budget: 2/1/24, 2/2/24 [DP].

Brief Summary of Bill

- Codifies the Community Economic Revitalization Board Rural Broadband Program.

HOUSE COMMITTEE ON INNOVATION, COMMUNITY & ECONOMIC DEVELOPMENT, & VETERANS

Majority Report: Do pass. Signed by 15 members: Representatives Ryu, Chair; Donaghy, Vice Chair; Rule, Vice Chair; Volz, Ranking Minority Member; Barnard, Assistant Ranking Minority Member; Caldier, Chambers, Christian, Cortes, Paul, Senn, Shavers, Street, Waters and Wilcox.

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

Staff: Emily Poole (786-7106).

Background:

Community Economic Revitalization Board.

The Community Economic Revitalization Board (CERB) provides financial assistance to local governments and federally recognized tribes for public infrastructure that encourages new business development and economic growth. The Department of Commerce provides administrative support for the CERB. The CERB is authorized to make direct loans and grants to political subdivisions of the state and to federally recognized tribes to finance public facilities. Loans and grants are available for eligible broadband infrastructure projects.

Community Economic Revitalization Board Rural Broadband Program.

Since 2018 the CERB has operated a Rural Broadband Program (Program), which provides grants and loans to local governments and federally recognized tribes for the purposes of financing the cost to build infrastructure to provide high-speed, open-access broadband service to rural and underserved communities for the purposes of economic development or community development. The Program was first authorized in the 2018 Supplemental Capital Budget and most recently received additional funding in the 2021-2023 Capital Budget.

No more than 50 percent of the funds may be awarded as grants in any biennium. Local governments and federally recognized tribes located in rural counties or a rural community, as defined by the CERB, may apply for the Program.

When evaluating and prioritizing projects, the CERB must consider:

- the project's value to the community, feasibility, and readiness to proceed;
- the commitment of local matching resources and local participation;
- if the project uses a technology-neutral approach in order to expand access at the lowest cost; and
- if the project is included in a capital facilities plan, comprehensive plan, or local economic development plan consistent with applicable state planning requirements.

Before any financial assistance application is approved, the local government or the federally recognized tribe seeking the assistance must demonstrate to the CERB that no other timely source of funding is available to it at costs reasonably similar to financing available from the CERB.

Summary of Bill:

The Community Economic Revitalization Board Rural Broadband Program is codified.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) Codifying the Community Economic Revitalization Board Rural Broadband Program (Program) will help rural and tribal communities. The Community Economic Revitalization Board (CERB) has a great track record of working with communities and funding important broadband projects. Health care, education, and emergency management systems are increasingly reliant on high-speed internet. Rural and tribal communities feel the effects of having inadequate connections. Private industry has not stepped up to provide significant capital investment in broadband infrastructure in many rural areas of the state. Not every broadband project is eligible for federal funding, and not all communities can provide required matching funds for broadband grants. The CERB can help bridge important gaps in broadband funding by remaining a flexible source of funding. With the help of the CERB, port districts have made investments in broadband infrastructure across the state, which allow internet providers to provide high-speed service in new areas. Funding requirements related to project viability and feasibility can create challenges in rural areas. A lack of broadband funding often causes rural areas to have to create piecemeal networks using all available technologies. Funding from the CERB can provide wins for both urban and rural areas by creating cost-efficient uses of infrastructure. This bill will allow the Program to operate independently from separate capital appropriations. This bill is not an added cost for the Legislature.

(Opposed) None.

Persons Testifying: Representative Kevin Waters, prime sponsor; Jennifer Wray-Keene, Port of Woodland; Ariane Schmidt, BROADLINC Public Development Authority; Glenn Ellis, Jr., Makah Tribal Council; Steve MacDonald, City of Spokane; Mike Mason, Community Economic Revitalization Board; and Chris Herman, Washington Public Ports Association.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: Do pass. Signed by 27 members: Representatives Tharinger, Chair; Callan, Vice Chair; Hackney, Vice Chair; Abbarno, Ranking Minority Member; McClintock, Assistant Ranking Minority Member; Steele, Assistant Ranking Minority Member; Alvarado, Bateman, Cheney, Christian, Dye, Eslick, Farivar, Fosse, Kloba, Kretz, Maycumber, Morgan, Mosbrucker, Orwall, Peterson, Reed, Rule, Sandlin, Shavers, Stearns and Waters.

Staff: Dawn Eychaner (786-7135).

Summary of Recommendation of Committee On Capital Budget Compared to Recommendation of Committee On Innovation, Community & Economic Development, & Veterans:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) This policy will ensure that the CERB can always award broadband funding and codifies what the CERB is already doing. The broadband program would no longer be dependent on capital appropriations and would be administered within current staffing levels. The CERB is designed to meet rural communities where they are. Not all communities have the capacity to apply for and manage the federal Broadband Equity, Access, and Deployment (BEAD) funding that is coming. The CERB program can help those communities. The staff of the CERB help each applicant identify project barriers and develop funding and implementation strategies and this hands-on approach is necessary for many underserved communities that may not have the capacity to develop these projects. The CERB has done wonderful work in the public sector and has benefited many communities around the state. The CERB is an important partner to ensure there is gap funding for all who need internet project funding in the state. The broadband program will be funded from the CERB's biennial appropriations.

(Opposed) None.

Persons Testifying: Representative Kevin Waters, prime sponsor; Ariane Schmidt, Broadline Public Development Authority of Spokane; David Ripp, Port of Camas—Washougal; Mike Mason, Community Economic Revitalization Board; Michael Echanove, Community Economic Revitalization Board; Wendy Smith, Port of Shelton and

Community Economic Revitalization Board; and Craig Muska.

Persons Signed In To Testify But Not Testifying: None.