

SENATE BILL REPORT

SB 6560

As of January 21, 2006

Title: An act relating to continued funding for the public facilities construction loan revolving account.

Brief Description: Continuing funding for the public facilities construction loan revolving account.

Sponsors: Senators Eide, Shin and Sheldon.

Brief History:

Committee Activity: International Trade & Economic Development: 1/18/06.

SENATE COMMITTEE ON INTERNATIONAL TRADE & ECONOMIC DEVELOPMENT

Staff: Jack Brummel (786-7428)

Background: The Community Economic Revitalization Board (CERB) was created in 1982 to provide funding for publicly owned economic development infrastructure. Through CERB, direct loans and grants are available to counties, cities, and special purpose districts for feasibility studies and for public improvements such as the acquisition, construction, or repair of water and sewer systems, bridges, railroad spurs, telecommunication systems, roads, structures, and port facilities. CERB funds are generally only made available if a specific private development or expansion is ready to occur and will occur only if the public improvements are made -- an exception is made for projects in rural areas .

CERB financing has come from a variety of accounts, including the general fund, since 1995. Legislation passed in 2002 provides that interest earnings on the CERB account (the Public Facilities Construction Loan Revolving Account) are to be retained in the account rather than in the general fund. This amounts to approximately \$200,000 per year. The 2002 legislation also provides for the CERB account to receive, through fiscal year 2007, the repayment of principal and interest on loans from the Public Works Trust Fund's timber and rural natural resources impact area programs, up to \$4.5 million per year. In 2003, legislation passed providing that the interest earnings attributable to the Public Works Trust Fund's treasury account (the Public Works Assistance Account) is placed in the CERB account. This is expected to provide approximately \$900,000 per year.

Summary of Bill: The expiration date for the code section providing for the annual transfer of funds from the public works assistance account to the CERB account is removed. The repayment of principal and interest on loans from the Public Works Trust Fund's timber and rural natural resources impact area programs, up to \$4.5 million per year, is to continue beyond fiscal year 2007.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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