

SENATE BILL REPORT

SB 5222

AS REPORTED BY COMMITTEE ON TRADE, TECHNOLOGY & ECONOMIC
DEVELOPMENT, FEBRUARY 18, 1993

Brief Description: Establishing a project to assist urban/rural economic partnerships.

SPONSORS: Senators Skratek, Erwin, Bluechel, M. Rasmussen, Deccio, Winsley and Barr

SENATE COMMITTEE ON TRADE, TECHNOLOGY & ECONOMIC DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 5222 be substituted therefor, and the substitute bill do pass.

Signed by Senators Skratek, Chairman; Sheldon, Vice Chairman; Bluechel, Deccio, Erwin, M. Rasmussen, and Williams.

Staff: Patrick Woods (786-7430)

Hearing Dates: February 5, 1993; February 18, 1993

BACKGROUND:

Over the past decade, much of rural Washington experienced economic distress and population decline as compared to the rapidly growing Puget Sound region. The reasons for the dramatic economic difference between the two regions of the state are complex and varied. However, the challenge facing resource-based industries as opposed to the dramatic growth opportunities in aerospace and technology based products has been one of the major contributors to this phenomenon. The regional economic disparity has provided a unique opportunity for a meaningful economic partnership between both areas of Washington and will assist in transferring excessive business growth in the Puget Sound to rural areas that are in need of increased business activity.

In 1990, the Legislature under the Growth Management Act established an urban/rural linkage program within the Department of Community Development. The program makes grants to local nonprofit organizations for rural development or for sharing growth outside the Puget Sound region.

SUMMARY:

The Legislature intends to establish a partnership between urban and rural areas of the state and, in so doing, improve the quality of life and provide quality job opportunities for each citizen of the state.

The requirement that limited the urban/rural linkage program to local nonprofit organizations is removed.

A project within the Department of Community Development urban/rural linkage program is established to assist businesses in high growth urban areas within the Puget Sound to locate new, or expand existing business operations within rural communities throughout the state. The Department of Community Development must establish contracts with the high growth area local governments including local planning departments or for-profit or nonprofit corporations that wish to assist businesses in high growth areas in finding alternative locations. In addition, the department may also establish contracts with similar agencies and organizations in rural areas that wish to attract businesses to their locality.

The department is required to develop contract criteria in consultation with local governments, nonprofit and for-profit corporations outlining the scope, level and time frame of services to be provided to businesses. The Department of Community Development, in consultation with the Department of Trade and Economic Development, Employment Security and the Department of Revenue, is to provide contract parties with general information on possible industrial sites, local labor market and economic conditions.

The Legislature is to review the status of the project by January 1, 1994.

EFFECT OF PROPOSED SUBSTITUTE:

The department is given discretion on establishing contracts with local government and other entities to relocate businesses from high growth areas to rural communities.

The Department of Community Development is authorized to add tribal governments to the list of entities with whom it may establish contracts.

Appropriation: none

Revenue: none

Fiscal Note: requested

TESTIMONY FOR:

The bill will specifically authorize the Department of Community Development to continue funding programs that assist businesses in high growth urban areas to relocate in rural communities.

TESTIMONY AGAINST: None

TESTIFIED: Michele Brown, Elleen Ackerman, DCD (pro)