

HOUSE BILL REPORT

HB 2337

As Passed House:

February 7, 1996

Title: An act relating to distressed county designation.

Brief Description: Defining distressed county designation.

Sponsors: Representatives Schoesler, Sheldon, Foreman, Grant, Sheahan, Mastin, Honeyford, Basich, Johnson and Mulliken.

Brief History:

Committee Activity:

Trade & Economic Development: 1/24/96, 1/31/96 [DP].

Floor Activity:

Passed House: 2/7/96, 95-2.

HOUSE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

Majority Report: Do pass. Signed by 8 members: Representatives Van Luven, Chairman; Radcliff, Vice Chairman; Sheldon, Ranking Minority Member; Veloria, Assistant Ranking Minority Member; Backlund; Hatfield; Mason and Valle.

Minority Report: Do not pass. Signed by 3 members: Representatives D. Schmidt, Vice Chairman; Hickel and Sherstad.

Staff: Kenny Pittman (786-7392).

Background: The state of Washington has created a series of financial and technical assistance programs to assist distressed areas in responding to high unemployment rates. These programs provide direct financial and technical assistance to the area to create or retain jobs and to diversify the local economy. These programs include (1) loans or grants under the Community Economic Revitalization Board (CERB) program; (2) loans under the Development Loan Fund (DLF) program; and technical assistance through various state agencies.

An area designated as "distressed" can be either the entire county or specific areas within a county. Distressed counties must have an unemployment rate that is 20 percent higher than the state unemployment rate for a three-year period. Distressed areas within a county must either (1) have experienced a sudden and severe or long-

term and severe loss of employment job loss; or (2) have a minimum population of 5,000, have at least 75 percent of its households with income below 80 percent of the county median income, and have an unemployment rate that is at least 40 percent higher than the county unemployment rate.

Summary of Bill: The definition of a distressed area or distressed county is expanded to include counties where the three-year average of the median household income that is less than 75 percent of the state median household income for the same three year period. The three-year calculation period starts the year before an application for financial assistance is filed.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Section 1 takes effect June 30, 1997. The remainder of the bill takes effect ninety days after adjournment of session in which bill is passed.

Testimony For: The loss of family farms has led to a reduction in the number of agricultural jobs over the last 10 years. The financial and technical assistance available through the distressed area programs will provide the necessary tools to respond to the problems. The creation of new jobs or retention of existing jobs is the number one priority.

Testimony Against: None.

Testified: (Pro) Representative Schoesler, prime sponsor; Representative Mastin; and Randy Bostrum, Port of Whitman County.