

SENATE BILL REPORT

SB 6279

AS REPORTED BY COMMITTEE ON COMMERCE & LABOR, FEBRUARY 7, 1992

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

SPONSORS: Senators Skratek, Newhouse, Snyder, Anderson, Jesernig, Patterson, Owen and Barr

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass.

Signed by Senators Matson, Chairman; Anderson, Vice Chairman; Bluechel, McMullen, Moore, Murray, and Skratek.

Staff: Patrick Woods (786-7430)

Hearing Dates: February 7, 1992

BACKGROUND:

During the decade of the '80s and into the early '90s 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 compared 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 grants be limited 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 project provides that the Department of Community Development establish contracts with the local governments including local planning departments or for-profit or nonprofit corporations that wish to provide businesses in their high growth areas assistance in finding alternative locations outside their existing region. 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, 1993.

Appropriation: none

Revenue: none

Fiscal Note: requested

TESTIMONY FOR:

The provisions directing the Department of Community Development to establish economic development partnerships between organizations in urban and rural communities of the state are consistent with the policy decisions of the Departments of Community Development and Trade.

TESTIMONY AGAINST: None

TESTIFIED: Michele Brown, Dept. of Community Development; Fred Romero, Dept. of Trade & Economic Development