

HOUSE BILL REPORT

HB 1568

As Passed House:
March 1, 2019

Title: An act relating to port district worker development and occupational training programs.

Brief Description: Concerning port district worker development and occupational training programs.

Sponsors: Representatives Chapman, Dent, Blake and Walsh.

Brief History:

Committee Activity:

Innovation, Technology & Economic Development: 2/5/19, 2/6/19 [DP].

Floor Activity:

Passed House: 3/1/19, 94-0.

Brief Summary of Bill

- Authorizes private and public entities to operate port economic development programs.
- Requires economic development programs to provide the port a substantial benefit, and changes program eligibility and reporting provisions.
- Removes the requirement that a port district's economic development programs be in existence on June 10, 2010.

HOUSE COMMITTEE ON INNOVATION, TECHNOLOGY & ECONOMIC DEVELOPMENT

Majority Report: Do pass. Signed by 9 members: Representatives Hudgins, Chair; Kloba, Vice Chair; Smith, Ranking Minority Member; Boehnke, Assistant Ranking Minority Member; Morris, Slatter, Tarleton, Van Werven and Wylie.

Staff: Kyle Raymond (786-7190).

Background:

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

Port Districts.

Port districts are special purpose districts established for purposes related to: (1) harbor improvements; (2) rail, motor vehicle, water, air, or any combination of such transfer and terminal facilities; and (3) other commercial transportation, transfer, handling, storage and terminal facilities, and industrial improvements. Port districts are authorized to:

- acquire land, property, leases, and easements;
- condemn property and exercise the power of eminent domain;
- develop lands for industrial and commercial purposes;
- impose taxes, rates, and charges;
- sell or otherwise convey rights to property; and
- construct and maintain specified types of park and recreation facilities.

Ports may also use resources and port facilities to attract visitors and encourage tourist expansion through advertising, publicizing, or otherwise distributing information in the port district or general area.

Port District Economic Development Programs.

Port districts are authorized to engage in economic development programs for job training and placement, pre-apprenticeship training, or educational programs. Qualified programs include those: (1) in existence on June 10, 2010; and (2) associated with port tenants, customers, and local economic development that is related to port activities. Port districts may contract with nonprofit organizations to administer programs.

A sponsoring port must require a nonprofit entity operating an economic development program to annually submit:

- the number of workers trained, recruited, and placed in jobs;
- the types of jobs and range of compensation;
- the number and types of businesses that are served; and
- any other tangible benefits realized by the port, the workers, businesses, and the public.

Summary of Bill:

Port districts are authorized to contract with private and public entities to operate economic development programs, provided the entities deliver training systems and promote workforce diversity.

Ports are authorized to engage in economic development programs aimed at job advancement and job retention. Job training, job placement, and educational economic development programs must be occupational in nature. Economic development programs operated by a nonprofit, private, or public entity must be associated with local economic development related to port tenants or port-related economic activities.

The annual reporting information that entities operating programs must submit to the port expands to include the number of jobs retained by the economic development program.

Port districts must ensure economic development programs align with the port's development goals and training initiatives. Ports are required to declare by resolution that port-related

workforce development provides a substantial public benefit consistent with the port commission's economic development goals and ongoing port district worker training initiatives.

The requirement that a port district's economic development programs be in existence on June 10, 2010, is removed.

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 bill will provide another tool for ports to expand their economic development programs, especially around worker retraining. This bill could allow ports to begin to partner with local community colleges, and the bill is good for all of Washington, including both urban and rural areas.

Ports are key economic development entities across the state, and ports support jobs with benefits, both directly and indirectly. Washington is the most trade dependent state in the nation, and it is important to support the state's ports, which provide the global gateway to commerce that our industries rely on to grow and prosper. The bill would ensure that ports around the state can seek out more partnerships, and it does not require ports to engage in these activities, but rather is permissive.

Workforce development is a basic business interest and a real world necessity for ports and industry partners. Many ports have workforce issues, and these issues prevent ports from expanding their business. The bill provides the ports with flexibility to continue to grow jobs through broader options and workforce training.

Training and advanced manufacturing are important in supporting ongoing port initiatives, and this bill is a natural extension of this work. Ports are excited for the opportunity to work with local community colleges and others.

(Opposed) None.

Persons Testifying: Representative Chapman, prime sponsor; Bruce Beckett, Port of Port Angeles and Port of Moses Lake; Gordon Baxter, International Longshore and Warehouse Union; Amy Anderson, Association of Washington Business; and Eric Ffitch, Port of Seattle.

Persons Signed In To Testify But Not Testifying: None.