

HOUSE BILL REPORT

HB 2022

As Reported by House Committee On:
Community Development, Housing & Tribal Affairs

Title: An act relating to support for economic recovery from natural disasters.

Brief Description: Creating the natural disaster economic recovery account to support economic recovery from natural disasters.

Sponsors: Representatives Hawkins, Appleton, Johnson, Robinson, Zeiger, Blake, Haler, Parker, Kretz, Condotta, Short, Manweller, Tarleton, Ryu and Fitzgibbon.

Brief History:

Committee Activity:

Community Development, Housing & Tribal Affairs: 2/16/15, 2/19/15 [DPS].

Brief Summary of Substitute Bill

- Creates the Natural Disaster Economic Recovery Account (Account) to support the economic recovery in areas affected by a natural disasters.
- Authorizes the Department of Commerce to administer the Account and distribute funds to state and local authorities and nonprofit organizations in natural disaster areas.

HOUSE COMMITTEE ON COMMUNITY DEVELOPMENT, HOUSING & TRIBAL AFFAIRS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 6 members: Representatives Appleton, Chair; Robinson, Vice Chair; Johnson, Ranking Minority Member; Zeiger, Assistant Ranking Minority Member; Hawkins and Sawyer.

Minority Report: Do not pass. Signed by 1 member: Representative Van De Wege.

Staff: Sean Flynn (786-7124).

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.

State of Emergency.

The Governor has authority to proclaim a state of emergency for an area where public disorder, a disaster, an energy emergency, or riot threatens life, health, or property interests, or the public peace. A state of emergency provides the Governor with extended powers to impose special orders within the affected area.

The Governor proclaimed a state of emergency in July 2014 in response to the Carlton Complex Fire in north central Washington, affecting Okanogan and Chelan counties. The Governor declared that the fire was the largest wildfire in state history, burning over 250,000 acres, destroying over 300 homes, and requiring over 2,000 people to evacuate the area. The Governor detailed the economic impact from the fires on agriculture and ranching, tourism, business communities, and commerce.

Department of Commerce.

The Department of Commerce (Department) generally serves the states' interests regarding community and economic development as well as trade and business expansion. The Department advises the Governor and administers in various areas such as affordable housing and related services, growth management, public infrastructure, business and trade, development of minority and women-owned business, technology development, and advocacy for low-income persons.

Summary of Substitute Bill:

The Natural Disaster Economic Recovery Account (Account) is created to support the economic recovery and development of areas within the state affected by a natural disaster. Account funds only may be used for areas where the Governor has declared a state of emergency due to a natural disaster.

Funding may be provided directly to a state agency, county, city, other local subdivision, or a nonprofit organization dedicated to the long-term recovery from a natural disaster area. Expenditures are authorized for rebuilding infrastructure, economic development projects, affordable and transitional housing, small business loans and grant programs, and other services to support sustainable economic recovery efforts. Funding through the Account may not supplant any federal or state funding sources for emergency relief, or emergency management programs administered by the Military Department.

The Department must administer the Account and direct the expenditure of funds subject to appropriation. The Department also may receive private and public grants, donations, and emergency aid for the Account, and the Governor may expend those funds with the recommendation of the Director of the Department. The State Auditor may audit any expenditure made from the Account, including the use of any funds paid directly to a private or public entity.

Substitute Bill Compared to Original Bill:

The substitute bill prohibits funds from being used to supplant federal or state emergency relief or emergency management funds. It authorizes funds to be distributed to state agencies and authorizes audits of Account expenditures.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The Account will help direct funding to the areas affected by the 2014 wildfires. This bill does not have direct funding included, and will have to have an appropriation to become effective. Members of these affected communities have expressed strong interest in this mechanism to support the recovery efforts in the affected areas.

(Opposed) None.

Persons Testifying: Representative Hawkins, prime sponsor.

Persons Signed In To Testify But Not Testifying: None.