

HOUSE BILL REPORT

ESHB 1835

As Passed Legislature

Title: An act relating to defining frontier counties.

Brief Description: Defining frontier counties.

Sponsors: House Committee on Innovation, Community & Economic Development, & Veterans (originally sponsored by Representatives Kretz, Chapman, Maycumber, Tharinger, Harris and Dent).

Brief History:

Committee Activity:

Innovation, Community & Economic Development, & Veterans: 1/23/24, 1/26/24 [DPS].

Floor Activity:

Passed House: 2/9/24, 94-3.

Passed Senate: 2/28/24, 49-0.

Passed Legislature.

Brief Summary of Engrossed Substitute Bill

- Adds definition of "frontier county" to statutes addressing economic development, excise tax, and the Department of Commerce.
- Defines "frontier county" as a county with a population density fewer than 50 persons per square mile.
- Creates two categories of frontier counties, based on population density: Frontier One counties have 21 or fewer persons per square mile, and Frontier Two counties have more than 21 but fewer than 50 persons per square mile.

HOUSE COMMITTEE ON INNOVATION, COMMUNITY & ECONOMIC DEVELOPMENT, & VETERANS

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

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Ryu, Chair; Donaghy, Vice Chair; Rule, Vice Chair; Volz, Ranking Minority Member; Barnard, Assistant Ranking Minority Member; Caldier, Christian, Cortes, Senn, Shavers, Street and Wilcox.

Staff: Martha Wehling (786-7067).

Background:

"Rural county" is defined in economic development statutes as a county with a population density of fewer than 100 persons per square mile or a county smaller than 225 square miles. The Office of Financial Management determines which Washington counties are rural and publishes the determination each year. As of April 1, 2023, 30 of Washington's 39 counties are rural counties: Adams, Asotin, Chelan, Clallam, Columbia, Cowlitz, Douglas, Ferry, Franklin, Garfield, Grant, Grays Harbor, Island, Jefferson, Kittitas, Klickitat, Lewis, Lincoln, Mason, Okanogan, Pacific, Pend Oreille, San Juan, Skagit, Skamania, Stevens, Wahkiakum, Walla Walla, Whitman, and Yakima.

"Rural county" is further defined for contracts and taxes. Regarding contracts, the definition addresses the award of contracts between the Department of Commerce and associate development associations; regarding taxes, the definition addresses local retail sales and use taxes. In both, a rural county is defined as a county with a population density of less than 100 persons per square mile or a county smaller than 225 square miles, as determined by the Office of Financial Management under a statute directing the Office of Financial Management to prepare population projections for counties that adopt a comprehensive plan under the Growth Management Act.

"Rural county" is also defined in the Department of Commerce statute addressing the low-income rehabilitation revolving loan program and grant program as an area of Washington defined as a non-entitlement area by the United States Department of Housing and Urban Development. Non-entitlement areas are cities with populations of less than 50,000, with some exceptions, and counties with populations of less than 200,000.

Summary of Engrossed Substitute Bill:

A "frontier county" is defined as a county with a population density of fewer than 50 persons per square mile. A "Frontier One" county has a population density of 21 or fewer persons per square mile. A "Frontier Two" county has a population density of more than 21 but fewer than 50 persons per square mile. The population density will be determined by the Office of Financial Management and published each year.

A frontier county is also a rural county, and as such, a frontier county is eligible for all benefits, services, and programs available to a rural county, unless specifically excluded.

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) The definition of a rural county is 100 people per square mile or less; frontier counties will be 50. It is a better way to target the truly rural, smaller areas. A small town usually has a mayor and city council, and maybe one policeman. Even with a rural designation, some small towns have to compete with cities that have six to eight people in their planning department. The bill doesn't adopt a policy or ask for any money; it just creates a definition that sets aside the more rural counties into a frontier designation. This would be useful in broadband spending. Even with \$50 million dedicated to the places that need it the most, not a penny went to rural which was really discouraging. These are really remote, low income, impoverished, and racially dispersed areas that are in dire straits. The rural definition is too broad to take in places that need help the most. If the Legislature decides to help some of the toughest areas in the state, this will provide a more targeted way to do it.

(Opposed) None.

Persons Testifying: Representative Joel Kretz, prime sponsor.

Persons Signed In To Testify But Not Testifying: None.