

HOUSE BILL REPORT

HB 2170

As Reported by House Committee On:
Appropriations

Title: An act relating to making expenditures from the budget stabilization account for declared catastrophic events.

Brief Description: Making expenditures from the budget stabilization account for declared catastrophic events.

Sponsors: Representatives Gregerson, Ormsby, Macri, Bergquist, Berg and Reeves; by request of Office of Financial Management.

Brief History:

Committee Activity:

Appropriations: 1/18/24, 1/25/24 [DPS].

Brief Summary of Substitute Bill

- Appropriates \$20,088,000 from the Budget Stabilization Account for fire suppression costs incurred by the Department of Natural Resources during the 2023 fire season.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 18 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Berg, Callan, Chopp, Fitzgibbon, Lekanoff, Pollet, Riccelli, Ryu, Senn, Simmons, Slatter, Springer, Stonier and Tharinger.

Minority Report: Do not pass. Signed by 5 members: Representatives Couture, Assistant Ranking Minority Member; Chandler, Dye, Rude and Wilcox.

Minority Report: Without recommendation. Signed by 4 members: Representatives Chambers, Assistant Ranking Minority Member; Connors, Assistant Ranking Minority

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.

Member; Harris and Schmick.

Staff: Mary Munroe (786-7391).

Background:

The Budget Stabilization Account (BSA) is an appropriated account originally created in the state Constitution in 2007 and modified in 2011 that may be thought of as an account for operating budget reserves. Funds must be transferred into the BSA each year equal to 1 percent of General State Revenues. Under certain conditions, additional transfers are required.

Funds may be appropriated from the BSA with a constitutional majority under certain periods of forecasted low employment growth, or for declared disasters and limited to that specific purpose. Funds may be appropriated from the BSA with at least a three-fifths vote by the Legislature in all other instances.

On August 19, 2023, the Governor declared a state of emergency in all Washington counties due to threats to life and property from existing and threatened wildfires.

Summary of Substitute Bill:

The sum of \$20,088,000 is appropriated from the BSA for state fiscal year 2024 and is provided solely for fire suppression costs incurred by the Department of Natural Resources (DNR) in the 2023 fire season.

Substitute Bill Compared to Original Bill:

The substitute bill revises the BSA appropriation from \$19,395,000 to \$20,088,000 to reflect the DNR's most recent estimates for fire suppression costs incurred in the 2023 fire season.

Appropriation: The sum of \$20,088,000 is appropriated.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony:

(In Support) During development of the Governor's 2024 Supplemental Budget proposal, Office of Financial Management (OFM) staff identified roughly \$19 million in DNR fire suppression costs incurred during the Governor's wildfire disaster declaration. Last summer, the state experienced numerous catastrophic wildfires in July and August. The OFM proposes using BSA funds in light of the declared disaster and the Legislature's frequent historical use of the BSA to fund supplemental budget fire costs.

(Opposed) None.

Persons Testifying: Representative Mia Gregerson, prime sponsor; and K.D. Chapman-See, Office of Financial Management.

Persons Signed In To Testify But Not Testifying: None.