

# HOUSE BILL REPORT

## ESHB 1818

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As Amended by the Senate

**Title:** An act relating to military dependent communities.

**Brief Description:** Providing for military dependent communities.

**Sponsors:** By House Committee on Appropriations (originally sponsored by Representatives Karahalios, Sehlin, R. Meyers, Schmidt, Peery, Wood, Zellinsky, Edmondson, Stevens, Schoesler, Flemming, Mielke, Thomas, Foreman, Eide, Campbell, Pruitt, Holm and Talcott.)

**Brief History:**

Reported by House Committee on:

Trade, Economic Development & Housing, March 1, 1993, DP;

Appropriations, March 6, 1993, DPS;

Passed House, March 11, 1993, 98-0;

Amended by Senate.

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### HOUSE COMMITTEE ON TRADE, ECONOMIC DEVELOPMENT & HOUSING

**Majority Report:** Do pass. Signed by 13 members: Representatives Wineberry, Chair; Shin, Vice Chair; Forner, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Campbell; Conway; Morris; Quall; Schoesler; Sheldon; Springer; Valle; and Wood.

**Staff:** Charlie Gavigan (786-7340).

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### HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 23 members: Representatives Locke, Chair; Valle, Vice Chair; Silver, Ranking Minority Member; Carlson, Assistant Ranking Minority Member; Appelwick; Ballasiotes; Basich; Cooke; Dellwo; Dorn; Dunshee; G. Fisher; Jacobsen; Linville; Rust; Sehlin; Sheahan; Sommers; Stevens; Talcott; Wang; Wineberry; and Wolfe.

**Staff:** Nancy Stevenson (786-7137).

**Background:** According to the state diversification plan done by the Community Diversification Program in the

Department of Community Development, Washington ranks as the second most defense-dependent state in the nation. Washington has a complex defense infrastructure, primarily comprised of military installations, an aerospace industry with a significant defense component, and a large network of procurement contractors. Approximately 150,000 direct jobs are attributed to defense spending.

The state diversification plan concludes that projected base closures and procurement contract cancellations or reductions may have extreme economic impacts on communities, businesses, and workers.

**Summary of Bill:** The governor, by executive order, may declare a community to be a "military impacted area." These are communities that the executive order finds experience serious social and economic hardships because of a significant reduction in defense spending by the federal government. If the governor declares a community or communities to be military impacted communities, the governor establishes a response team to coordinate state agencies' assistance to these communities. Local communities must actively participate in the response to the crisis. The response team may include representatives of the following agencies: (1) the Department of Community Development; (2) the Department of Trade and Economic Development; (3) the Department of Social and Health Services; (4) the Employment Security Department; (5) the state Board for Community and Technical Colleges; (6) the Higher Education Coordinating Board; (7) the Department of Transportation; and (8) the Washington Energy Office. The governor may establish local task forces to assist in the recovery process and delivery of state services.

The governor must report to the next session of the Legislature regarding designation of military impact areas. The report should include recommendations on whether a military impacted area should become eligible for infrastructure financing programs, training programs, or other services.

**EFFECT OF SENATE AMENDMENT(S):** The governor must consult with the Executive - Legislative Committee on Economic Development prior to declaring a community to be a "military impact area." The governor must report to the Executive - Legislative Committee on Economic Development in addition to reporting to the Legislature.

**Fiscal Note:** Available.

**Effective Date:** Ninety days after adjournment of session which bill is passed.

**Testimony For:** (Trade, Economic Development & Housing) The economic impact of the reduction in defense spending could be catastrophic to many military dependent communities without some state assistance. This bill allows coordinated state and local assistance when particular communities are seriously impacted, based on a finding by the governor. This bill allows impacted communities the confidence to plan for the future.

(Appropriations) None.

**Testimony Against:** (Trade, Economic Development & Housing) None.

(Appropriations) None.

**Witnesses:** (Trade, Economic Development & Housing) Representative Karahalios, prime sponsor (pro); Stan Stanley, Oak Harbor (pro); Patty Cohen, Oak Harbor (pro); and Linda Wright, Oak Harbor (pro).

(Appropriations) None.

**VOTE ON FINAL PASSAGE:**

Yeas 98