

HOUSE BILL REPORT

HB 1989

As Reported By House Committee On:
Trade, Economic Development & Housing

Title: An act relating to economic diversification.

Brief Description: Creating grant programs to promote economic development.

Sponsors: Representatives Wineberry, Quall, Sheldon, Shin, Conway, Springer, Morris, Valle, Campbell, Patterson, Veloria, Roland, Lemmon, Rayburn, Karahalios, Pruitt and J. Kohl.

Brief History:

Reported by House Committee on:
Trade, Economic Development & Housing, March 1, 1993,
DPS.

HOUSE COMMITTEE ON TRADE, ECONOMIC DEVELOPMENT & HOUSING

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Wineberry, Chair; Shin, Vice Chair; Forner, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Campbell; Conway; Morris; Quall; Sheldon; Springer; Valle; and Wood.

Minority Report: Without recommendation. Signed by 1 member: Representative Schoesler.

Staff: Charlie Gavigan (786-7340).

Background: The Community Diversification Program was established in 1990 in the Department of Community Development. The purpose of the program is to help military-dependent communities, businesses, and workers prepare for long-term reductions in federal defense spending. An advisory committee guides program policy, direction, and activities.

The program has focused on assisting communities susceptible to base closures or reductions, such as Oak Harbor, home to Whidbey Island Naval Air Station. Businesses have been assisted through general technical assistance and development of a flexible manufacturing network.

Summary of Substitute Bill: An economic development grant program is created in the Office of Financial Management. The program provides technical assistance to communities for economic development efforts, such as economic diversification, by helping communities identify and apply for grants and other funding.

The Community Diversification Program, in addition to its other duties, shall establish and administer a grant program for local governments, non-profit organizations, and labor organizations for diversification efforts.

Substitute Bill Compared to Original Bill: The grant program applies to non-profit and labor organizations, not just local governments.

Fiscal Note: Available.

Appropriation: The sum of \$800,000 is made to the Community Diversification Program in the Department of Community Development. An additional \$200,000 is appropriated to the Office of Financial Management.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: Cuts in defense spending are seriously impacting the economy of communities dependent on this spending. This bill expands a nationally renowned program to help military dependent areas diversify their economy. The expanded program will help leverage federal funds as well as expand the private sector in these communities.

Testimony Against: None.

Witnesses: Stan Stanley, Oak Harbor (pro); Linda Wright, Oak Harbor (pro); Bill Patz, Sane Freeze (pro); Ellen Robinson, Sane Freeze (pro); Rick Brown, Machinist Union - Bremerton (pro); Michael Berger, DT Machined Products; (pro); Gary Brackett, Tacoma Chamber of Commerce (pro); and Paul Knox, Department of Community Development (neutral).