

SENATE BILL REPORT

HB 2275

AS REPORTED BY COMMITTEE ON TRADE, TECHNOLOGY &
ECONOMIC DEVELOPMENT, FEBRUARY 25, 1994

Brief Description: Modifying the emergency mortgage and rental assistance program for dislocated forest products workers.

SPONSORS: Representatives Kessler, H. Myers, Springer, Jones, Morris, Sheldon, Wineberry, King, Campbell, Holm, Chandler and Foreman; by request of Department of Community Development

HOUSE COMMITTEE ON TRADE, ECONOMIC DEVELOPMENT & HOUSING

HOUSE COMMITTEE ON APPROPRIATIONS

SENATE COMMITTEE ON TRADE, TECHNOLOGY & ECONOMIC DEVELOPMENT

Majority Report: Do pass as amended.

Signed by Senators Skratek, Chairman; Sheldon, Vice Chairman; Bluechel, Cantu, Erwin, M. Rasmussen and Williams.

Staff: Jeff Baird (786-7444)

Hearing Dates: February 22, 1994; February 25, 1994

BACKGROUND:

The 1991 Legislature created the emergency mortgage and rental assistance program to provide financial assistance to households unable to make either mortgage or rent payments due to loss of employment in the timber industry. The Department of Community Development administers the program.

The Department of Community Development makes grants to local organizations that develop and administer local mortgage and rental assistance programs. Emergency mortgage assistance loans are limited to 24 months or \$20,000. Emergency rental assistance loans or grants are limited to 24 months.

According to an informal Attorney General Opinion, it is not clear: (1) if local organizations can retain loan repayments of emergency mortgage or rental assistance to continue assisting dislocated forest products workers; or (2) if loan repayments of emergency mortgage or rental assistance are to be returned to the Department of Community Development.

SUMMARY:

The Department of Community, Trade, and Economic Development is authorized to make grants to local organizations. The local organizations are authorized to establish a revolving grant and loan fund to receive repayments of mortgage and

rental assistance. Repayments are to be used to provide additional financial assistance to households unable to make either mortgage or rent payments due to loss of employment in the timber industry.

Local organizations that dissolve or become ineligible must assign all repayments of mortgage or rental assistance to the local county government. If the local county government declines to operate the program, the mortgage and rental repayments must be returned to the Department of Community, Trade, and Economic Development.

The June 30, 1996, application deadline for participants to request mortgage and rental assistance from the local organization is eliminated.

SUMMARY OF PROPOSED COMMITTEE AMENDMENT:

The intent section is clarified to state that mortgage assistance is in the form of loans, not grants.

Appropriation: none

Revenue: none

Fiscal Note: available

Effective Date: July 1, 1994

TESTIMONY FOR:

This bill helps local community action agencies to help more timber families. Some community action agencies now have money repaid to them under the program, but are unable to grant or lend it further. Thus, funds sit idle. This is a successful program, the best of "reinvesting government," and permitting revolving loan funds would extend its reach.

TESTIMONY AGAINST: None

TESTIFIED: PRO: Debra Libby, timber worker; Gary Burrell, Re-Employment Agency; Corrine Foster, WA State Dept. of Community Development; Doug Hayden, White Pass Community Assistance Center