

SENATE BILL REPORT

SB 5468

AS REPORTED BY COMMITTEE ON TRADE, TECHNOLOGY
& ECONOMIC DEVELOPMENT, FEBRUARY 3, 1994

Brief Description: Imposing requirements for businesses that receive public assistance.

SPONSORS: Senators Fraser, Skratek, Pelz and Prentice

SENATE COMMITTEE ON TRADE, TECHNOLOGY & ECONOMIC DEVELOPMENT

Majority Report: That Second Substitute Senate Bill No. 5468 be substituted therefor, and the second substitute bill do pass.

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

Minority Report: Do not pass.

Signed by Senators Bluechel, Cantu and Erwin.

Staff: Jack Brummel (786-7428)

Hearing Dates: February 17, 1993; March 2, 1993; January 28, 1994; February 3, 1994

BACKGROUND:

Washington's economic development programs include various tax deferral plans and grant or loan programs to assist business development. Although these programs may include some conditions for eligibility, private businesses receiving assistance are not required to give advance notice of any business closure, to continue to honor collective bargaining agreements after relocating a facility, or to meet any specific employment standards for employees, except as required under relevant federal or state law.

SUMMARY:

The proposed first substitute was not considered.

EFFECT OF PROPOSED SECOND SUBSTITUTE:

The Department of Revenue and the Department of Community, Trade, and Economic Development will measure the effect of current tax deferral and credit programs and the development loan fund. The departments will determine whether recipients of benefits have met certain standards or complied with certain requirements. Businesses applying for a benefit will submit employment impact estimates and, after receiving the benefit, will submit employment impact statements. The Executive-Legislative Committee on Economic Development Policy will review their findings and make recommendations.

Appropriation: none

Revenue: none

Fiscal Note: requested January 27, 1994

The following testimony refers to a previous draft of P2SSB 5468. Copies are available from committee staff at 786-7407.

TESTIMONY FOR:

This bill sets minimal standards for recipients of government benefits. Tax incentives and other benefits to businesses need to be matched by accountable behavior and a reasonable return on the state's investment. The environmental protections which this bill contain are important. Government needs to be accountable for its behavior.

TESTIMONY AGAINST:

This bill attempts to rewrite labor laws and would be impossible for businesses to comply with. Several of the provisions conflict with federal law.

TESTIFIED: Clif Finch, AWB (con); Robbie Stern, Jim Tussler, Al Link, State Labor Council (pro); Nakki Stevens, People for Puget Sound; Randy Power, Service Employees International Union; Judy Turpin, WA Environmental Council; Mary Clogston, WA Citizen Action