

HOUSE BILL REPORT

HB 2906

As Reported By House Committee On:

Trade & Economic Development

Title: An act relating to defining distressed area for purposes of economic assistance.

Brief Description: Defining distressed area for purposes of economic assistance.

Sponsors: Representatives Schoesler, Mastin, Grant, Sheahan and O'Brien.

Brief History:

Committee Activity:

Trade & Economic Development: 2/5/98 [DP].

HOUSE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

Majority Report: Do pass. Signed by 9 members: Representatives Van Luven, Chairman; Dunn, Vice Chairman; Veloria, Ranking Minority Member; Eickmeyer, Assistant Ranking Minority Member; Alexander; Ballasiotes; Mason; McDonald and Morris.

Staff: Kenny Pittman (786-7392).

Background: The state of Washington has developed various incentives that are designed to assist in job creation or retention in economically distressed areas. The incentives available to businesses located in a distressed area include a sales and use tax exemption on equipment purchases and building construction, a tax credit for employee training, and a tax credit for job creation.

A distressed area is classified as either: (a) a county with an unemployment rate that is 20 percent higher than the state unemployment rate for the previous three years; or (b) a county with a median income that is 75 percent of the state median income for the previous three years; or (c) a metropolitan statistical area (MSA) in which the average unemployment rate is 20 percent higher than the state unemployment rate for the previous year; or (d) a county designated as a rural natural resource impact area; or (e) a county designated by the Governor as an eligible area as a result of natural disaster, business closure, military base closure, or mass layoff.

Summary of Bill: The definition of "distressed area" is modified to include a county that has a proportion of its population on medical assistance that is 40 percent or more above the state average for the previous three years.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: This will add an additional criteria to determine economic distress in an area. The designation as a distressed area will make available state incentives that can be used in our economic development efforts.

Testimony Against: None.

Testified: Representative Schoesler, prime sponsor (pro); and Scott Taylor, Washington Public Ports Association/Port of Clarkston (pro).