SENATE BILL REPORT

HB 2748

As Reported By Senate Committee On:
Government Operations, February 27, 1998

Title: An act relating to allowing rural counties to authorize additional industrial development in rural areas.

Brief Description: Allowing rural counties to authorize additional industrial development in rural areas.

Sponsors: Representatives Mulliken, Thompson, Cairnes, Lantz, DeBolt, McMorris, Sherstad, Koster, Mielke, Sump, Bush, Johnson, Zellinsky, Boldt, Sheahan, Honeyford, Pennington, Schoesler, Chandler and Dunn.

Brief History:
Committee Activity: Government Operations: 2/24/98, 2/27/98 [DPA-WM, DNPA].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.
Signed by Senators McCaslin, Chair; Hale, Vice Chair; Anderson, Haugen, Horn and T. Sheldon.

Minority Report: Do not pass as amended.
Signed by Senator Patterson.

Staff: Genevieve Pisarski (786-7488)

Background: A county that plans under the Growth Management Act may consider local circumstances and allow rural industrial development in its comprehensive plan under certain conditions. Existing industrial areas may be infilled, developed, or redeveloped, if they are contained.

Summary of Amended Bill: A rural distressed county means a county with an unemployment rate that exceeds the state average by 20 percent for three years.

A rural distressed county that plans under the Growth Management Act may allow additional industrial development by ordinance. Existing industrial areas can be developed further without being contained, and new industrial development can be allowed. Critical areas and designated resource lands must be protected.

A rural distressed county may impose a sales and use tax at the rate of 0.12 percent, deducted from the amount of tax otherwise collected by the state. Collection may begin July 1, 1998 and continue for 25 years.

Revenues shall be used only in rural distressed counties for financing qualifying public facilities that are part of the capital facilities element of the comprehensive plan, in counties planning under the Growth Management Act, or listed in the capital facilities plan, in other counties. Qualifying facilities include bridges, roads, water and sewer systems, electrical and gas services, and related delineations and mitigations of wetlands.

Amended Bill Compared to Original Bill: A "rural distressed county" rather than a "rural county" is covered by the act and the definition of "rural county" is removed. Provisions for a sales and use tax for qualifying public facilities are added.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: Rural counties need to be able to designate land for industrial development, but provisions for funding infrastructure need to be added.

Testimony Against: Industrial development should be treated as a component of overall economic development, not just a matter of designation. Criteria are needed. Rural counties should not be allowed to site industrial development outside of urban growth areas in disregard of agreements with cities. Adequate ability to site industrial development outside of urban growth areas is already provided under the Growth Management Act.

Testified: PRO: Jim Potts, Eastern Rural Counties; CON: Mike Ryherd, 1,000 Friends; Shane Hope, CTED; Ron Shultz, National Audubon Society.