

SENATE BILL REPORT

SB 5557

As of March 4, 1997

Title: An act relating to private business entities supported by state economic development programs.

Brief Description: Requiring that private business entities receiving public assistance create new jobs.

Sponsors: Senators Brown, Heavey, Patterson, Franklin, Sheldon, Fairley, Spanel, Kohl, Fraser, Goings and Thibaudeau.

Brief History:

Committee Activity: Commerce & Labor: 3/5/97.

SENATE COMMITTEE ON COMMERCE & LABOR

Staff: Patrick Woods (786-7430)

Background: Washington's economic development programs include an array of services and resources for businesses, including tax deferral plans, grant or loan programs, and technical assistance. Certain programs include some eligibility requirements; however, there are no uniform performance standards placed on businesses that receive state economic development assistance.

Summary of Bill: Legislative intent emphasizes the importance of ensuring that public assistance to businesses creates a net increase in jobs within the state. Assistance to businesses include grants, loans, bonds, and tax deferrals.

Private businesses that receive state economic development assistance are required to create a net increase in jobs within a two-year period. The state agency providing the assistance is directed to establish goals for the wage and benefits levels of created employment. Businesses that fail to meet established goals must repay the government assistance which was received. The Department of Community, Trade, and Economic Development must publish an annual report indicating the impact of business assistance programs in meeting their employment wage and benefit goals. The department must report its findings to the appropriate legislative committees.

An 11-member Business Assistance Advisory Committee is established within the department. The committee is authorized to: advise the department on establishing performance goals for wages and benefit levels; analyze the effect of state economic development assistance; and monitor state development policies on the economy. The committee members are comprised of labor, businesses and agency representatives.

Appropriation: None.

Fiscal Note: Not requested.

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