

# HOUSE BILL REPORT

## HB 1313

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**As Reported By House Committee On:**  
Economic Development, Housing & Trade

**Title:** An act relating to rural development.

**Brief Description:** Revising rural development law.

**Sponsors:** Representatives Schoesler, DeBolt, Doumit, Hatfield, Kessler, Pennington, Grant and Eickmeyer.

**Brief History:**

**Committee Activity:**

Economic Development, Housing & Trade: 2/19/99, 3/2/99 [DP].

### Brief Summary of Bill

- Accelerates the expiration of the Washington State Rural Development Council to June 30, 2000.
- Authorizes the establishment of a successor nonprofit organization to replace the council.
- Allows employees of the council to accept employment with the successor organization without regard to a waiting period.

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### HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT, HOUSING & TRADE

**Majority Report:** Do pass. Signed by 12 members: Representatives Van Luven, Republican Co-Chair; Veloria, Democratic Co-Chair; Dunn, Republican Vice Chair; Eickmeyer, Democratic Vice Chair; Ballasiotes; Gombosky; Miloscia; Morris; Radcliff; Skinner; D. Sommers and Wolfe.

**Staff:** Jean Ann Quinn (786-7310).

**Background:**

Washington's Rural Development Council was developed in 1990 as part of a national initiative designed to improve the delivery and accessibility of resources to meet the needs of rural communities. In 1997, the Washington State Rural Development Council (WSRTC) was established in statute. The council is governed by an 11 member executive committee appointed by the Governor. The members include representatives of business, natural resources, agriculture, environment, economic development, education, health, human services, counties, cities, and tribal governments. At least 90 percent of the members of the executive committee must reside in rural areas. The duties of the WSRDC include: (1) informing the Governor, Legislature, and state and federal agencies on rural community development issues; (2) identifying and recommending improvements to existing resource delivery systems; and (3) serving as a liaison between rural communities and public and private resource providers.

State agencies are encouraged to contribute financially to the council. Authority for the council expires June 30, 2003.

For one year after leaving state employment, the state ethics law prohibits a state employee from accepting employment with an employer if, in the immediately preceding two years, the employee was involved in negotiating or administering contracts with that employer on behalf of the state, and the duties of the new employment will include fulfilling or implementing the provisions of these contracts.

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**Summary of Bill:**

The Washington State Rural Development Council Executive Committee and the Department of Community, Trade, and Economic Development are authorized to establish a successor organization to the executive committee for the purpose of improving the delivery and accessibility of resources for meeting the needs of rural communities in Washington. The successor organization must be a private nonprofit corporation created specifically to assume responsibility for administering the funds provided to carry out this purpose. The organization must qualify as a tax-exempt nonprofit corporation under section 501(c) of the federal Internal Revenue Code. The executive committee and the department are given authorization to take all steps necessary to effect the transfer of the committee to the successor organization. The department may contract to provide funding to the successor organization, subject to appropriation.

The successor organization to the Washington State Rural Development Council Executive Committee is not considered an employer for the purposes of the state ethics law future employment prohibitions. Thus, an employee of the council may accept employment with the successor organization without regard to the one-year waiting period.

The expiration date for the existing WSRDC is accelerated to June 30, 2000. Authority for the successor organization expires June 30, 2002.

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**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** The needs are great in rural communities and this bill will enable the council to broaden its role in meeting those needs. The original placement of the council in statute was probably not done in the best or most efficient of ways. This bill will provide the legal structure necessary to open the door for more partnerships, without jeopardizing the original purpose of the council. The Department of Community, Trade, and Economic Development supports the bill, and it is not in competition with any agenda of the agency.

**Testimony Against:** None.

**Testified:** (In support) Mary McBride, Rural Development Council; and John Savich, Department of Community, Trade, and Economic Development.