

February 17, 1999

BILL ANALYSIS

TO: Members, Committee on Economic Development, Housing, and Trade
FROM: Jean Ann Quinn, Counsel (786-7310)
RE: **HB 1313 - Revising rural development law.**

Brief Summary of Bill

- Accelerates the expiration of the Washington 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.

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 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 Rural Development Council 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.

SUMMARY:

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

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

Appropriation: None.

Fiscal Note: Not requested.

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