

SENATE BILL REPORT

SB 6541

As of February 2, 2000

Title: An act relating to subsidy disclosure.

Brief Description: Providing for subsidy disclosure.

Sponsors: Senators Kline, Costa, Heavey, Loveland, Gardner, Hochstatter and Winsley.

Brief History:

Committee Activity: Commerce, Trade, Housing & Financial Institutions: 2/3/2000.

SENATE COMMITTEE ON COMMERCE, TRADE, HOUSING & FINANCIAL INSTITUTIONS

Staff: Dave Cheal (786-7576)

Background: Grants, subsidies, tax exemptions or deferrals or similar benefits to businesses or a group of businesses are sometimes justified by the creation of new jobs.

There is no systematic method for monitoring whether the subsidy does in fact result in new jobs, or the quality of jobs created.

Summary of Bill: For-profit and some nonprofit business must compile a report by March 1 of each year listing a variety of information about subsidies received, and the jobs created together with their hourly wages. The report must be filed with the agency granting the subsidy. Penalties are provided for failure to file the report.

Local government and state agencies must file a report each year with the Department of Community, Trade and Economic Development (CTED) listing all business subsidies they have awarded. Sanctions for failure to comply are provided. CTED must publish a compilation and summary of the results of the reports by July 1 of each year, and provide certain specified analysis.

Any appropriation to CTED that results in a business subsidy must contain a statement of the expected benefits.

The bill applies to subsidies or appropriations granted or made after September 30, 2000.

Appropriation: None.

Fiscal Note: Requested on February 2, 2000.

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