

5594-S2

Sponsor(s): Senate Committee on Ways & Means (originally sponsored by Senators Rasmussen, T. Sheldon, Prentice, Fairley and Winsley; by request of Governor Locke)

Brief Title: Enhancing economic vitality.

SB 5594-S2.E - DIGEST

(DIGEST AS ENACTED)

Finds that the state's economic development efforts can be enhanced by, in certain instances, providing funds to assist development of telecommunications infrastructure that supports business development, retention, and expansion in rural natural resources impact areas and distressed counties of the state.

Declares an intent to increase the amount of funding available through the community economic revitalization board for rural counties and rural natural resources impact areas, and to authorize flexibility for available resources in these areas to help fund planning, predevelopment, and construction costs of infrastructure and facilities and sites that foster economic vitality and diversification.

Directs the department to establish and administer a "one-stop clearinghouse" to coordinate state assistance for growers and nonprofit organizations in developing housing for agricultural employees.

Revises provisions relating to distressed area sales and use tax deferrals.

Revises distressed area business and occupation tax job credit provisions.

Revises provisions of the rural Washington loan fund.

Revises provisions relating to public facilities grants and loans.

Repeals RCW 43.160.212, 1997 c 367 s 11, 1995 c 226 s 8, 1996 c 316 s 7, and 1991 c 314 s 33 (uncodified).

VETO MESSAGE ON SB 5594-S2

May 3, 1999

To the Honorable President and Members,
The Senate of the State of Washington
Ladies and Gentlemen:

I am returning herewith, without my approval as to sections 106, 201 and 401, Engrossed Second Substitute Senate Bill No. 5594 entitled:

"AN ACT Relating to enhancing economic vitality;"

E2SSB 5594 is an omnibus rural economic development bill. Among other things it will provide the Community Economic Revitalization Board (CERB) with greater ability to fund new types of infrastructure projects; it will create the Rural Washington Loan Fund for making direct loans to business in eligible areas with federal money; and it will create a one-stop clearinghouse in the Department of Community, Trade and Economic Development (CTED)

for farmworker housing.

Section 106 of the bill would require the joint legislative audit and review committee to conduct performance reviews of the program administered by CERB. JLARC is an entity controlled by the legislature, so it is unnecessary and unwise to dictate the work schedule of JLARC in statute. The legislature can authorize funding for such performance reviews any time it believes they are warranted.

Section 201 of the bill is identical to section 2 of Engrossed Senate Bill No. 5843 which I signed on April 28, 1999, and is unnecessary.

Section 401 of the bill would establish an ad hoc economic development group to analyze projects, make recommendations, and to promote economic development and business diversification. The membership of the group is unclear, and I have concerns about violation of the separation of powers doctrine. The group would be organized by the legislature, but have control over executive agencies. A process already exists in CTED for using a similar ad hoc groups. Additionally, I will be organizing an economic development sub-cabinet, chaired by my Chief of Staff, to provide greater input on projects of statewide significance.

For these reasons, I have vetoed sections 106, 201 and 401 of Engrossed Second Substitute Senate Bill No. 5594.

With the exception of sections 106, 201 and 401, Engrossed Second Substitute Senate Bill No. 5594 is approved.

Respectfully submitted,
Gary Locke
Governor