

HOUSE BILL REPORT

ESSB 5178

As Reported by House Committee On:
Trade & Economic Development
Appropriations

Title: An act relating to funding and expenditures for legislative trade hosting and mission activities.

Brief Description: Creating the legislative international trade account.

Sponsors: Senate Committee on Commerce & Trade (originally sponsored by Senators Hewitt, T. Sheldon, Rasmussen, Franklin, Shin, Rossi, Hale and B. Sheldon; by request of Lieutenant Governor).

Brief History:

Committee Activity:

Trade & Economic Development: 3/20/03, 4/3/03 [DPA];
Appropriations: 4/5/03, 4/21/03 [DPA(APP w/o TED)s].

Brief Summary of Engrossed Substitute Bill
(As Amended by House Committee)

- Creates the Legislative International Trade Account to fund international relations and international trade hosting and mission activities.

HOUSE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

Majority Report: Do pass as amended. Signed by 11 members: Representatives Veloria, Chair; Eickmeyer, Vice Chair; Skinner, Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Blake, Chase, Condotta, Kristiansen, McCoy, Pettigrew and Priest.

Staff: Tracey Taylor (786-7196).

Background:

The Lieutenant Governor and members of the House of Representatives and the Senate are often involved in international trade hosting and mission activities. Such activities usually involve the exchange of gifts between dignitaries. Currently, there is no

government account or funding mechanism established to provide for the costs associated with such activities.

Summary of Amended Bill:

The Legislative International Trade Account (Account) is created in the custody of the State Treasurer. Only private funds may be deposited in the account. All funds received by the Lieutenant Governor for international trade hosting and trade mission activities must be deposited in the account.

The Lieutenant Governor, state officers, such as the Secretary of State, and state employees may accept gifts in excess of \$50 when those gifts are accepted and solicited for deposit in the Account. When soliciting donations solely for the Account, the Lieutenant Governor, state officers, and state employees are presumed to not be in violation of ethics laws regarding solicitations and gifts.

Expenditures from the Account may only be used for international trade hosting and trade mission activities, excluding travel and lodging, in which the Lieutenant Governor, the Secretary of State, Senators and Representatives participate in an official capacity. Only the Lieutenant Governor may authorize expenditures from the Account. If Senators and Representatives want to spend funds from the Account, they must first have their request approved by the Secretary of the Senate or the Chief Clerk of the House of Representatives, and then they must be granted final approval from the Lieutenant Governor.

Amended Bill Compared to Engrossed Substitute Bill:

Allows the Secretary of State to receive gifts, grants, and endowments for the Legislative International Trade Account as well as allows the Secretary of State to be reimbursed from the account for qualified expenditures.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: Reciprocity is very important to international protocol. This bill allows state officials to raise the money necessary to maintain those important trade relations by giving a gift or gifts commensurate with the occasion.

Testimony Against: None.

Testified: Senator Mike Hewitt, sponsor; and Lieutenant Governor Brad Owen.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass as amended by Committee on Appropriations and without amendment by Committee on Trade & Economic Development. Signed by 21 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Sehlin, Ranking Minority Member; Pearson, Assistant Ranking Minority Member; Alexander, Boldt, Buck, Cody, DeBolt, Grant, Hunter, Kagi, Kenney, Kessler, Linville, McDonald, McIntire, Miloscia, Schual-Berke, Sump and Talcott.

Minority Report: Do not pass. Signed by 5 members: Representatives Clements, Conway, Cox, Dunshee and Ruderman.

Staff: Holly Lynde (786-7153).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Trade & Economic Development:

The bill as amended by Appropriations allows the Secretary of State to accept gifts, grants, and endowments for the Legislative International Trade Account, and allows the Secretary of State to be reimbursed from the account for qualified expenses. Donations to the account are limited to \$5,000 per person per calendar year. Funds may also be used for international relations activities. Final approval of expenditures from the account must come from the Chief Clerk of the House of Representatives, the Secretary of the Senate, and the President of the Senate. The President of the Senate must produce an annual report of the account activities, including a list of receipts and expenditures.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: None.

Testimony Against: None.

Testified: None.