

SENATE BILL REPORT

HB 2527

As Reported By Senate Committee On:
Economic Development, Trade & Management, February 26, 2008

Title: An act relating to modifying the definitions of rural county for certain economic development programs.

Brief Description: Modifying the definitions of rural county for certain economic development programs.

Sponsors: Representatives Bailey, Kenney and Kretz.

Brief History: Passed House: 2/15/08, 94-0.

Committee Activity: Economic Development, Trade & Management: 2/20/08, 2/26/08 [DPA-WM].

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & MANAGEMENT

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.

Signed by Senators Kastama, Chair; Kilmer, Vice Chair; Zarelli, Ranking Minority Member; Kauffman and King.

Staff: Jack Brummel (786-7428)

Background: Rural counties are currently entitled to various tax incentives which encourage economic development, including tax deferrals for investment projects and tax credits for certain business projects. For the purpose of these tax incentives, a rural county is defined as a county with less than 100 persons per square mile, or a county smaller than 225 square miles. Currently, the Community Economic Revitalization Board (CERB), Rural Washington Loan Fund (RWLF), Associate Development Organization (ADO), and electric utility rural economic development revolving fund statutes do not include this definition of a rural county.

Summary of Bill: The definition of rural counties in the CERB, RWLF, ADO, and electric utility rural economic development revolving fund statutes are made consistent with the definition of rural counties used in the rural tax incentive programs.

EFFECT OF CHANGES MADE BY ECONOMIC DEVELOPMENT, TRADE & MANAGEMENT (Recommended Amendments): The original bill only changed the definition of rural counties in the CERB statute.

Appropriation: None.

Fiscal Note: Available.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: This is a simple approach to resolving the problem with the ADO bill which left out Island County. The county has missed out on \$80 thousand in their ADO contracts.

OTHER: CTED has a quandary; they would need to re-do the ADO contracts.

Persons Testifying: PRO: Representative Bailey, prime sponsor; Jim Slowik, City of Oak Harbor.

OTHER: Marie Sullivan, CTED.