

# SENATE BILL REPORT

## SHB 2651

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As Reported by Senate Committee On:  
Economic Development, Trade & Innovation, February 24, 2010

**Title:** An act relating to the authority of port districts to participate in activities related to job training and placement.

**Brief Description:** Authorizing port districts to participate in activities related to job training and placement.

**Sponsors:** House Committee on Community & Economic Development & Trade (originally sponsored by Representatives Upthegrove, Orwall, Simpson, Nelson, Hudgins and Hasegawa).

**Brief History:** Passed House: 2/10/10, 60-37.

**Committee Activity:** Economic Development, Trade & Innovation: 2/17/10, 2/24/10 [DP].

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### SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

**Majority Report:** Do pass.

Signed by Senators Kastama, Chair; Shin, Vice Chair; Zarelli, Ranking Minority Member; Delvin, Eide and Kilmer.

**Staff:** Karen Campbell (786-7448)

**Background:** Port districts are authorized to acquire, construct, maintain, operate, develop, and regulate harbor improvements, rail or motor vehicle transfer and terminal facilities, water and air transfer and terminal facilities, or any combination of these facilities. State law also explicitly permits ports to promote tourism by granting the authority to expend moneys and conduct promotion of resources and facilities in the district or general area by advertising, publicizing, or otherwise distributing information to attract visitors and encourage tourist expansion. Among the general powers granted to ports are the power to acquire land, property, leases, and easements; condemn property and exercise the power of eminent domain; develop lands for industrial and commercial purposes; impose taxes, rates, and charges; sell or otherwise convey rights to property; and construct and maintain specified types of park and recreation facilities. Article VII, section 8, of the state Constitution explicitly allows the Legislature to grant authority to port districts to use public funds for industrial development or trade promotion and promotional hosting. Such use of state funds by a port is deemed a public use for a public purpose and is therefore not subject to the

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constitutional prohibition against making a gift of public funds to a private party. There is no explicit authority for a port district to provide resources to help nonprofit organizations operate job training and placement programs.

**Summary of Bill:** With respect to the authority of port districts to contract with nonprofit corporations for economic development activities, economic development programs may include job training and placement programs, pre-apprenticeship training or educational programs associated with port tenants, customers and local port-related economic development, that are (1) sponsored by a port; (2) operated by a nonprofit entity; and (3) in existence on the act's effective date. A sponsoring port must require the operating entity to submit annual quantitative information on program outcomes.

**Appropriation:** None.

**Fiscal Note:** Available.

**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: It is very important to clarify the authority of ports to sponsor training and job placement programs as part of economic development. Current job and pre-apprenticeship programs have placed 10,000 applicants into jobs at SeaTac Airport. These training programs increase exposure to construction trades and support continued economic growth. Some ports have been working with community colleges for many years on training, education, and job placement programs. The pre-apprenticeship training program also has a life skills component. Life skills are necessary to obtain and retain an employment position. Job training and pre-apprenticeship programs continue to play a role in the economic vitality of the ports by providing quality employees.

**Persons Testifying:** PRO: Ginger Eagle, Washington Public Ports Association; Clare Gallagher, Port of Seattle.