
**Community Development, Housing &
Tribal Affairs Committee**

HB 1125

Brief Description: Concerning expenditures from the economic development strategic reserve account to support economic recovery of businesses due to the wildfires in Okanogan and Chelan counties.

Sponsors: Representatives Hawkins, Robinson, Kretz, Sawyer, Johnson, Appleton, Short, Condotta, Tarleton, Haler and Ryu.

Brief Summary of Bill

- Requires \$500,000 distributed from the Economic Development Strategic Reserve Account to support economic recovery from the 2014 wildfires in Okanogan County.

Hearing Date: 1/29/15

Staff: Sean Flynn (786-7124).

Background:

The Economic Development Strategic Reserve Account (Account) is managed through the Department of Commerce (Commerce). Only the Governor is authorized to make expenditures from the account, with the recommendation of the Commerce Director. The Governor may make expenditures to prevent the closure or out-of-state relocation of a business, or to recruit a business to the state.

Expenditures may be used to fund workforce development, public infrastructure, or technical and planning assistance. Funding may also specifically support the Joint Center for Aerospace Technology Innovation. Expenditures from the Account may only be spent if certain conditions are met:

- The Department of Commerce and the targeted business cannot secure funding from other state sources;

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- The business will produce long-term economic benefits to the state;
- The business does not require continued funding;
- The funding will lead to new job growth, or higher incomes; and
- The funding comes with private funding and does not supplant private investment.

No more than \$3 million may be used from the Account to assist any single business or facility. If the Account balance exceeds \$15 million at any time, the excess amount must be transferred to the Education Construction Account. The main source revenues for the Account come from one-third of all unclaimed prize money from the state lottery.

Summary of Bill:

The Director of Commerce must spend \$500,000 from the Account for purposes of supporting the economic recovery from the 2014 Okanogan County wildfires. The funds must be directed to a nonprofit organization dedicated to the long-term recovery from the Carlton Complex fire for economic recovery and development projects. The funds must be distributed by August 1, 2015.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

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