

HOUSE BILL REPORT

HB 1806

As Reported by House Committee On:

Innovation, Community & Economic Development, & Veterans

Title: An act relating to an exclave community small business relief program.

Brief Description: Creating an exclave community small business relief program.

Sponsors: Representatives Rule, Chapman and Timmons.

Brief History:

Committee Activity:

Innovation, Community & Economic Development, & Veterans: 2/14/23, 2/15/23
[DP].

Brief Summary of Bill

- Requires the Department of Commerce to implement an exclave community small business relief program to provide resources to exclave communities that have sustained economic loss due to the closure of the international border between the United States and Canada.

HOUSE COMMITTEE ON INNOVATION, COMMUNITY & ECONOMIC DEVELOPMENT, & VETERANS

Majority Report: Do pass. Signed by 15 members: Representatives Ryu, Chair; Donaghy, Vice Chair; Rule, Vice Chair; Volz, Ranking Minority Member; Barnard, Assistant Ranking Minority Member; Chambers, Christian, Corry, Cortes, Paul, Senn, Shavers, Street, Waters and Ybarra.

Staff: Cassie Jones (786-7303).

Background:

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

In general, an exclave is a portion of a country that is geographically separated from the main part by surrounding foreign territory. Washington's one exclave community, Point Roberts, is 5 square miles of territory located below the 49th parallel and is separated from Washington by British Columbia, Canada.

Summary of Bill:

Subject to the availability of amounts appropriated for this specific purpose, the Department of Commerce (Commerce) must develop and implement an exclave community small business relief program for the purpose of providing resources to exclave communities that have sustained economic loss due to the closure of the international border between the United States and Canada. Under the program, Commerce may provide grants to eligible businesses. Grant funds may be used for payroll, utilities and rent, marketing and advertising, and other operations and business expenses. Grant funds may not be used for expenses incurred outside the exclave community.

To be eligible to apply for a grant, a business must provide documentation of:

- the business's location in an exclave community and proof that the business does not operate more than 10 locations; and
- good faith certification of need, including a certification that the border closure either reduced gross receipts of the business by at least 25 percent or restricted the ability of customers to access the location of the business.

Commerce must make assistance available for an eligible business within three months of receiving an application. In the event that the amounts appropriated for the exclave community small business relief program are not sufficient to provide full grants to all eligible applicants that apply by October 1, 2023, Commerce must provide grants to all eligible applicants that submit applications on either a prorated basis, by establishing a maximum grant amount that ensures that all smaller eligible applicants receive full awards, or by setting an award threshold beneath which the agency will make full grants and above which grants will be prorated.

Commerce must coordinate with local economic development entities in conducting outreach to small businesses to increase awareness and understanding of the grant program. "Exclave community" is defined as a community in the United States within 75 miles of the Canadian border that is only accessible by land via Canada. Commerce may make rules to implement the grant program.

Appropriation: None.

Fiscal Note: Requested on February 8, 2023.

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

Staff Summary of Public Testimony:

(In support) Point Roberts is unique in that it feels like an island, but it is not. It is an exclave. Though many places have moved beyond COVID-19, Point Roberts has been left behind. To access Point Roberts, a person needs to cross an international border twice. Point Roberts has traditionally been a tourist town, but tourists' habits have changed since COVID-19. Recent border closures and restrictions have had a significant impact on Point Roberts' economy and businesses. Business revenues are down by 50 percent. The community did not fit other grant program criteria. They need to be supported. Point Roberts is governed by Whatcom County, which offers very few services. Point Roberts has the best COVID-19 health response anywhere in North America but has been treated the worst. The only local grocery store in Point Roberts was devastated by COVID-19 border closures. Though it did receive a grant from the Governor, it was excluded for all other grant programs.

(Opposed) None.

Persons Testifying: Representative Alicia Rule, prime sponsor; Tammie Hetrick, Washington Food Industry Association; and Brian Calder, Point Roberts Chamber of Commerce.

Persons Signed In To Testify But Not Testifying: None.