

HOUSE BILL REPORT

SB 5324

As Reported by House Committee On:

Innovation, Community & Economic Development, & Veterans

Title: An act relating to the defense community compatibility account.

Brief Description: Concerning the defense community compatibility account.

Sponsors: Senators Conway, Nobles, Lovick, Fortunato, Hunt, Wagoner, Randall and Wilson, C.; by request of Department of Commerce.

Brief History:

Committee Activity:

Innovation, Community & Economic Development, & Veterans: 3/10/23, 3/15/23 [DP].

Brief Summary of Bill

- Moves the deadline for the Department of Commerce (Commerce) to submit the Defense Community Compatibility Account (DCCA) report to November 1 of each even-numbered year.
- Authorizes Commerce to provide grants using DCCA funds to federally recognized Indian tribes.
- Allows the use of nonstate funds, instead of federal funds, to meet matching fund requirements for DCCA grants.

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

Majority Report: Do pass. Signed by 14 members: Representatives Ryu, Chair; Donaghy, Vice Chair; Rule, Vice Chair; Volz, Ranking Minority Member; Barnard, Assistant Ranking Minority Member; Chambers, Christian, Corry, Cortes, Senn, Shavers, Street, Waters and Ybarra.

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.

Staff: Cassie Jones (786-7303).

Background:

In 2019, the Legislature created the Defense Community Compatibility Account (DCCA). The Department of Commerce (Commerce) may make expenditures from the DCCA only for grants to local governments or other entities in an agreement with a military installation under the United States Department of Defense (DOD) Readiness and Environmental Protection Integration Program. Grants may be made for projects to address incompatible development connected to military installations, including:

- acquiring real property or real property interests to eliminate an existing incompatible use;
- projects to jointly assist in recovering or protecting endangered species dependent on military installation property for habitat;
- projects or programs to increase the availability of affordable housing to enlisted military personnel and nonmilitary residents;
- projects to retrofit existing uses to increase their compatibility with military operations;
- projects to enable communities heavily dependent on a military installation to diversify the local economy;
- projects that aid communities to replace jobs lost in the event of a reduction of the military presence;
- local infrastructure or facilities necessary to help a community accommodate an expanded military presence in their community; and
- projects that improve or enhance aspects of the local economy, environment, or quality of life impacted by the presence military activities.

Grant applicants must demonstrate that both federal funds and funds from the applicant are committed to the same project for which state grant funding is sought.

Commerce must produce a report with a prioritized list of projects to address incompatible developments near military installations by January 1, 2020, and every two years thereafter.

Projects on the list must be prioritized with consideration for:

- recommendations of the DOD base realignment and closures processes, joint land use studies, or other federally initiated land use processes; and
- whether a branch of the United States armed forces has identified the project as increasing the viability of military installations.

Summary of Bill:

The deadline for Commerce to submit the DCCA report is moved to November 1 of each even-numbered year. Federally recognized Indian tribes are eligible for grants from the

DCCA. Commerce may award DCCA funds to grantees with a nonstate, rather than federal, funding source. The DCCA grants may only be awarded to capital projects.

Appropriation: None.

Fiscal Note: Available.

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) The bill creating the DCCA passed in 2019. The DCCA allows the state to identify, prioritize, and fund projects that support communities around military installations. This bill is a technical bill that aligns the project list with the capital budget. The bill also allows tribes to apply for grants. Finally, the bill aligns the state funding with the DOD to leverage federal dollars. It is at the request of the Department of Commerce. Military installations are huge drivers of the local economies. The small but important changes to the DCCA program in the bill will help Commerce support defense communities in Washington. The DCCA creates a formal, predicable process for communities to obtain matching funds for compatibility-enhancing investments. This bill implements lessons learned from operating the DCCA program. Moving the reporting deadline allows Commerce to produce the report in line with the biennial capital budget. It is appreciated that under this bill, match requirements can be from any nonstate source. This will help cities become more competitive for the DCCA funds in the next grant cycle. The DCCA is a vital tool for communities to build upon the work of partnering with military installations. The DCCA provides the necessary match to ensure that federal money is not left on the table.

(Opposed) None.

Persons Testifying: Senator Steve Conway, prime sponsor; Dave Andersen, Washington Department of Commerce; Holly Cocci, City of Airway Heights; and Bill Adamson, South Sound Military and Communities Partnership.

Persons Signed In To Testify But Not Testifying: None.