

# HOUSE BILL REPORT

## SHB 2651

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### As Passed Legislature

**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:**

##### **Committee Activity:**

Community & Economic Development & Trade: 1/25/10, 1/27/10 [DPS].

##### **Floor Activity:**

Passed House: 2/10/10, 60-37.

Passed Senate: 3/2/10, 43-2.

Passed Legislature.

#### **Brief Summary of Substitute Bill**

- Authorizes ports to sponsor certain job training and placement programs, pre-apprenticeship training or educational programs that are operated by nonprofit entities and in existence on the effective date of this act.
- Requires the operating entity to submit annually specified program outcome information to the sponsoring port.

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### HOUSE COMMITTEE ON COMMUNITY & ECONOMIC DEVELOPMENT & TRADE

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 6 members: Representatives Kenney, Chair; Maxwell, Vice Chair; Chase, Liias, Moeller and Probst.

**Minority Report:** Do not pass. Signed by 3 members: Representatives Smith, Ranking Minority Member; Orcutt and Parker.

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*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.*

**Staff:** Meg VanSchoorl (786-7105).

**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 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 Substitute 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.

**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) This bill is an effort to clarify the authority of ports to sponsor programs like Port Jobs, a private non-profit organization whose mission is to link disadvantaged people

with training, education, and employment opportunities. A recent draft state audit of the Port of Seattle has raised the question of whether these programs fall under "economic development," especially those related to pre-apprenticeships and skills training projects. Not all ports want to become involved in these activities, so the substitute bill was drafted more narrowly than the original to resolve the state audit issues and meet the ports' concerns. Over the years, Port Jobs has placed more than 10,000 people into jobs at SeaTac through "Airport Jobs" and has operated other projects offering construction apprenticeship opportunities, education and training, and career enhancement. Port Jobs makes the port and its workers more competitive.

(With concerns) The fundamental policy question is whether ports should be involved in job training and placement. Port Jobs seems to be working but how many other similar activities exist at other ports in the state and what is their track record?

**Persons Testifying:** (In support) Representative Upthegrove, prime sponsor; Heather Worthley, Port Jobs; Rich Nafziger, Seattle Community College; Maddy Thompson, Workforce Board; and Clare Gallagher, Port of Seattle.

(With concerns) Ginger Eagle, Washington Public Port Association; and Arthur West.

**Persons Signed In To Testify But Not Testifying:** None.