



# PORT<sup>OF</sup> PASCO

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## MEMORANDUM

**TO: Franklin County Commission**

**DATE: September 10, 2019**

**SUBJECT: Proposed Legislation on 0.09 Funding – RCW 82.14.370**

**PREPARED BY: Gary Ballew**

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The purpose of this agenda item is to discuss proposed legislation that could impact 0.09 funds. These funds are the economic development funds available and utilized by rural counties in Washington State. The Port of Pasco requested this item as we provide assistance to Franklin County in running their 0.09 funds program. Our staff is also engaged in the Washington Economic Development Association, which may become a proponent of the proposed legislation.

A quick background on 0.09 funds, these locally controlled economic development funds were created by the Washington State Legislature in the late 1990's. Counties collect the funds via a sales tax that is credited against the state sales tax. The current rate is 0.09%, hence the name of the funds. Expenditures of these local economic development funds requires the County consult with the cities and ports within their jurisdiction as well as the Associate Development Organization, which for Franklin County is TRIDEC. The last update extended the collection period of 0.09 funds through 2034.

During the last legislative session, Greater Spokane Incorporated, the ADO for Spokane County, introduced legislation that would expand 0.09 funding to counties that border other states or countries. Simply put the bill would have increased the program to include Spokane County and Clark County, which are currently not included because they are not considered rural. The bill also extended the collection period of 0.09 funds from 2034 to 2044. If the collection timeframe were extended under the existing law, Whatcom and Benton Counties would be ineligible, as they are no longer considered rural. Benton and Whatcom are both border counties and would be included under the proposed revision.

During the last session the Washington State Association of Counties, the Association of Washington Cities, the Washington Public Ports Association and the Washington Economic Development Association all supported the bill.