
HOUSE BILL 1570

State of Washington 52nd Legislature 1991 Regular Session

By Representatives Jones, Heavey, Riley and R. King.

Read first time February 1, 1991. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to private business entities receiving public
2 assistance; and adding a new chapter to Title 19 RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The legislature finds that public
5 assistance in the form of grants or tax deferrals or credits allowed to
6 private business is a public service that should be subject to rules of
7 conduct. In particular, the state should offer its assistance to those
8 private businesses that are willing to consult in advance with their
9 employees and the community prior to plant relocation, closure, or
10 employee layoff, and to pay wages that are no less than the average
11 annual wage in the state.

12 NEW SECTION. **Sec. 2.** Unless the context clearly requires
13 otherwise, the definitions in this section apply throughout this
14 chapter.

1 (1) "Business" means a person, firm, partnership, corporation,
2 trust, association, or other form of private business organization
3 which employs one or more employees at a workplace within this state.

4 (2) "Business assistance programs" means the sales and use tax
5 deferral or credit programs created in chapters 82.60, 82.61, and 82.62
6 RCW, state and local government industrial development bonds authorized
7 under chapter 39.84 RCW, and any business assistance programs operated
8 by the community economic revitalization board.

9 (3) "Certified closure or reduction date" means the actual or
10 anticipated date of any reduction in operations at a workplace as
11 determined by the department.

12 (4) "Community" means the county, city, or town, or a combination,
13 in which the affected workplace is located.

14 (5) "Department" means the state employment security department.

15 (6) "Reduction in business operations" means the total closure of
16 a workplace or any partial closure, other reduction in operations, or
17 relocation of a workplace that results in the layoff of at least
18 twenty-five employees at the workplace within a six-month period prior
19 to the closure date as certified by the department.

20 NEW SECTION. **Sec. 3.** This chapter shall not apply to:

21 (1) Reductions in business operations:

22 (a) Resulting solely from labor disputes as defined by the national
23 labor relations act;

24 (b) Occurring at construction sites;

25 (c) Resulting from seasonal factors, which are customary in the
26 industry of which the business is a part, as determined by the
27 department; or

28 (d) Resulting from fire, flood, war, or other acts of God; or

1 (2) Business assistance of less than four thousand dollars or less
2 than eighty hours of technical assistance.

3 NEW SECTION. **Sec. 4.** No business may receive assistance from
4 a business assistance program unless the business agrees to the
5 following rules of conduct prior to receiving the assistance:

6 (1) The business shall employ no employees at wages less than the
7 state average annual wage, as calculated under RCW 50.04.355.

8 (2) The business shall comply with all federal and state
9 requirements for affirmative action in hiring and promotion of its
10 employees, regardless of whether the business is included within the
11 coverage of the civil rights laws.

12 (3) A business reducing business operations shall provide notice at
13 least sixty days prior to the certified closure or reduction date to
14 all affected employees, the employees' collective bargaining
15 representative, if any, and the chief elected official of the community
16 in which the affected workplace is located.

17 (4) A business totally closing or relocating a workplace shall
18 first make good faith offers of sale at fair market values for the
19 plant, equipment, and inventory to the community in which the workplace
20 is located and to agents who represent a majority of the employees of
21 the employer, who singly or in combination are seeking to form a
22 community-owned, employee-owned, or jointly owned business at the
23 workplace being closed.

24 NEW SECTION. **Sec. 5.** (1) Failure to comply with section 4 of
25 this act shall subject the business to the following:

26 (a) If the failure to comply occurs within any period in which any
27 tax deferral still exists, the business's tax deferral shall be
28 rescinded and the entire amount of any remaining deferred tax together

1 with a ten percent penalty on the tax owing and interest at twelve
2 percent per annum shall be immediately due and payable. Interest shall
3 accrue from the date notice of the tax deferral rescission is received
4 by the business.

5 (b) If the failure to comply occurs within ten years of receiving
6 authorization for industrial revenue bonds, the business that has
7 received industrial revenue bonds shall be penalized an amount equal to
8 the federal tax exemption received plus ten percent of the federal tax
9 exemption together with interest at twelve percent per annum.

10 (2) Any business that receives the benefits of a state business
11 assistance program who violates any provision of this chapter is not
12 eligible for any business assistance program for a period of ten years
13 following the date of violation as determined by the department.

14 NEW SECTION. **Sec. 6.** (1) The employment security department
15 shall be notified by the department of revenue and the community
16 economic revitalization board of each business that participates in a
17 business assistance program. The department shall review all
18 participating businesses for compliance with this chapter, shall make
19 any necessary administration determinations, and shall assess and
20 collect any penalties for violations under the assessment and
21 collection provisions of chapter 50.24 RCW. All penalties collected
22 shall be paid into the state general fund.

23 (2) Any business receiving a notice of violation under this chapter
24 may file an appeal in accordance with the provisions of chapter 50.32
25 RCW.

26 (3) The department shall adopt rules under chapter 34.05 RCW to
27 carry out the purposes of this chapter.

1 NEW SECTION. **Sec. 7.** Sections 1 through 6 of this act shall
2 constitute a new chapter in Title 19 RCW.