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**SUBSTITUTE SENATE BILL 6107**

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**State of Washington**

**53rd Legislature**

**1994 Regular Session**

**By** Senate Committee on Trade, Technology & Economic Development  
(originally sponsored by Senators Skratek, Sheldon and M. Rasmussen)

Read first time 02/04/94.

1 AN ACT Relating to fees for services for the department of  
2 community, trade, and economic development; amending RCW 70.95H.040;  
3 reenacting and amending RCW 43.210.110; adding new sections to chapter  
4 43.330 RCW; adding a new section to chapter 70.95H RCW; providing an  
5 effective date; and declaring an emergency.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.330 RCW  
8 to read as follows:

9 The department is authorized to charge reasonable fees to cover  
10 costs for conferences, workshops, and training purposes and to expend  
11 those fees for the purposes for which they were collected.

12 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.330 RCW  
13 to read as follows:

14 In order to extend its services and programs, the department may  
15 charge reasonable fees for services and products provided in the areas  
16 of financial assistance, housing, international trade, community  
17 assistance, economic development, and other service delivery areas,  
18 except as otherwise provided. These fees are not intended to exceed

1 the costs of providing the service or preparing and distributing the  
2 product.

3 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.330 RCW  
4 to read as follows:

5 Before the fees authorized in section 2 of this act become  
6 effective the department shall:

7 (1) Submit the proposed schedule of fees to the office of financial  
8 management for approval on or before November 1, 1994; and

9 (2) Submit the fees approved by the office of financial management  
10 to the appropriate committees of the senate and house of  
11 representatives before December 1, 1994.

12 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.330 RCW  
13 to read as follows:

14 The community and economic development fee account is created in  
15 the custody of the state treasurer. The department may create  
16 subaccounts as necessary. The account consists of all receipts from  
17 fees charged by the department under section 1 of this act.  
18 Expenditures from the account may be used only for the purposes of this  
19 chapter. Only the director or the director's designee may authorize  
20 expenditures from the account. The account is subject to allotment  
21 procedures under chapter 43.88 RCW, but no appropriation is required  
22 for expenditures.

23 **Sec. 5.** RCW 70.95H.040 and 1991 c 319 s 206 are each amended to  
24 read as follows:

25 In order to carry out its responsibilities under this chapter, the  
26 center may:

27 (1) Receive such gifts, grants, funds, fees, and endowments, in  
28 trust or otherwise, for the use and benefit of the purposes of the  
29 center. The center may expend the same or any income therefrom  
30 according to the terms of the gifts, grants, or endowments;

31 (2) Initiate, conduct, or contract for studies and searches  
32 relating to market development for recyclable materials, including but  
33 not limited to applied research, technology transfer, and pilot  
34 demonstration projects;

1 (3) Obtain and disseminate information relating to market  
2 development for recyclable materials from other state and local  
3 agencies;

4 (4) Enter into, amend, and terminate contracts with individuals,  
5 corporations, trade associations, and research institutions for the  
6 purposes of this chapter;

7 (5) Provide grants to local governments or other public  
8 institutions to further the development of recycling markets;

9 (6) Provide business and marketing assistance to public and private  
10 sector entities within the state; (~~and~~)

11 (7) Evaluate, analyze, and make recommendations on state policies  
12 that may affect markets for recyclable materials; and

13 (8) Charge fees for services and products and expend the fees or  
14 any income therefrom for purposes of the center.

15 NEW SECTION. Sec. 6. A new section is added to chapter 70.95H RCW  
16 to read as follows:

17 The clean Washington center fee account is created in the custody  
18 of the state treasurer. Proceeds from fees collected by the center for  
19 services and products shall be deposited into this account.  
20 Expenditures from this account may be used only for the purposes under  
21 this chapter. Only the director or the director's designee may  
22 authorize expenditures from the account. The account is subject to  
23 allotment procedures under chapter 43.88 RCW, but no appropriation is  
24 required for expenditures.

25 **Sec. 7.** RCW 43.210.110 and 1993 sp.s. c 24 s 922, 1993 c 366 s 1,  
26 and 1993 c 280 s 57 are each reenacted and amended to read as follows:

27 (1) The small business export finance assistance center has the  
28 following powers and duties when exercising its authority under RCW  
29 43.210.100(3):

30 (a) Solicit and accept grants, contributions, and any other  
31 financial assistance from the federal government, federal agencies, and  
32 any other public or private sources to carry out its purposes;

33 (b) Offer comprehensive export assistance and counseling to  
34 manufacturers relatively new to exporting with gross annual revenues  
35 less than twenty-five million dollars. As close to seventy-five  
36 percent as possible of each year's new cadre of clients must have gross  
37 annual revenues of less than five million dollars at the time of their

1 initial contract. At least fifty percent of each year's new cadre of  
2 clients shall be from timber impact areas as defined in RCW 43.31.601.  
3 Counseling may include, but not be limited to, helping clients obtain  
4 debt or equity financing, in constructing competent proposals, and  
5 assessing federal guarantee and/or insurance programs that underwrite  
6 exporting risk; assisting clients in evaluating their international  
7 marketplace by developing marketing materials, assessing and selecting  
8 targeted markets; assisting firms in finding foreign customers by  
9 conducting foreign market research, evaluating distribution systems,  
10 selecting and assisting in identification of and/or negotiations with  
11 foreign agents, distributors, retailers, and by promoting products  
12 through attending trade shows abroad; advising companies on their  
13 products, guarantees, and after sales service requirements necessary to  
14 compete effectively in a foreign market; designing a competitive  
15 strategy for a firm's products in targeted markets and methods of  
16 minimizing their commercial and political risks; securing for clients  
17 specific assistance as needed, outside the center's field of expertise,  
18 by referrals to other public or private organizations. The Pacific  
19 Northwest export assistance project shall focus its efforts on  
20 facilitating export transactions for its clients, and in doing so,  
21 provide such technical services as are appropriate to accomplish its  
22 mission either with staff or outside consultants;

23 (c) Sign three-year counseling agreements with its clients that  
24 provide for termination if adequate funding for the Pacific Northwest  
25 export assistance project is not provided in future appropriations.  
26 Counseling agreements shall not be renewed unless there are compelling  
27 reasons to do so, and under no circumstances shall they be renewed for  
28 more than two additional years. A counseling agreement may not be  
29 renewed more than once. The counseling agreements shall have mutual  
30 performance clauses, that if not met, will be grounds for releasing  
31 each party, without penalty, from the provisions of the agreement.  
32 Clients shall be immediately released from a counseling agreement with  
33 the Pacific Northwest export assistance project, without penalty, if a  
34 client wishes to switch to a private export management service and  
35 produces a valid contract signed with a private export management  
36 service, or if the president of the small business export finance  
37 assistance center determines there are compelling reasons to release a  
38 client from the provisions of the counseling agreement;

1 (d) May contract with private or public international trade  
2 education services to provide Pacific Northwest export assistance  
3 project clients with training in international business. The president  
4 and board of directors shall decide the amount of funding allocated for  
5 educational services based on the availability of resources in the  
6 operating budget of the Pacific Northwest export assistance project;

7 (e) May contract with the Washington state international trade fair  
8 to provide services for Pacific Northwest export assistance project  
9 clients to participate in one trade show annually. The president and  
10 board of directors shall decide the amount of funding allocated for  
11 trade fair assistance based on the availability of resources in the  
12 operating budget of the Pacific Northwest export assistance project;

13 (f) Provide biennial assessments of its performance. Project  
14 personnel shall work with the department of revenue and employment  
15 security department to confidentially track the performance of the  
16 project's clients in increasing tax revenues to the state, increasing  
17 gross sales revenues and volume of products destined to foreign  
18 clients, and in creating new jobs for Washington citizens. A biennial  
19 report shall be prepared for the governor and legislature to assess the  
20 costs and benefits to the state from creating the project. The  
21 president of the small business export finance assistance center shall  
22 design an appropriate methodology for biennial assessments in  
23 consultation with the director of community, trade, and economic  
24 development and the director of the Washington state department of  
25 agriculture. The department of revenue and the employment security  
26 department shall provide data necessary to complete this biennial  
27 evaluation, if the data being requested is available from existing data  
28 bases. Client-specific information generated from the files of the  
29 department of revenue and the employment security department for the  
30 purposes of this evaluation shall be kept strictly confidential by each  
31 department and the small business export finance assistance center;

32 (g) Take whatever action may be necessary to accomplish the  
33 purposes set forth in RCW 43.210.070 and 43.210.100 through 43.210.120;  
34 and

35 (h) Limit its assistance to promoting the exportation of value-  
36 added manufactured goods. The project shall not provide counseling or  
37 assistance, under any circumstances, for the importation of foreign  
38 made goods into the United States.

1 (2) The Pacific Northwest export assistance project shall not,  
2 under any circumstances, assume ownership or take title to the goods of  
3 its clients.

4 (3) The Pacific Northwest export assistance project may not use any  
5 Washington state funds which come from the public treasury of the state  
6 of Washington to make loans or to make any payment under a loan  
7 guarantee agreement. Under no circumstances may the center use any  
8 funds received under RCW 43.210.050 to make or assist in making any  
9 loan or to pay or assist in paying any amount under a loan guarantee  
10 agreement. Debts of the center shall be center debts only and may be  
11 satisfied only from the resources of the center. The state of  
12 Washington shall not in any way be liable for such debts.

13 (4) The Pacific Northwest export assistance project shall make  
14 every effort to seek nonstate funds to supplement its operations. The  
15 small business export finance assistance center and the project are  
16 authorized to charge reasonable fees for services and products provided  
17 and to expend the proceeds for the particular purposes for which they  
18 were collected.

19 (5) The small business export finance assistance center and its  
20 Pacific Northwest export assistance project shall take whatever steps  
21 are necessary to provide its services, if requested, to the states of  
22 Oregon, Idaho, Montana, Alaska, and the Canadian provinces of British  
23 Columbia and Alberta. Interstate services shall not be provided by the  
24 Pacific Northwest export assistance project during its first biennium  
25 of operation. The provision of services may be temporary and subject  
26 to the payment of fees, or each state may request permanent services  
27 contingent upon a level of permanent funding adequate for services  
28 provided. Temporary services and fees may be negotiated by the small  
29 business export finance assistance center's president subject to  
30 approval of the board of directors. The president of the small  
31 business export finance assistance center may enter into negotiations  
32 with neighboring states to contract for delivery of the project's  
33 services. Final contracts for providing the project's counseling and  
34 services outside of the state of Washington on a permanent basis shall  
35 be subject to approval of the governor, appropriate legislative  
36 oversight committees, and the small business export finance assistance  
37 center's board of directors.

38 (6) The small business export finance assistance center may receive  
39 such gifts, grants, and endowments from public or private sources as

1 may be made from time to time, in trust or otherwise, for the use and  
2 benefit of the purposes of the Pacific Northwest export assistance  
3 project and expend the same or any income therefrom according to the  
4 terms of the gifts, grants, or endowments.

5 (7) The president of the small business export finance assistance  
6 center, in consultation with the board of directors, may use the  
7 following formula in determining the number of clients that can be  
8 reasonably served by the Pacific Northwest export assistance project  
9 relative to its appropriation. Divide the amount appropriated for  
10 administration of the Pacific Northwest export assistance project by  
11 the marginal cost of adding each additional Pacific Northwest export  
12 assistance project client. For the purposes of this calculation, and  
13 only for the first biennium of operation, the biennial marginal cost of  
14 adding each additional Pacific Northwest export assistance project  
15 client shall be fifty-seven thousand ninety-five dollars. The biennial  
16 marginal cost of adding each additional client after the first biennium  
17 of operation shall be established from the actual operating experience  
18 of the Pacific Northwest export assistance project.

19 ~~((8) All receipts from the Pacific Northwest export assistance~~  
20 ~~project shall be deposited into the general fund. However, during the~~  
21 ~~1993-95 fiscal biennium, the receipts of the project shall be deposited~~  
22 ~~into the small business export finance assistance center fund under RCW~~  
23 ~~43.210.070.))~~

24 NEW SECTION. **Sec. 8.** The amendments to section 7, chapter . . . ,  
25 Laws of 1994 (section 7 of this act) are necessary for the immediate  
26 preservation of the public peace, health, or safety, or support of the  
27 state government and its existing public institutions, and shall take  
28 effect March 1, 1994.

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