

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 2529

55th Legislature
1998 Regular Session

Passed by the House March 7, 1998
Yeas 96 Nays 0

**Speaker of the
House of Representatives**

Passed by the Senate March 3, 1998
Yeas 49 Nays 0

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Timothy A. Martin, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2529** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 2529

AS AMENDED BY THE SENATE

Passed Legislature - 1998 Regular Session

State of Washington 55th Legislature 1998 Regular Session

By House Committee on Trade & Economic Development (originally sponsored by Representatives Van Luven, Veloria, McDonald, Kenney, Tokuda, Dickerson, Mason, Kessler, Constantine, Thompson and Ogden; by request of Department of Community, Trade, and Economic Development)

Read first time 01/29/98. Referred to Committee on .

1 AN ACT Relating to the small business export finance assistance
2 center; and amending RCW 43.210.020, 43.210.030, and 43.210.040.

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

4 **Sec. 1.** RCW 43.210.020 and 1990 1st ex.s. c 17 s 66 are each
5 amended to read as follows:

6 A nonprofit corporation, to be known as the small business export
7 finance assistance center, and branches subject to its authority, may
8 be formed under chapter 24.03 RCW for the following public purposes:

9 (1) To assist small and medium-sized businesses in both urban and
10 rural areas in the financing of export transactions.

11 (2) To provide, singly or in conjunction with other organizations,
12 information and assistance to these businesses about export
13 opportunities and financing alternatives.

14 ~~((3) To provide information to and assist those businesses
15 interested in exporting products, including the opportunities available
16 to them in organizing export trading companies under the United States
17 export trading company act of 1982, for the purpose of increasing their
18 comparative sales volume and ability to export their products to
19 foreign markets.))~~

1 **Sec. 2.** RCW 43.210.030 and 1995 c 399 s 106 are each amended to
2 read as follows:

3 The small business export finance assistance center and its
4 branches shall be governed and managed by a board of ~~((nineteen))~~ seven
5 directors appointed by the governor, with the advice of the board, and
6 confirmed by the senate. The directors shall serve terms of ~~((six~~
7 ~~years except that two of the original directors shall serve for two~~
8 ~~years and two of the original directors shall serve for))~~ four years
9 following the terms of service established by the initial appointments
10 after the effective date of this section. Three appointees, including
11 directors on the effective date of this section who are reappointed,
12 must serve initial terms of two years and, if a director is reappointed
13 that director may serve a consecutive four-year term. Four appointees,
14 including directors on the effective date of this section who are
15 reappointed, must serve initial terms of four years and, if a director
16 is reappointed that director may serve a consecutive four-year term.
17 After the initial appointments, directors may serve two consecutive
18 terms. The directors may provide for the payment of their expenses.
19 The directors shall include ~~((a))~~ the director of community, trade, and
20 economic development or the director's designee; representatives of ((a
21 ~~not-for-profit corporation formed for the purpose of facilitating~~
22 ~~economic development, at least two representatives of state financial~~
23 ~~institutions engaged in the financing of export transactions, a~~
24 ~~representative of a port district, and a representative of organized~~
25 ~~labor. Of the remaining board members, there shall be one~~
26 ~~representative of business from the area west of Puget Sound, one~~
27 ~~representative of business from the area east of Puget Sound and west~~
28 ~~of the Cascade range, one representative of business from the area east~~
29 ~~of the Cascade range and west of the Columbia river, one representative~~
30 ~~of business from the area east of the Columbia river, the director of~~
31 ~~the department of community, trade, and economic development, and the~~
32 ~~director of the department of agriculture. One of the directors shall~~
33 ~~be a representative of the public selected from the area in the state~~
34 ~~west of the Cascade mountain range and one director shall be a~~
35 ~~representative of the public selected from that area of the state east~~
36 ~~of the Cascade mountain range. One director shall be a representative~~
37 ~~of the public at large. The directors shall be broadly representative~~
38 ~~of geographic areas of the state, and the representatives of businesses~~
39 ~~shall represent at least four different industries in different sized~~

1 ~~businesses as follows:—(a) One representative of a company employing~~
2 ~~fewer than one hundred persons; (b) one representative of a company~~
3 ~~employing between one hundred and five hundred persons; (c) one~~
4 ~~representative of a company employing more than five hundred persons;~~
5 ~~(d) one representative from an export management company; and (e) one~~
6 ~~representative from an agricultural or food processing company)) a~~
7 large financial institution engaged in financing export transactions in
8 the state of Washington; a small financial institution engaged in
9 financing export transactions in the state of Washington; a large
10 exporting company domiciled in the state of Washington; a small
11 exporting company in the state of Washington; organized labor in a
12 trade involved in international commerce; and a representative at
13 large. To the extent possible, appointments to the board shall reflect
14 geographical balance and the diversity of the state population. Any
15 vacancies on the board due to the expiration of a term or for any other
16 reason shall be filled by appointment by the governor for the unexpired
17 term.

18 **Sec. 3.** RCW 43.210.040 and 1987 c 505 s 43 are each amended to
19 read as follows:

20 (1) The small business export finance assistance center formed
21 under RCW 43.210.020 and 43.210.030 shall have the powers granted under
22 chapter 24.03 RCW. In exercising such powers, the center may:

23 (a) Solicit and accept grants, contributions, and any other
24 financial assistance from the federal government, federal agencies, and
25 any other sources to carry out its purposes;

26 (b) ~~((Make loans to Washington businesses with annual sales of~~
27 ~~twenty-five million dollars or less for the purpose of financing~~
28 ~~exports of goods or services by those businesses to buyers in foreign~~
29 ~~countries.—Loans by the small business export finance assistance~~
30 ~~center under this chapter shall not compete with nor be a substitute~~
31 ~~for available loans by a bank or other financial institution and shall~~
32 ~~only be considered upon a financial institution's assurance that such~~
33 ~~loan is not available;~~

34 ~~(c) Provide loan guarantees on loans made by financial institutions~~
35 ~~to businesses with annual sales of one hundred million dollars or less~~
36 ~~for the purpose of financing exports of goods or services by those~~
37 ~~businesses to buyers in foreign countries;~~

1 ~~(d) Establish and regulate the terms and conditions of any such~~
2 ~~loans and loan guarantees and charges for interest and services~~
3 ~~connected therewith;~~

4 ~~(e))~~ Provide assistance to businesses with annual sales of two
5 hundred million dollars or less in obtaining loans and guarantees of
6 loans made by financial institutions for the purpose of financing
7 export of goods or services from the state of Washington;

8 ~~(c)~~ Provide export ~~((financial))~~ finance and risk mitigation
9 counseling to Washington exporters with annual sales of ~~((one))~~ two
10 hundred million dollars or less, provided that such counseling is not
11 practicably available from a Washington for-profit business. For such
12 counseling, the center may charge ~~((such))~~ reasonable fees as it
13 determines are necessary~~((-))~~;

14 ~~((f))~~ (d) Provide assistance in obtaining export credit insurance
15 or alternate forms of foreign risk mitigation to facilitate the export
16 of goods and services from the state of Washington;

17 (e) Be available as a teaching resource to both public and private
18 sponsors of workshops and programs relating to the financing and risk
19 mitigation aspects of exporting products and services from the state of
20 Washington;

21 (f) Develop a comprehensive inventory of export-financing
22 resources, both public and private, including information on resource
23 applicability to specific countries and payment terms;

24 (g) Contract with the federal government and its agencies to become
25 a program administrator for federally provided ~~((country risk))~~ loan
26 guarantee and export credit insurance programs ~~((and for the purposes~~
27 ~~of this chapter))~~; and

28 ~~((g))~~ (h) Take whatever action may be necessary to accomplish the
29 purposes set forth in this chapter.

30 (2) The center may not use any Washington state funds or funds
31 which come from the public treasury of the state of Washington to make
32 loans or to make any payment under a loan guarantee agreement. Under
33 no circumstances may the center use any funds received under RCW
34 43.210.050 to make or assist in making any loan or to pay or assist in
35 paying any amount under a loan guarantee agreement. Debts of the
36 center shall be center debts only and may be satisfied only from the
37 resources of the center. The state of Washington shall not in any way
38 be liable for such debts.

1 (3) The small business export finance assistance center shall make
2 every effort to seek nonstate funds for its continued operation.

3 (4) The small business export finance assistance center may receive
4 such gifts, grants, and endowments from public or private sources as
5 may be made from time to time, in trust or otherwise, for the use and
6 benefit of the purposes of the small business export finance assistance
7 center and expend the same or any income therefrom according to the
8 terms of the gifts, grants, or endowments.

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