

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 5341

55th Legislature
1997 Regular Session

Passed by the Senate April 21, 1997
YEAS 43 NAYS 1

President of the Senate

Passed by the House April 9, 1997
YEAS 98 NAYS 0

**Speaker of the
House of Representatives**

Approved

CERTIFICATE

I, Mike O Connell, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5341** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

Governor of the State of Washington

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 5341

AS AMENDED BY THE HOUSE

Passed Legislature - 1997 Regular Session

State of Washington 55th Legislature 1997 Regular Session

By Senate Committee on Commerce & Labor (originally sponsored by
Senators Roach, Sheldon and Rasmussen)

Read first time 02/19/97.

1 AN ACT Relating to the Washington economic finance authority; and
2 amending RCW 43.163.090 and 43.163.210.

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

4 **Sec. 1.** RCW 43.163.090 and 1989 c 279 s 10 are each amended to
5 read as follows:

6 The authority shall adopt a general plan of economic development
7 finance objectives to be implemented by the authority during the period
8 of the plan. The authority may exercise the powers authorized under
9 this chapter prior to the adoption of the initial plan. In developing
10 the plan, the authority shall consider and set objectives for:

11 (1) Employment generation associated with the authority's programs;

12 (2) The application of funds to sectors and regions of the state
13 economy evidencing need for improved access to capital markets and
14 funding resources;

15 (3) Geographic distribution of funds and programs available through
16 the authority;

17 (4) Eligibility criteria for participants in authority programs;

18 (5) The use of funds and resources available from or through
19 federal, state, local, and private sources and programs;

1 (6) Standards for economic viability and growth opportunities of
2 participants in authority programs;

3 (7) New programs which serve a targeted need for financing
4 assistance within the purposes of this chapter; and

5 (8) Opportunities to improve capital access as evidenced by
6 programs existent in other states or as they are made possible by
7 results of private capital market circumstances.

8 The authority shall, as part of the finance plan required under
9 this section, develop an outreach and marketing plan designed to
10 increase its financial services to distressed counties. As used in
11 this section, "distressed counties" has the same meaning as distressed
12 area in RCW 43.168.020.

13 At least one public hearing shall be conducted by the authority on
14 the plan prior to its adoption. The plan shall be adopted by
15 resolution of the authority no later than November 15, 1990. The plan
16 shall be submitted to the chief clerk of the house of representatives
17 and secretary of the senate for transmittal to and review by the
18 appropriate standing committees no later than December 15, 1990. The
19 authority shall periodically update the plan as determined necessary by
20 the authority, but not less than once every two years. The plan or
21 updated plan shall include a report on authority activities conducted
22 since the commencement of authority operation or since the last plan
23 was reported, whichever is more recent, including a statement of
24 results achieved under the purposes of this chapter and the plan. Upon
25 adoption, the authority shall conduct its programs in observance of the
26 objectives established in the plan.

27 **Sec. 2.** RCW 43.163.210 and 1996 c 310 s 1 are each amended to read
28 as follows:

29 For the purpose of facilitating economic development in the state
30 of Washington and encouraging the employment of Washington workers at
31 meaningful wages:

32 (1) The authority may develop and conduct a program or programs to
33 provide nonrecourse revenue bond financing for the project costs for
34 ~~((no more than five))~~ economic development activities~~((, per fiscal~~
35 ~~year, included under the authority's general plan of economic~~
36 ~~development finance objectives. In addition, the authority may issue~~
37 ~~tax-exempt bonds to finance ten manufacturing or processing activities,~~

1 ~~per fiscal year, for which the total project cost is less than one~~
2 ~~million dollars per project)).~~

3 (2) The authority may ~~((also))~~ develop and conduct a program that
4 will stimulate and encourage the development of new products within
5 Washington state by the infusion of financial aid for invention and
6 innovation in situations in which the financial aid would not otherwise
7 be reasonably available from commercial sources. The authority is
8 authorized to provide nonrecourse revenue bond financing for this
9 program.

10 (a) For the purposes of this program, the authority shall have the
11 following powers and duties:

12 (i) To enter into financing agreements with eligible persons doing
13 business in Washington state, upon terms and on conditions consistent
14 with the purposes of this chapter, for the advancement of financial and
15 other assistance to the persons for the development of specific
16 products, procedures, and techniques, to be developed and produced in
17 this state, and to condition the agreements upon contractual assurances
18 that the benefits of increasing or maintaining employment and tax
19 revenues shall remain in this state and accrue to it;

20 (ii) Own, possess, and take license in patents, copyrights, and
21 proprietary processes and negotiate and enter into contracts and
22 establish charges for the use of the patents, copyrights, and
23 proprietary processes when the patents and licenses for products result
24 from assistance provided by the authority;

25 (iii) Negotiate royalty payments to the authority on patents and
26 licenses for products arising as a result of assistance provided by the
27 authority;

28 (iv) Negotiate and enter into other types of contracts with
29 eligible persons that assure that public benefits will result from the
30 provision of services by the authority; provided that the contracts are
31 consistent with the state Constitution;

32 (v) Encourage and provide technical assistance to eligible persons
33 in the process of developing new products;

34 (vi) Refer eligible persons to researchers or laboratories for the
35 purpose of testing and evaluating new products, processes, or
36 innovations; and

37 (vii) To the extent permitted under its contract with eligible
38 persons, to consent to a termination, modification, forgiveness, or

1 other change of a term of a contractual right, payment, royalty,
2 contract, or agreement of any kind to which the authority is a party.

3 (b) Eligible persons seeking financial and other assistance under
4 this program shall forward an application, together with an application
5 fee prescribed by rule, to the authority. An investigation and report
6 concerning the advisability of approving an application for assistance
7 shall be completed by the staff of the authority. The investigation
8 and report may include, but is not limited to, facts about the company
9 under consideration as its history, wage standards, job opportunities,
10 stability of employment, past and present financial condition and
11 structure, pro forma income statements, present and future markets and
12 prospects, integrity of management as well as the feasibility of the
13 proposed product and invention to be granted financial aid, including
14 the state of development of the product as well as the likelihood of
15 its commercial feasibility. After receipt and consideration of the
16 report set out in this subsection and after other action as is deemed
17 appropriate, the application shall be approved or denied by the
18 authority. The applicant shall be promptly notified of action by the
19 authority. In making the decision as to approval or denial of an
20 application, priority shall be given to those persons operating or
21 planning to operate businesses of special importance to Washington's
22 economy, including, but not limited to: (i) Existing resource-based
23 industries of agriculture, forestry, and fisheries; (ii) existing
24 advanced technology industries of electronics, computer and instrument
25 manufacturing, computer software, and information and design; and (iii)
26 emerging industries such as environmental technology, biotechnology,
27 biomedical sciences, materials sciences, and optics.

28 (3) The authority may also develop and implement, if authorized by
29 the legislature, such other economic development financing programs
30 adopted in future general plans of economic development finance
31 objectives developed under RCW 43.163.090.

32 (4) The authority may not issue any bonds for the programs
33 authorized under this section after June 30, 2000.

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