
SECOND SUBSTITUTE SENATE BILL 5762

State of Washington

60th Legislature

2008 Regular Session

By Senate Economic Development, Trade & Management (originally sponsored by Senators Kilmer, Kastama, Clements, Kauffman, Pridemore, Rasmussen, Shin, and McAuliffe)

READ FIRST TIME 02/04/08.

1 AN ACT Relating to dedicated funding for jobs, economic
2 development, and local capital projects; amending RCW 43.160.020,
3 43.160.030, 43.160.050, 43.160.060, 43.160.070, 43.160.900, 82.45.060,
4 and 43.160.080; amending 2005 c 425 s 6 (uncodified); amending 2006 c
5 371 s 238 (uncodified); reenacting and amending RCW 43.160.010 and
6 43.160.076; adding a new section to chapter 43.162 RCW; creating new
7 sections; repealing RCW 43.160.100, 43.160.120, 43.160.130, 43.160.140,
8 43.160.150, 43.160.160, 43.160.170, 43.160.200, 43.160.210, and
9 43.160.220; and providing an effective date.

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

11 NEW SECTION. **Sec. 1.** The legislature recognizes that state
12 investment in public infrastructure contributes to the economic
13 development of Washington state by encouraging private investment and
14 the creation of high-wage jobs. The legislature further recognizes
15 that, while legislative and executive branch efforts to develop a
16 comprehensive funding structure and systematic approach to state
17 infrastructure programs are important and ongoing, providing dedicated
18 funding for programs in chapter 43.150 RCW will provide certainty and
19 continuity in state economic development decisions and further

1 encourage private investment without diminishing the potential for
2 developing a coordinated infrastructure system in the state. The
3 legislature further finds that removing outdated and obsolete language
4 from chapter 43.160 RCW will streamline and enhance the understanding
5 of program requirements.

6 **Sec. 2.** RCW 43.160.010 and 1999 c 164 s 101 and 1999 c 94 s 5 are
7 each reenacted and amended to read as follows:

8 (1) The legislature finds that it is the public policy of the state
9 of Washington to direct financial resources toward the fostering of
10 economic development through the stimulation of investment and job
11 opportunities and the retention of sustainable existing employment for
12 the general welfare of the inhabitants of the state. Reducing
13 unemployment and reducing the time citizens remain jobless is important
14 for the economic welfare of the state. A valuable means of fostering
15 economic development is the construction of public facilities which
16 contribute to the stability and growth of the state's economic base.
17 (~~Strengthening the economic base through issuance of industrial~~
18 ~~development bonds, whether single or umbrella, further serves to reduce~~
19 ~~unemployment. Consolidating issues of industrial development bonds~~
20 ~~when feasible to reduce costs additionally advances the state's purpose~~
21 ~~to improve economic vitality.)) Expenditures made for these purposes
22 as authorized in this chapter are declared to be in the public
23 interest, and constitute a proper use of public funds. A community
24 economic revitalization board is needed which shall aid the development
25 of economic opportunities. The general objectives of the board should
26 include:~~

27 (a) Strengthening the economies of areas of the state which have
28 experienced or are expected to experience chronically high unemployment
29 rates or below average growth in their economies;

30 (b) Encouraging the diversification of the economies of the state
31 and regions within the state in order to provide greater seasonal and
32 cyclical stability of income and employment;

33 (c) Encouraging wider access to financial resources for both large
34 and small industrial development projects;

35 (d) Encouraging new economic development or expansions to maximize
36 employment;

1 (e) Encouraging the retention of viable existing firms and
2 employment; and

3 (f) Providing incentives for expansion of employment opportunities
4 for groups of state residents that have been less successful relative
5 to other groups in efforts to gain permanent employment.

6 (2) The legislature also finds that the state's economic
7 development efforts can be enhanced by, in certain instances, providing
8 funds to improve state highways, county roads, or city streets for
9 industries considering locating or expanding in this state.

10 (a) The legislature finds it desirable to provide a process whereby
11 the need for diverse public works improvements necessitated by planned
12 economic development can be addressed in a timely fashion and with
13 coordination among all responsible governmental entities.

14 (b) All transportation improvements on state highways must first be
15 approved by the state transportation commission and the community
16 economic revitalization board in accordance with the procedures
17 established by RCW 43.160.074 and 47.01.280.

18 (3) The legislature also finds that the state's economic
19 development efforts can be enhanced by, in certain instances, providing
20 funds to assist development of telecommunications infrastructure that
21 supports business development, retention, and expansion in (~~rural~~
22 ~~natural resources impact areas and rural counties of~~) the state.

23 (4) The legislature also finds that the state's economic
24 development efforts can be enhanced by providing funds to improve
25 markets for those recyclable materials representing a large fraction of
26 the waste stream. The legislature finds that public facilities which
27 result in private construction of processing or remanufacturing
28 facilities for recyclable materials are eligible for consideration from
29 the board.

30 (5) The legislature finds that sharing economic growth statewide is
31 important to the welfare of the state. (~~Rural counties and rural~~
32 ~~natural resources impact areas do not share in the economic vitality of~~
33 ~~the Puget Sound region.~~) The ability of (~~these~~) communities to
34 pursue business and job retention, expansion, and development
35 opportunities depends on their capacity to ready necessary economic
36 development project plans, sites, permits, and infrastructure for
37 private investments. Project-specific planning, predevelopment, and
38 infrastructure are critical ingredients for economic development.

1 (~~(Rural counties and rural natural resources impact areas generally~~
2 ~~lack these necessary tools and resources to diversify and revitalize~~
3 ~~their economies.))~~ It is, therefore, the intent of the legislature to
4 increase the amount of funding available through the community economic
5 revitalization board (~~(for rural counties and rural natural resources~~
6 ~~impact areas,~~) and to authorize flexibility for available resources in
7 these areas to help fund planning, predevelopment, and construction
8 costs of infrastructure and facilities and sites that foster economic
9 vitality and diversification.

10 **Sec. 3.** RCW 43.160.020 and 2004 c 252 s 1 are each amended to read
11 as follows:

12 Unless the context clearly requires otherwise, the definitions in
13 this section apply throughout this chapter.

14 (1) "Board" means the community economic revitalization board.

15 (2) (~~("Bond" means any bond, note, debenture, interim certificate,~~
16 ~~or other evidence of financial indebtedness issued by the board~~
17 ~~pursuant to this chapter.~~

18 ~~(3))~~ "Department" means the department of community, trade, and
19 economic development.

20 (~~(4) "Financial institution" means any bank, savings and loan~~
21 ~~association, credit union, development credit corporation, insurance~~
22 ~~company, investment company, trust company, savings institution, or~~
23 ~~other financial institution approved by the board and maintaining an~~
24 ~~office in the state.~~

25 ~~(5) "Industrial development facilities" means "industrial~~
26 ~~development facilities" as defined in RCW 39.84.020.~~

27 ~~(6) "Industrial development revenue bonds" means tax exempt revenue~~
28 ~~bonds used to fund industrial development facilities.~~

29 ~~(7))~~ (3) "Local government" or "political subdivision" means any
30 port district, county, city, town, special purpose district, and any
31 other municipal corporations or quasi-municipal corporations in the
32 state providing for public facilities under this chapter.

33 (~~(8) "Sponsor" means any of the following entities which~~
34 ~~customarily provide service or otherwise aid in industrial or other~~
35 ~~financing and are approved as a sponsor by the board: A bank, trust~~
36 ~~company, savings bank, investment bank, national banking association,~~
37 ~~savings and loan association, building and loan association, credit~~

1 union, insurance company, or any other financial institution,
2 governmental agency, or holding company of any entity specified in this
3 subsection.

4 (9) "Umbrella bonds" means industrial development revenue bonds
5 from which the proceeds are loaned, transferred, or otherwise made
6 available to two or more users under this chapter.

7 (10) "User" means one or more persons acting as lessee, purchaser,
8 mortgagor, or borrower under a financing document and receiving or
9 applying to receive revenues from bonds issued under this chapter.

10 (11)) (4) "Public facilities" means a project of a local
11 government or a federally recognized Indian tribe for the planning,
12 acquisition, construction, repair, reconstruction, replacement,
13 rehabilitation, or improvement of bridges, roads, domestic and
14 industrial water, earth stabilization, sanitary sewer, storm sewer,
15 railroad, electricity, telecommunications, transportation, natural gas,
16 buildings or structures, and port facilities, all for the purpose of
17 job creation, job retention, or job expansion.

18 ((12)) (5) "Rural county" ((means a county with a population
19 density of fewer than one hundred persons per square mile as determined
20 by the office of financial management)) has the same meaning as in RCW
21 82.14.370.

22 ((13) "Rural natural resources impact area" means:

23 (a) A nonmetropolitan county, as defined by the 1990 decennial
24 census, that meets three of the five criteria set forth in subsection
25 (14) of this section;

26 (b) A nonmetropolitan county with a population of less than forty
27 thousand in the 1990 decennial census, that meets two of the five
28 criteria as set forth in subsection (14) of this section; or

29 (c) A nonurbanized area, as defined by the 1990 decennial census,
30 that is located in a metropolitan county that meets three of the five
31 criteria set forth in subsection (14) of this section.

32 (14) For the purposes of designating rural natural resources impact
33 areas, the following criteria shall be considered:

34 (a) A lumber and wood products employment location quotient at or
35 above the state average;

36 (b) A commercial salmon fishing employment location quotient at or
37 above the state average;

1 ~~(c) Projected or actual direct lumber and wood products job losses~~
2 ~~of one hundred positions or more;~~

3 ~~(d) Projected or actual direct commercial salmon fishing job losses~~
4 ~~of one hundred positions or more; and~~

5 ~~(e) An unemployment rate twenty percent or more above the state~~
6 ~~average. The counties that meet these criteria shall be determined by~~
7 ~~the employment security department for the most recent year for which~~
8 ~~data is available. For the purposes of administration of programs~~
9 ~~under this chapter, the United States post office five digit zip code~~
10 ~~delivery areas will be used to determine residence status for~~
11 ~~eligibility purposes. For the purpose of this definition, a zip code~~
12 ~~delivery area of which any part is ten miles or more from an urbanized~~
13 ~~area is considered nonurbanized. A zip code totally surrounded by zip~~
14 ~~codes qualifying as nonurbanized under this definition is also~~
15 ~~considered nonurbanized. The office of financial management shall make~~
16 ~~available a zip code listing of the areas to all agencies and~~
17 ~~organizations providing services under this chapter.))~~

18 **Sec. 4.** RCW 43.160.030 and 2004 c 252 s 2 are each amended to read
19 as follows:

20 (1) The community economic revitalization board is hereby created
21 to exercise the powers granted under this chapter.

22 (2) The board shall consist of one member from each of the two
23 major caucuses of the house of representatives to be appointed by the
24 speaker of the house and one member from each of the two major caucuses
25 of the senate to be appointed by the president of the senate. The
26 board shall also consist of the following members appointed by the
27 governor: A recognized private or public sector economist; one port
28 district official; one county official; one city official; one
29 representative of a federally recognized Indian tribe; one
30 representative of the public; one representative of small businesses
31 each from: (a) The area west of Puget Sound, (b) the area east of
32 Puget Sound and west of the Cascade range, (c) the area east of the
33 Cascade range and west of the Columbia river, and (d) the area east of
34 the Columbia river; one executive from large businesses each from the
35 area west of the Cascades and the area east of the Cascades. The
36 appointive members shall initially be appointed to terms as follows:
37 Three members for one-year terms, three members for two-year terms, and

1 three members for three-year terms which shall include the chair.
2 Thereafter each succeeding term shall be for three years. The chair of
3 the board shall be selected by the governor. The members of the board
4 shall elect one of their members to serve as vice-chair. The director
5 of community, trade, and economic development, the director of revenue,
6 the commissioner of employment security, and the secretary of
7 transportation shall serve as nonvoting advisory members of the board.

8 (3) Management services, including fiscal and contract services,
9 shall be provided by the department to assist the board in implementing
10 this chapter (~~and the allocation of private activity bonds~~)).

11 (4) Members of the board shall be reimbursed for travel expenses as
12 provided in RCW 43.03.050 and 43.03.060.

13 (5) If a vacancy occurs by death, resignation, or otherwise of
14 appointive members of the board, the governor shall fill the same for
15 the unexpired term. Members of the board may be removed for
16 malfeasance or misfeasance in office, upon specific written charges by
17 the governor, under chapter 34.05 RCW.

18 (6) A member appointed by the governor may not be absent from more
19 than fifty percent of the regularly scheduled meetings in any one
20 calendar year. Any member who exceeds this absence limitation is
21 deemed to have withdrawn from the office and may be replaced by the
22 governor.

23 (7) A majority of members currently appointed constitutes a quorum.

24 **Sec. 5.** RCW 43.160.050 and 1996 c 51 s 4 are each amended to read
25 as follows:

26 The board may:

27 (1) Adopt bylaws for the regulation of its affairs and the conduct
28 of its business.

29 (2) Adopt an official seal and alter the seal at its pleasure.

30 (3) Utilize the services of other governmental agencies.

31 (4) Accept from any federal agency loans or grants for the planning
32 or financing of any project and enter into an agreement with the agency
33 respecting the loans or grants.

34 (5) Conduct examinations and investigations and take testimony at
35 public hearings of any matter material for its information that will
36 assist in determinations related to the exercise of the board's lawful
37 powers.

1 (6) Accept any gifts, grants, or loans of funds, property, or
2 financial or other aid in any form from any other source on any terms
3 and conditions which are not in conflict with this chapter.

4 (7) Exercise all the powers of a public corporation under chapter
5 39.84 RCW.

6 ~~(8) ((Invest any funds received in connection with industrial
7 development revenue bond financing not required for immediate use, as
8 the board considers appropriate, subject to any agreements with owners
9 of bonds.~~

10 ~~(9) Arrange for lines of credit for industrial development revenue
11 bonds from and enter into participation agreements with any financial
12 institution.~~

13 ~~(10) Issue industrial development revenue bonds in one or more
14 series for the purpose of defraying the cost of acquiring or improving
15 any industrial development facility or facilities and securing the
16 payment of the bonds as provided in this chapter.~~

17 ~~(11))~~ Enter into agreements or other transactions with and accept
18 grants and the cooperation of any governmental agency in furtherance of
19 this chapter.

20 ~~((12) Sell, purchase, or insure loans to finance the costs of
21 industrial development facilities.~~

22 ~~(13) Service, contract, and pay for the servicing of loans for
23 industrial development facilities.~~

24 ~~(14) Provide financial analysis and technical assistance for
25 industrial development facilities when the board reasonably considers
26 it appropriate.~~

27 ~~(15) Collect, with respect to industrial development revenue bonds,
28 reasonable interest, fees, and charges for making and servicing its
29 lease agreements, loan agreements, mortgage loans, notes, bonds,
30 commitments, and other evidences of indebtedness. Interest, fees, and
31 charges are limited to the amounts required to pay the costs of the
32 board, including operating and administrative expenses and reasonable
33 allowances for losses that may be incurred.~~

34 ~~(16) Procure insurance or guarantees from any party as allowable
35 under law, including a governmental agency, against any loss in
36 connection with its lease agreements, loan agreements, mortgage loans,
37 and other assets or property.~~

1 ~~(17))~~ (9) Adopt rules under chapter 34.05 RCW as necessary to
2 carry out the purposes of this chapter.

3 ~~((18))~~ (10) Do all acts and things necessary or convenient to
4 carry out the powers expressly granted or implied under this chapter.

5 **Sec. 6.** RCW 43.160.060 and 2007 c 231 s 3 are each amended to read
6 as follows:

7 The board is authorized to make direct loans to political
8 subdivisions of the state and to federally recognized Indian tribes for
9 the purposes of assisting the political subdivisions and federally
10 recognized Indian tribes in financing the cost of public facilities,
11 including development of land and improvements for public facilities,
12 project-specific environmental, capital facilities, land use,
13 permitting, feasibility, and marketing studies and plans; project
14 design, site planning, and analysis; project debt and revenue impact
15 analysis; as well as the construction, rehabilitation, alteration,
16 expansion, or improvement of the facilities. A grant may also be
17 authorized for purposes designated in this chapter, but only when, and
18 to the extent that, a loan is not reasonably possible, given the
19 limited resources of the political subdivision or the federally
20 recognized Indian tribe and the finding by the board that financial
21 circumstances require grant assistance to enable the project to move
22 forward. However, ~~((at least ten))~~ no more than twenty-five percent of
23 all financial assistance ~~((provided))~~ approved by the board in any
24 biennium ~~((shall))~~ may consist of grants to political subdivisions and
25 federally recognized Indian tribes.

26 Application for funds shall be made in the form and manner as the
27 board may prescribe. In making grants or loans the board shall conform
28 to the following requirements:

29 (1) The board shall not provide financial assistance:

30 (a) For a project the primary purpose of which is to facilitate or
31 promote a retail shopping development or expansion.

32 (b) For any project that evidence exists would result in a
33 development or expansion that would displace existing jobs in any other
34 community in the state.

35 (c) ~~((For the acquisition of real property, including buildings and
36 other fixtures which are a part of real property.~~

1 ~~(d))~~ For a project the primary purpose of which is to facilitate
2 or promote gambling.

3 (d) For a project located outside the jurisdiction of the applicant
4 political subdivision or federally recognized Indian tribe.

5 (2) The board shall only provide financial assistance:

6 ~~(a) For ((those projects which would result in specific private~~
7 ~~developments or expansions (i) in manufacturing, production, food~~
8 ~~processing, assembly, warehousing, advanced technology, research and~~
9 ~~development, and industrial distribution; (ii) for processing~~
10 ~~recyclable materials or for facilities that support recycling,~~
11 ~~including processes not currently provided in the state, including but~~
12 ~~not limited to, de-inking facilities, mixed waste paper, plastics, yard~~
13 ~~waste, and problem waste processing; (iii) for manufacturing facilities~~
14 ~~that rely significantly on recyclable materials, including but not~~
15 ~~limited to waste tires and mixed waste paper; (iv) which support the~~
16 ~~relocation of businesses from nondistressed urban areas to rural~~
17 ~~counties or rural natural resources impact areas; or (v) which~~
18 ~~substantially support the trading of goods or services outside of the~~
19 ~~state's borders.~~

20 ~~(b) For projects which it finds))~~ a project demonstrating
21 convincing evidence that a specific private development or expansion is
22 ready to occur and will occur only if the public facility improvement
23 is made that:

24 (i) Results in the creation of significant private sector jobs or
25 significant private sector capital investment as determined by the
26 board and is consistent with the state comprehensive economic
27 development plan developed by the Washington economic development
28 commission pursuant to chapter 43.162 RCW; and

29 (ii) Will improve the opportunities for the successful maintenance,
30 establishment, or expansion of industrial or commercial plants or will
31 otherwise assist in the creation or retention of long-term economic
32 opportunities((-

33 ~~(c) When the application includes convincing evidence that a~~
34 ~~specific private development or expansion is ready to occur and will~~
35 ~~occur only if the public facility improvement is made));~~

36 (b) For a project that cannot meet the requirement of (a) of this
37 subsection but is a project that:

1 (i) Results in the creation of significant private sector jobs or
2 significant private sector capital investment as determined by the
3 board and is consistent with the state comprehensive economic
4 development plan developed by the Washington economic development
5 commission pursuant to chapter 43.162 RCW;

6 (ii) Is part of a local economic development plan consistent with
7 applicable state planning requirements;

8 (iii) Can demonstrate project feasibility using standard economic
9 principles; and

10 (iv) Is located in a rural community as defined by the board, or a
11 rural county;

12 (c) For a tourism project that is located in a rural county; or

13 (d) For site-specific plans, studies, and analyses that address
14 environmental impacts, capital facilities, land use, permitting,
15 feasibility, marketing, project engineering, design, site planning, and
16 project debt and revenue impacts, as grants not to exceed fifty
17 thousand dollars.

18 (3) An application must demonstrate local match and local
19 participation.

20 (4) An application must be approved by the political subdivision
21 and supported by the local associate development organization or local
22 workforce development council or approved by the governing body of the
23 federally recognized Indian tribe.

24 (5) The board shall develop guidelines for local participation and
25 allowable match and activities.

26 (6) The board may allow de minimis general system improvements to
27 be funded if they are critically linked to the viability of the
28 project.

29 (7) An application must demonstrate convincing evidence that the
30 average hourly wage of the private sector jobs created after the
31 project is completed will exceed the countywide average hourly wage.

32 (8) The board shall prioritize each proposed project according to:

33 (a) ((The relative benefits provided to the community by the jobs
34 the project would create, not just the total number of jobs it would
35 create after the project is completed and according to)) The
36 unemployment rate in the area in which the jobs would be located;

37 (b) The total number of jobs it would create after project
38 construction is complete relative to the total employment in the area;

1 (c) The rate of return of the state's investment, that includes the
2 expected increase in state and local tax revenues associated with the
3 project; (~~and~~

4 ~~(e))~~ (d) Whether the proposed project offers a health insurance
5 plan for employees that includes an option for dependents of employees;

6 (e) Whether the public facility investment will be used in a manner
7 that supports infill and redevelopment of existing urban or industrial
8 areas that are served by adequate public facilities. Projects should
9 maximize the use of existing infrastructure and provide for adequate
10 funding of necessary transportation improvements; and

11 (f) Whether the applicant has developed and adhered to guidelines
12 regarding its permitting process for those applying for development
13 permits consistent with section 1(2), chapter 231, Laws of 2007.

14 (~~(4))~~ (9) A responsible official of the political subdivision or
15 the federally recognized Indian tribe shall be present during board
16 deliberations and provide information that the board requests.

17 Before any financial assistance application is approved, the
18 political subdivision or the federally recognized Indian tribe seeking
19 the assistance must demonstrate to the community economic
20 revitalization board that no other timely source of funding is
21 available to it at costs reasonably similar to financing available from
22 the community economic revitalization board.

23 **Sec. 7.** RCW 43.160.070 and 1999 c 164 s 104 are each amended to
24 read as follows:

25 Public facilities financial assistance, when authorized by the
26 board, is subject to the following conditions:

27 (1) The moneys in the public facilities construction loan revolving
28 account (~~and the distressed county public facilities construction loan~~
29 ~~account)) shall be used solely to fulfill commitments arising from~~
30 financial assistance authorized in this chapter (~~or, during the 1989-~~
31 ~~91 fiscal biennium, for economic development purposes as appropriated~~
32 ~~by the legislature)). The total outstanding amount which the board~~
33 shall dispense at any time pursuant to this section shall not exceed
34 the moneys available from the account(~~s)). ((The total amount of~~
35 ~~outstanding financial assistance in Pierce, King, and Snohomish~~
36 ~~counties shall never exceed sixty percent of the total amount of~~

1 ~~outstanding financial assistance disbursed by the board under this~~
2 ~~chapter without reference to financial assistance provided under RCW~~
3 ~~43.160.220.)~~)

4 (2) On contracts made for public facilities loans the board shall
5 determine the interest rate which loans shall bear. The interest rate
6 shall not exceed ten percent per annum. The board may provide
7 reasonable terms and conditions for repayment for loans, including
8 partial forgiveness of loan principal and interest payments on projects
9 located in rural communities as defined by the board, or rural counties
10 ~~((or rural natural resources impact areas, as the board determines))~~.
11 The loans shall not exceed twenty years in duration.

12 (3) Repayments of loans made from the public facilities
13 construction loan revolving account under the contracts for public
14 facilities construction loans shall be paid into the public facilities
15 construction loan revolving account. ~~((Repayments of loans made from~~
16 ~~the distressed county public facilities construction loan account under~~
17 ~~the contracts for public facilities construction loans shall be paid~~
18 ~~into the distressed county public facilities construction loan~~
19 ~~account.))~~ Repayments of loans from moneys from the new appropriation
20 from the public works assistance account for the fiscal biennium ending
21 June 30, 1999, shall be paid into the public works assistance account.

22 (4) When every feasible effort has been made to provide loans and
23 loans are not possible, the board may provide grants upon finding that
24 unique circumstances exist.

25 **Sec. 8.** RCW 43.160.076 and 1999 c 164 s 105 are each reenacted and
26 amended to read as follows:

27 (1) Except as authorized to the contrary under subsection (2) of
28 this section, from all funds available to the board for financial
29 assistance in a biennium under this chapter ~~((without reference to~~
30 ~~financial assistance provided under RCW 43.160.220))~~, the board shall
31 ~~((spend))~~ approve at least ~~((seventy-five))~~ fifty percent for financial
32 assistance for projects in rural counties ~~((or rural natural resources~~
33 ~~impact areas))~~.

34 (2) If at any time during the last six months of a biennium the
35 board finds that the actual and anticipated applications for qualified
36 projects in rural counties ~~((or rural natural resources impact areas))~~
37 are clearly insufficient to use up the ~~((seventy-five))~~ fifty percent

1 allocation under subsection (1) of this section, then the board shall
2 estimate the amount of the insufficiency and during the remainder of
3 the biennium may use that amount of the allocation for financial
4 assistance to projects not located in rural counties (~~or rural natural~~
5 ~~resources impact areas~~)).

6 NEW SECTION. **Sec. 9.** A new section is added to chapter 43.162 RCW
7 to read as follows:

8 The Washington state economic development commission shall, in
9 consultation with the community economic revitalization board created
10 in chapter 43.160 RCW, conduct outcome-based evaluations of the
11 financial assistance provided by the community economic development
12 revitalization board on a biennial basis. The commission's review of
13 data for the evaluations shall include, but not be limited to, the jobs
14 generated or retained upon completion of funded projects, the wages and
15 health benefits associated with such jobs, the number and types of
16 projects funded, the total number of grants and loans made, the amount
17 of state funds and total capital invested in projects, the number and
18 types of businesses assisted by funded projects, the location of funded
19 projects, the transportation infrastructure available for completed
20 projects, the local match and local participation obtained, and such
21 other data and performance measures as the commission determines are
22 appropriate. The evaluations shall be presented to the legislature and
23 the governor by December 31st of each even-numbered year, with the
24 first evaluation due December 31, 2010.

25 **Sec. 10.** RCW 43.160.900 and 1993 c 320 s 8 are each amended to
26 read as follows:

27 (1) The community economic revitalization board shall report to the
28 appropriate standing committees of the legislature biennially on the
29 implementation of this chapter. The report shall include information
30 on the number of applications for community economic revitalization
31 board assistance, the number and types of projects approved, the grant
32 or loan amount awarded each project, the projected number of jobs
33 created or retained by each project, the actual number of jobs created
34 or retained by each project, the number of delinquent loans, and the
35 number of project terminations. The report may also include additional

1 performance measures and recommendations for programmatic changes.
2 (~~The first report shall be submitted by December 1, 1994.~~)

3 (2) The community economic revitalization board shall provide the
4 Washington state economic development commission with such information
5 as is requested for the purpose of conducting the outcome-based
6 evaluations required under section 9 of this act.

7 NEW SECTION. Sec. 11. (1) The public works assistance account
8 must transfer funds annually to the public facilities construction loan
9 revolving account in amounts as follows: In fiscal year 2010, fifty
10 million dollars; and in each subsequent fiscal year an amount equal to
11 the previous year's amount plus a proportionate increase equivalent to
12 the growth in the consumer price index for the state of Washington for
13 the fiscal year that ends June 30th of the prior calendar year.

14 (2) The obligation to transfer of funds required in this section
15 may not be operative unless the public works assistance account has
16 received an additional source of funds equaling or exceeding the amount
17 to be transferred.

18 **Sec. 12.** RCW 82.45.060 and 2005 c 450 s 1 are each amended to read
19 as follows:

20 There is imposed an excise tax upon each sale of real property at
21 the rate of one and twenty-eight one-hundredths percent of the selling
22 price. An amount equal to six and one-tenth percent of the proceeds of
23 this tax to the state treasurer shall be deposited in the public works
24 assistance account created in RCW 43.155.050. An amount equal to one
25 and six-tenths percent of the proceeds of this tax to the state
26 treasurer shall be deposited in the city-county assistance account
27 created in RCW 43.08.290. An amount equal to three and three-tenths
28 percent of the proceeds of this tax to the state treasurer shall be
29 deposited into the public facilities construction loan revolving
30 account created in RCW 43.160.080.

31 **Sec. 13.** RCW 43.160.080 and 1998 c 321 s 30 are each amended to
32 read as follows:

33 There shall be a fund in the state treasury known as the public
34 facilities construction loan revolving account, which shall consist of
35 all moneys collected under this chapter(~~, except moneys of the board~~

1 collected in connection with the issuance of industrial development
2 revenue bonds and moneys deposited in the distressed county public
3 facilities construction loan account under RCW 43.160.220,) and any
4 moneys appropriated to it by law((PROVIDED, That seventy five
5 percent of all principal and interest payments on loans made with the
6 proceeds deposited in the account under section 901, chapter 57, Laws
7 of 1983 1st ex. sess. shall be deposited in the general fund as
8 reimbursement for debt service payments on the bonds authorized in RCW
9 43.83.184)). Disbursements from the revolving account shall be on
10 authorization of the board. In order to maintain an effective
11 expenditure and revenue control, the public facilities construction
12 loan revolving account shall be subject in all respects to chapter
13 43.88 RCW.

14 **Sec. 14.** 2005 c 425 s 6 (uncodified) is amended to read as
15 follows:

16 This act expires June 30, ((2011)) 2009.

17 **Sec. 15.** 2006 c 371 s 238 (uncodified) is amended to read as
18 follows:

19 (1) Section 229 of this act expires June 30, ((2011)) 2009.

20 (2) Section 231 of this act expires June 30, 2007.

21 NEW SECTION. **Sec. 16.** The following acts or parts of acts are
22 each repealed:

23 (1) RCW 43.160.100 (Status of board) and 1984 c 257 s 3;

24 (2) RCW 43.160.120 (Commingling of funds prohibited) and 1984 c 257
25 s 5;

26 (3) RCW 43.160.130 (Personal liability) and 1984 c 257 s 6;

27 (4) RCW 43.160.140 (Accounts) and 1987 c 422 s 8 & 1984 c 257 s 7;

28 (5) RCW 43.160.150 (Faith and credit not pledged) and 1984 c 257 s
29 8;

30 (6) RCW 43.160.160 (Security) and 1984 c 257 s 9;

31 (7) RCW 43.160.170 (Special reserve account) and 1984 c 257 s 10;

32 (8) RCW 43.160.200 (Economic development account--Eligibility for
33 assistance) and 2004 c 252 s 4, 1999 c 164 s 107, 1996 c 51 s 9, & 1995
34 c 226 s 16;

1 (9) RCW 43.160.210 (Distressed counties--Twenty percent of
2 financial assistance) and 1998 c 321 s 31 & 1998 c 55 s 5; and
3 (10) RCW 43.160.220 (Distressed county public facilities
4 construction loan account) and 1998 c 321 s 9.

5 NEW SECTION. **Sec. 17.** Sections 2 through 8, 12, 13, and 16 of
6 this act take effect July 1, 2009.

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