
HOUSE BILL 1341

State of Washington 52nd Legislature 1991 Regular Session

By Representatives Sheldon, Hargrove, Jones, Inslee, Riley, Rayburn, P. Johnson, Bowman, Haugen, Paris, Brumsickle, Wynne, Beck, Fuhrman, Ferguson, Basich, Morton, Padden, Roland, Heavey, H. Myers, Peery, Ebersole, May, Lisk, Zellinsky, Nealey, Edmondson, Cooper, Betrozoff, Miller, Mitchell, Jacobsen, R. King, Wineberry, Franklin and R. Johnson.

Read first time January 25, 1991. Referred to Committee on Trade & Economic Development\Appropriations.

1 AN ACT Relating to economic development; amending RCW 43.160.010,
2 43.160.020, 43.160.060, 43.160.076, 43.160.080, 43.168.050, 82.62.030,
3 and 43.17.065; adding a new section to chapter 43.31 RCW; adding a new
4 section to chapter 50.08 RCW; adding new sections to chapter 43.06 RCW;
5 creating new sections; repealing RCW 82.62.040 and 82.60.050; making
6 appropriations; and declaring an emergency.

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

8 NEW SECTION. **Sec. 1.** FINDINGS AND INTENT. The legislature
9 finds that:

10 (1) The economic health and well-being of timber-dependent
11 communities is of substantial public concern. The significant
12 reduction in annual timber harvest levels likely will result in reduced
13 economic activity and persistent unemployment and underemployment over
14 time, which would be a serious threat to the safety, health, and
15 welfare of residents of the timber-dependent communities, decreasing

1 the value of private investments and jeopardizing the sources of public
2 revenue.

3 (2) The state is experiencing a dual economy, where growth is
4 occurring rapidly in some areas and is occurring slowly or not at all
5 in other areas. This uneven growth rate across the state is causing
6 some areas to suffer negative impacts from too much growth while
7 other areas experience difficulty in creating adequate economic
8 development. Inadequate economic development is a serious threat to
9 the public safety, health, and welfare of a community. The state has
10 an interest in encouraging growth state-wide, which reduces the
11 negative impacts of growth in rapidly growing areas and assists areas
12 of the state in need of economic development.

13 (3) Timber-dependent communities are most often located in areas
14 that are experiencing little or no economic growth, creating an even
15 greater risk to the health, safety, and welfare of these communities.
16 The ability to remedy problems caused by the substantial reduction in
17 harvest activity is beyond the power and control of the regulatory
18 process and influence of the state, and the ordinary operations of
19 private enterprise without additional governmental assistance are
20 insufficient to adequately remedy the resulting problems of poverty and
21 unemployment.

22 (4) The revitalization and diversification of the economies of
23 timber-dependent communities require the stimulation of private
24 investment, the development of new business ventures, the provision of
25 capital to ventures sponsored by local organizations and capable of
26 growth in the business markets, and assistance to viable, but
27 under-financed, small businesses in order to create and preserve jobs
28 that are sustainable in the local economy. Therefore, the legislature
29 declares there to be a substantial public purpose in providing capital
30 to promote economic development and job creation in distressed areas in

1 general and timber-dependent communities in particular. To accomplish
2 this purpose, it is the intent of the legislature to:

3 (a) Increase the public financing of infrastructure necessary for
4 economic development and make such financing more flexible;

5 (b) Increase and target the amount of public financing available to
6 businesses to better create or preserve jobs through formation or
7 expansion of viable enterprises;

8 (c) Provide tax incentives to encourage businesses to relocate to
9 or expand in distressed or timber-dependent communities;

10 (d) Provide technical and financial assistance to businesses to
11 increase the export of products from timber-dependent communities;

12 (e) Increase the resources available to associated development
13 organizations to provide economic and community development services in
14 timber-dependent communities and to provide resource and referral
15 services to the community regarding state and local economic and
16 community development services;

17 (f) Increase training and retraining services accessible to timber-
18 dependent communities; and

19 (g) Create an emergency fund administered by the governor to
20 address gaps in state assistance to timber-dependent communities and to
21 address unusual or emergency situations.

22 **Sec. 2.** RCW 43.160.010 and 1989 c 431 s 61 are each amended to
23 read as follows:

24 INFRASTRUCTURE FINANCING--CERB--INTENT. (1) The legislature finds
25 that it is the public policy of the state of Washington to direct
26 financial resources toward the fostering of economic development
27 through the stimulation of investment and job opportunities and the
28 retention of sustainable existing employment for the general welfare of
29 the inhabitants of the state. Reducing unemployment and reducing the

1 time citizens remain jobless is important for the economic welfare of
2 the state. A valuable means of fostering economic development is the
3 construction of public facilities which contribute to the stability and
4 growth of the state's economic base. Strengthening the economic base
5 through issuance of industrial development bonds, whether single or
6 umbrella, further serves to reduce unemployment. Consolidating issues
7 of industrial development bonds when feasible to reduce costs
8 additionally advances the state's purpose to improve economic vitality.
9 Expenditures made for these purposes as authorized in this chapter are
10 declared to be in the public interest, and constitute a proper use of
11 public funds. A community economic revitalization board is needed
12 which shall aid the development of economic opportunities. The general
13 objectives of the board should include:

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

17 (b) Encouraging the diversification of the economies of the state
18 and regions within the state in order to provide greater seasonal and
19 cyclical stability of income and employment;

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

22 (d) Encouraging new economic development or expansions to maximize
23 employment;

24 (e) Encouraging the retention of viable existing firms and
25 employment; and

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

29 (2) The legislature also finds that the state's economic
30 development efforts can be enhanced by, in certain instances, providing

1 funds to improve state highways in the vicinity of new industries
2 considering locating in this state or existing industries that are
3 considering significant expansion.

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

8 (b) It is the intent of the legislature to create an economic
9 development account within the motor vehicle fund from which
10 expenditures can be made by the department of transportation for state
11 highway improvements necessitated by planned economic development. All
12 such improvements must first be approved by the state transportation
13 commission and the community economic revitalization board in
14 accordance with the procedures established by RCW 43.160.074 and
15 47.01.280. It is further the intent of the legislature that such
16 improvements not jeopardize any other planned highway construction
17 projects. The improvements are intended to be of limited size and
18 cost, and to include such items as additional turn lanes,
19 signalization, illumination, and safety improvements.

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

27 (4) The legislature finds that sharing economic growth state-wide
28 is important to the welfare of the state. Distressed areas and timber-
29 dependent counties do not share in the economic vitality of the Puget
30 Sound region. Infrastructure is one of several ingredients that are

1 critical for economic development. Distressed areas and timber-
2 dependent counties generally lack the infrastructure necessary to
3 diversify and revitalize their economies. It is, therefore, the intent
4 of the legislature to increase the availability of funds to help
5 provide infrastructure to distressed areas and timber-dependent
6 counties.

7 **Sec. 3.** RCW 43.160.020 and 1985 c 466 s 58 are each amended to
8 read as follows:

9 INFRASTRUCTURE FINANCING--CERB--DEFINITIONS. Unless the context
10 clearly requires otherwise, the definitions in this section apply
11 throughout this chapter.

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

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

16 (3) "Department" means the department of trade and economic
17 development or its successor with respect to the powers granted by this
18 chapter.

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

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

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

28 (7) "Local government" means any port district, county, city, or
29 town.

1 (8) "Sponsor" means any of the following entities which customarily
2 provide service or otherwise aid in industrial or other financing and
3 are approved as a sponsor by the board: A bank, trust company, savings
4 bank, investment bank, national banking association, savings and loan
5 association, building and loan association, credit union, insurance
6 company, or any other financial institution, governmental agency, or
7 holding company of any entity specified in this subsection.

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

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

14 (11) "Timber-dependent community" or "timber-dependent county"
15 means any local government in a county where the employment security
16 department certifies a logging and lumber employment location quotient
17 of 1.0 or more of the state average or direct logging and lumber job
18 loss of one hundred or more persons caused by the harvest level
19 reductions recommended by the interagency scientific commission plan.

20 (12) "Distressed counties" or "distressed areas" includes any
21 local government of a county in which the average level of unemployment
22 for the previous three years exceeds the average state employment for
23 those years by twenty percent.

24 **Sec. 4.** RCW 43.160.060 and 1990 1st ex.s. c 17 s 73 are each
25 amended to read as follows:

26 INFRASTRUCTURE FINANCING--CERB--SPECULATIVE DEVELOPMENT. The board
27 is authorized to make direct loans to political subdivisions of the
28 state for the purposes of assisting the political subdivisions in
29 financing the cost of public facilities, including development of land

1 and improvements for public facilities, as well as the acquisition,
2 construction, rehabilitation, alteration, expansion, or improvement of
3 the facilities. A grant may also be authorized for purposes designated
4 in this chapter, but only when, and to the extent that, a loan is not
5 reasonably possible, given the limited resources of the political
6 subdivision.

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

10 (1) The board shall not make a grant or loan:

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

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

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

18 (2) The board shall only make grants or loans:

19 (a) For those projects which would result in specific private
20 developments or expansions (i) in manufacturing, production, food
21 processing, assembly, warehousing, and industrial distribution; (ii)
22 for processing recyclable materials or for facilities that support
23 recycling, including processes not currently provided in the state,
24 including but not limited to, de-inking facilities, mixed waste paper,
25 plastics, yard waste, and problem-waste processing; (iii) for
26 manufacturing facilities that rely significantly on recyclable
27 materials, including but not limited to waste tires and mixed waste
28 paper; (iv) which support the relocation of businesses from
29 nondistressed urban areas to distressed rural areas; or (v) which

1 substantially support the trading of goods or services outside of the
2 state's borders.

3 (b) For projects which it finds will improve the opportunities for
4 the successful maintenance, establishment, or expansion of industrial
5 or commercial plants or will otherwise assist in the creation or
6 retention of long-term economic opportunities.

7 (c) When, except for applications from counties that are both
8 timber-dependent and distressed, the application includes convincing
9 evidence that a specific private development or expansion is ready to
10 occur and will occur only if the grant or loan is made.

11 (3) The board shall prioritize each proposed project according to
12 the relative benefits provided to the community by the jobs the project
13 would create, not just the total number of jobs it would create after
14 the project is completed and according to the unemployment rate in the
15 area in which the jobs would be located, and additional priority shall
16 be given to:

17 (i) Applications from communities that are both distressed and
18 timber-dependent; and

19 (ii) Applications from public ports located in timber communities
20 in which logs accounted for at least forty percent of port exports in
21 1990. As long as there is more demand for loans or grants than there
22 are funds available for loans or grants, the board is instructed to
23 fund projects in order of their priority.

24 (4) A responsible official of the political subdivision shall be
25 present during board deliberations and provide information that the
26 board requests.

27 Before any loan or grant application is approved, the political
28 subdivision seeking the loan or grant must demonstrate to the community
29 economic revitalization board that no other timely source of funding is

1 available to it at costs reasonably similar to financing available from
2 the community economic revitalization board.

3 **Sec. 5.** RCW 43.160.076 and 1985 c 446 s 6 are each amended to read
4 as follows:

5 INFRASTRUCTURE FINANCING--CERB--PRIORITY TO TIMBER AND DISTRESSED
6 COMMUNITIES. (1) Except as authorized to the contrary under
7 subsection (2) of this section, from all funds available to the board
8 for loans and grants, the board shall spend at least ~~((twenty))~~ fifty
9 percent for grants and loans for projects in distressed counties~~((-~~
10 ~~For purposes of this section, the term "distressed counties" includes~~
11 ~~any county, in which the average level of unemployment for the three~~
12 ~~years before the year in which an application for a loan or grant is~~
13 ~~filed, exceeds the average state employment for those years by twenty~~
14 ~~percent))~~ or timber-dependent counties.

15 (2) If at any time during the last six months of a biennium the
16 board finds that the actual and anticipated applications for qualified
17 projects in distressed counties or timber-dependent counties are
18 clearly insufficient to use up the ~~((twenty))~~ fifty percent allocation,
19 then the board shall estimate the amount of the insufficiency and
20 during the remainder of the biennium may use that amount of the
21 allocation for loans and grants for projects not located in distressed
22 counties or timber-dependent counties.

23 **Sec. 6.** RCW 43.160.080 and 1987 c 422 s 6 are each amended to read
24 as follows:

25 INFRASTRUCTURE--CERB--REVOLVING LOAN FUND REPAYMENTS. T h e r e
26 shall be a fund known as the public facilities construction loan
27 revolving fund, which shall consist of all moneys collected under this
28 chapter, except moneys of the board collected in connection with the

1 issuance of industrial development revenue bonds, and any moneys
2 appropriated to it by law(~~(: PROVIDED, That seventy five percent of~~
3 ~~all principal and interest payments on loans made with the proceeds~~
4 ~~deposited in the fund under section 901, chapter 57, Laws of 1983 1st~~
5 ~~ex. sess. shall be deposited in the general fund as reimbursement for~~
6 ~~debt service payments on the bonds authorized in RCW 43.83.184))~~). The
7 state treasurer shall be custodian of the revolving fund.
8 Disbursements from the revolving fund shall be on authorization of the
9 board. In order to maintain an effective expenditure and revenue
10 control, the public facilities construction loan revolving fund shall
11 be subject in all respects to chapter 43.88 RCW, but no appropriation
12 is required to permit expenditures and payment of obligations from the
13 fund.

14 Moneys in this fund not needed to meet the current expenses and
15 obligations of the board shall be invested in the manner authorized for
16 moneys in revolving funds. Any interest earned shall be deposited in
17 this fund and shall be used for the purposes specified in this chapter.
18 The state treasurer shall render reports to the board advising of the
19 status of any funds invested, the market value of the assets as of the
20 date the statement is rendered, and the income received from the
21 investments during the period covered by the report.

22 **Sec. 7.** RCW 43.168.050 and 1990 1st ex.s. c 17 s 74 are each
23 amended to read as follows:

24 BUSINESS FINANCING--DLF--PRIORITY TO TIMBER COMMUNITIES. (1) The
25 committee may only approve an application providing a loan for a
26 project which the committee finds:

27 (a) Will result in the creation of employment opportunities or the
28 maintenance of threatened employment;

1 (b) Has been approved by the director as conforming to federal
2 rules and regulations governing the spending of federal community
3 development block grant funds;

4 (c) Will be of public benefit and for a public purpose, and that
5 the benefits, including increased or maintained employment, improved
6 standard of living, and the employment of disadvantaged workers, will
7 primarily accrue to residents of the area;

8 (d) Will probably be successful;

9 (e) Would probably not be completed without the loan because other
10 capital or financing at feasible terms is unavailable or the return on
11 investment is inadequate.

12 (2) The committee shall, subject to federal block grant criteria,
13 give higher priority to economic development projects that contain
14 provisions for child care and projects from timber-distressed
15 communities. A timber-distressed community is a county, city, town, or
16 port district located in a county that:

17 (i) Has an unemployment rate that is twenty percent or more above
18 the state average; and

19 (ii) Has a log and lumber employment location quotient of 1.0 or
20 more of the state average or has lost one hundred or more total direct
21 jobs from the logging and lumber industries because of the harvest
22 reductions recommended by the interagency scientific commission plan.

23 (3) The committee may not approve an application if it fails to
24 provide for adequate reporting or disclosure of financial data to the
25 committee. The committee may require an annual or other periodic audit
26 of the project books.

27 (4) The committee may require that the project be managed in whole
28 or in part by a local development organization and may prescribe a
29 management fee to be paid to such organization by the recipient of the
30 loan or grant.

1 (5)(a) Except as provided in (b) of this subsection, the committee
2 shall not approve any application which would result in a loan or grant
3 in excess of three hundred fifty thousand dollars.

4 (b) The committee may approve an application which results in a
5 loan or grant of up to seven hundred thousand dollars if the
6 application has been approved by the director.

7 (6) The committee shall fix the terms and rates pertaining to its
8 loans.

9 (7) Should there be more demand for loans than funds available for
10 lending, the committee shall provide loans for those projects which
11 will lead to the greatest amount of employment or benefit to a
12 community. In determining the "greatest amount of employment or
13 benefit" the committee shall also consider the employment which would
14 be saved by its loan and the benefit relative to the community, not
15 just the total number of new jobs or jobs saved.

16 (8) To the extent permitted under federal law the committee shall
17 require applicants to provide for the transfer of all payments of
18 principal and interest on loans to the Washington state development
19 loan fund created under this chapter. Under circumstances where the
20 federal law does not permit the committee to require such transfer, the
21 committee shall give priority to applications where the applicants on
22 their own volition make commitments to provide for the transfer.

23 (9) The committee shall not approve any application to finance or
24 help finance a shopping mall.

25 (10) The committee shall make at least eighty percent of the
26 appropriated funds available to projects located in distressed areas,
27 and may make up to twenty percent available to projects located in
28 areas not designated as distressed. The committee shall not make funds
29 available to projects located in areas not designated as distressed if

1 the fund's net worth is less than seven million one hundred thousand
2 dollars.

3 (11) If an objection is raised to a project on the basis of unfair
4 business competition, the committee shall evaluate the potential impact
5 of a project on similar businesses located in the local market area.
6 A grant may be denied by the committee if a project is not likely to
7 result in a net increase in employment within a local market area.

8 NEW SECTION. **Sec. 8.** A new section is added to chapter 43.31 RCW
9 to read as follows:

10 INCREASING EXPORTS FROM TIMBER-DEPENDENT COMMUNITIES. (1)

11 Marketing is a vital element in expanding the economies of timber-
12 dependent communities. The export of products produced in timber-
13 dependent areas contributes substantial economic benefits to these
14 communities, including an increase in jobs and an increase in tax
15 revenues to the state and local governments.

16 (2)(a) Subject to funding for this subsection, the department shall
17 contract with the small business export finance assistance center,
18 created in chapter 43.210 RCW, to assist businesses in timber-dependent
19 communities obtain financing for the export of their products. The
20 department shall assist the small business export finance assistance
21 center to ensure the services available under this subsection are
22 understood and accessible in timber-dependent communities.

23 (b) Subject to funding for the necessary reserve funds, the
24 Washington economic development finance authority, created in chapter
25 43.163 RCW, shall provide financing for export transactions where the
26 product being exported is produced in timber-dependent communities.

27 (3) Subject to funding for this subsection, the department shall
28 contract with agents located in foreign countries to find purchasers
29 for products produced in timber-dependent communities and to assist in

1 the completion of the export transaction by ensuring requirements and
2 customs of the foreign country involved are complied with. The
3 department shall seek the assistance of other state agencies, such as
4 the department of agriculture, when appropriate.

5 (4) The department may make rules that are necessary to carry out
6 this section and to coordinate the services described in this section
7 and to prioritize the services based on greatest negative impact from
8 the harvest reductions.

9 (5) For purposes of this section, the definition of "timber-
10 dependent community" is the same as RCW 43.160.020.

11 **Sec. 9.** RCW 82.62.030 and 1986 c 116 s 17 are each amended to read
12 as follows:

13 B&O TAX CREDITS FOR NEW MANUFACTURING JOBS. (1) A person shall
14 be allowed a credit against the tax due under chapter 82.04 RCW of an
15 amount equal to (~~one~~) three thousand dollars for each qualified
16 employment position directly created in an eligible business project.

17 (2) The department shall keep a running total of all credits
18 granted under this chapter during each fiscal biennium. The department
19 shall not allow any credits which would cause the tabulation for a
20 biennium to exceed fifteen million dollars. If all or part of an
21 application for credit is disallowed under this subsection, the
22 disallowed portion shall be carried over for approval the next
23 biennium. However, the applicant's carryover into the next biennium is
24 only permitted if the tabulation for the next biennium does not exceed
25 fifteen million dollars as of the date on which the department has
26 disallowed the application.

27 (3) No recipient is eligible for tax credits in excess of three
28 hundred thousand dollars.

1 (4) No recipient may use the tax credits to decertify a union or to
2 displace existing jobs in any community in the state.

3 (5) No recipient may receive a tax credit on taxes which have not
4 been paid during the taxable year.

5 NEW SECTION. **Sec. 10.** REPEAL EXPIRATION OF B&O TAX CREDITS. RCW
6 82.62.040 and 1988 c 41 s 4 & 1986 c 116 s 22 are each repealed.

7 NEW SECTION. **Sec. 11.** REPEAL EXPIRATION OF SALES TAX
8 DEFERRALS. RCW 82.60.050 and 1988 c 41 s 5 & 1985 c 232 s 10 are each
9 repealed.

10 **Sec. 12.** RCW 43.17.065 and 1990 1st ex.s. c 17 s 77 are each
11 amended to read as follows:

12 EXPEDITING PERMITS IN TIMBER-DEPENDENT COMMUNITIES. (1) Where power
13 is vested in a department to issue permits, licenses, certifications,
14 contracts, grants, or otherwise authorize action on the part of
15 individuals, businesses, local governments, or public or private
16 organizations, such power shall be exercised in an expeditious manner.
17 All departments with such power shall cooperate with officials of the
18 business assistance center of the department of trade and economic
19 development, and any other state officials, when such officials request
20 timely action on the part of the issuing department.

21 (2)(a) The legislature finds that timber-dependent communities and
22 distressed counties, as defined in RCW 43.160.020, are located
23 predominately in areas characterized by little or no growth. These
24 areas impact the environment less than areas of high growth. These
25 timber-dependent communities and distressed counties need sites for
26 industrial and economic development with infrastructure in place as
27 soon as possible to help revitalize their local economies.

1 (b) Any state agency in which subsection (1) of this section
2 applies shall adopt, by August 1, 1991, an expedited process for the
3 fast and efficient processing of any permits or other actions that are
4 necessary for economic development in timber-dependent communities and
5 distressed counties.

6 NEW SECTION. Sec. 13. A new section is added to chapter 50.08 RCW
7 to read as follows:

8 TRAINING AND RETRAINING SERVICES. (1) The employment security
9 department shall establish a program for the provision of training and
10 access to related services for workers in timber or wood products
11 industries who have been dislocated from firms in timber-dependent
12 communities.

13 (2) The employment security department shall provide enhanced
14 retraining, support services, and job search assistance, including an
15 out-of-area job search and relocation component, if needed, for
16 dislocated workers in timber-dependent communities. For the purpose of
17 this section "dislocated worker" means any worker from a timber-
18 dependent community who:

19 (a) Has been terminated or laid off, or received a notice of
20 termination or lay-off from employment and is eligible for or has
21 exhausted his or her entitlement to benefits under this title;

22 (b) Has been terminated as a result of any permanent plant closure;

23 (c) Is long-term unemployed and is unlikely to return to employment
24 in the individual's principal occupation or industry; or

25 (d) Is a self-employed individual who has been displaced due to
26 economic conditions related to the reduction in timber harvests.
27 Training and retraining assistance shall be designed to contribute to
28 the diversification of the economies of timber-dependent communities or
29 to relieve economic dislocation and distress in the timber-dependent

1 communities resulting from the sudden and severe loss of local sources
2 of employment. The employment security department shall enter into
3 interagency agreements with other agencies to assist the department in
4 providing training and retraining services.

5 (3) For the purposes of this section, "timber-dependent community"
6 is the same as RCW 43.160.020.

7 (4) The employment security department shall consult with and may
8 subcontract with local educational institutions, local businesses,
9 local labor organizations, local associate development organizations,
10 local private industry councils, local social service organizations,
11 and local governments in carrying out this program of training and
12 services for dislocated workers in timber-dependent communities.

13 (5) Training and retraining assistance provided under chapter
14 43.168 RCW and this title shall include but not be limited to the
15 following areas: Entrepreneurial development and training; short-term
16 job creation; training in the incubation of new business enterprises
17 and training at incubator facilities; agriculture, agricultural
18 processing, and agricultural services; the industrial applications of
19 advanced technology, especially those that apply to wood processing;
20 and recreational and tourism development. The department shall provide
21 a self-employment entrepreneurship development program in timber-
22 dependent communities.

23 (6) The employment security department shall subcontract with
24 local organizations, institutions, or agencies to provide expanded
25 services to dislocated workers, older unemployed workers, and the long-
26 term unemployed. Such services shall be either direct or referral
27 services to the unemployed, and should include, but need not be limited
28 to: Credit counseling; social services including marital counseling;
29 psychotherapy or psychological counseling; mortgage foreclosure and

1 utilities problems counseling; drug and alcohol abuse services; and
2 medical services.

3 (7) The employment security department shall coordinate the
4 services provided in this section with all other services provided by
5 the department and with the other assistance efforts undertaken by
6 state and local government agencies on behalf of timber-dependent
7 communities.

8 (8) Subcontractors shall conduct outreach efforts to encourage the
9 unemployed to seek assistance.

10 (9) The department shall make every effort to procure additional
11 federal and other moneys for the efforts enumerated in this section.

12 (10) The department shall make rules necessary to carry out this
13 section, including prioritizing limited resources based on greatest
14 need and greatest impact from the reduction in the timber harvest.

15 NEW SECTION. **Sec. 14.** A new section is added to chapter 43.06 RCW
16 to read as follows:

17 TIMBER COMMUNITIES ASSISTANCE FUND. There is hereby created in the
18 state treasury the timber communities assistance fund. The timber
19 communities assistance fund shall be administered by the governor. The
20 fund shall provide grants to state agencies, local governments, or
21 associate development organizations to address gaps in the public
22 services provided to assist timber-dependent communities or to address
23 unusual or emergency situations. The governor may adopt rules to carry
24 out this section, including prioritizing applications based on greatest
25 need and impact.

26 NEW SECTION. **Sec. 15.** A new section is added to chapter 43.06 RCW
27 to read as follows:

COORDINATION OF STATE AND LOCAL SERVICES.

(1) The governor, or

the governor's designee, shall coordinate state assistance provided to timber-dependent communities to ensure state services are delivered effectively and efficiently with minimal duplication and maximum local access.

(2) Associate development organizations located in timber-dependent communities shall assist the governor in coordinating the delivery of state services locally. The associate development organization, as the primary local coordinating organization for state and local economic development services, shall provide resource and referral services to ensure state and local services are delivered effectively and efficiently with minimal duplication and maximum local access.

NEW SECTION. **Sec. 16.** APPROPRIATION--INFRASTRUCTURE

(1) There

is hereby appropriated for the biennium ending June 30, 1993, fourteen million dollars to the public facilities construction loan revolving account, of which eight million dollars is from the general fund and six million dollars is from the general fund as a capital budget expenditure. Two million dollars of this amount shall be solely for ports located in timber-dependent communities in which logs accounted for forty percent or more of total port exports for facilities used for the export of finished products.

(2) There is hereby appropriated for the biennium ending June 30, 1993, five million dollars to the department of community development from the general fund to switch with federal community development block grant funds and deposit the federal funds in the development loan fund. One million dollars of the transferred funds shall be deposited in the coastal development fund administered by the department of community development.

1 NEW SECTION. **Sec. 17.** APPROPRIATION--FROM THE 1991 OPERATING

2 BUDGET. (1) There is hereby appropriated for the biennium ending
3 June 30, 1993, an additional one hundred fifty thousand dollars from
4 the general fund to the department of trade and economic development
5 for the marketplace program to assist the export of products from
6 timber-dependent communities to urban areas through import substitution
7 and rural-urban links.

8 (2) There is hereby appropriated for the biennium ending June 30,
9 1993, an additional two hundred thousand dollars from the general fund
10 to the department of trade and economic development to focus business
11 and job retention efforts in timber-dependent communities.

12 (3) There is hereby appropriated for the biennium ending June 30,
13 1993, an additional two hundred thousand dollars from the general fund
14 to the department of trade and economic development to contract with
15 the small business export finance assistance center to provide export
16 financing assistance to businesses in timber-dependent communities
17 under section 8(2)(a) of this act.

18 (4) There is hereby appropriated for the biennium ending June 30,
19 1993, two hundred fifty thousand dollars in nonstate funds to the
20 Washington economic development finance authority for a reserve fund to
21 provide financing for the export of products from timber-dependent
22 communities under section 8(2)(b) of this act.

23 (5) There is hereby appropriated for the biennium ending June 30,
24 1993, five hundred thousand dollars from the general fund to the
25 department of trade and economic development to provide five agents in
26 foreign countries under section 8(3) of this act.

27 (6) There is hereby appropriated for the biennium ending June 30,
28 1993, one million five hundred thousand dollars from the general fund
29 for the timber community assistance fund created in section 14 of this
30 act.

1 (7) There is hereby appropriated for the biennium ending June 30
2 1993, an additional three hundred seventy-five thousand dollars from
3 the general fund to the department of trade and economic development to
4 contract with associate development organizations in timber-dependent
5 communities to provide additional coordination and resources under
6 section 15(2) of this act. Associate development organizations shall
7 provide representation on their board of directors of cities, counties,
8 businesses, and community-based public service organizations.

9 (8) There is appropriated for the biennium ending June 30, 1993,
10 two million five hundred thousand dollars from the general fund to the
11 employment security department for the purposes of section 13 of this
12 act; five hundred thousand dollars is for the self-employment
13 entrepreneurship development program in section 13(5) of this act.

14 (9) There is hereby appropriated for the biennium ending June 30,
15 1993, two hundred fifty thousand dollars from the general fund to the
16 department of trade and economic development to contract with the small
17 business development center to provide services through the Grays
18 Harbor Community College.

19 NEW SECTION. **Sec. 18.** APPROPRIATION--GOVERNOR'S BUDGET. (1)

20 There is appropriated for the biennium ending June 30, 1991, from the
21 general fund:

22 (a) Two million dollars to the department of trade and economic
23 development for the forest product division's value-added programs;

24 (b) Nine hundred seventy thousand dollars to the department of
25 community development for its timber assistance program, grants to
26 timber-dependent communities, and community development finance
27 technical assistance;

1 (c) Seventy thousand dollars to the department of community
2 development for enhancements to reemployment centers in timber-
3 dependent communities; and

4 (d) Five hundred thousand dollars to the employment security
5 department for a self-employment and enterprise development (SEED)
6 program in timber-dependent communities.

7 (2) There is appropriated for the biennium ending June 30, 1991,
8 from the general fund as a capital budget expenditure:

9 (a) Two million dollars to the development loan fund for timber-
10 dependent communities;

11 (b) Two million dollars for CERB for timber-dependent communities;

12 (c) Six million dollars for Olympic natural resources center.

13 (3) There is dedicated seven million dollars from the public works
14 trust fund for speculative infrastructure development in timber-
15 dependent communities.

16 NEW SECTION. **Sec. 19.** TITLE. This act may be referred to as "the
17 omnibus timber community assistance act."

18 NEW SECTION. **Sec. 20.** SECTION HEADINGS ARE NOT LAW. Section
19 headings as used in this act do not constitute any part of the law.

20 NEW SECTION. **Sec. 21.** If any provision of this act or its
21 application to any person or circumstance is held invalid, the
22 remainder of the act or the application of the provision to other
23 persons or circumstances is not affected.

24 NEW SECTION. **Sec. 22.** Section 18 of this act is necessary for
25 the immediate preservation of the public peace, health, or safety, or
26 support of the state government and its existing public institutions,

1 and shall take effect immediately.