
HOUSE BILL 2556

State of Washington

54th Legislature

1996 Regular Session

By Representatives Veloria and Kessler

Read first time 01/12/96. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to economic development; amending RCW 43.163.210;
2 and declaring an emergency.

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

4 **Sec. 1.** RCW 43.163.210 and 1994 c 238 s 4 are each amended to read
5 as follows:

6 For the purpose of facilitating economic development in the state
7 of Washington and encouraging the employment of Washington workers at
8 meaningful wages:

9 (1) The authority may develop and conduct a program or programs to
10 provide nonrecourse revenue bond financing for the project costs for no
11 more than five economic development activities, per year, included
12 under the authority's general plan of economic development finance
13 objectives. However, this limitation to no more than five economic
14 development activities per year does not apply to bonds issued to
15 finance manufacturing or processing activities on a tax-exempt basis
16 for which the project costs total less than ten million dollars per
17 project;

18 (2) The authority may also develop and conduct a program that will
19 stimulate and encourage the development of new products within

1 Washington state by the infusion of financial aid for invention and
2 innovation in situations in which the financial aid would not otherwise
3 be reasonably available from commercial sources. The authority is
4 authorized to provide nonrecourse revenue bond financing for this
5 program.

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

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

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

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

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

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

30 (vi) Refer eligible persons to researchers or laboratories for the
31 purpose of testing and evaluating new products, processes, or
32 innovations; and

33 (vii) To the extent permitted under its contract with eligible
34 persons, to consent to a termination, modification, forgiveness, or
35 other change of a term of a contractual right, payment, royalty,
36 contract, or agreement of any kind to which the authority is a party.

37 (b) Eligible persons seeking financial and other assistance under
38 this program shall forward an application, together with an application
39 fee prescribed by rule, to the authority. An investigation and report

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

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

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

29 NEW SECTION. **Sec. 2.** This act is necessary for the immediate
30 preservation of the public peace, health, or safety, or support of the
31 state government and its existing public institutions, and shall take
32 effect immediately.

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