
SENATE BILL 6479

State of Washington

54th Legislature

1996 Regular Session

By Senators Pelz, Heavey, Franklin, Smith, Quigley, Fraser, Thibaudeau, McAuliffe, Kohl and Goings

Read first time 01/16/96. Referred to Committee on Labor, Commerce & Trade.

1 AN ACT Relating to private business entities receiving public
2 assistance; amending 1994 c 302 s 1 (uncodified); and adding a new
3 chapter to Title 43 RCW.

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

5 **Sec. 1.** 1994 c 302 s 1 (uncodified) is amended to read as follows:

6 The legislature finds that when public funds are used to support
7 private enterprise, the public may gain through the creation of new
8 jobs, the diversification of the economy, or higher quality jobs for
9 existing workers. The legislature further finds that such returns on
10 public investments are not automatic and that tax-based incentives, in
11 particular, may result in a greater tax burden on businesses and
12 individuals that are not eligible for the public support. It is the
13 purpose of this chapter to ensure that public investment creates a net
14 increase in jobs in the state and to collect information sufficient to
15 allow the legislature and the executive branch to make informed
16 decisions about the merits of ((existing)) tax-based incentives and
17 loan programs intended to encourage economic development and job
18 creation in the state.

1 NEW SECTION. **Sec. 2.** Unless the context clearly requires
2 otherwise, the definitions in this section apply throughout this
3 chapter.

4 (1) "Assistance" means a grant, loan, bond, tax deferral, or tax
5 abatement program administered by the state or local government in
6 which the business receives assistance of more than twenty-five
7 thousand dollars.

8 (2) "Department" means the department of community, trade, and
9 economic development.

10 (3) "Director" means the director of the department of community,
11 trade, and economic development.

12 NEW SECTION. **Sec. 3.** (1) A private business that receives state
13 or local government assistance for economic development or job growth
14 purposes must create a net increase in jobs in this state within two
15 years of receiving the assistance. The government agency providing the
16 assistance shall establish goals for wage and benefit levels and job
17 creation that are to be met by the business receiving the assistance.
18 The department shall provide advice and consultation for establishing
19 these goals, with the assistance of the committee created in section
20 4(3) of this act.

21 (2) A business that fails to meet the goals established pursuant to
22 subsection (1) of this section must repay the assistance to the
23 government agency.

24 (3) Each government agency providing assistance to a private
25 business shall report the goals for wage and benefit levels and job
26 creation and the results for each project in achieving those goals to
27 the department. The department shall compile and publish the results
28 of the reports for the previous calendar year by July 1st each year.
29 The reports of the agencies to the department and the compilation
30 report of the department must be made available to the appropriate
31 committees of the legislature and the public.

32 NEW SECTION. **Sec. 4.** (1) Beginning with the 1997-1999 biennium
33 and each biennium thereafter, the director shall analyze the effect of
34 all state and local government assistance to private business on the
35 aggregate number of jobs created and wages and benefits paid in those
36 new jobs. Following consultation with the business assistance advisory

1 committee, the director shall report the results of the analysis to the
2 appropriate committees of the legislature.

3 (2) Each newly enacted business-related tax expenditure legislation
4 must include measurable goals for wage and benefit levels and job
5 creation and require a biennial review conducted by the director for
6 continuation of the enactment based upon meeting those goals.
7 Following consultation with the business assistance advisory committee,
8 the director shall report the results of the review to the appropriate
9 committees of the legislature.

10 (3)(a) By September 1, 1996, the business assistance advisory
11 committee shall be appointed to advise the department in establishing
12 goals for wage and benefit levels and job creation, to analyze the
13 effect of state and local government assistance to private business on
14 the established goals, to monitor state economic policy impacts on the
15 economy, and to review drafts of the reports required under this
16 section.

17 (b) The committee shall consist of eleven members appointed by the
18 governor, with the advice and consent of the senate. Three members of
19 the committee must represent labor, three members must represent
20 business, and five members must represent agencies with one member from
21 each of the following: The department of community, trade, and
22 economic development; the department of revenue; the work force
23 training and education coordinating board; the office of financial
24 management; and the labor market and economic analysis section of the
25 employment security department. The members representing labor must be
26 appointed from a list of names submitted to the governor by an
27 organization, state-wide in scope, that through its affiliates embraces
28 a cross section and a majority of the organized labor of the state.
29 The members representing business must be appointed from a list of
30 names submitted to the governor by a recognized state-wide organization
31 of employers representing a majority of employers. The labor and
32 business members of the committee shall serve for terms of four years,
33 except that for initial appointments, one labor representative and one
34 business representative must be appointed to a two-year term and one
35 labor representative and one business representative appointed to a
36 three-year term.

37 NEW SECTION. **Sec. 5.** The director may adopt rules necessary to
38 implement this chapter.

1 NEW SECTION. **Sec. 6.** Sections 2 through 5 of this act shall
2 constitute a new chapter in Title 43 RCW.

--- **END** ---