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HOUSE BILL 2755

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State of Washington

54th Legislature

1996 Regular Session

By Representatives Van Luven, Sheldon, Silver and Hatfield; by request of Department of Community, Trade, and Economic Development

Read first time 01/18/96. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to economic development; amending RCW 43.160.010,  
2 43.160.020, 43.160.030, 43.160.050, 43.160.060, 43.160.070, 43.160.076,  
3 43.160.090, 43.160.200, and 43.160.210; repealing RCW 43.160.035,  
4 43.160.074, 43.160.078, 43.160.115, 43.160.120, 43.160.130, 43.160.140,  
5 43.160.150, 43.160.160, 43.160.170, and 43.160.180; making an  
6 appropriation; and providing effective dates.

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

8 **Sec. 1.** RCW 43.160.010 and 1991 c 314 s 21 are each amended to  
9 read as follows:

10 (1) The legislature finds that it is the public policy of the state  
11 of Washington to direct financial resources toward the fostering of  
12 economic development through the stimulation of investment and job  
13 opportunities and the retention of sustainable existing employment for  
14 the general welfare of the inhabitants of the state. Reducing  
15 unemployment and reducing the time citizens remain jobless is important  
16 for the economic welfare of the state. A valuable means of fostering  
17 economic development is the construction of public facilities which  
18 contribute to the stability and growth of the state's economic base.  
19 Strengthening the economic base through issuance of industrial

1 development bonds, whether single or umbrella, further serves to reduce  
2 unemployment. Consolidating issues of industrial development bonds  
3 when feasible to reduce costs additionally advances the state's purpose  
4 to improve economic vitality. Expenditures made for these purposes as  
5 authorized in this chapter are declared to be in the public interest,  
6 and constitute a proper use of public funds. A community economic  
7 revitalization board is needed which shall aid the development of  
8 economic opportunities. The general objectives of the board should  
9 include:

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

13 (b) Encouraging the diversification of the economies of the state  
14 and regions within the state in order to provide greater seasonal and  
15 cyclical stability of income and employment;

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

18 (d) Encouraging new economic development or expansions to maximize  
19 employment;

20 (e) Encouraging the retention of viable existing firms and  
21 employment; and

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

25 (2) The legislature also finds that the state's economic  
26 development efforts can be enhanced by, in certain instances, providing  
27 funds to improve state highways in the vicinity of new industries  
28 considering locating in this state or existing industries that are  
29 considering significant expansion.

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

34 (b) It is the intent of the legislature to create an economic  
35 development account within the motor vehicle fund from which  
36 expenditures can be made by the department of transportation for state  
37 highway improvements necessitated by planned economic development. All  
38 such improvements must first be approved by the state transportation  
39 commission and the community economic revitalization board in

1 accordance with the procedures established by RCW 43.160.074 and  
2 47.01.280. It is further the intent of the legislature that such  
3 improvements not jeopardize any other planned highway construction  
4 projects. The improvements are intended to be of limited size and  
5 cost, and to include such items as additional turn lanes,  
6 signalization, illumination, and safety improvements.

7 (3) The legislature also finds that the state's economic  
8 development efforts can be enhanced by providing funds to improve  
9 markets for those recyclable materials representing a large fraction of  
10 the waste stream. The legislature finds that public facilities which  
11 result in private construction of processing or remanufacturing  
12 facilities for recyclable materials are eligible for consideration from  
13 the board.

14 (4) The legislature finds that sharing economic growth state-wide  
15 is important to the welfare of the state. ((~~Timber~~)) Rural natural  
16 resource impact areas do not share in the economic vitality of the  
17 Puget Sound region. Infrastructure is one of several ingredients that  
18 are critical for economic development. ((~~Timber~~)) Rural natural  
19 resource impact areas generally lack the infrastructure necessary to  
20 diversify and revitalize their economies. It is, therefore, the intent  
21 of the legislature to increase the availability of funds to help  
22 provide infrastructure to ((~~timber~~)) rural natural resource impact  
23 areas.

24 **Sec. 2.** RCW 43.160.020 and 1995 c 226 s 14 are each amended to  
25 read as follows:

26 Unless the context clearly requires otherwise, the definitions in  
27 this section apply throughout this chapter.

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

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

32 (3) "Department" means the department of community, trade, and  
33 economic development.

34 (4) "Financial institution" means any bank, savings and loan  
35 association, credit union, development credit corporation, insurance  
36 company, investment company, trust company, savings institution, or  
37 other financial institution approved by the board and maintaining an  
38 office in the state.

1 (5) "Industrial development facilities" means "industrial  
2 development facilities" as defined in RCW 39.84.020.

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

5 (7) "Local government" or "political subdivision" means any port  
6 district, county, city, town, ~~((or))~~ special ~~((utility))~~ purpose  
7 district, and any other municipal corporations or quasi-municipal  
8 corporations in the state providing for public facilities under this  
9 chapter.

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

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

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

23 (11) "Public facilities" means bridges, roads, domestic and  
24 industrial water, sanitary sewer, storm sewer, railroad, electricity,  
25 natural gas, buildings or structures, and port facilities.

26 (12) "Rural natural resources impact area" means:

27 (a) A nonmetropolitan county, as defined by the 1990 decennial  
28 census, that meets two of the five criteria set forth in subsection  
29 ~~((+12))~~ (13) of this section; or

30 (b) A nonurbanized area, as defined by the 1990 decennial census,  
31 that is located in a metropolitan county that meets two of the five  
32 criteria set forth in subsection ~~((+12))~~ (13) of this section.

33 ~~((+12))~~ (13) For the purposes of designating rural natural  
34 resources impact areas, the following criteria shall be considered:

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

37 (b) A commercial salmon fishing employment location quotient at or  
38 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 that is located wholly or partially in an urbanized area  
13 or within two miles of an urbanized area is considered urbanized. The  
14 office of financial management shall make available a zip code listing  
15 of the areas to all agencies and organizations providing services under  
16 this chapter.

17 **Sec. 3.** RCW 43.160.030 and 1995 c 399 s 86 are each amended to  
18 read as follows:

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

21 (2) The board shall consist of the chairman of and one minority  
22 member appointed by the speaker of the house of representatives from  
23 the committee of the house of representatives that deals with issues of  
24 economic development, the chairman of and one minority member appointed  
25 by the president of the senate from the committee of the senate that  
26 deals with issues of economic development, and the following (~~members~~  
27 ~~appointed by the governor:—A recognized private or public sector~~  
28 ~~economist; one port district official; one county official; one city~~  
29 ~~official; one representative of the public; one representative of small~~  
30 ~~businesses each from:—(a) The area west of Puget Sound, (b) the area~~  
31 ~~east of Puget Sound and west of the Cascade range, (c) the area east of~~  
32 ~~the Cascade range and west of the Columbia river, and (d) the area east~~  
33 ~~of the Columbia river; one executive from large businesses each from~~  
34 ~~the area west of the Cascades and the area east of the Cascades. The~~  
35 ~~appointive members shall initially be appointed to terms as follows:~~  
36 ~~Three members for one year terms, three members for two year terms, and~~  
37 ~~three members for three year terms which shall include the chair.~~  
38 ~~Thereafter each succeeding term shall be for three years. The chair of~~

1 the board shall be selected by the governor. The members of the board  
2 shall elect one of their members to serve as vice chair. The director  
3 of community, trade, and economic development, the director of revenue,  
4 the commissioner of employment security, and the secretary of  
5 transportation shall serve as nonvoting advisory members of the board))  
6 seven members, appointed by the governor to four-year terms, all with  
7 a background or interest in economic development. Three members shall  
8 be from among the following local governments: Counties, cities,  
9 public ports, public utility districts, and water or sewer districts.  
10 Four members shall be selected from the general public. The governor  
11 may consider persons with a background in economics, organized labor,  
12 business, environmental advocacy, or any other interest or background  
13 that will provide a balance of backgrounds or interests on the board.  
14 The governor shall endeavor to provide for a balance of the membership  
15 from across the state. The governor shall designate one member to  
16 serve as chair. The board may select other officers from time to time  
17 as it deems necessary for the conduct of business.

18 (3) (~~Staff support~~) Management services, including fiscal and  
19 contract services, shall be provided by the department ((of community,  
20 trade, and economic development)) to assist the board in implementing  
21 this chapter and the allocation of private activity bonds.

22 (4) (~~All appointive~~) Members of the board ((shall be compensated  
23 in accordance with RCW 43.03.240 and)) shall be reimbursed for travel  
24 expenses as provided in RCW 43.03.050 and 43.03.060.

25 (5) If a vacancy occurs by death, resignation, or otherwise of  
26 appointive members of the board, the governor shall fill the same for  
27 the unexpired term. (~~Any~~) Members of the board((, appointive or  
28 otherwise,)) may be removed for malfeasance or misfeasance in office,  
29 upon specific written charges by the governor, under chapter 34.05 RCW.

30 (6) A member appointed by the governor may not be absent from more  
31 than fifty percent of the regularly scheduled meetings in any one  
32 calendar year. Any member who exceeds this absence limitation is  
33 deemed to have withdrawn from the office and shall be replaced by the  
34 governor.

35 **Sec. 4.** RCW 43.160.050 and 1987 c 422 s 4 are each amended to read  
36 as follows:

37 The board may:

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

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

4 (3) ~~((Contract with any consultants as may be necessary or  
5 desirable for its purposes and to fix the compensation of the  
6 consultants.  
7 ~~(4)~~)) Utilize the services of other governmental agencies.~~

8 ~~((5))~~ (4) Accept from any federal agency loans or grants for the  
9 planning or financing of any project and enter into an agreement with  
10 the agency respecting the loans or grants.

11 ~~((6))~~ (5) Conduct examinations and investigations and take  
12 testimony at public ~~((or private))~~ hearings of any matter material for  
13 its information that will assist in determinations related to the  
14 exercise of the board's lawful powers.

15 ~~((7))~~ (6) Accept any gifts, grants, or loans of funds, property,  
16 or financial or other aid in any form from any other source on any  
17 terms and conditions which are not in conflict with this chapter.

18 ~~((8))~~ (7) Exercise all the powers of a public corporation under  
19 chapter 39.84 RCW.

20 ~~((9))~~ (8) Invest any funds received in connection with industrial  
21 development revenue bond financing not required for immediate use, as  
22 the board considers appropriate, subject to any agreements with owners  
23 of bonds.

24 ~~((10))~~ (9) Arrange for lines of credit for industrial development  
25 revenue bonds from and enter into participation agreements with any  
26 financial institution.

27 ~~((11))~~ (10) Issue industrial development revenue bonds in one or  
28 more series for the purpose of defraying the cost of acquiring or  
29 improving any industrial development facility or facilities and  
30 securing the payment of the bonds as provided in this chapter.

31 ~~((12))~~ (11) Enter into agreements or other transactions with and  
32 accept grants and the cooperation of any governmental agency in  
33 furtherance of this chapter.

34 ~~((13))~~ (12) Sell, purchase, or insure loans to finance the costs  
35 of industrial development facilities.

36 ~~((14))~~ (13) Service, contract, and pay for the servicing of loans  
37 for industrial development facilities.

1       (~~(15)~~) (14) Provide financial analysis and technical assistance  
2 for industrial development facilities when the board reasonably  
3 considers it appropriate.

4       (~~(16)~~) (15) Collect, with respect to industrial development  
5 revenue bonds, reasonable interest, fees, and charges for making and  
6 servicing its lease agreements, loan agreements, mortgage loans, notes,  
7 bonds, commitments, and other evidences of indebtedness. Interest,  
8 fees, and charges are limited to the amounts required to pay the costs  
9 of the board, including operating and administrative expenses and  
10 reasonable allowances for losses that may be incurred.

11       (~~(17)~~) (16) Procure insurance or guarantees from any party as  
12 allowable under law, including a governmental agency, against any loss  
13 in connection with its lease agreements, loan agreements, mortgage  
14 loans, and other assets or property.

15       (~~(18)~~) (17) Adopt rules under chapter 34.05 RCW as necessary to  
16 carry out the purposes of this chapter.

17       (~~(19)~~) (18) Do all acts and things necessary or convenient to  
18 carry out the powers expressly granted or implied under this chapter.

19       **Sec. 5.** RCW 43.160.060 and 1993 c 320 s 4 are each amended to read  
20 as follows:

21       The board is authorized to make direct loans to political  
22 subdivisions of the state for the purposes of assisting the political  
23 subdivisions in financing the cost of public facilities, including  
24 development of land and improvements for public facilities, as well as  
25 the construction, rehabilitation, alteration, expansion, or improvement  
26 of the facilities. A grant may also be authorized for purposes  
27 designated in this chapter, but only when, and to the extent that, a  
28 loan is not reasonably possible, given the limited resources of the  
29 political subdivision and the finding by the board that unique  
30 circumstances exist. The board shall not obligate more than twenty  
31 percent of its biennial appropriation as grants.

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

35       (1) The board shall not (~~make a grant or loan~~) provide financial  
36 assistance:

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

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

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

6 (2) The board shall only (~~make grants or loans~~) provide financial  
7 assistance:

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

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

25 (c) When the application includes convincing evidence that a  
26 specific private development or expansion is ready to occur and will  
27 occur only if the (~~grant or loan~~) public facility improvement is  
28 made.

29 (3) The board shall prioritize each proposed project according to  
30 the relative benefits provided to the community by the jobs the project  
31 would create, not just the total number of jobs it would create after  
32 the project is completed and according to the unemployment rate in the  
33 area in which the jobs would be located. As long as there is more  
34 demand for (~~loans or grants~~) financial assistance than there are  
35 funds available (~~for loans or grants~~), the board is instructed to  
36 fund projects in order of their priority.

37 (4) A responsible official of the political subdivision shall be  
38 present during board deliberations and provide information that the  
39 board requests.

1 Before any (~~loan or grant~~) financial assistance application is  
2 approved, the political subdivision seeking the (~~loan or grant~~)  
3 assistance must demonstrate to the community economic revitalization  
4 board that no other timely source of funding is available to it at  
5 costs reasonably similar to financing available from the community  
6 economic revitalization board.

7 **Sec. 6.** RCW 43.160.070 and 1990 1st ex.s. c 16 s 802 are each  
8 amended to read as follows:

9 (~~(1)~~) Public facilities (~~loans and grants~~) financial  
10 assistance, when authorized by the board, (~~are~~) is subject to the  
11 following conditions:

12 (~~(a)~~) (1) The moneys in the public facilities construction loan  
13 revolving fund shall be used solely to fulfill commitments arising from  
14 (~~loans or grants~~) financial assistance authorized in this chapter or,  
15 during the 1989-91 fiscal biennium, for economic development purposes  
16 as appropriated by the legislature. The total outstanding amount which  
17 the board shall dispense at any time pursuant to this section shall not  
18 exceed the moneys available from the fund. The total amount of  
19 outstanding (~~loans and grants~~) financial assistance in Pierce, King,  
20 and Snohomish counties shall never exceed sixty percent of the total  
21 amount of outstanding (~~loans and grants~~) financial assistance  
22 disbursed by the board.

23 (~~(b)~~) ~~Financial assistance through the loans or grants may be used~~  
24 ~~directly or indirectly for any facility for public purposes, including,~~  
25 ~~but not limited to, sewer or other waste disposal facilities,~~  
26 ~~arterials, bridges, access roads, port facilities, or water~~  
27 ~~distribution and purification facilities.~~

28 ~~(c)~~ (2) On contracts made for public facilities loans the board  
29 shall determine the interest rate which loans shall bear. The interest  
30 rate shall not exceed ten percent per annum. The board may provide  
31 reasonable terms and conditions for repayment for loans as the board  
32 determines. The loans shall not exceed twenty years in duration.

33 (~~(d)~~) (3) Repayments of loans made under the contracts for public  
34 facilities construction loans shall be paid into the public facilities  
35 construction loan revolving fund.

36 (~~(2)~~) (4) When every feasible effort has been made to provide  
37 loans and loans are not possible, the board may provide grants upon  
38 finding that unique circumstances exist.

1       **Sec. 7.** RCW 43.160.076 and 1995 c 226 s 15 are each amended to  
2 read as follows:

3       (1) Except as authorized to the contrary under subsection (2) of  
4 this section, from all funds available to the board for (~~loans and~~  
5 ~~grants~~) financial assistance in a biennium, the board shall spend at  
6 least fifty percent for (~~grants and loans~~) financial assistance for  
7 projects in distressed counties or rural natural resources impact  
8 areas. For purposes of this section, the term "distressed counties"  
9 includes any county, in which the average level of unemployment for the  
10 three years before the year in which an application for (~~a loan or~~  
11 ~~grant~~) financial assistance is filed, exceeds the average state  
12 employment for those years by twenty percent.

13       (2) If at any time during the last six months of a biennium the  
14 board finds that the actual and anticipated applications for qualified  
15 projects in distressed counties or rural natural resources impact areas  
16 are clearly insufficient to use up the fifty percent allocation, then  
17 the board shall estimate the amount of the insufficiency and during the  
18 remainder of the biennium may use that amount of the allocation for  
19 (~~loans and grants for~~) financial assistance to projects not located  
20 in distressed counties or rural natural resources impact areas.

21       **Sec. 8.** RCW 43.160.090 and 1987 c 505 s 42 are each amended to  
22 read as follows:

23       The board and the department shall keep proper records of accounts  
24 and shall be subject to audit by the state auditor.

25       **Sec. 9.** RCW 43.160.200 and 1995 c 226 s 16 are each amended to  
26 read as follows:

27       (1) The economic development account is created within the public  
28 facilities construction loan revolving fund under RCW 43.160.080.  
29 Moneys in the account may be spent only after appropriation.  
30 Expenditures from the account may be used only for the purposes of RCW  
31 43.160.010(~~(+4)~~)(3) and this section. The account is subject to  
32 allotment procedures under chapter 43.88 RCW.

33       (2) Applications under this section for assistance from the  
34 economic development account are subject to all of the applicable  
35 criteria set forth under this chapter, as well as procedures and  
36 criteria established by the board, except as otherwise provided.

1 (3) Eligible applicants under this section are limited to political  
2 subdivisions of the state in rural natural resources impact areas that  
3 demonstrate, to the satisfaction of the board, the local economy's  
4 dependence on the forest products and salmon fishing industries.

5 (4) Applicants must demonstrate that their request is part of an  
6 economic development plan consistent with applicable state planning  
7 requirements. Applicants must demonstrate that tourism projects have  
8 been approved by the local government. Industrial projects must be  
9 approved by the local government and the associate development  
10 organization.

11 (5) Publicly owned projects may be financed under this section upon  
12 proof by the applicant that the public project is a necessary component  
13 of, or constitutes in whole, a tourism project.

14 (6) Applications must demonstrate local match and participation.  
15 Such match may include: Land donation, other public or private funds  
16 or both, or other means of local commitment to the project.

17 (7) Board financing for feasibility studies shall not exceed  
18 twenty-five thousand dollars per study. Board funds for feasibility  
19 studies may be provided as a grant and require a dollar for dollar  
20 match with up to one-half in-kind match allowed.

21 (8) Board financing for tourism projects shall not exceed two  
22 hundred fifty thousand dollars. Other public facility projects under  
23 this section shall not exceed five hundred thousand dollars. Loans  
24 with flexible terms and conditions to meet the needs of the applicants  
25 shall be provided. Grants may also be authorized, but only when, and  
26 to the extent that, a loan is not reasonably possible, given the  
27 limited resources of the political subdivision.

28 (9) The board shall develop guidelines for allowable local match  
29 and feasibility studies.

30 (10) Applications under this section need not demonstrate evidence  
31 that specific private development or expansion is ready to occur or  
32 will occur if funds are provided.

33 (11) The board shall establish guidelines for ~~((making grants and~~  
34 ~~loans)) providing financial assistance under this section to ensure  
35 that the requirements of this chapter are complied with. The  
36 guidelines shall include:~~

37 (a) A process to equitably compare and evaluate applications from  
38 competing communities.

1 (b) Criteria to ensure that approved projects will have a high  
2 probability of success and are likely to provide long-term economic  
3 benefits to the community. The criteria shall include: (i) A minimum  
4 amount of local participation, determined by the board per application,  
5 to verify community support for the project; (ii) an analysis that  
6 establishes the project is feasible using standard economic principles;  
7 and (iii) an explanation from the applicant regarding how the project  
8 is consistent with the communities' economic strategy and goals.

9 (c) A method of evaluating the impact of the ~~((loans or grants))~~  
10 financial assistance on the economy of the community and whether the  
11 ~~((loans or grants))~~ financial assistance achieved ~~((their))~~ its  
12 purpose.

13 ~~((12) Cities and counties otherwise eligible under and in  
14 compliance with this section are authorized to use the loans or grants  
15 for buildings and structures.))~~

16 **Sec. 10.** RCW 43.160.210 and 1991 c 314 s 25 are each amended to  
17 read as follows:

18 (1) Except as authorized to the contrary under subsection (2) of  
19 this section, from all funds available to the board for ~~((loans and  
20 grants))~~ financial assistance, the board shall ~~((spend))~~ designate at  
21 least twenty percent for ~~((grants and loans))~~ financial assistance for  
22 projects in distressed counties. For purposes of this section, the  
23 term "distressed counties" includes any county, in which the average  
24 level of unemployment for the three years before the year in which an  
25 application for ~~((a loan or grant))~~ financial assistance is filed,  
26 exceeds the average state employment for those years by twenty percent.

27 (2) If at any time during the last six months of a biennium the  
28 board finds that the actual and anticipated applications for qualified  
29 projects in distressed counties are clearly insufficient to use up the  
30 twenty percent allocation, then the board shall estimate the amount of  
31 the insufficiency and during the remainder of the biennium may use that  
32 amount of the allocation for ~~((loans and grants))~~ financial assistance  
33 for projects not located in distressed counties.

34 NEW SECTION. **Sec. 11.** The sum of six million dollars, or as much  
35 thereof as may be necessary, is appropriated for the biennium ending  
36 June 30, 1997, from the general fund to the department of community,  
37 trade, and economic development for the purposes of financial

1 assistance programs as provided through the community economic  
2 revitalization board.

3 NEW SECTION. **Sec. 12.** The following acts or parts of acts are  
4 each repealed:

5 (1) RCW 43.160.035 and 1993 c 320 s 3, 1987 c 422 s 3, & 1985 c 446  
6 s 4;

7 (2) RCW 43.160.074 and 1985 c 433 s 5;

8 (3) RCW 43.160.078 and 1985 c 446 s 5;

9 (4) RCW 43.160.115 and 1995 c 399 s 87, 1987 c 422 s 7, 1987 c 195  
10 s 12, & 1985 c 164 s 14;

11 (5) RCW 43.160.120 and 1984 c 257 s 5;

12 (6) RCW 43.160.130 and 1984 c 257 s 6;

13 (7) RCW 43.160.140 and 1987 c 422 s 8 & 1984 c 257 s 7;

14 (8) RCW 43.160.150 and 1984 c 257 s 8;

15 (9) RCW 43.160.160 and 1984 c 257 s 9;

16 (10) RCW 43.160.170 and 1984 c 257 s 10; and

17 (11) RCW 43.160.180 and 1995 c 399 s 88, 1987 c 422 s 9, & 1985 c  
18 446 s 15.

19 NEW SECTION. **Sec. 13.** If any provision of this act or its  
20 application to any person or circumstance is held invalid, the  
21 remainder of the act or the application of the provision to other  
22 persons or circumstances is not affected.

23 NEW SECTION. **Sec. 14.** (1) Sections 1 through 9 and 11 through 13  
24 of this act shall take effect July 1, 1996.

25 (2) Section 10 of this act shall take effect June 30, 1997.

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