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HOUSE BILL 1856

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State of Washington

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2015 Regular Session

**By** Representatives Ryu, Walkinshaw, Morris, Riccelli, Stanford, Wylie, Ormsby, Fitzgibbon, Reykdal, Gregerson, and Tarleton

Read first time 01/30/15. Referred to Committee on Technology & Economic Development.

1 AN ACT Relating to providing an exception to the community  
2 economic revitalization board program's median hourly wage  
3 requirement for counties with the state's highest unemployment rates;  
4 amending RCW 43.160.060; adding a new section to chapter 43.160 RCW;  
5 and declaring an emergency.

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

7 **Sec. 1.** RCW 43.160.060 and 2014 c 112 s 108 are each amended to  
8 read as follows:

9 (1) The board is authorized to make direct loans to political  
10 subdivisions of the state and to federally recognized Indian tribes  
11 for the purposes of assisting the political subdivisions and  
12 federally recognized Indian tribes in financing the cost of public  
13 facilities, including development of land and improvements for public  
14 facilities, project-specific environmental, capital facilities, land  
15 use, permitting, feasibility, and marketing studies and plans;  
16 project design, site planning, and analysis; project debt and revenue  
17 impact analysis; as well as the construction, rehabilitation,  
18 alteration, expansion, or improvement of the facilities. A grant may  
19 also be authorized for purposes designated in this chapter, but only  
20 when, and to the extent that, a loan is not reasonably possible,  
21 given the limited resources of the political subdivision or the

1 federally recognized Indian tribe and the finding by the board that  
2 financial circumstances require grant assistance to enable the  
3 project to move forward. However, no more than twenty-five percent of  
4 all financial assistance approved by the board in any biennium may  
5 consist of grants to political subdivisions and federally recognized  
6 Indian tribes.

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

10 (a) The board may not provide financial assistance:

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

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

16 (iii) For a project the primary purpose of which is to facilitate  
17 or promote gambling.

18 (iv) For a project located outside the jurisdiction of the  
19 applicant political subdivision or federally recognized Indian tribe.

20 (b) The board may only provide financial assistance:

21 (i) For a project demonstrating convincing evidence that a  
22 specific private development or expansion is ready to occur and will  
23 occur only if the public facility improvement is made that:

24 (A) Results in the creation of significant private sector jobs or  
25 significant private sector capital investment as determined by the  
26 board; and

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

31 (ii) For a project that cannot meet the requirement of (b)(i) of  
32 this subsection but is a project that:

33 (A) Results in the creation of significant private sector jobs or  
34 significant private sector capital investment as determined by the  
35 board;

36 (B) Is part of a local economic development plan consistent with  
37 applicable state planning requirements;

38 (C) Can demonstrate project feasibility using standard economic  
39 principles; and

1 (D) Is located in a rural community as defined by the board, or a  
2 rural county;

3 (iii) For site-specific plans, studies, and analyses that address  
4 environmental impacts, capital facilities, land use, permitting,  
5 feasibility, marketing, project engineering, design, site planning,  
6 and project debt and revenue impacts, as grants not to exceed fifty  
7 thousand dollars.

8 (c) The board must develop guidelines for local participation and  
9 allowable match and activities.

10 (d) An application must demonstrate local match and local  
11 participation, in accordance with guidelines developed by the board.

12 (e) An application must be approved by the political subdivision  
13 and supported by the local associate development organization or  
14 local workforce development council or approved by the governing body  
15 of the federally recognized Indian tribe.

16 (f) The board may allow de minimis general system improvements to  
17 be funded if they are critically linked to the viability of the  
18 project.

19 (g) Except as provided in section 2 of this act, an application  
20 must demonstrate convincing evidence that the median hourly wage of  
21 the private sector jobs created after the project is completed will  
22 exceed the countywide median hourly wage.

23 (h) The board must prioritize each proposed project according to:

24 (i) The relative benefits provided to the community by the jobs  
25 the project would create, not just the total number of jobs it would  
26 create after the project is completed, but also giving consideration  
27 to the unemployment rate in the area in which the jobs would be  
28 located;

29 (ii) The rate of return of the state's investment, including, but  
30 not limited to, the leveraging of private sector investment,  
31 anticipated job creation and retention, and expected increases in  
32 state and local tax revenues associated with the project;

33 (iii) Whether the proposed project offers a health insurance plan  
34 for employees that includes an option for dependents of employees;

35 (iv) Whether the public facility investment will increase  
36 existing capacity necessary to accommodate projected population and  
37 employment growth in a manner that supports infill and redevelopment  
38 of existing urban or industrial areas that are served by adequate  
39 public facilities. Projects should maximize the use of existing

1 infrastructure and provide for adequate funding of necessary  
2 transportation improvements;

3 (v) Whether the applicant's permitting process has been certified  
4 as streamlined by the office of regulatory assistance; and

5 (vi) Whether the applicant has developed and adhered to  
6 guidelines regarding its permitting process for those applying for  
7 development permits consistent with section 1(2), chapter 231, Laws  
8 of 2007.

9 (i) A responsible official of the political subdivision or the  
10 federally recognized Indian tribe must be present during board  
11 deliberations and provide information that the board requests.

12 (3) Before any financial assistance application is approved, the  
13 political subdivision or the federally recognized Indian tribe  
14 seeking the assistance must demonstrate to the community economic  
15 revitalization board that no other timely source of funding is  
16 available to it at costs reasonably similar to financing available  
17 from the community economic revitalization board.

18 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.160  
19 RCW to read as follows:

20 To increase opportunities for private sector employment in the  
21 state's most distressed counties, the board shall:

22 (1) Accept and evaluate applications for proposed projects  
23 located in the twenty-five percent of counties that have the state's  
24 highest average unemployment rates over the previous three years and  
25 are unable to meet the median wage requirements in RCW  
26 43.160.060(2)(g);

27 (2) Only provide financial assistance to such projects if the  
28 application demonstrates convincing evidence that the median hourly  
29 wage of private sector jobs created after the project is completed  
30 will exceed the countywide median hourly wage within three years of  
31 the hire date;

32 (3) Require the local government and the private sector business  
33 to certify to this commitment as a condition of the local  
34 government's contract with the board.

35 NEW SECTION. **Sec. 3.** This act is necessary for the immediate  
36 preservation of the public peace, health, or safety, or support of

1 the state government and its existing public institutions, and takes  
2 effect immediately.

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