

2 ESHB 1341 - S AMD

3 By Senators Owen, Snyder, Conner, McDonald, Amondson, Matson,
4 McMullen

5 Adopted 4/19/91 - Voice Vote

6 Strike everything after the enacting clause and insert the
7 following:

8 "NEW SECTION. **Sec. 1.** The legislature finds that:

9 (1) Cutbacks in allowable sales of old growth timber in Washington
10 state pose a substantial threat to the region and the state with
11 massive layoffs, loss of personal income, and declines in state
12 revenues;

13 (2) The timber-impacted communities are of critical significance to
14 the state because of their leading role in the overall economic well-
15 being of the state and their importance to the quality of life to all
16 residents of Washington, and that this region requires a special state
17 effort to diversify the local economy;

18 (3) There are key opportunities to broaden the economic base in the
19 timber-impacted communities including agriculture, high-technology,
20 tourism, and regional exports; and

21 (4) A coordinated state, local, and private sector effort offers
22 the greatest potential to promote economic diversification and to
23 provide support for new projects within the region.

24 The legislature further finds that if a special state effort does
25 not take place the decline in allowable timber sales may result in a
26 loss of six thousand logging and milling jobs; two hundred million
27 dollars in direct wages and benefits; twelve thousand indirect jobs;
28 and three hundred million dollars in indirect wages and benefits.

1 It is the intent of the legislature to develop comprehensive
2 programs to provide diversified economic development and promote job
3 creation and employment opportunities for the citizens of the timber-
4 impacted communities."

5 "NEW SECTION. **Sec. 2.** For the purposes of sections 1 through
6 13 of this act:

7 (1) "Department" means the department of trade and economic
8 development;

9 (2) "Board" means the economic recovery coordination board;

10 (3) "Timber impact area" means a county or city or town located
11 within a county meeting two of the following three criteria for the
12 most recent year such data is available: (a) A lumber and wood
13 products employment location quotient at or above the state average;
14 (b) a direct lumber and wood products job loss of one hundred positions
15 or more; or (c) an annual unemployment rate twenty percent above the
16 state average.

17 (4) "Forest products worker" means any worker whose dislocation
18 results from the reduction of forest fibre enhancement, transportation,
19 or production. The Washington employment security department shall
20 certify as to whether or not an individual works in an industry that
21 meets this definition. It shall include workers employed in industries
22 defined by SIC codes 24 and 26 and those who are involved in the
23 harvesting and management of logs, transportation of logs and wood
24 products, and processing of wood products, as well as the manufacturing
25 and distribution of wood processing and logging equipment. The
26 commissioner may adopt rules further interpreting these definitions."

27 "NEW SECTION. **Sec. 3.** (1) The governor shall appoint a timber
28 recovery coordinator. The coordinator shall coordinate the state's

1 economic and social programs targeted to timber-dependent communities
2 and the state's interests in federal land management and regulatory
3 issues.

4 The governor shall appoint a social services subcoordinator at the
5 department of social and health services. The subcoordinator shall be
6 responsible for coordinating and improving all dislocated worker and
7 family assistance programs directed to timber or rural communities.

8 The governor shall appoint an economic development subcoordinator
9 at the department of trade and economic development to coordinate all
10 community and economic development programs directed towards timber-
11 dependent or rural communities.

12 (2) The coordinator's responsibilities shall include but not be
13 limited to:

14 (a) Serve as executive secretary of the economic recovery
15 coordination board and direct staff associated with the board.

16 (b) Chair the agency timber task force and direct staff associated
17 with the task force.

18 (c) Ensure that state programs directed to timber-dependent
19 communities are effective and meet the intent of the legislature.

20 (d) Coordinate the state's position and response to federal land
21 management and regulatory issues affecting timber and other rural
22 communities.

23 (e) Respond to the needs and concerns of citizens at the local
24 level.

25 (f) Develop a strategic plan for the economic recovery of timber
26 communities.

27 (g) Provide recommendations and technical assistance on proposals
28 for the diversification of timber-dependent communities.

1 (h) Provide recommendations to the governor, the legislature, and
2 congress on land management and economic and regulatory policies that
3 impact timber-dependent communities.

4 (i) Recommend to the legislature any changes or improvements in
5 existing programs designed to benefit timber communities.

6 (j) Coordinate the social service timber task forces administered
7 by the department of social and health services in cooperation with
8 county governments.

9 (k) Coordinate the associate development organizations in timber-
10 dependent counties.

11 (l) Report to the legislature on the progress of the economic
12 recovery of timber communities in January 1992 to evaluate the success
13 of the program.

14 (3) The coordinator may determine that other economic situations
15 affecting other communities, not involving timber recovery, are
16 adversely affecting the state's economy and may exercise all of the
17 coordinator's powers to promote economic recovery in such areas.

18 (4) This section shall expire June 30, 1993."

19 "NEW SECTION. Sec. 4. (1) There is established the agency
20 timber task force. The task force shall be chaired by the timber
21 recovery coordinator, who shall be responsible for all activities of
22 the task force and who shall have executive authority over all agencies
23 represented in the task force with regard to programs created in this
24 act. The task force shall consist of the directors, or representatives
25 of the directors, of the following agencies: The department of trade
26 and economic development, department of community development,
27 employment security department, department of social and health
28 services, state board for community college education, state board for
29 vocational education, or its replacement entity, department of natural

1 resources, department of transportation, state energy office,
2 department of wildlife, and department of ecology. The task force
3 shall consult and enlist the assistance of the following: The higher
4 education coordinating board, University of Washington school of
5 forestry, Washington State University school of forestry, Northwest
6 policy center, superintendent of public instruction, Washington
7 association of counties, and rural development council. It shall be
8 the responsibility of the coordinator that all directives of this act
9 are carried out expeditiously by the agencies represented in the task
10 force.

11 (2) The agency timber task force shall be responsible for
12 coordinating all programs oriented towards economic and social
13 development of timber communities as well as directing a joint state
14 response to all federal land management and regulatory actions. The
15 functions of the board shall include but not be limited to:

16 (a) With the assistance of the Northwest policy center at the
17 University of Washington, develop a strategic plan for the economic
18 recovery of timber communities;

19 (b) Reviewing and approving all proposals, work plans, and
20 expenditures for economic and social programs targeted to rural and
21 timber communities. No expenditures for such programs can be made
22 without review by the agency timber task force; and

23 (c) Coordinate, review, and encourage all general social and
24 economic development programs that could affect timber communities.

25 (3) This section shall expire June 30, 1993."

26 "NEW SECTION. **Sec. 5.** The Northwest policy center at the
27 University of Washington shall design an evaluation mechanism for all
28 timber community programs and undertake an evaluation of each program's
29 effectiveness by November 1, 1993."

1 "NEW SECTION. Sec. 6. (1) There is established the economic
2 recovery coordination board consisting of one representative, appointed
3 by the governor, from each timber impact area economic development
4 council. The timber recovery coordinator and the two subcoordinators
5 shall be members of the board. Each timber impact area economic
6 development council shall submit the names of three nominees
7 representing different interests to the governor. Within sixty days
8 after the effective date of this section, the governor shall select one
9 nominee from each economic development council list. The governor's
10 appointments shall have representation from representatives of local
11 businesses, labor organizations, local governments, visitor and
12 convention bureaus, local educational institutions, local associate
13 development organizations, the agribusiness community, and local ports.
14 In making the appointments, the governor shall endeavor to ensure that
15 the appointees have experience in local diversification efforts.
16 Vacancies shall be filled in the same manner as the original
17 appointment.

18 The board shall advise the timber recovery coordinator and the
19 agency timber task force on issues relating to timber community
20 economic and social development, and review and provide recommendations
21 on proposals for the diversification of the timber-impacted areas
22 presented to it by the timber recovery coordinator.

23 The board shall appoint members to local recovery advisory
24 committees in each timber impact area. In making the appointments the
25 board shall endeavor to recruit members of the community with expertise
26 in areas needed to create a revitalized economy. The advisory
27 committee shall assist the recovery board with review and
28 recommendations.

1 Members of the board and committees shall receive no compensation
2 but shall be reimbursed for travel expenses under RCW 43.03.050 and
3 43.03.060.

4 (2) The board may determine that other economic situations
5 affecting other communities, not involving timber recovery, are
6 adversely affecting the state's economy and may exercise all of the
7 board's powers to promote economic recovery in such areas.

8 (3) This section shall expire June 30, 1993."

9 "NEW SECTION. Sec. 7. The department of trade and economic
10 development shall begin implementation of economic diversification
11 programs.

12 In carrying out these programs, the department, in consultation
13 with the economic recovery coordination board, shall determine which
14 objectives are most likely to lead to economic recovery and
15 diversification. Consideration shall be given to potential jobs and
16 income benefits, generation of additional fiscal support, increased
17 private sector participation, and market forces supporting the proposed
18 objectives. The department shall employ an economic development
19 subcoordinator appointed by the governor under section 3 of this act
20 who will coordinate with the economic recovery board. The board shall
21 consider such studies and governmental agencies which could support the
22 priority goals determined under this section."

23 "NEW SECTION. Sec. 8. The economic development subcoordinator
24 shall facilitate the department's activities within the timber-impacted
25 regions. The subcoordinator's responsibilities shall include but not
26 be limited to:

27 (1) Coordinating the activities of the department and the
28 department of community development in timber-impacted areas;

1 (2) Seeking to increase the use of existing state economic
2 development programs in the timber-impacted regions;

3 (3) Helping to locate additional funds to be used for
4 diversification and recovery activities;

5 (4) Seeking advice and recommendations from the board on activities
6 within the priority areas;

7 (5) Coordinating evaluation of state programs in the region;

8 (6) Seeking to increase the effectiveness of existing efforts to
9 incubate new enterprises in the timber-impacted areas and to increase
10 the resources devoted to the incubation of new enterprises;

11 (7) Facilitating a new technology and research base in the region
12 for local businesses, including efforts to increase: The availability
13 and accessibility of venture capital in the timber-impacted areas,
14 especially for the early stages of enterprise development and for the
15 expansion of existing enterprises, the accessibility of legal
16 expertise, especially in regard to licenses and patents, and the
17 identification of and assistance to entrepreneurs with expertise in
18 managing new product development; and

19 (8) Increasing the availability and coordination of resources
20 devoted to the expansion, development, and modernization of enterprises
21 in existing promising growth areas of the timber-impacted regional
22 economy such as the industrial applications of advanced technology and
23 recreational development."

24 "NEW SECTION. Sec. 9. The department shall contract with local
25 bodies to develop various programs to promote diversification, such as
26 regional exporting, waterfront tourism, job retention, small business
27 marketing and training, small business incubators, investment
28 opportunities, and securing federal contracts. The department, after

1 consultation with the board, shall establish guidelines for the
2 awarding of contracts under this section."

3 "NEW SECTION. Sec. 10. The department, in consultation with the
4 board, shall:

5 (1) Gather, analyze, and disseminate information about the
6 competitiveness of the wood products industry in this state and make
7 that information available to the wood products industry, state
8 government, and the general public.

9 (2) Encourage cooperation among wood products firms through the
10 formation of business networks to develop solutions to technology and
11 product development problems, acquire and disseminate marketing
12 information, promote and market wood products of this state, and
13 address other common industry problems.

14 (3) Receive assistance from the board in the department's efforts
15 to increase the competitiveness of the industry and increase the
16 production of value-added products by providing grants for feasibility
17 studies and product research and development. The grants under this
18 subsection shall:

19 (a) Be of general benefit to the industry rather than intended to
20 benefit a specific firm;

21 (b) Be for such activities as identifying options, assessing
22 markets, evaluating business and financial risks, addressing production
23 issues, and assessing new technologies; and

24 (c) Be less than thirty-five thousand dollars unless seventy-five
25 percent of the agency timber task force authorizes up to fifty thousand
26 dollars.

27 (4) Work with state agencies, wood products firms, wood products
28 industry associations, and institutions of higher education in this

1 state to assure close coordination of all efforts to improve the
2 competitiveness of the wood products industry in this state.

3 (5) Report periodically to the governor, the legislature, the wood
4 products industry, and the general public on the competitive position
5 of the wood products industry in this state, and make such
6 recommendations as the department determines appropriate for public or
7 private actions needed to improve the competitiveness of the wood
8 products industry in this state.

9 In pursuing efforts to stimulate the growth of timber enterprises
10 and to strengthen the timber economy, the state should identify
11 opportunities to learn from and/or work with other states and
12 provinces. A regional working session on value-added timber products,
13 jointly sponsored by the Pacific Northwest economic region and the
14 Northwest policy center, shall be held in 1991. Washington state and
15 its appropriate agencies are encouraged to participate in this working
16 session."

17 "NEW SECTION. Sec. 11. (1) The department shall develop an
18 implementation plan for a forest products development center to be
19 located in Forks, Washington, as a model public/private manufacturing
20 partnership. The center plan shall determine methods to:

21 (a) Improve the technology in the timber industry by improving
22 production methods and equipment to become more competitive;

23 (b) Work with private industry to improve the infrastructure to
24 finance the capital expenditures necessary for public facilities such
25 as roads and utilities;

26 (c) Train new production workers to be more sophisticated
27 production workers by offering training opportunities allowing workers
28 to adapt to a changing workplace;

1 (d) Provide updated knowledge of the consumer and industry trends
2 around the world to identify markets; and

3 (e) Serve as a model to demonstrate environmental compliance
4 techniques allowing efficient, profitable production to be sustained at
5 all times.

6 (2) This plan shall be submitted to the legislature by July 1,
7 1992."

8 "NEW SECTION. **Sec. 12.** The department, in consultation with the
9 board, shall conduct long-range policy planning surveys to determine
10 the best options and alternative economic programs for long-term
11 development in the timber-impacted counties of the state of Washington.
12 These surveys are to include:

13 (1) A survey of the feasibility of developing telecommuting
14 businesses;

15 (2) A growers' marketing cooperative for alternative forest
16 products;

17 (3) Strengthening the business assistance center concept in the
18 timber-impacted areas to insure expanding and new businesses will be
19 able to have all inquiries answered at one governmental agency;

20 (4) A survey and recommendation by the department to develop small
21 business relocation grants to encourage the influx of new business to
22 the timber-impacted counties;

23 (5) Expansion of the Washington market place program including:
24 The development of a wood products manufacturers network to encourage
25 cooperative product marketing and expanded export assistance;

26 (6) The department and the board shall conduct a survey to
27 determine the actual future employment needs and jobs skills in the
28 timber-impacted areas.

1 The Washington state air transportation commission shall conduct a
2 study of the possibility of locating an airport facility designed to
3 relieve air traffic overflow from Seattle-Tacoma international airport
4 in Grays Harbor county.

5 The commission shall consider airport facilities currently in use
6 in Grays Harbor county, the property set aside at the uncompleted
7 Satsop nuclear site, the distance from operating port facilities, the
8 desires of the community, and linkage with the Interstate 5 corridor by
9 rapid transit rail service."

10 "NEW SECTION. Sec. 13. (1) Through an interagency agreement
11 with the department, the employment security department shall provide
12 enhanced retraining, support services, and job search assistance,
13 including an out-of-area job search and relocation component, if
14 needed, for dislocated workers in the timber-impacted areas. For the
15 purpose of this section "dislocated workers" means workers in the
16 timber-impacted areas who (a) have been terminated or laid off, or
17 received a notice of termination or layoff from employment and are
18 eligible for or have exhausted their entitlement to benefits under
19 Title 50 RCW; (b) have been terminated as a result of any permanent
20 plant closure; (c) are long-term unemployed and are unlikely to return
21 to employment in the individual's principal occupation or previous
22 industry because of a diminishing demand for their skills in that
23 occupation or industry; or (d) are farmers or other self-employed
24 individuals who have been displaced due to economic conditions or
25 natural disasters. Training and retraining assistance shall be
26 designed to contribute to the diversification of the economy of the
27 timber-impacted areas or to relieve economic dislocation and distress
28 in the timber-impacted areas resulting from the sudden and severe loss
29 of local sources of employment.

1 (2) The employment security department shall consult with and may
2 subcontract with local educational institutions, local businesses,
3 local labor organizations, local associate development organizations,
4 local private industry councils, local social service organizations,
5 and local governments in carrying out this program of training and
6 services for dislocated workers in the timber-impacted areas.

7 (3) Training and retraining assistance provided under sections 1
8 through 13 of this act should include but need not be limited to the
9 following areas: Entrepreneurial development and training; short-term
10 job creation; training in the incubation of new business enterprises
11 and training at incubator facilities; agriculture, agricultural
12 processing, and agricultural services; the industrial applications of
13 advanced technology; recreational and tourism development; and training
14 through the self-employment and enterprise development (SEED) program.
15 The department of social and health services shall help families and
16 workers make the transition through economic difficulties and provide
17 workers with marketable skills. Funding shall be coordinated through
18 the board which will establish a fund to provide child care assistance,
19 mortgage assistance, and counseling which cannot be met through current
20 programs.

21 (4) Such services shall be either direct or referral services to
22 the unemployed, and should include, but need not be limited to: Credit
23 counseling; social services including marital counseling; psychotherapy
24 or psychological counseling; mortgage foreclosures and utilities
25 problems counseling; drug and alcohol abuse services; medical services;
26 and residential heating and food acquisition.

27 (5) The employment security department shall coordinate the
28 services provided in this section with all other services provided by
29 the department and with the other economic recovery efforts undertaken

1 by state and local government agencies on behalf of the timber-impacted
2 areas.

3 (6) Subcontractors shall conduct outreach efforts to encourage the
4 unemployed to seek assistance.

5 (7) The department shall make every effort to procure additional
6 federal and other moneys for the efforts enumerated in this section."

7 "NEW SECTION. Sec. 14. A new section is added to chapter 43.20A
8 RCW to read as follows:

9 The department of social and health services shall employ a social
10 services subcoordinator appointed by the governor under section 3 of
11 this act. The social services subcoordinator shall facilitate the
12 department's activities within timber-impacted regions and coordinate
13 social programs with the employment security department, the state
14 board for vocational education, the state board for community college
15 education, and the department of social and health services."

16 "NEW SECTION. Sec. 15. Unless the context clearly requires
17 otherwise, the definitions in this section apply throughout sections 16
18 through 20 of this act:

19 (1) "Department" means the employment security department.

20 (2) "Dislocated workers" means workers in the timber-impacted areas
21 who (a) have been terminated or laid off, or received a notice of
22 termination or layoff from employment and are eligible for or have
23 exhausted their entitlement to benefits under Title 50 RCW; (b) have
24 been terminated as a result of any permanent plant closure; (c) are
25 long-term unemployed and are unlikely to return to employment in the
26 individual's principal occupation or previous industry because of a
27 diminishing demand for their skills in that occupation or industry; or

1 (d) are farmers or other self-employed individuals who have been
2 displaced due to economic conditions or natural disasters.

3 (3) "Timber impact area" means a county or city or town located
4 within a county meeting two of the following three criteria for the
5 most recent year such data is available: (a) A lumber and wood
6 products employment location quotient at or above the state average;
7 (b) a direct lumber and wood products job loss of one hundred positions
8 or more; or (c) an annual unemployment rate twenty percent above the
9 state average.

10 (4) "Program" or "counter-cyclical program" means the program for
11 dislocated workers administered by the employment security department
12 in conjunction with the department of natural resources.

13 (5) "Enrollee" means any person enrolled in the counter-cyclical
14 program."

15 "NEW SECTION. Sec. 16. (1) The counter-cyclical program for
16 dislocated workers is established in the department. The program shall
17 provide forest-related employment and job retraining assistance to
18 unemployed dislocated workers residing in timber impact areas. The
19 department shall notify dislocated workers receiving unemployment
20 benefits, or who have exhausted unemployment benefits of their
21 eligibility for the program.

22 (2) The department of natural resources shall employ candidates for
23 the counter-cyclical program from a pool of eligible dislocated workers
24 developed by the department."

25 "NEW SECTION. Sec. 17. The department shall contract with the
26 department of natural resources to provide employment opportunities for
27 not less than two hundred eligible enrollees. Employment opportunities
28 under the counter-cyclical program shall consist of activities that

1 improve the value of state lands and waters managed by the department
2 of natural resources. These activities may include, but are not
3 limited to, thinning and precommercial thinning, pruning, slash
4 removal, reforestation, fire suppression, trail maintenance,
5 maintenance of recreational facilities, dike repair, development and
6 maintenance of tourist facilities, stream enhancement."

7 "NEW SECTION. Sec. 18. Enrollees in the counter-cyclical
8 program shall receive medical and dental benefits as provided under
9 chapter 41.05 RCW, but are exempt from the provisions of chapter 41.06
10 RCW. Compensation for the counter-cyclical program shall be at least
11 nine dollars per hour of employment. Employees shall not work more
12 than thirty-two hours each week in this program and must agree to
13 participate in the career orientation program established in this
14 chapter, under the department. Participation in the counter-cyclical
15 program is limited to six months. Employment under the program shall
16 not result in the displacement or partial displacement of currently
17 employed workers. This includes, but is not limited to, state
18 employees or currently or normally contracted service employees."

19 "NEW SECTION. Sec. 19. The department shall develop a career
20 orientation program for enrollees in the counter-cyclical program. The
21 department shall provide at least eight hours of career counseling each
22 week for enrollees in this program. The career orientation program
23 shall include, but is not limited to, counseling on employment options
24 and assistance in accessing retraining programs, and assistance in
25 accessing social service programs."

1 "NEW SECTION. **Sec. 20.** The department of natural resources
2 shall provide compensation for enrollees in this program as provided
3 under section 18 of this act."

4 "NEW SECTION. **Sec. 21.** A new section is added to chapter 50.22
5 RCW to read as follows:

6 A program to provide training and extended benefits for unemployed
7 forest products workers is established. The program shall begin on the
8 third Sunday after the effective date of this section. The program
9 shall provide that:

10 (1) To be eligible for the program, a person must:

11 (a) Be a worker who resides or works in a timber-impacted area
12 defined in section 2 of this act or a forest products worker defined in
13 section 2 of this act residing or working anywhere in the state who (i)
14 has been terminated or laid off, or received a notice of termination or
15 layoff from employment and is eligible for or has exhausted his or her
16 entitlement to benefits under Title 50 RCW; (ii) has been terminated as
17 a result of any permanent plant closure; (iii) is long-term unemployed
18 and is unlikely to return to employment in his or her principal
19 occupation or previous industry because of a diminishing demand for his
20 or her skills in that occupation or industry; or (iv) is a farmer or
21 other self-employed individual who has been displaced due to economic
22 conditions or natural disasters; and

23 (b) Have six hundred eighty hours of employment in four of the last
24 five completed calendar quarters prior to his or her application for
25 unemployment compensation benefits.

26 (2) The department shall notify potentially eligible persons who
27 apply for unemployment compensation benefits of the provisions of this
28 section.

1 (3) Eligible persons shall develop individual training plans and
2 submit the plans to the commissioner for approval.

3 (4) If a training plan is approved by the commissioner within the
4 first twenty-four weeks of a person's unemployment compensation claim
5 or within twenty-four weeks of the effective date of this section,
6 whichever is later, the person shall be eligible for extended benefits
7 under subsection (5) of this section and for tuition waivers under
8 section 22 of this act.

9 (5) Persons eligible under subsections (1) and (4) of this section
10 who are either enrolled in a training course that has been approved by
11 the commissioner or have applied to and are waiting for admission into
12 an approved training course are eligible for extended benefits for an
13 additional twenty-six weeks. Total unemployment compensation benefits
14 may not exceed fifty-two times the eligible person's weekly benefit
15 amount reduced by other state or federal unemployment benefits
16 available for the same weeks of unemployment.

17 (6) Benefits paid pursuant to this section shall be paid under the
18 same terms and conditions as extended benefits and shall not be charged
19 to the experience rating accounts of individual employers.

20 (7) The commissioner shall adopt rules as necessary to implement
21 this section."

22 "NEW SECTION. **Sec. 22.** A new section is added to chapter 28B.15
23 RCW to read as follows:

24 Unemployed dislocated forest workers eligible for benefits under
25 section 21 of this act who comply with all requirements for admittance
26 shall be admitted to and may attend any public four-year institution of
27 higher education, community college, or vocational-technical
28 institution that has space available without paying tuition and service
29 and activity fees for courses approved by the commissioner of

1 employment security under section 21 of this act. A tuition waiver is
2 limited to a maximum of six academic quarters, four semesters, or the
3 equivalent of two academic years of full-time study.

4 This section shall expire on June 30, 1996."

5 "Sec. 23. RCW 28B.15.740 and 1989 c 340 s 2 are each amended to
6 read as follows:

7 (1) The boards of trustees or regents of each of the state's
8 regional universities, The Evergreen State College, or state
9 universities, and the various community colleges, consistent with
10 regulations and procedures established by the state board for community
11 college education, may waive, in whole or in part, tuition and services
12 and activities fees subject to the limitations set forth in subsections
13 (2) and (3) of this section.

14 (2) Except as provided in subsection (3) of this section, the total
15 dollar amount of tuition and fee waivers awarded by any state
16 university, regional university, or state college, shall not exceed
17 four percent, and for the community colleges considered as a whole,
18 such amount shall not exceed three percent of an amount determined by
19 estimating the total collections from tuition and services and
20 activities fees had no such waivers been made and deducting the portion
21 of that total amount which is attributable to the difference between
22 resident and nonresident fees: PROVIDED, That at least three-fourths
23 of the dollars waived shall be for needy students who are eligible for
24 resident tuition and fee rates pursuant to RCW 28B.15.012 through
25 28B.15.015: PROVIDED FURTHER, That the remainder of the dollars
26 waived, not to exceed one-fourth of the total, may be applied to other
27 students at the discretion of the board of trustees or regents, except
28 on the basis of participation in intercollegiate athletic programs:
29 PROVIDED FURTHER, That the waivers for undergraduate and graduate

1 students of foreign nations under RCW 28B.15.556 and the waivers under
2 section 22 of this act for unemployed forest products workers or
3 workers who reside in timber-impacted areas defined in section 2 of
4 this act are not subject to the limitation under this section.

5 (3) In addition to the tuition and fee waivers provided in
6 subsection (2) of this section and subject to the provisions of RCW
7 28B.15.455 and 28B.15.460, a total dollar amount of tuition and fee
8 waivers awarded by any state university, regional university, or state
9 college, not to exceed one percent, as calculated in subsection (2) of
10 this section, may be used for the purpose of achieving or maintaining
11 gender equity in intercollegiate athletic programs. At any institution
12 that has an underrepresented gender class in intercollegiate athletics,
13 any such waivers shall be awarded:

14 (a) First, to members of the underrepresented gender class who
15 participate in intercollegiate athletics, where such waivers result in
16 saved or displaced money that can be used for athletic programs for the
17 underrepresented gender class. Such saved or displaced money shall be
18 used for programs for the underrepresented gender class; and

19 (b) Second, (i) to nonmembers of the underrepresented gender class
20 who participate in intercollegiate athletics, where such waivers result
21 in saved or displaced money that can be used for athletic programs for
22 members of the underrepresented gender class. Such saved or displaced
23 money shall be used for programs for the underrepresented gender class;
24 or (ii) to members of the underrepresented gender class who participate
25 in intercollegiate athletics, where such waivers do not result in any
26 saved or displaced money that can be used for athletic programs for
27 members of the underrepresented gender class."

28 "Sec. 24. RCW 70.47.010 and 1987 1st ex.s. c 5 s 3 are each
29 amended to read as follows:

1 (1) The legislature finds that:

2 (a) A significant percentage of the population of this state does
3 not have reasonably available insurance or other coverage of the costs
4 of necessary basic health care services;

5 (b) This lack of basic health care coverage is detrimental to the
6 health of the individuals lacking coverage and to the public welfare,
7 and results in substantial expenditures for emergency and remedial
8 health care, often at the expense of health care providers, health care
9 facilities, and all purchasers of health care, including the state; and

10 (c) The use of managed health care systems has significant
11 potential to reduce the growth of health care costs incurred by the
12 people of this state generally, and by low-income pregnant women who
13 are an especially vulnerable population, along with their children, and
14 who need greater access to managed health care.

15 (2) The purpose of this chapter is to provide necessary basic
16 health care services in an appropriate setting to working persons and
17 others who lack coverage, at a cost to these persons that does not
18 create barriers to the utilization of necessary health care services.
19 To that end, this chapter establishes a program to be made available to
20 those residents under sixty-five years of age not otherwise eligible
21 for medicare with gross family income at or below two hundred percent
22 of the federal poverty guidelines or a dislocated worker as defined in
23 RCW 70.47.020 who share in the cost of receiving basic health care
24 services from a managed health care system.

25 (3) It is not the intent of this chapter to provide health care
26 services for those persons who are presently covered through private
27 employer-based health plans, nor to replace employer-based health
28 plans. Further, it is the intent of the legislature to expand,
29 wherever possible, the availability of private health care coverage and
30 to discourage the decline of employer-based coverage.

1 (4) The program authorized under this chapter is strictly limited
2 in respect to the total number of individuals who may be allowed to
3 participate and the specific areas within the state where it may be
4 established. All such restrictions or limitations shall remain in full
5 force and effect until quantifiable evidence based upon the actual
6 operation of the program, including detailed cost benefit analysis, has
7 been presented to the legislature and the legislature, by specific act
8 at that time, may then modify such limitations."

9 "Sec. 25. RCW 70.47.020 and 1987 1st ex.s. c 5 s 4 are each
10 amended to read as follows:

11 As used in this chapter:

12 (1) "Washington basic health plan" or "plan" means the system of
13 enrollment and payment on a prepaid capitated basis for basic health
14 care services, administered by the plan administrator through
15 participating managed health care systems, created by this chapter.

16 (2) "Administrator" means the Washington basic health plan
17 administrator.

18 (3) "Managed health care system" means any health care
19 organization, including health care providers, insurers, health care
20 service contractors, health maintenance organizations, or any
21 combination thereof, that provides directly or by contract basic health
22 care services, as defined by the administrator and rendered by duly
23 licensed providers, on a prepaid capitated basis to a defined patient
24 population enrolled in the plan and in the managed health care system.

25 (4) "Enrollee" means an individual, or an individual plus the
26 individual's spouse and/or dependent children, all under the age of
27 sixty-five and not otherwise eligible for medicare, who resides in an
28 area of the state served by a managed health care system participating
29 in the plan, whose gross family income at the time of enrollment does

1 not exceed twice the federal poverty level as adjusted for family size
2 and determined annually by the federal department of health and human
3 services, or a dislocated worker as defined in this section who chooses
4 to obtain basic health care coverage from a particular managed health
5 care system in return for periodic payments to the plan.

6 (5) "Subsidy" means the difference between the amount of periodic
7 payment the administrator makes, from funds appropriated from the basic
8 health plan trust account, to a managed health care system on behalf of
9 an enrollee and the amount determined to be the enrollee's
10 responsibility under RCW 70.47.060(2).

11 (6) "Premium" means a periodic payment, based upon gross family
12 income and determined under RCW 70.47.060(2), which an enrollee makes
13 to the plan as consideration for enrollment in the plan.

14 (7) "Rate" means the per capita amount, negotiated by the
15 administrator with and paid to a participating managed health care
16 system, that is based upon the enrollment of enrollees in the plan and
17 in that system.

18 (8) "Dislocated workers" means workers in timber-impacted areas who
19 (a) have been terminated or laid off, or received a notice of
20 termination or layoff from employment and are eligible for or have
21 exhausted their entitlement to benefits under Title 50 RCW; (b) have
22 been terminated as a result of any permanent plant closure; (c) are
23 long-term unemployed and are unlikely to return to employment in the
24 individual's principal occupation or previous industry because of a
25 diminishing demand for their skills in that occupation or industry; or
26 (d) are farmers or other self-employed individuals who have been
27 displaced due to economic conditions or natural disasters."

28 "Sec. 26. RCW 70.47.060 and 1991 c 3 s 339 are each amended to
29 read as follows:

1 The administrator has the following powers and duties:

2 (1) To design and from time to time revise a schedule of covered
3 basic health care services, including physician services, inpatient and
4 outpatient hospital services, and other services that may be necessary
5 for basic health care, which enrollees in any participating managed
6 health care system under the Washington basic health plan shall be
7 entitled to receive in return for premium payments to the plan. The
8 schedule of services shall emphasize proven preventive and primary
9 health care, shall include all services necessary for prenatal,
10 postnatal, and well-child care, and shall include a separate schedule
11 of basic health care services for children, eighteen years of age and
12 younger, for those enrollees who choose to secure basic coverage
13 through the plan only for their dependent children. In designing and
14 revising the schedule of services, the administrator shall consider the
15 guidelines for assessing health services under the mandated benefits
16 act of 1984, RCW 48.42.080, and such other factors as the administrator
17 deems appropriate.

18 (2) To design and implement a structure of periodic premiums due
19 the administrator from enrollees that is based upon gross family
20 income, giving appropriate consideration to family size as well as the
21 ages of all family members. The enrollment of children shall not
22 require the enrollment of their parent or parents who are eligible for
23 the plan.

24 (3) To design and implement a structure of nominal copayments due
25 a managed health care system from enrollees. The structure shall
26 discourage inappropriate enrollee utilization of health care services,
27 but shall not be so costly to enrollees as to constitute a barrier to
28 appropriate utilization of necessary health care services.

29 (4) To design and implement, in concert with a sufficient number of
30 potential providers in a discrete area, an enrollee financial

1 participation structure, separate from that otherwise established under
2 this chapter, that has the following characteristics:

3 (a) Nominal premiums that are based upon ability to pay, but not
4 set at a level that would discourage enrollment;

5 (b) A modified fee-for-services payment schedule for providers;

6 (c) Coinsurance rates that are established based on specific
7 service and procedure costs and the enrollee's ability to pay for the
8 care. However, coinsurance rates for families with incomes below one
9 hundred twenty percent of the federal poverty level shall be nominal.
10 No coinsurance shall be required for specific proven prevention
11 programs, such as prenatal care. The coinsurance rate levels shall not
12 have a measurable negative effect upon the enrollee's health status;
13 and

14 (d) A case management system that fosters a provider-enrollee
15 relationship whereby, in an effort to control cost, maintain or improve
16 the health status of the enrollee, and maximize patient involvement in
17 her or his health care decision-making process, every effort is made by
18 the provider to inform the enrollee of the cost of the specific
19 services and procedures and related health benefits.

20 The potential financial liability of the plan to any such providers
21 shall not exceed in the aggregate an amount greater than that which
22 might otherwise have been incurred by the plan on the basis of the
23 number of enrollees multiplied by the average of the prepaid capitated
24 rates negotiated with participating managed health care systems under
25 RCW 70.47.100 and reduced by any sums charged enrollees on the basis of
26 the coinsurance rates that are established under this subsection.

27 (5) To limit enrollment of persons who qualify for subsidies so as
28 to prevent an overexpenditure of appropriations for such purposes.
29 Whenever the administrator finds that there is danger of such an

1 overexpenditure, the administrator shall close enrollment until the
2 administrator finds the danger no longer exists.

3 (6) To adopt a schedule for the orderly development of the delivery
4 of services and availability of the plan to residents of the state,
5 subject to the limitations contained in RCW 70.47.080.

6 In the selection of any area of the state for the initial operation
7 of the plan, the administrator shall take into account the levels and
8 rates of unemployment in different areas of the state, the need to
9 provide basic health care coverage to a population reasonably
10 representative of the portion of the state's population that lacks such
11 coverage, and the need for geographic, demographic, and economic
12 diversity.

13 Before July 1, 1988, the administrator shall endeavor to secure
14 participation contracts with managed health care systems in discrete
15 geographic areas within at least five congressional districts.

16 (7) To solicit and accept applications from managed health care
17 systems, as defined in this chapter, for inclusion as eligible basic
18 health care providers under the plan. The administrator shall endeavor
19 to assure that covered basic health care services are available to any
20 enrollee of the plan from among a selection of two or more
21 participating managed health care systems. In adopting any rules or
22 procedures applicable to managed health care systems and in its
23 dealings with such systems, the administrator shall consider and make
24 suitable allowance for the need for health care services and the
25 differences in local availability of health care resources, along with
26 other resources, within and among the several areas of the state.

27 (8) To receive periodic premiums from enrollees and employers,
28 deposit them in the basic health plan operating account, keep records
29 of enrollee status, and authorize periodic payments to managed health

1 care systems on the basis of the number of enrollees participating in
2 the respective managed health care systems.

3 (9) To accept applications from individuals residing in areas
4 served by the plan, on behalf of themselves and their spouses and
5 dependent children, for enrollment in the Washington basic health plan,
6 to establish appropriate minimum-enrollment periods for enrollees as
7 may be necessary, and to determine, upon application and at least
8 annually thereafter, or at the request of any enrollee, eligibility due
9 to current gross family income for sliding scale premiums or status as
10 a dislocated worker. An enrollee who remains current in payment of the
11 sliding-scale premium, as determined under subsection (2) of this
12 section, and whose gross family income has risen above twice the
13 federal poverty level or whose status as a dislocated worker has
14 changed, may continue enrollment unless and until the enrollee's gross
15 family income has remained above twice the poverty level for six
16 consecutive months, by making payment at the unsubsidized rate required
17 for the managed health care system in which he or she may be enrolled.
18 No subsidy may be paid with respect to any enrollee whose current gross
19 family income exceeds twice the federal poverty level, who is a
20 dislocated worker, or, subject to RCW 70.47.110, who is a recipient of
21 medical assistance or medical care services under chapter 74.09 RCW.
22 If a number of enrollees drop their enrollment for no apparent good
23 cause, the administrator may establish appropriate rules or
24 requirements that are applicable to such individuals before they will
25 be allowed to re-enroll in the plan.

26 (10) To require that prospective enrollees who may be eligible for
27 categorically needy medical coverage under RCW 74.09.510 or whose
28 income does not exceed the medically needy income level under RCW
29 74.09.700 apply for such coverage, but the administrator shall enroll

1 the individuals in the plan pending the determination of eligibility
2 under chapter 74.09 RCW.

3 (11) To determine the rate to be paid to each participating managed
4 health care system in return for the provision of covered basic health
5 care services to enrollees in the system. Although the schedule of
6 covered basic health care services will be the same for similar
7 enrollees, the rates negotiated with participating managed health care
8 systems may vary among the systems. In negotiating rates with
9 participating systems, the administrator shall consider the
10 characteristics of the populations served by the respective systems,
11 economic circumstances of the local area, the need to conserve the
12 resources of the basic health plan trust account, and other factors the
13 administrator finds relevant.

14 (12) To monitor the provision of covered services to enrollees by
15 participating managed health care systems in order to assure enrollee
16 access to good quality basic health care, to require periodic data
17 reports concerning the utilization of health care services rendered to
18 enrollees in order to provide adequate information for evaluation, and
19 to inspect the books and records of participating managed health care
20 systems to assure compliance with the purposes of this chapter. In
21 requiring reports from participating managed health care systems,
22 including data on services rendered enrollees, the administrator shall
23 endeavor to minimize costs, both to the managed health care systems and
24 to the administrator. The administrator shall coordinate any such
25 reporting requirements with other state agencies, such as the insurance
26 commissioner and the department of health, to minimize duplication of
27 effort.

28 (13) To monitor the access that state residents have to adequate
29 and necessary health care services, determine the extent of any unmet
30 needs for such services or lack of access that may exist from time to

1 time, and make such reports and recommendations to the legislature as
2 the administrator deems appropriate.

3 (14) To evaluate the effects this chapter has on private employer-
4 based health care coverage and to take appropriate measures consistent
5 with state and federal statutes that will discourage the reduction of
6 such coverage in the state.

7 (15) To develop a program of proven preventive health measures and
8 to integrate it into the plan wherever possible and consistent with
9 this chapter.

10 (16) To provide, consistent with available resources, technical
11 assistance for rural health activities that endeavor to develop needed
12 health care services in rural parts of the state."

13 **"Sec. 27.** RCW 70.47.080 and 1987 1st ex.s. c 5 s 10 are each
14 amended to read as follows:

15 On and after July 1, 1988, the administrator shall accept for
16 enrollment applicants eligible to receive covered basic health care
17 services from the respective managed health care systems which are then
18 participating in the plan. The administrator shall not allow the total
19 enrollment of those eligible for subsidies to exceed thirty thousand.

20 Thereafter, total enrollment shall not exceed the number
21 established by the legislature in any act appropriating funds to the
22 plan.

23 Before July 1, 1988, the administrator shall endeavor to secure
24 participation contracts from managed health care systems in discrete
25 geographic areas within at least five congressional districts of the
26 state and in such manner as to allow residents of both urban and rural
27 areas access to enrollment in the plan. The administrator shall make
28 a special effort to secure agreements with health care providers in one
29 such area that meets the requirements set forth in RCW 70.47.060(4).

1 The administrator shall at all times closely monitor growth
2 patterns of enrollment so as not to exceed that consistent with the
3 orderly development of the plan as a whole, in any area of the state or
4 in any participating managed health care system.

5 This section shall not apply to those areas where there are
6 enrollees designated as dislocated workers."

7 "NEW SECTION. Sec. 28. (1) The Pacific Northwest export
8 assistance project is hereby created for the following purposes:

9 (a) To assist small to medium-sized manufacturers relatively new to
10 exporting with gross annual revenues less than twenty-five million
11 dollars with comprehensive services for designing and managing
12 introductory export strategies and in securing financing and credit
13 guarantees for export transactions;

14 (b) To provide, in cooperation with the export promotion services
15 offered by the department of trade and economic development and the
16 Washington state department of agriculture, information and assistance
17 to businesses with gross annual revenues less than twenty-five million
18 dollars about the methods and procedures of structuring company
19 specific export financing and credit guarantee alternatives; or

20 (c) To provide information to their clients about opportunities in
21 organizing cooperative export networks, foreign sales corporations, or
22 export trading companies under the United States export trading company
23 act of 1982, for the purpose of increasing their comparative sales
24 volume and ability to export their products to foreign markets.

25 (2) The Pacific Northwest export assistance project is a separate
26 branch of the small business export finance assistance center for
27 accounting and auditing purposes.

28 (3) The Pacific Northwest export assistance project is subject to
29 the authority of the small business export finance assistance center,

1 under RCW 43.210.020, and shall be governed and managed by the board of
2 directors, under RCW 43.210.030."

3 "NEW SECTION. Sec. 29. (1) The small business export finance
4 assistance center has the following powers and duties when exercising
5 its authority under section 28(3) of this act:

6 (a) Solicit and accept grants, contributions, and any other
7 financial assistance from the federal government, federal agencies, and
8 any other public or private sources to carry out its purposes;

9 (b) Offer comprehensive export assistance and counseling to
10 manufacturers relatively new to exporting with gross annual revenues
11 less than twenty-five million dollars. As close to ninety percent as
12 possible of each year's new cadre of clients must have gross annual
13 revenues of less than five million dollars at the time of their initial
14 contract. Counseling may include, but not be limited to, helping
15 clients obtain debt or equity financing, in constructing competent
16 proposals, and assessing federal guarantee and/or insurance programs
17 that underwrite exporting risk; assisting clients in evaluating their
18 international marketplace by developing marketing materials, assessing
19 and selecting targeted markets; assisting firms in finding foreign
20 customers by conducting foreign market research, evaluating
21 distribution systems, selecting and assisting in identification of
22 and/or negotiations with foreign agents, distributors, retailers, and
23 by promoting products through attending trade shows abroad; advising
24 companies on their products, guarantees, and after sales service
25 requirements necessary to compete effectively in a foreign market;
26 designing a competitive strategy for a firm's products in targeted
27 markets and methods of minimizing their commercial and political risks;
28 securing for clients specific assistance as needed, outside the
29 center's field of expertise, by referrals to other public or private

1 organizations. The Pacific Northwest export assistance project shall
2 focus its efforts on facilitating export transactions for its clients,
3 and in doing so, provide such technical services as are appropriate to
4 accomplish its mission either with staff or outside consultants;

5 (c) Sign three-year counseling agreements with its clients that
6 provide for termination if adequate funding for the Pacific Northwest
7 export assistance project is not provided in future appropriations.
8 Counseling agreements shall not be renewed unless there are compelling
9 reasons to do so, and under no circumstances shall they be renewed for
10 more than two additional years. A counseling agreement may not be
11 renewed more than once. The counseling agreements shall have mutual
12 performance clauses, that if not met, will be grounds for releasing
13 each party, without penalty, from the provisions of the agreement.
14 Clients shall be immediately released from a counseling agreement with
15 the Pacific Northwest export assistance project, without penalty, if a
16 client wishes to switch to a private export management service and
17 produces a valid contract signed with a private export management
18 service, or if the president of the small business export finance
19 assistance center determines there are compelling reasons to release a
20 client from the provisions of the counseling agreement;

21 (d) May contract with private or public international trade
22 education services to provide Pacific Northwest export assistance
23 project clients with training in international business. The president
24 and board of directors shall decide the amount of funding allocated for
25 educational services based on the availability of resources in the
26 operating budget of the budget of the Pacific Northwest export
27 assistance project;

28 (e) May contract with the Washington state international trade fair
29 to provide services for Pacific Northwest export assistance project
30 clients to participate in one trade show annually. The president and

1 board of directors shall decide the amount of funding allocated for
2 trade fair assistance based on the availability of resources in the
3 operating budget of the Pacific Northwest export assistance project;

4 (f) Provide biennial assessments of its performance. The Pacific
5 Northwest export assistance project is an innovative program for the
6 promotion of international trade. As such, the project personnel shall
7 work with the department of revenue and employment security department
8 to confidentially track the performance of the project's clients in
9 increasing tax revenues to the state, increasing gross sales revenues
10 and volume of products destined to foreign clients, and in creating new
11 jobs for Washington citizens. A biennial report shall be prepared for
12 the governor and legislature to assess the costs and benefits to the
13 state from creating the project. The president of the small business
14 export finance assistance center shall design an appropriate
15 methodology for biennial assessments in consultation with the director
16 of the department of trade and economic development and the director of
17 the Washington state department of agriculture. The department of
18 revenue and the employment security department shall provide data
19 necessary to complete this biennial evaluation, if the data being
20 requested is available from existing data bases. Client-specific
21 information generated from the files of the department of revenue and
22 the employment security department for the purposes of this evaluation
23 shall be kept strictly confidential by each department and the small
24 business export finance assistance center;

25 (g) Take whatever action may be necessary to accomplish the
26 purposes set forth in sections 28 through 31 of this act; and

27 (h) Limit its assistance to promoting the exportation of value-
28 added manufactured goods. The project shall not provide counseling or
29 assistance, under any circumstances, for the importation of foreign
30 made goods into the United States.

1 (2) The Pacific Northwest export assistance project shall not,
2 under any circumstances, assume ownership or take title to the goods of
3 its clients.

4 (3) The Pacific Northwest export assistance project may not use any
5 Washington state funds which come from the public treasury of the state
6 of Washington to make loans or to make any payment under a loan
7 guarantee agreement. Under no circumstances may the center use any
8 funds received under RCW 43.210.050 to make or assist in making any
9 loan or to pay or assist in paying any amount under a loan guarantee
10 agreement. Debts of the center shall be center debts only and may be
11 satisfied only from the resources of the center. The state of
12 Washington shall not in any way be liable for such debts.

13 (4) The Pacific Northwest export assistance project shall make
14 every effort to seek nonstate funds to supplement its operations.

15 (5) The Pacific Northwest export assistance project shall take
16 whatever steps are necessary to provide its services, if requested, to
17 the states of Oregon, Idaho, Montana, Alaska, and the Canadian
18 provinces of British Columbia and Alberta. Interstate services shall
19 not be provided by the Pacific Northwest export assistance project
20 during its first biennium of operation. The provision of services may
21 be temporary and subject to the payment of fees, or each state may
22 request permanent services contingent upon a level of permanent funding
23 adequate for services provided. Temporary services and fees may be
24 negotiated by the small business export finance assistance center's
25 president subject to approval of the board of directors. The president
26 of the small business export finance assistance center may enter into
27 negotiations with neighboring states to contract for delivery of the
28 project's services. Final contracts for providing the project's
29 counseling and services outside of the state of Washington on a
30 permanent basis shall be subject to approval of the governor,

1 appropriate legislative oversight committees, and the small business
2 export finance assistance center's board of directors.

3 (6) The small business export finance assistance center may receive
4 such gifts, grants, and endowments from public or private sources as
5 may be made from time to time, in trust or otherwise, for the use and
6 benefit of the purposes of the Pacific Northwest export assistance
7 project and expend the same or any income therefrom according to the
8 terms of the gifts, grants, or endowments.

9 (7) The president of the small business export finance assistance
10 center, in consultation with the board of directors, may use the
11 following formula in determining the number of clients that can be
12 reasonably served by the Pacific Northwest export assistance project
13 relative to its appropriation. Divide the amount appropriated for
14 administration of the Pacific Northwest export assistance project by
15 the marginal cost of adding each additional Pacific Northwest export
16 assistance project client. For the purposes of this calculation, and
17 only for the first biennium of operation, the biennial marginal cost of
18 adding each additional Pacific Northwest export assistance project
19 client shall be fifty-seven thousand ninety-five dollars. The biennial
20 marginal cost of adding each additional client after the first biennium
21 of operation shall be established from the actual operating experience
22 of the Pacific Northwest export assistance project.

23 (8) All receipts from the Pacific Northwest export assistance
24 project shall be deposited into the general fund."

25 "NEW SECTION. **Sec. 30.** The department of trade and economic
26 development shall adopt rules under chapter 34.05 RCW as necessary to
27 carry out the purposes of sections 28 through 31 of this act."

1 "NEW SECTION. Sec. 31. The small business export finance
2 assistance center fund is created in the custody of the state
3 treasurer. Expenditures from the fund may be used only for the
4 purposes of funding the services of the small business export finance
5 assistance center and its projects under this chapter. Only the
6 director of the department of trade and economic development or the
7 director's designee may authorize expenditures from the fund. The
8 director of the department of trade and economic development shall not
9 withhold funds appropriated for the administration of the small
10 business export finance assistance center and its projects, if the
11 small business export finance assistance center complies with the
12 provisions of its contract under RCW 43.210.050 and section 28 of this
13 act. Funding appropriated by the state of Washington shall not be used
14 to provide services to other states or provinces. The fund is subject
15 to allotment procedures under chapter 43.88 RCW, but no appropriation
16 is required for expenditures."

17 "**Sec. 32.** RCW 43.210.030 and 1985 c 231 s 3 are each amended to
18 read as follows:

19 The small business export finance assistance center and its
20 branches shall be governed and managed by a board of (~~seventeen~~)
21 nineteen directors appointed by the governor and confirmed by the
22 senate. The directors shall serve terms of six years except that two
23 of the original directors shall serve for two years and two of the
24 original directors shall serve for four years. The directors may
25 provide for the payment of their expenses. The directors shall include
26 a representative of a not-for-profit corporation formed for the purpose
27 of facilitating economic development, at least two representatives of
28 state financial institutions engaged in the financing of export
29 transactions, a representative of a port district, and a representative

1 of organized labor. Of the remaining board members, there shall be ((a
2 ~~representative of the governor,~~) one representative of business from
3 the area west of Puget Sound, one representative of business from the
4 area east of Puget Sound and west of the Cascade range, one
5 representative of business from the area east of the Cascade range and
6 west of the Columbia river, ((and)) one representative of business from
7 the area east of the Columbia river, the director of the department of
8 trade and economic development, and the director of the department of
9 agriculture. One of the directors shall be a representative of the
10 public selected from the area in the state west of the Cascade mountain
11 range and one director shall be a representative of the public selected
12 from that area of the state east of the Cascade mountain range. One
13 director shall be a representative of the public at large. The
14 directors shall be broadly representative of geographic areas of the
15 state, and the representatives of businesses shall represent at least
16 four different industries in different sized businesses as follows:
17 (a) One representative of a company employing fewer than one hundred
18 persons; (b) one representative of a company employing between one
19 hundred and five hundred persons; ((and)) (c) ((two)) one
20 representative((s)) of ((companies)) a company employing more than five
21 hundred persons; (d) one representative from an export management
22 company; and (e) one representative from an agricultural or food
23 processing company. Any vacancies on the board due to the expiration
24 of a term or for any other reason shall be filled by appointment by the
25 governor for the unexpired term."

26 "Sec. 33. RCW 43.210.050 and 1985 c 466 s 64 and 1985 c 231 s 5
27 are each reenacted and amended to read as follows:

28 The small business export finance assistance center formed under
29 RCW 43.210.020 and 43.210.030 ((is eligible to receive consideration

1 ~~for~~) shall enter into a contract under this chapter ((from the)) with
2 the department of trade and economic development or its statutory
3 successor. The contract shall require the center to provide export
4 assistance services, ((may not have a duration of longer than two
5 years,)) consistent with sections 28 through 31 of this act, shall have
6 a duration of two years, and shall require the center to aggressively
7 seek to fund its continued operation from nonstate funds. The contract
8 shall also require the center to report ((at least twice)) annually to
9 the department on its success in obtaining nonstate funding. Upon
10 expiration of the contract, any provisions within the contract
11 applicable to the Pacific Northwest export assistance project shall be
12 automatically renewed without change provided the legislature
13 appropriates funds for administration of the small business export
14 assistance center and the Pacific Northwest export assistance project.
15 The provisions of the contract related to the Pacific Northwest export
16 assistance project may be changed at any time if the director of the
17 department of trade and economic development or the president of the
18 small business export finance assistance center present compelling
19 reasons supporting the need for a contract change to the board of
20 directors and a majority of the board of directors agrees to the
21 changes. The department of agriculture shall be included in the
22 contracting negotiations with the department of trade and economic
23 development and the small business export finance assistance center
24 when the Pacific Northwest export assistance project provides export
25 services to industrial sectors within the administrative domain of the
26 Washington state department of agriculture. The department of trade
27 and economic development, the small business export finance assistance
28 center, and, if appropriate, the department of agriculture, shall
29 report annually, as one group, to the appropriate legislative oversight

1 committees on the progress of the Pacific Northwest export assistance
2 project."

3 "NEW SECTION. Sec. 34. The following acts or parts of acts are
4 each repealed:

5 (1) RCW 43.131.325 and 1985 c 231 s 10; and

6 (2) RCW 43.131.326 and 1985 c 231 s 11."

7 "NEW SECTION. Sec. 35. A new section is added to chapter 43.131
8 RCW to read as follows:

9 The Pacific Northwest export assistance project shall be terminated
10 on June 30, 1996, as provided in section 36 of this act."

11 "NEW SECTION. Sec. 36. A new section is added to chapter 43.131
12 RCW to read as follows:

13 The following acts or parts of acts, as now existing or hereafter
14 amended, are each repealed, effective June 30, 1997:

15 (1) RCW 43.210.--- and 1991 c -- s 28 (section 28 of this act);

16 (2) RCW 43.210.--- and 1991 c -- s 29 (section 29 of this act);

17 (3) RCW 43.210.--- and 1991 c -- s 30 (section 30 of this act); and

18 (4) RCW 43.210.--- and 1991 c -- s 31 (section 31 of this act)."

19 "Sec. 37. RCW 82.60.020 and 1988 c 42 s 16 are each amended to
20 read as follows:

21 Unless the context clearly requires otherwise, the definitions in
22 this section apply throughout this chapter.

23 (1) "Applicant" means a person applying for a tax deferral under
24 this chapter.

25 (2) "Department" means the department of revenue.

1 (3) "Eligible area" means: (a) A county in which the average level
2 of unemployment for the three years before the year in which an
3 application is filed under this chapter exceeds the average state
4 unemployment for those years by twenty percent; or (b) a metropolitan
5 statistical area, as defined by the office of federal statistical
6 policy and standards, United States department of commerce, in which
7 the average level of unemployment for the calendar year immediately
8 preceding the year in which an application is filed under this chapter
9 exceeds the average state unemployment for such calendar year by twenty
10 percent. Applications under this subsection (3)(b) shall be filed by
11 April 30, 1989. However, counties eligible under section 2 of this act
12 may file an application by July 1, 1993.

13 (4)(a) "Eligible investment project" means that portion of an
14 investment project which:

15 (i) Is directly utilized to create at least one new full-time
16 qualified employment position for each three hundred thousand dollars
17 of investment on which a deferral is requested; and

18 (ii) Either initiates a new operation, or expands or diversifies a
19 current operation by expanding or renovating an existing building with
20 costs in excess of twenty-five percent of the true and fair value of
21 the plant complex prior to improvement; or

22 (iii) Acquires machinery and equipment to be used for either
23 manufacturing or research and development if the machinery and
24 equipment is housed in a new leased structure: PROVIDED, That the
25 lessor/owner of the structure is not eligible for a deferral unless the
26 underlying ownership of the buildings, machinery, and equipment vests
27 exclusively in the same person.

28 (b) "Eligible investment project" does not include any portion of
29 an investment project undertaken by a light and power business as

1 defined in RCW 82.16.010(5) or investment projects which have already
2 received deferrals under this chapter.

3 (5) "Investment project" means an investment in qualified buildings
4 and qualified machinery and equipment, including labor and services
5 rendered in the planning, installation, and construction of the
6 project.

7 (6) "Manufacturing" means all activities of a commercial or
8 industrial nature wherein labor or skill is applied, by hand or
9 machinery, to materials so that as a result thereof a new, different,
10 or useful substance or article of tangible personal property is
11 produced for sale or commercial or industrial use and shall include the
12 production or fabrication of specially made or custom made articles.
13 "Manufacturing" also includes computer programming, the production of
14 computer software, and other computer-related services, and the
15 activities performed by research and development laboratories and
16 commercial testing laboratories.

17 (7) "Person" has the meaning given in RCW 82.04.030.

18 (8) "Qualified buildings" means new structures used for
19 manufacturing and research and development activities, including plant
20 offices and warehouses or other facilities for the storage of raw
21 material or finished goods if such facilities are an essential or an
22 integral part of a factory, mill, plant, or laboratory used for
23 manufacturing or research and development. If a building is used
24 partly for manufacturing or research and development and partly for
25 other purposes, the applicable tax deferral shall be determined by
26 apportionment of the costs of construction under rules adopted by the
27 department.

28 (9) "Qualified employment position" means a permanent full-time
29 employee employed in the eligible investment project during the entire
30 tax year.

1 (10) "Qualified machinery and equipment" means all new industrial
2 and research fixtures, equipment, and support facilities that are an
3 integral and necessary part of a manufacturing or research and
4 development operation. "Qualified machinery and equipment" includes:
5 Computers; software; data processing equipment; laboratory equipment;
6 manufacturing components such as belts, pulleys, shafts, and moving
7 parts; molds, tools, and dies; operating structures; and all equipment
8 used to control or operate the machinery.

9 (11) "Recipient" means a person receiving a tax deferral under this
10 chapter.

11 (12) "Research and development" means the development, refinement,
12 testing, marketing, and commercialization of a product, service, or
13 process before commercial sales have begun. As used in this
14 subsection, "commercial sales" excludes sales of prototypes or sales
15 for market testing if the total gross receipts from such sales of the
16 product, service, or process do not exceed one million dollars."

17 **"Sec. 38.** RCW 82.62.010 and 1988 c 42 s 17 are each amended to
18 read as follows:

19 Unless the context clearly requires otherwise, the definitions in
20 this section apply throughout this chapter.

21 (1) "Applicant" means a person applying for a tax credit under this
22 chapter.

23 (2) "Department" means the department of revenue.

24 (3) "Eligible area" means: (a) A county in which the average level
25 of unemployment for the three years before the year in which an
26 application is filed under this chapter exceeds the average state
27 unemployment for those years by twenty percent; or (b) a metropolitan
28 statistical area, as defined by the office of federal statistical
29 policy and standards, United States department of commerce, in which

1 the average level of unemployment for the calendar year immediately
2 preceding the year in which an application is filed under this chapter
3 exceeds the average state unemployment for such calendar year by twenty
4 percent. Applications under this subsection (3)(b) shall be filed by
5 April 30, 1989. However, counties eligible under section 2 of this act
6 may file an application by July 1, 1993.

7 (4)(a) "Eligible business project" means manufacturing or research
8 and development activities which are conducted by an applicant in an
9 eligible area at a specific facility: PROVIDED, That the applicant's
10 average full-time qualified employment positions at the specific
11 facility will be at least fifteen percent greater in the year for which
12 the credit is being sought than the applicant's average full-time
13 qualified employment positions at the same facility in the immediately
14 preceding year.

15 (b) "Eligible business project" does not include any portion of a
16 business project undertaken by a light and power business as defined in
17 RCW 82.16.010(5) or that portion of a business project creating
18 qualified full-time employment positions outside an eligible area or
19 those recipients of a sales tax deferral under chapter 82.61 RCW.

20 (5) "Manufacturing" means all activities of a commercial or
21 industrial nature wherein labor or skill is applied, by hand or
22 machinery, to materials so that as a result thereof a new, different,
23 or useful substance or article of tangible personal property is
24 produced for sale or commercial or industrial use and shall include the
25 production or fabrication of specially made or custom made articles.
26 "Manufacturing" also includes computer programming, the production of
27 computer software, and other computer-related services, and the
28 activities performed by research and development laboratories and
29 commercial testing laboratories.

30 (6) "Person" has the meaning given in RCW 82.04.030.

1 (7) "Qualified employment position" means a permanent full-time
2 employee employed in the eligible business project during the entire
3 tax year.

4 (8) "Tax year" means the calendar year in which taxes are due.

5 (9) "Recipient" means a person receiving tax credits under this
6 chapter.

7 (10) "Research and development" means the development, refinement,
8 testing, marketing, and commercialization of a product, service, or
9 process before commercial sales have begun. As used in this
10 subsection, "commercial sales" excludes sales of prototypes or sales
11 for market testing if the total gross receipts from such sales of the
12 product, service, or process do not exceed one million dollars."

13 **"Sec. 39.** RCW 43.168.020 and 1988 c 42 s 18 are each amended to
14 read as follows:

15 Unless the context clearly requires otherwise, the definitions in
16 this section apply throughout this chapter.

17 (1) "Committee" means the Washington state development loan fund
18 committee.

19 (2) "Department" means the department of community development.

20 (3) "Director" means the director of the department of community
21 development.

22 (4) "Distressed area" means: (a) A county which has an
23 unemployment rate which is twenty percent above the state average for
24 the immediately previous three years; (b) a metropolitan statistical
25 area, as defined by the office of federal statistical policy and
26 standards, United States department of commerce, in which the average
27 level of unemployment for the calendar year immediately preceding the
28 year in which an application is filed under this chapter exceeds the
29 average state unemployment for such calendar year by twenty percent.

1 Applications under this subsection (4)(b) shall be filed by April 30,
2 1989; ((or)) (c) an area within a county, which area: (i) Is composed
3 of contiguous census tracts; (ii) has a minimum population of five
4 thousand persons; (iii) has at least seventy percent of its families
5 and unrelated individuals with incomes below eighty percent of the
6 county's median income for families and unrelated individuals; and (iv)
7 has an unemployment rate which is at least forty percent higher than
8 the county's unemployment rate; or (d) a county designated as a timber
9 impact area under section 2 of this act if an application is filed by
10 July 1, 1993. For purposes of this definition, "families and unrelated
11 individuals" has the same meaning that is ascribed to that term by the
12 federal department of housing and urban development in its regulations
13 authorizing action grants for economic development and neighborhood
14 revitalization projects.

15 (5) "Fund" means the Washington state development loan fund.

16 (6) "Local development organization" means a nonprofit organization
17 which is organized to operate within an area, demonstrates a commitment
18 to a long-standing effort for an economic development program, and
19 makes a demonstrable effort to assist in the employment of unemployed
20 or underemployed residents in an area.

21 (7) "Project" means the establishment of a new or expanded business
22 in an area which when completed will provide employment opportunities.
23 "Project" also means the retention of an existing business in an area
24 which when completed will provide employment opportunities."

25 NEW SECTION. Sec. 40. Unless the context clearly requires
26 otherwise, the definitions in this section apply throughout sections 40
27 through 46 of this act.

28 (1) "Timber impact area" means a county or city or town located
29 within a county meeting two of the following three criteria for the

1 most recent year such data is available: (a) A lumber and wood
2 products employment location quotient at or above the state average;
3 (b) a direct lumber and wood products job loss of one hundred positions
4 or more; or (c) an annual unemployment rate twenty percent above the
5 state average.

6 (2) "Permanent residence" means the residence in which an
7 individual resides on a full-time basis, as of the effective date of
8 this section, including but not limited to: Detached, semidetached, or
9 townhouse units; modular homes; condominium units; or manufactured
10 housing units.

11 (3) "Program" means the emergency mortgage and rental assistance
12 program."

13 "NEW SECTION. Sec. 41. The department shall establish and
14 administer the emergency mortgage and rental assistance program. The
15 department shall select at least five eligible organizations for the
16 purposes of implementing the program in their local communities.
17 "Eligible organizations" are those organizations eligible to receive
18 assistance through the Washington housing trust fund. When
19 appropriate, the department shall coordinate with the local timber task
20 force in the selection of an organization to implement the program.
21 Selected organizations shall work with the local timber task forces in
22 the implementation of the program."

23 "NEW SECTION. Sec. 42. The goals of the program are to:

24 (1) Provide temporary emergency mortgage or rental assistance to
25 households that, because of their loss of employment in the timber
26 industry, are unable to make current mortgage or rental payments on
27 their permanent residences and are subject to immediate eviction for
28 nonpayment of mortgage installments or nonpayment of rent;

1 (2) Prevent the dislocation of individuals and families from their
2 permanent residences and their communities; and
3 (3) Maintain the economic and social stability of timber-dependent
4 communities."

5 "NEW SECTION. Sec. 43. Emergency mortgage assistance shall be
6 provided under the following guidelines:

7 (1) Loans provided under the program shall not exceed an amount
8 equal to twenty-four months of mortgage payments.

9 (2) The maximum loan amount allowed under the program shall not
10 exceed twenty thousand dollars.

11 (3) Loans shall be made to applicants who meet specific income
12 guidelines established by the department.

13 (4) Loan payments shall be made directly to the mortgage lender.

14 (5) Loans shall be granted on a first-come, first-served basis.

15 (6) Repayment of loans provided under the program must not take
16 more than twenty years.

17 (7) The department may provide for emergency short-term loans."

18 "NEW SECTION. Sec. 44. Emergency rental assistance shall be
19 provided under the following guidelines:

20 (1) Rental assistance provided under this program may be in the
21 form of loans or grants and shall not exceed an amount equal to twenty-
22 four months of rental payments.

23 (2) Rental assistance shall be made to applicants who meet specific
24 income guidelines established by the department.

25 (3) Rental payments shall be made directly to the landlord.

26 (4) Rental assistance shall be provided on a first-come, first-
27 served basis."

1 "NEW SECTION. Sec. 45. To be eligible for assistance under the
2 program, an applicant must:

3 (1) Be unable to keep mortgage or rental payments current, due to
4 a temporary loss of employment in the timber industry and shall be at
5 significant risk of eviction;

6 (2) Have his or her permanent residence located in a timber-
7 dependent community;

8 (3) When requesting emergency mortgage assistance, be the owner of
9 an equitable interest in the permanent residence and intend to reside
10 in the home being financed;

11 (4) Be actively seeking new employment or be enrolled in a training
12 program approved by the director; and

13 (5) Submit an application for assistance by June 30, 1996."

14 "NEW SECTION. Sec. 46. The department shall carry out the
15 following duties:

16 (1) Administer the program;

17 (2) Identify local organizations to implement the program;

18 (3) Develop and adopt the necessary rules for implementation of the
19 program;

20 (4) Establish the interest rate for repayment of loans at two
21 percent below the market rate;

22 (5) Work with lending institutions and social service providers in
23 timber-dependent communities to assure that all eligible households are
24 informed about the program;

25 (6) Utilize federal and state programs that complement or
26 facilitate carrying out the program;

27 (7) Evaluate the program's effectiveness;

28 (8) Submit a report to the senate commerce and labor committee and
29 the house of representatives housing committee by January 31, 1992."

1 "NEW SECTION. **Sec. 47.** Sections 48 through 56 of this act may
2 be known and cited as the affordable housing act."

3 "NEW SECTION. **Sec. 48.** (1) The legislature finds and declares
4 that the cutbacks in allowable sales of old growth timber has resulted
5 in severe losses of personal income and has made even greater the need
6 for affordable housing. The legislature also finds and declares that
7 there is a tremendous unmet need for new housing to shelter
8 Washington's population. The unmet housing needs will be further
9 aggravated by the severe cutbacks in federal housing programs.

10 (2) The legislature finds and declares that our existing housing
11 resources are vastly underutilized due in large part to the changes in
12 social patterns. The improved utilization of this state's existing
13 housing resources offers an innovative and cost-effective solution to
14 this housing crisis.

15 (3) The legislature finds and declares that the state has a role in
16 increasing the utilization of our housing resources and in reducing the
17 barriers to the provision of affordable housing.

18 (4) The legislature finds and declares that there are many benefits
19 associated with the creation of second-family residential units on
20 existing single-family lots, which include:

21 (a) Providing a cost-effective means of serving development through
22 the use of existing infrastructures, as contrasted to requiring the
23 construction of new costly infrastructures to serve development in
24 undeveloped areas; and

25 (b) Providing relatively affordable housing for low and moderate-
26 income households without public subsidy."

27 "NEW SECTION. **Sec. 49.** A new section is added to chapter 35.63
28 RCW to read as follows:

1 Each city may issue a zoning variance, special use permit, or
2 conditional use permit for a dwelling unit to be constructed, or which
3 is attached to or detached from, a primary residence on a parcel zoned
4 for a single-family residence."

5 "NEW SECTION. **Sec. 50.** A new section is added to chapter 35A.63
6 RCW to read as follows:

7 Each code city may issue a zoning variance, special use permit, or
8 conditional use permit for a dwelling unit to be constructed, or which
9 is attached to or detached from, a primary residence on a parcel zoned
10 for a single-family residence."

11 "NEW SECTION. **Sec. 51.** A new section is added to chapter 36.70
12 RCW to read as follows:

13 Each county may issue a zoning variance, special use permit, or
14 conditional use permit for a dwelling unit to be constructed, or which
15 is attached to or detached from, a primary residence on a parcel zoned
16 for a single-family residence."

17 "NEW SECTION. **Sec. 52.** A new section is added to chapter 36.70A
18 RCW to read as follows:

19 Each city and county may issue a zoning variance, special use
20 permit, or conditional use permit for a dwelling unit to be
21 constructed, or which is attached to or detached from, a primary
22 residence on a parcel zoned for a single-family residence."

23 "NEW SECTION. **Sec. 53.** A new section is added to chapter 35.63
24 RCW to read as follows:

1 (1) Each city and county may, by ordinance, provide for the
2 creation of second units in single-family and multifamily residential
3 zones consistent with all of the following provisions:

4 (a) Areas may be designated within the jurisdiction of each city
5 where second units may be permitted;

6 (b) The designation of areas may be based on criteria, which may
7 include, but are not limited to, the adequacy of water and sewer
8 services and the impact of second units on traffic flow;

9 (c) Each city may find that second units do not exceed the
10 allowable density for the lot upon which the second unit is located,
11 and that second units are a residential use that is consistent with
12 the existing general plan and zoning designation for the lot;

13 (d) The second units created shall not be considered in the
14 application of any local ordinance, policy, or program to limit
15 residential growth; and

16 (e) Each city may establish a process for the issuance of a
17 conditional use permit for second units.

18 (2) When a city which has not adopted an ordinance governing second
19 units in accordance with subsection (1) of this section receives its
20 first application on or after July 1, 1992, for a conditional use
21 permit pursuant to this subsection, it shall accept the application and
22 approve or disapprove the application pursuant to this subsection
23 unless it adopts an ordinance in accordance with subsection (1) of this
24 section within one hundred twenty days after receiving the application.
25 Each city shall grant a special use or a conditional use permit for the
26 creation of a second unit if the second unit complies with all of the
27 following:

28 (a) The unit is not intended for sale and may be rented;

29 (b) The lot is zoned for single-family or multifamily use;

30 (c) The lot contains an existing single-family dwelling;

1 (d) The second unit is either attached to the existing dwelling and
2 located within the living area of the existing dwelling or detached
3 from the existing dwelling and located on the same lot as the existing
4 dwelling;

5 (e) Any increase in the floor area of an attached second unit shall
6 not exceed thirty percent of the existing living area;

7 (f) The total area of floor space for a detached second unit shall
8 not exceed one thousand two hundred square feet;

9 (g) Any construction shall conform to height, setback, lot
10 coverage, architectural review, site plan review, fees, charges, and
11 other zoning requirements generally applicable to residential
12 construction in the zone in which the property is located;

13 (h) Local building code requirements which apply to detached
14 dwellings, as appropriate; and

15 (i) Approval by the local health officer where a private sewage
16 disposal system is being used, if required.

17 (3)(a) No other local ordinance, policy, or regulation shall be the
18 basis for the denial of a building permit or a use permit under
19 subsection (2) of this section.

20 (b) Subsection (2) of this section establishes the maximum
21 standards that local agencies shall use to evaluate proposed second
22 units on lots zoned for residential use which contain an existing
23 single-family dwelling. No additional standards, other than those
24 provided in subsection (1) or (2) of this section, shall be utilized or
25 imposed, except that a city may require an applicant for a permit
26 issued pursuant to subsection (2) of this section to be an owner-
27 occupant.

28 (c) This subsection does not limit the authority of local agencies
29 to adopt less restrictive requirements for the creation of second
30 units.

1 (d) No changes in zoning ordinances or other ordinances or any
2 changes in the general plan shall be required to implement this
3 subsection. Any local agency may amend its zoning ordinance or general
4 plan to incorporate the policies, procedures, or other provisions
5 applicable to the creation of second units if these provisions are
6 consistent with the limitations of this subsection.

7 (e) A second unit which conforms to the requirements of this
8 subsection shall not be considered to exceed the allowable density for
9 the lot upon which it is located, and shall be deemed to be a
10 residential use which is consistent with the existing general plan and
11 zoning designations for the lot. The second units shall not be
12 considered in the application of any local ordinance, policy, or
13 program to limit residential growth.

14 (f) A city shall not adopt an ordinance which totally precludes
15 second units within single-family and multifamily zoned areas unless
16 the ordinance contains findings acknowledging that the ordinance may
17 limit housing opportunities of the region and further contains findings
18 that specific adverse impacts on the public health, safety, and welfare
19 that would result from allowing second units within single-family and
20 multifamily zoned areas justify adopting the ordinance."

21 "NEW SECTION. Sec. 54. A new section is added to chapter 35A.63
22 RCW to read as follows:

23 (1) Each code city may, by ordinance, provide for the creation of
24 second units in single-family and multifamily residential zones
25 consistent with all of the following provisions:

26 (a) Areas may be designated within the jurisdiction of each code
27 city where second units may be permitted;

1 (b) The designation of areas may be based on criteria, which may
2 include, but are not limited to, the adequacy of water and sewer
3 services and the impact of second units on traffic flow;

4 (c) Each code city may find that second units do not exceed the
5 allowable density for the lot upon which the second unit is located,
6 and that second units are a residential use that is consistent with
7 the existing general plan and zoning designation for the lot;

8 (d) The second units created shall not be considered in the
9 application of any local ordinance, policy, or program to limit
10 residential growth; and

11 (e) Each code city may establish a process for the issuance of a
12 conditional use permit for second units.

13 (2) When a code city which has not adopted an ordinance governing
14 second units in accordance with subsection (1) of this section receives
15 its first application on or after July 1, 1992, for a conditional use
16 permit pursuant to this subsection, it shall accept the application and
17 approve or disapprove the application pursuant to this subsection
18 unless it adopts an ordinance in accordance with subsection (1) of this
19 section within one hundred twenty days after receiving the application.
20 Each code city shall grant a special use or a conditional use permit
21 for the creation of a second unit if the second unit complies with all
22 of the following:

23 (a) The unit is not intended for sale and may be rented;

24 (b) The lot is zoned for single-family or multifamily use;

25 (c) The lot contains an existing single-family dwelling;

26 (d) The second unit is either attached to the existing dwelling and
27 located within the living area of the existing dwelling or detached
28 from the existing dwelling and located on the same lot as the existing
29 dwelling;

1 (e) Any increase in the floor area of an attached second unit shall
2 not exceed thirty percent of the existing living area;

3 (f) The total area of floor space for a detached second unit shall
4 not exceed one thousand two hundred square feet;

5 (g) Any construction shall conform to height, setback, lot
6 coverage, architectural review, site plan review, fees, charges, and
7 other zoning requirements generally applicable to residential
8 construction in the zone in which the property is located;

9 (h) Local building code requirements which apply to detached
10 dwellings, as appropriate; and

11 (i) Approval by the local health officer where a private sewage
12 disposal system is being used, if required.

13 (3)(a) No other local ordinance, policy, or regulation shall be the
14 basis for the denial of a building permit or a use permit under
15 subsection (2) of this section.

16 (b) Subsection (2) of this section establishes the maximum
17 standards that local agencies shall use to evaluate proposed second
18 units on lots zoned for residential use which contain an existing
19 single-family dwelling. No additional standards, other than those
20 provided in subsection (1) or (2) of this section, shall be utilized or
21 imposed, except that a code city may require an applicant for a permit
22 issued pursuant to subsection (2) of this section to be an owner-
23 occupant.

24 (c) This subsection does not limit the authority of local agencies
25 to adopt less restrictive requirements for the creation of second
26 units.

27 (d) No changes in zoning ordinances or other ordinances or any
28 changes in the general plan shall be required to implement this
29 subsection. Any local agency may amend its zoning ordinance or general
30 plan to incorporate the policies, procedures, or other provisions

1 applicable to the creation of second units if these provisions are
2 consistent with the limitations of this subsection.

3 (e) A second unit which conforms to the requirements of this
4 subsection shall not be considered to exceed the allowable density for
5 the lot upon which it is located, and shall be deemed to be a
6 residential use which is consistent with the existing general plan and
7 zoning designations for the lot. The second units shall not be
8 considered in the application of any local ordinance, policy, or
9 program to limit residential growth.

10 (f) A code city shall not adopt an ordinance which totally
11 precludes second units within single-family and multifamily zoned areas
12 unless the ordinance contains findings acknowledging that the ordinance
13 may limit housing opportunities of the region and further contains
14 findings that specific adverse impacts on the public health, safety,
15 and welfare that would result from allowing second units within single-
16 family and multifamily zoned areas justify adopting the ordinance."

17 "NEW SECTION. Sec. 55. A new section is added to chapter 36.70
18 RCW to read as follows:

19 (1) Each county may, by ordinance, provide for the creation of
20 second units in single-family and multifamily residential zones
21 consistent with all of the following provisions:

22 (a) Areas may be designated within the jurisdiction of each county
23 where second units may be permitted;

24 (b) The designation of areas may be based on criteria, which may
25 include, but are not limited to, the adequacy of water and sewer
26 services and the impact of second units on traffic flow;

27 (c) Each county may find that second units do not exceed the
28 allowable density for the lot upon which the second unit is located,

1 and that second units are a residential use that is consistent with the
2 existing general plan and zoning designation for the lot;

3 (d) The second units created shall not be considered in the
4 application of any local ordinance, policy, or program to limit
5 residential growth; and

6 (e) Each county may establish a process for the issuance of a
7 conditional use permit for second units.

8 (2) When a county which has not adopted an ordinance governing
9 second units in accordance with subsection (1) of this section receives
10 its first application on or after July 1, 1992, for a conditional use
11 permit pursuant to this subsection, it shall accept the application and
12 approve or disapprove the application pursuant to this subsection
13 unless it adopts an ordinance in accordance with subsection (1) of this
14 section within one hundred twenty days after receiving the application.
15 Each county shall grant a special use or a conditional use permit for
16 the creation of a second unit if the second unit complies with all of
17 the following:

18 (a) The unit is not intended for sale and may be rented;

19 (b) The lot is zoned for single-family or multifamily use;

20 (c) The lot contains an existing single-family dwelling;

21 (d) The second unit is either attached to the existing dwelling and
22 located within the living area of the existing dwelling or detached
23 from the existing dwelling and located on the same lot as the existing
24 dwelling;

25 (e) Any increase in the floor area of an attached second unit shall
26 not exceed thirty percent of the existing living area;

27 (f) The total area of floor space for a detached second unit shall
28 not exceed one thousand two hundred square feet;

29 (g) Any construction shall conform to height, setback, lot
30 coverage, architectural review, site plan review, fees, charges, and

1 other zoning requirements generally applicable to residential
2 construction in the zone in which the property is located;

3 (h) Local building code requirements which apply to detached
4 dwellings, as appropriate; and

5 (i) Approval by the local health officer where a private sewage
6 disposal system is being used, if required.

7 (3)(a) No other local ordinance, policy, or regulation shall be the
8 basis for the denial of a building permit or a use permit under
9 subsection (2) of this section.

10 (b) Subsection (2) of this section establishes the maximum
11 standards that local agencies shall use to evaluate proposed second
12 units on lots zoned for residential use which contain an existing
13 single-family dwelling. No additional standards, other than those
14 provided in subsection (1) or (2) of this section, shall be utilized or
15 imposed, except that a county may require an applicant for a permit
16 issued pursuant to subsection (2) of this section to be an owner-
17 occupant.

18 (c) This subsection does not limit the authority of local agencies
19 to adopt less restrictive requirements for the creation of second
20 units.

21 (d) No changes in zoning ordinances or other ordinances or any
22 changes in the general plan shall be required to implement this
23 subsection. Any local agency may amend its zoning ordinance or general
24 plan to incorporate the policies, procedures, or other provisions
25 applicable to the creation of second units if these provisions are
26 consistent with the limitations of this subsection.

27 (e) A second unit which conforms to the requirements of this
28 subsection shall not be considered to exceed the allowable density for
29 the lot upon which it is located, and shall be deemed to be a
30 residential use which is consistent with the existing general plan and

1 zoning designations for the lot. The second units shall not be
2 considered in the application of any local ordinance, policy, or
3 program to limit residential growth.

4 (f) A county shall not adopt an ordinance which totally precludes
5 second units within single-family and multifamily zoned areas unless
6 the ordinance contains findings acknowledging that the ordinance may
7 limit housing opportunities of the region and further contains findings
8 that specific adverse impacts on the public health, safety, and welfare
9 that would result from allowing second units within single-family and
10 multifamily zoned areas justify adopting the ordinance."

11 "NEW SECTION. Sec. 56. A new section is added to chapter 36.70A
12 RCW to read as follows:

13 (1) Each city and county may, by ordinance, provide for the
14 creation of second units in single-family and multifamily residential
15 zones consistent with all of the following provisions:

16 (a) Areas may be designated within the jurisdiction of each city
17 and county where second units may be permitted;

18 (b) The designation of areas may be based on criteria, which may
19 include, but are not limited to, the adequacy of water and sewer
20 services and the impact of second units on traffic flow;

21 (c) Each city and county may find that second units do not exceed
22 the allowable density for the lot upon which the second unit is
23 located, and that second units are a residential use that is
24 consistent with the existing general plan and zoning designation for
25 the lot;

26 (d) The second units created shall not be considered in the
27 application of any local ordinance, policy, or program to limit
28 residential growth; and

1 (e) Each city and county may establish a process for the issuance
2 of a conditional use permit for second units.

3 (2) When a city or county which has not adopted an ordinance
4 governing second units in accordance with subsection (1) of this
5 section receives its first application on or after July 1, 1992, for a
6 conditional use permit pursuant to this subsection, it shall accept the
7 application and approve or disapprove the application pursuant to this
8 subsection unless it adopts an ordinance in accordance with subsection
9 (1) of this section within one hundred twenty days after receiving the
10 application. Each city or county shall grant a special use or a
11 conditional use permit for the creation of a second unit if the second
12 unit complies with all of the following:

13 (a) The unit is not intended for sale and may be rented;

14 (b) The lot is zoned for single-family or multifamily use;

15 (c) The lot contains an existing single-family dwelling;

16 (d) The second unit is either attached to the existing dwelling and
17 located within the living area of the existing dwelling or detached
18 from the existing dwelling and located on the same lot as the existing
19 dwelling;

20 (e) Any increase in the floor area of an attached second unit shall
21 not exceed thirty percent of the existing living area;

22 (f) The total area of floor space for a detached second unit shall
23 not exceed one thousand two hundred square feet;

24 (g) Any construction shall conform to height, setback, lot
25 coverage, architectural review, site plan review, fees, charges, and
26 other zoning requirements generally applicable to residential
27 construction in the zone in which the property is located;

28 (h) Local building code requirements which apply to detached
29 dwellings, as appropriate; and

1 (i) Approval by the local health officer where a private sewage
2 disposal system is being used, if required.

3 (3)(a) No other local ordinance, policy, or regulation shall be the
4 basis for the denial of a building permit or a use permit under
5 subsection (2) of this section.

6 (b) Subsection (2) of this section establishes the maximum
7 standards that local agencies shall use to evaluate proposed second
8 units on lots zoned for residential use which contain an existing
9 single-family dwelling. No additional standards, other than those
10 provided in subsection (1) or (2) of this section, shall be utilized or
11 imposed, except that a city and county may require an applicant for a
12 permit issued pursuant to subsection (2) of this section to be an
13 owner-occupant.

14 (c) This subsection does not limit the authority of local agencies
15 to adopt less restrictive requirements for the creation of second
16 units.

17 (d) No changes in zoning ordinances or other ordinances or any
18 changes in the general plan shall be required to implement this
19 subsection. Any local agency may amend its zoning ordinance or general
20 plan to incorporate the policies, procedures, or other provisions
21 applicable to the creation of second units if these provisions are
22 consistent with the limitations of this subsection.

23 (e) A second unit which conforms to the requirements of this
24 subsection shall not be considered to exceed the allowable density for
25 the lot upon which it is located, and shall be deemed to be a
26 residential use which is consistent with the existing general plan and
27 zoning designations for the lot. The second units shall not be
28 considered in the application of any local ordinance, policy, or
29 program to limit residential growth.

1 (f) A city or county shall not adopt an ordinance which totally
2 precludes second units within single-family and multifamily zoned areas
3 unless the ordinance contains findings acknowledging that the ordinance
4 may limit housing opportunities of the region and further contains
5 findings that specific adverse impacts on the public health, safety,
6 and welfare that would result from allowing second units within single-
7 family and multifamily zoned areas justify adopting the ordinance.

8 (4) The designation of areas by a city or county where second units
9 may be permitted shall constitute evidence that a city or county is
10 making progress in meeting its fair share affordable housing goals.
11 For purposes of this section, "fair share affordable housing goals"
12 means a goal established pursuant to a regional policy plan process for
13 each city and county that is required or chooses to plan under RCW
14 36.70A.040."

15 **"Sec. 57.** RCW 43.160.010 and 1989 c 431 s 61 are each amended to
16 read as follows:

17 (1) The legislature finds that it is the public policy of the state
18 of Washington to direct financial resources toward the fostering of
19 economic development through the stimulation of investment and job
20 opportunities and the retention of sustainable existing employment for
21 the general welfare of the inhabitants of the state. Reducing
22 unemployment and reducing the time citizens remain jobless is important
23 for the economic welfare of the state. A valuable means of fostering
24 economic development is the construction of public facilities which
25 contribute to the stability and growth of the state's economic base.
26 Strengthening the economic base through issuance of industrial
27 development bonds, whether single or umbrella, further serves to reduce
28 unemployment. Consolidating issues of industrial development bonds
29 when feasible to reduce costs additionally advances the state's purpose

1 to improve economic vitality. Expenditures made for these purposes as
2 authorized in this chapter are declared to be in the public interest,
3 and constitute a proper use of public funds. A community economic
4 revitalization board is needed which shall aid the development of
5 economic opportunities. The general objectives of the board should
6 include:

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

10 (b) Encouraging the diversification of the economies of the state
11 and regions within the state in order to provide greater seasonal and
12 cyclical stability of income and employment;

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

15 (d) Encouraging new economic development or expansions to maximize
16 employment;

17 (e) Encouraging the retention of viable existing firms and
18 employment; and

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

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

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

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

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

20 (4) The legislature finds that sharing economic growth state-wide
21 is important to the welfare of the state. Distressed areas and timber-
22 dependent counties do not share in the economic vitality of the Puget
23 Sound region. Infrastructure is one of several ingredients that are
24 critical for economic development. Distressed areas and timber-
25 dependent counties generally lack the infrastructure necessary to
26 diversify and revitalize their economies. It is, therefore, the intent
27 of the legislature to increase the availability of funds to help
28 provide infrastructure to distressed areas and timber-dependent
29 counties."

1 **"Sec. 58.** RCW 43.160.020 and 1985 c 466 s 58 are each amended to
2 read as follows:

3 Unless the context clearly requires otherwise, the definitions in
4 this section apply throughout this chapter.

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

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

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

12 (4) "Financial institution" means any bank, savings and loan
13 association, credit union, development credit corporation, insurance
14 company, investment company, trust company, savings institution, or
15 other financial institution approved by the board and maintaining an
16 office in the state.

17 (5) "Industrial development facilities" means "industrial
18 development facilities" as defined in RCW 39.84.020.

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

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

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

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

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

7 (11) "Timber impact area" means a county or a city or town located
8 within a county meeting two of the following three criteria for the
9 most recent year such data is available: (a) A lumber and wood
10 products employment location quotient at or above the state average,
11 (b) a direct lumber and wood products job loss of one hundred positions
12 or more, or (c) an annual unemployment rate twenty percent above the
13 state average."

14 "NEW SECTION. Sec. 59. A new section is added to chapter 43.160
15 RCW to read as follows:

16 (1) The economic development account is created within the public
17 facilities construction loan revolving fund under RCW 43.160.080.
18 Moneys in the account may be spent only after appropriation.
19 Expenditures from the account may be used only for the purposes of RCW
20 43.160.010(4) and this section. The account is subject to allotment
21 procedures under chapter 43.88 RCW.

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

26 (3) Eligible applicants under this section are limited to political
27 subdivisions of the state in timber impact areas that demonstrate, to
28 the satisfaction of the board, the local economy's dependence on the
29 forest products industry.

1 (4) Applicants must demonstrate that their request is part of an
2 economic development plan consistent with applicable state planning
3 requirements. Applicants must demonstrate that small scale tourism
4 projects have been approved by the local government and are part of a
5 regional tourism plan approved by the local and regional tourism
6 organizations. Industrial projects must be approved by the local
7 government and the associate development organization.

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

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

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

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

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

27 (10) Applications under this section need not demonstrate evidence
28 that specific private development or expansion is ready to occur or
29 will occur if funds are provided."

1 "NEW SECTION. **Sec. 60.** A new section is added to chapter 43.160
2 RCW to read as follows:

3 The board shall establish guidelines for making grants and loans to
4 ensure that the requirements of this chapter are complied with. The
5 guidelines shall include:

6 (1) A process to equitably compare and evaluate applications from
7 competing communities.

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

16 (3) A method of evaluating the impact of the loans or grants on the
17 economy of the community and whether the loans or grants achieved their
18 purpose."

19 "**Sec. 61.** RCW 43.160.076 and 1985 c 446 s 6 are each amended to
20 read as follows:

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

1 (2) If at any time during the last six months of a biennium the
2 board finds that the actual and anticipated applications for qualified
3 projects in distressed counties or timber impact areas are clearly
4 insufficient to use up the (~~twenty~~) fifty percent allocation, then
5 the board shall estimate the amount of the insufficiency and during the
6 remainder of the biennium may use that amount of the allocation for
7 loans and grants for projects not located in distressed counties or
8 timber impact areas."

9 "NEW SECTION. Sec. 62. (1) For the period beginning July 1,
10 1991, and ending June 30, 1993, in those areas designated by the
11 department of community development as timber impact areas under
12 section 2 of this act, the public works board may award low-interest or
13 interest-free loans to local governments for construction of new public
14 works facilities that stimulate economic growth or diversification.

15 (2) For the purposes of this section and section 63 of this act,
16 "public facilities" means bridge, road and street, domestic water,
17 sanitary sewer, and storm sewer systems.

18 (3) The loans may have a deferred payment of up to five years but
19 shall be repaid within twenty years. The community economic
20 revitalization board may require other terms and conditions and may
21 charge such rates of interest on its loans as it deems appropriate to
22 carry out the purposes of this section. Repayments shall be made to
23 the public works assistance account.

24 (4) The board may make such loans irrespective of the annual loan
25 cycle and reporting required in RCW 43.155.070."

26 "NEW SECTION. Sec. 63. (1) As authorized by section 62 of this
27 act, the board shall establish criteria for awarding loans to local
28 governments including, but not limited to, the following:

1 (a) If a county or city, the local government must be imposing the
2 tax authorized by chapter 82.46 RCW at a rate of at least one-quarter
3 of one percent;

4 (b) The local government must have in place a capital improvement
5 plan meeting standards established by the board and an economic
6 development plan meeting standards established by the department;

7 (c) The local economy must have experienced or be about to
8 experience employment losses due to the timber economy;

9 (d) The proposed project must provide an opportunity to create or
10 retain jobs within the local economy. Priority may be given to those
11 projects that provide an opportunity to retain or create jobs for the
12 pool of local workers affected by the timber economy;

13 (e) The local government must provide reasonable assurances of its
14 ability to repay the debt; and

15 (f) The local government must meet any additional guidelines and
16 criteria established by the board for awarding loan funds.

17 (2) Existing debt or other financial obligations of the local
18 government shall not be refinanced under this section and section 62 of
19 this act.

20 (3) The board shall award loans only to those projects that meet
21 the criteria and will fulfill the purpose of this section and section
22 62 of this act. Any funds not obligated at the close of the biennium
23 shall be returned to the public works assistance account."

24 "NEW SECTION. Sec. 64. The board shall provide to the office of
25 financial management and the legislative fiscal committees a report by
26 January 15, 1994, on the loans awarded through the biennium ending June
27 30, 1993."

1 "NEW SECTION. **Sec. 65.** To the extent that funds are
2 specifically appropriated therefor, the state board for community
3 college education shall provide training and retraining in timber-
4 dependent communities as follows:

5 (1) Disbursement of funds to individual community colleges for
6 supplemental slots in cases where enrollment demand exceeds allocation;

7 (2) Pilot projects for innovative approaches to literacy and
8 employment training;

9 (3) Personnel and equipment for cranberry industry research,
10 coordinated by the Washington state university coastal research unit,
11 Long Beach;

12 (4) Grays Harbor Community College shall establish a program to
13 train displaced timber workers to fill positions as safety training and
14 vessel inspectors. They shall contract with those organizations deemed
15 appropriate to carry out this program;

16 (5) Skagit Valley Community College shall establish a program to
17 train displaced timber workers in natural resources technical programs
18 in stream enhancement, including waters upstream or downstream as well
19 as adjacent to state lands; water quality enhancement; irrigation
20 repair; and the building of shellfish beds;

21 (6) Agricultural development, diversification, marketing, and
22 processing programs in timber-impacted areas under sections 1 through
23 13 of this act. The department of trade and economic development shall
24 contract with local organizations, institutions, or agencies to:

25 (a) Seek to increase the utilization of existing federal, state,
26 and local programs for agricultural development, diversification,
27 marketing, and processing in the timber-impacted regions;

28 (b) Seek to increase the coordination and effectiveness of existing
29 federal, state, and local programs for agricultural development,

1 diversification, marketing, and processing in the timber-impacted
2 areas; and

3 (c) Undertake efforts to promote and further the existing strengths
4 of the timber-impacted areas in the value-added program. To accomplish
5 this the department shall provide a targeted industry strategy to
6 increase the amount of value added to each board foot of timber
7 harvested. The department shall provide technical assistance, plant-
8 specific feasibility studies, additional industrial extension and
9 outreach efforts, plus market development.

10 No contract may be entered into under this section until the
11 department has consulted with the board.

12 For the purpose of this section, enrollment restrictions shall not
13 apply in the community colleges in timber-impacted communities."

14 "NEW SECTION. Sec. 66. To the extent that funds are
15 specifically appropriated therefor, the department of community
16 development shall develop a community assistance program to enable
17 communities to build local capacity for sustainable economic
18 development efforts. The focus of this effort is to provide resources
19 and technical assistance to local community leaders to carry out
20 locally determined economic development projects."

21 "NEW SECTION. Sec. 67. To the extent that funds are
22 specifically appropriated therefor, the employment security department
23 shall establish and maintain a job service message center for displaced
24 workers without phone service. The voice-mail service shall allow
25 twenty-four hour access to phone messages from employers for job
26 prospects and from case managers who provide essential employment and
27 support services."

1 "NEW SECTION. Sec. 68. To the extent that funds are
2 specifically appropriated therefor, the department of community
3 development shall enhance the two reemployment centers in timber-
4 dependent communities in order to continue providing referral services,
5 counseling, and support."

6 "NEW SECTION. Sec. 69. To the extent that funds are
7 specifically appropriated therefor, the University of Washington shall
8 establish a research center for natural resources on the Olympic
9 Peninsula. The center shall conduct research for forest resources and
10 marine resources and shall coordinate research in marine resources with
11 Grays Harbor and Peninsula Community Colleges."

12 "NEW SECTION. Sec. 70. It is the intent of the legislature by
13 enacting section 71 through 75 of this act to provide:

- 14 (1) Training and retraining opportunities for timber workers;
15 (2) Additional opportunities for dislocated workers and residents
16 of timber impact areas to attend local community colleges;
17 (3) Educational opportunities to dislocated workers who reside in
18 areas where access to a four-year institution of higher education is
19 not available;
20 (4) Educational opportunities in those communities that are most
21 severely impacted by job losses in the timber industry; and
22 (5) A means for dislocated workers to remain gainfully employed
23 within their communities."

24 "NEW SECTION. Sec. 71. A new section is added to chapter 28B.50
25 RCW to read as follows:

26 Unless the context clearly requires otherwise, the definitions in
27 this section apply throughout sections 72 through 75 of this act.

1 (1) "Board" means the state board for community college education.

2 (2) "Dislocated workers" means workers in the timber-impacted areas
3 who (a) have been terminated or laid off, or received a notice of
4 termination or layoff from employment and are eligible for or have
5 exhausted their entitlement to benefits under Title 50 RCW; (b) have
6 been terminated as a result of any permanent plant closure; (c) are
7 long-term unemployed and are unlikely to return to employment in the
8 individual's principal occupation or previous industry because of a
9 diminishing demand for their skills in that occupation or industry; or
10 (d) are farmers or other self-employed individuals who have been
11 displaced due to economic conditions or natural disasters.

12 (3) "Timber impact area" means a county or city or town located
13 within a county meeting two of the following three criteria for the
14 most recent year such data is available: (a) A lumber and wood
15 products employment location quotient at or above the state average;
16 (b) a direct lumber and wood products job loss of one hundred positions
17 or more; or (c) an annual unemployment rate twenty percent above the
18 state average."

19 "NEW SECTION. Sec. 72. A new section is added to chapter 28B.50
20 RCW to read as follows:

21 The state board for community college education shall administer a
22 program designed to provide higher education opportunities to
23 dislocated workers or their spouses. In administering the program, the
24 board shall have the following powers and duties:

25 (1) Appoint an advisory committee to assist the board in program
26 design and funding distribution;

27 (2) Allocate funding to community colleges attended by eligible
28 dislocated workers;

1 (3) Monitor the program and report on students' progress and
2 outcome; and

3 (4) Report to the legislature by December 1, 1993, on the status of
4 the program."

5 "NEW SECTION. **Sec. 73.** A new section is added to chapter 28B.80
6 RCW to read as follows:

7 The higher education coordinating board shall administer a program
8 designed to provide upper division higher education opportunities to
9 dislocated workers, their spouses, and others in timber impact areas.
10 In administering the program, the board shall have the following powers
11 and duties:

12 (1) Distribute funding for an institution of higher education to
13 service Clallam county;

14 (2) Appoint an advisory committee to assist the board in program
15 design and future project selection;

16 (3) Monitor the program and report on student progress and outcome;
17 and

18 (4) Report to the legislature by December 1, 1993, on the status of
19 the program."

20 "NEW SECTION. **Sec. 74.** A new section is added to chapter 28B.80
21 RCW to read as follows:

22 In consultation with Peninsula College, the higher education
23 coordinating board shall contract with an institution of higher
24 education to provide upper division classes to serve fifty full-time
25 equivalent students per year in Clallam county. The institution shall
26 utilize telecommunication technology, if available, to carry out the
27 purposes of this section. The institution providing the service shall
28 waive the tuition, service, and activities fees for dislocated workers

1 or their spouses enrolled as one of the full-time equivalent students
2 allocated to the college under this section, provided the dislocated
3 worker provides verification of the following conditions:

4 (1) The dislocated worker, within the five years before enrolling
5 as a student, was employed in the timber industry on a full-time basis
6 for at least six months of each year; and

7 (2) The unemployment of the dislocated worker is due to reduction
8 in work force and not misconduct of the timber worker;

9 The dislocated worker or his or her spouse is eligible to receive
10 waivers for a total of four semesters or six quarters within a two-year
11 time period and must be enrolled for a minimum of ten credits per
12 semester or quarter."

13 "NEW SECTION. **Sec. 75.** A new section is added to chapter 28B.80
14 RCW to read as follows:

15 Dislocated workers and their spouses shall receive priority for
16 attendance in upper division courses allocated under section 74 of this
17 act, offered in Clallam county. Remaining allocations may be
18 distributed to others in the timber impact area."

19 "**Sec. 76.** RCW 43.17.065 and 1990 1st ex.s. c 17 s 77 are each
20 amended to read as follows:

21 (1) Where power is vested in a department to issue permits,
22 licenses, certifications, contracts, grants, or otherwise authorize
23 action on the part of individuals, businesses, local governments, or
24 public or private organizations, such power shall be exercised in an
25 expeditious manner. All departments with such power shall cooperate
26 with officials of the business assistance center of the department of
27 trade and economic development, and any other state officials, when

1 such officials request timely action on the part of the issuing
2 department.

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

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

15 **"Sec. 77.** RCW 53.36.030 and 1990 c 254 s 1 are each amended to
16 read as follows:

17 ((A)) (1)(a) Except as provided in (b) of this subsection, a port
18 district may at any time contract indebtedness or borrow money for
19 district purposes and may issue general obligation bonds therefor not
20 exceeding an amount, together with any existing indebtedness of the
21 district not authorized by the voters, of one-fourth of one percent of
22 the value of the taxable property in the district(~~(+and~~)).

23 (b) Port districts having both a comprehensive scheme of harbor
24 improvements and industrial developments or amendments thereto and a
25 long-term finance plan that have been filed with the department of
26 community development and having less than eight hundred million
27 dollars in value of taxable property may at anytime contract
28 indebtedness or borrow money for district purposes, and may issue
29 general obligation bonds therefor not exceeding an amount, combined

1 with existing indebtedness of the district not authorized by the
2 voters, of three-eighths of one percent of the value of the taxable
3 property in the district.

4 (2) With the assent of three-fifths of the voters voting thereon at
5 a general or special port election called for that purpose, a port
6 district may contract indebtedness or borrow money for district
7 purposes and may issue general obligation bonds therefor provided the
8 total indebtedness of the district at any such time shall not exceed
9 three-fourths of one percent of the value of the taxable property in
10 the district((:—PROVIDED FURTHER,—That)).

11 (3) In addition to the indebtedness authorized under subsections
12 (1) and (2) of this section, port districts having less than two
13 hundred million dollars in value of taxable property and operating a
14 municipal airport may at any time contract indebtedness or borrow money
15 for airport capital improvement purposes and may issue general
16 obligation bonds therefor not exceeding an additional one-eighth of one
17 percent of the value of the taxable property in the district without
18 authorization by the voters; and, with the assent of three-fifths of
19 the voters voting thereon at a general or special port election called
20 for that purpose, may contract indebtedness or borrow money for airport
21 capital improvement purposes and may issue general obligation bonds
22 therefor for an additional three-eighths of one percent provided the
23 total indebtedness of the district for all port purposes at any such
24 time shall not exceed one and one-fourth percent of the value of the
25 taxable property in the district.

26 (4) Any port district may issue general district bonds evidencing
27 any indebtedness, payable at any time not exceeding fifty years from
28 the date of the bonds. Such bonds shall be issued and sold in
29 accordance with chapter 39.46 RCW.

1 (5) Elections required under this section shall be held as provided
2 in RCW 39.36.050.

3 (6) For the purpose of this section, "indebtedness of the district"
4 shall not include any debt of a county-wide district with a population
5 less than twenty-five hundred people when the debt is secured by a
6 mortgage on property leased to the federal government; and the term
7 "value of the taxable property" shall have the meaning set forth in RCW
8 39.36.015.

9 (~~Such bonds shall be issued and sold in accordance with chapter~~
10 ~~39.46 RCW.~~)"

11 "NEW SECTION. Sec. 78. If specific funding for the purposes of
12 sections 3 through 5 of this act, referencing sections 3 through 5 of
13 this act by bill and section number, is not provided by June 30, 1991,
14 in the omnibus appropriations act, sections 3 through 5 of this act
15 shall be null and void."

16 "NEW SECTION. Sec. 79. If specific funding for the purposes of
17 sections 6 through 13 of this act, referencing sections 6 through 13 of
18 this act by bill and section number, is not provided by June 30, 1991,
19 in the omnibus appropriations act, sections 6 through 13 of this act
20 shall be null and void."

21 "NEW SECTION. Sec. 80. If specific funding for the purposes of
22 section 14 of this act, referencing section 14 of this act by bill and
23 section number, is not provided by June 30, 1991, in the omnibus
24 appropriations act, section 14 of this act shall be null and void."

25 "NEW SECTION. Sec. 81. If specific funding for the purposes of
26 sections 15 through 20 of this act, referencing sections 15 through 20

1 of this act by bill and section number, is not provided by June 30,
2 1991, in the omnibus appropriations act, sections 15 through 20 of this
3 act shall be null and void."

4 "NEW SECTION. Sec. 82. If specific funding for the purposes of
5 section 21 of this act, referencing section 21 of this act by bill and
6 section number, is not provided by June 30, 1991, in the omnibus
7 appropriations act, section 21 of this act shall be null and void."

8 "NEW SECTION. Sec. 83. If specific funding for the purposes of
9 sections 24 through 27 of this act, referencing sections 24 through 27
10 of this act by bill and section number, is not provided by June 30,
11 1991, in the omnibus appropriations act, sections 24 through 27 of this
12 act shall be null and void."

13 "NEW SECTION. Sec. 84. If specific funding for the purposes of
14 sections 28 through 36 of this act, referencing sections 28 through 36
15 of this act by bill and section number, is not provided by June 30,
16 1991, in the omnibus appropriations act, sections 28 through 36 of this
17 act shall be null and void."

18 "NEW SECTION. Sec. 85. If specific funding for the purposes of
19 sections 40 through 46 of this act, referencing sections 40 through 46
20 of this act by bill and section number, is not provided by June 30,
21 1991, in the omnibus appropriations act, sections 40 through 46 of this
22 act shall be null and void."

23 "NEW SECTION. Sec. 86. If specific funding for the purposes of
24 sections 57 through 61 of this act, referencing sections 57 through 61
25 of this act by bill and section number, is not provided by June 30,

1 1991, in the omnibus appropriations act, sections 57 through 61 of this
2 act shall be null and void."

3 "NEW SECTION. Sec. 87. If specific funding for the purposes of
4 sections 62 through 64 of this act, referencing sections 62 through 64
5 of this act by bill and section number, is not provided by June 30,
6 1991, in the omnibus appropriations act, sections 62 through 64 of this
7 act shall be null and void."

8 "NEW SECTION. Sec. 88. If specific funding for the purposes of
9 sections 70 through 75 of this act, referencing sections 70 through 75
10 of this act by bill and section number, is not provided by June 30,
11 1991, in the omnibus appropriations act, sections 70 through 75 of this
12 act shall be null and void."

13 "NEW SECTION. Sec. 89. (1) Sections 1 through 13 of this act
14 are each added to chapter 43.31 RCW.

15 (2) Sections 15 through 20 of this act shall constitute a new
16 chapter in Title 50 RCW.

17 (3) Sections 28 through 31 of this act are each added to chapter
18 43.210 RCW.

19 (4) Sections 40 through 46 of this act are each added to chapter
20 43.63A RCW."

21 "NEW SECTION. Sec. 90. (1) Sections 62 through 64 of this act
22 expire on June 30, 1994.

23 (2) Sections 70 through 75 of this act expire on July 1, 1995."

24 "NEW SECTION. Sec. 91. Sections 22, 23, 37 through 39, and 65
25 through 67 of this act are necessary for the immediate preservation of

1 the public peace, health, or safety, or support of the state government
2 and its existing public institutions, and shall take effect
3 immediately."

4 **ESHB 1341** - S AMD

5 By Senators Owen, Snyder, Conner, McDonald, Amondson, Matson,
6 McMullen

7 Adopted 4/19/91 - Voice Vote

8 On page 1, line 1 of the title, after "development;" strike the
9 remainder of the title and insert "amending RCW 28B.15.740, 70.47.010,
10 70.47.020, 70.47.060, 70.47.080, 43.210.030, 82.60.020, 82.62.010,
11 43.168.020, 43.160.010, 43.160.020, 43.160.076, 43.17.065, and
12 53.36.030; reenacting and amending RCW 43.210.050; adding new sections
13 to chapter 43.31 RCW; adding a new section to chapter 43.20A RCW;
14 adding a new section to chapter 50.22 RCW; adding a new section to
15 chapter 28B.15 RCW; adding new sections to chapter 43.210 RCW; adding
16 new sections to chapter 43.131 RCW; adding new sections to chapter
17 43.63A RCW; adding new sections to chapter 35.63 RCW; adding new
18 sections to chapter 35A.63 RCW; adding new sections to chapter 36.70
19 RCW; adding new sections to chapter 36.70A RCW; adding new sections to
20 chapter 43.160 RCW; adding new sections to chapter 28B.50 RCW; adding
21 new sections to chapter 28B.80 RCW; adding a new chapter to Title 50
22 RCW; creating new sections; repealing RCW 43.131.325 and 43.131.326;
23 providing expiration dates; and declaring an emergency."