

1 5555-S AAS 3/20/91

2 SSB 5555 - S AMD

3 By Senators Owen, McDonald, Snyder and Conner

4 ADOPTED 3/20/91 - Voice Vote

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

7 "NEW SECTION. **Sec. I.** The legislature finds that:

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

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

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

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

24 The legislature further finds that if a special state effort  
25 does not take place the decline in allowable timber sales may

1 result in a loss of six thousand logging and milling jobs; two  
2 hundred million dollars in direct wages and benefits; twelve  
3 thousand indirect jobs; and three hundred million dollars in  
4 indirect wages and benefits.

5 It is the intent of the legislature to develop comprehensive  
6 programs to provide diversified economic development and promote  
7 job creation and employment opportunities for the citizens of the  
8 timber-impacted communities."

9 "NEW SECTION. Sec. II. For the purposes of sections 1  
10 through 10 of this act:

11 (1) "Department" means the department of trade and economic  
12 development;

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

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

21 "NEW SECTION. Sec. III. There is established the  
22 economic recovery coordination board. The board shall consist of  
23 one member from each economic development council in a timber  
24 impact area appointed by the governor, with representation from

1 representatives of local businesses, labor organizations, local  
2 governments, visitor and convention bureaus, local educational  
3 institutions, local associate development organizations, the  
4 agribusiness community, and local ports. In making the  
5 appointments, the governor shall endeavor to ensure that the  
6 appointees have experience in local diversification efforts.  
7 Vacancies shall be filled in the same manner as the original  
8 appointment.

9 The board shall review and provide recommendations on  
10 proposals for the diversification of the timber-impacted areas  
11 presented to it by the department.

12 The board shall appoint members to local recovery advisory  
13 committees in each timber impact area. In making the appointments  
14 the board shall endeavor to recruit members of the community with  
15 expertise in areas needed to create a revitalized economy. The  
16 advisory committee shall assist the recovery board with review and  
17 recommendations.

18 Members of the board and committees shall receive no  
19 compensation but shall be reimbursed for travel expenses under RCW  
20 43.03.050 and 43.03.060."

21 "NEW SECTION. **Sec. IV.** The department of trade and  
22 economic development shall begin implementation of economic  
23 diversification programs.

24 In carrying out these programs, the department, in  
25 consultation with the economic recovery coordination board, shall

1 determine which objectives are most likely to lead to economic  
2 recovery and diversification. Consideration shall be given to  
3 potential jobs and income benefits, generation of additional fiscal  
4 support, increased private sector participation, and market forces  
5 supporting the proposed objectives. The department shall further  
6 employ a project manager who will coordinate with the economic  
7 recovery board. The board shall consider such studies and  
8 governmental agencies which could support the priority goals  
9 determined under this section."

10 "NEW SECTION. **Sec. V.** The department shall designate a  
11 project manager to facilitate the department's activities within  
12 the timber-impacted regions. The manager's responsibilities shall  
13 include but not be limited to:

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

16 (2) Helping to locate additional funds to be used for  
17 diversification and recovery activities;

18 (3) Seeking advice and recommendations from the board on  
19 activities within the priority areas;

20 (4) Coordinating evaluation of state programs in the region;

21 (5) Seeking to increase the effectiveness of existing efforts  
22 to incubate new enterprises in the timber-impacted areas and to  
23 increase the resources devoted to the incubation of new  
24 enterprises;

25 (6) Facilitating a new technology and research base in the

1 region for local businesses, including efforts to increase: The  
2 availability and accessibility of venture capital in the timber-  
3 impacted areas, especially for the early stages of enterprise  
4 development and for the expansion of existing enterprises, the  
5 accessibility of legal expertise, especially in regard to licenses  
6 and patents, and the identification of and assistance to  
7 entrepreneurs with expertise in managing new product development;  
8 and

9 (7) Increasing the availability and coordination of resources  
10 devoted to the expansion, development, and modernization of  
11 enterprises in existing promising growth areas of the timber-  
12 impacted regional economy such as the industrial applications of  
13 advanced technology and recreational development."

14 "NEW SECTION. **Sec. VI.** The department shall contract  
15 with local bodies to develop various programs to promote  
16 diversification, such as regional exporting, waterfront tourism,  
17 job retention, small business marketing and training, small  
18 business incubators, investment opportunities, and securing federal  
19 contracts. The department, after consultation with the board,  
20 shall establish guidelines for the awarding of contracts under this  
21 section."

22 "NEW SECTION. **Sec. VII.** The department, in consultation  
23 with the board, shall:

24 (1) Gather, analyze, and disseminate information about the

1 competitiveness of the wood products industry in this state and  
2 make that information available to the wood products industry,  
3 state government, and the general public.

4 (2) Encourage cooperation among wood products firms through  
5 the formation of business networks to develop solutions to  
6 technology and product development problems, acquire and  
7 disseminate marketing information, promote and market wood products  
8 of this state, and address other common industry problems.

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

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

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

19 (c) Be less than thirty five thousand dollars unless seventy-  
20 five percent of the department authorizes up to fifty thousand  
21 dollars.

22 (4) Work with state agencies, wood products firms, wood  
23 products industry associations, and institutions of higher  
24 education in this state to assure close coordination of all efforts  
25 to improve the competitiveness of the wood products industry in  
26 this state.

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

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

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

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

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

25 (c) Train new production workers to be more sophisticated

1 production workers by offering training opportunities allowing  
2 workers to adapt to a changing workplace;

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

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

8 (2) This plan shall be submitted to the legislature by July 1,  
9 1992."

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

15 (1) A survey of the feasibility of developing tele-commuting  
16 businesses;

17 (2) A growers' marketing cooperative for alternative forest  
18 products;

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

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



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

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

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

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

17 "NEW SECTION. Sec. X. (1) Through an interagency agreement  
18 with the department, the employment security department shall  
19 provide enhanced retraining, support services, and job search  
20 assistance, including an out-of-area job search and relocation  
21 component, if needed, for dislocated workers in the timber-impacted  
22 areas. For the purpose of this section "dislocated workers" means  
23 workers in the timber-impacted areas who (a) have been terminated  
24 or laid off, or received a notice of termination or layoff from  
25 employment and are eligible for or have exhausted their entitlement

1 to benefits under Title 50 RCW; (b) have been terminated as a  
2 result of any permanent plant closure; (c) are long-term unemployed  
3 and are unlikely to return to employment in the individual's  
4 principal occupation or previous industry because of a diminishing  
5 demand for their skills in that occupation or industry; or (d) are  
6 farmers or other self-employed individuals who have been displaced  
7 due to economic conditions or natural disasters. Training and  
8 retraining assistance shall be designed to contribute to the  
9 diversification of the economy of the timber-impacted areas or to  
10 relieve economic dislocation and distress in the timber-impacted  
11 areas resulting from the sudden and severe loss of local sources of  
12 employment.

13 (2) The employment security department shall consult with and  
14 may subcontract with local educational institutions, local  
15 businesses, local labor organizations, local associate development  
16 organizations, local private industry councils, local social  
17 service organizations, and local governments in carrying out this  
18 program of training and services for dislocated workers in the  
19 timber-impacted areas.

20 (3) Training and retraining assistance provided under sections  
21 1 through 10 of this act should include but need not be limited to  
22 the following areas: Entrepreneurial development and training;  
23 short-term job creation; training in the incubation of new business  
24 enterprises and training at incubator facilities; agriculture,  
25 agricultural processing, and agricultural services; the industrial  
26 applications of advanced technology; recreational and tourism

1 development; and training through the self-employment and  
2 enterprise development (SEED) program. The department of social  
3 and health services shall help families and workers make the  
4 transition through economic difficulties and provide workers with  
5 marketable skills. Funding shall be coordinated through the board  
6 which will establish a fund to provide child care assistance,  
7 mortgage assistance, and counseling which cannot be met through  
8 current programs.

9 (4) Such services shall be either direct or referral services  
10 to the unemployed, and should include, but need not be limited to:  
11 Credit counseling; social services including marital counseling;  
12 psychotherapy or psychological counseling; mortgage foreclosures  
13 and utilities problems counseling; drug and alcohol abuse services;  
14 medical services; and residential heating and food acquisition.

15 (5) The employment security department shall coordinate the  
16 services provided in this section with all other services provided  
17 by the department and with the other economic recovery efforts  
18 undertaken by state and local government agencies on behalf of the  
19 timber-impacted areas.

20 (6) Subcontractors shall conduct outreach efforts to encourage  
21 the unemployed to seek assistance.

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

25 "NEW SECTION. **Sec. XI.** Unless the context clearly

1 requires otherwise, the definitions in this section apply  
2 throughout sections 12 through 16 of this act:

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

4 (2) "Timber worker" means any person employed in industries  
5 within the standard industrial classification code numbers 8, 24,  
6 and 26.

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

14 (4) "Program" or "counter-cyclical program" means the program  
15 for dislocated timber workers administered by the employment  
16 security department in conjunction with the department of natural  
17 resources.

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

20 "NEW SECTION. Sec. XII. (1) The counter-cyclical program  
21 for dislocated timber workers is established in the department.  
22 The program shall provide forest-related employment and job  
23 retraining assistance to unemployed timber workers residing in  
24 federal timber impact areas. The department shall notify timber  
25 workers receiving unemployment benefits, or who have exhausted

1 unemployment benefits of their eligibility for the program.

2 (2) A person is considered a dislocated timber worker and  
3 eligible to participate in this program:

4 (a) Upon exhaustion of unemployment insurance benefits  
5 received upon termination of employment from industries within the  
6 standard industrial classification code numbers 8, 24, and 26; or

7 (b) If currently unemployed, employed part time, or if  
8 employment has been terminated within one year previous to the  
9 effective date of this act.

10 (3) The department of natural resources shall employ  
11 candidates for the counter-cyclical program from a pool of eligible  
12 workers developed by the department."

13 "NEW SECTION. **Sec. XIII.** The department shall contract  
14 with the department of natural resources to provide employment  
15 opportunities for not less than two hundred eligible enrollees.  
16 Employment opportunities under the counter-cyclical program shall  
17 consist of activities that improve the value of state lands and  
18 waters managed by the department of natural resources. These  
19 activities may include, but are not limited to, thinning and  
20 precommercial thinning, pruning, slash removal, reforestation, fire  
21 suppression, trail maintenance, maintenance of recreational  
22 facilities, dike repair, development and maintenance of tourist  
23 facilities, stream enhancement."

24 "NEW SECTION. **Sec. XIV.** Enrollees in the counter-

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

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

21 "NEW SECTION. Sec. XVI. The department of natural  
22 resources shall provide compensation for enrollees in this program  
23 as provided under section 14 of this act."

1           "NEW SECTION.   **Sec. XVII.**  A new section is added to chapter  
2  50.22 RCW to read as follows:

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

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

8           (a)  Be certified by his or her employer to be permanently or  
9  indefinitely unemployed due to lack of work caused by a curtailment  
10 of timber harvesting or a shortage of raw materials resulting from  
11 compliance with environmental laws or rules; and

12           (b)  Have one thousand three hundred sixty hours of employment  
13 in the forest products industry in the first eight of the last nine  
14 completed calendar quarters prior to his or her application for  
15 unemployment compensation benefits.

16           (2)  The department shall notify potentially eligible persons  
17 who apply for unemployment compensation benefits of the provisions  
18 of this section.

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

21           (4)  If a training plan is approved by the commissioner within  
22 the first sixteen weeks of a person's unemployment compensation  
23 claim or within sixteen weeks of the effective date of this act,  
24 whichever is later, the person shall be eligible for extended  
25 benefits under subsection (5) of this section and for tuition  
26 waivers under section 18 of this act.

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

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

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

15 "NEW SECTION. **Sec. XVIII.** A new section is added to chapter  
16 28B.15 RCW to read as follows:

17 Unemployed forest workers eligible for benefits under section  
18 17 of this act who comply with all requirements for admittance  
19 shall be admitted to and may attend any public four-year  
20 institution of higher education, community college, or vocational-  
21 technical institution that has space available without paying  
22 tuition and service and activity fees for courses approved by the  
23 commissioner of employment security under section 17 of this act.  
24 A tuition waiver is limited to a maximum of six academic quarters,  
25 four semesters, or the equivalent of two academic years of full-



1 time study.

2 This section shall expire on June 30, 1996.

3 "Sec. XIX. RCW 28B.15.740 and 1989 c 340 s 2 are each amended  
4 to read as follows:

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

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

1 the board of trustees or regents, except on the basis of  
2 participation in intercollegiate athletic programs: PROVIDED  
3 FURTHER, That the waivers for undergraduate and graduate students  
4 of foreign nations under RCW 28B.15.556 and the waivers for  
5 unemployed forest industry workers under section 18 of this act are  
6 not subject to the limitation under this section.

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

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

23 (b) Second, (i) to nonmembers of the underrepresented gender  
24 class who participate in intercollegiate athletics, where such  
25 waivers result in saved or displaced money that can be used for  
26 athletic programs for members of the underrepresented gender class.

1 Such saved or displaced money shall be used for programs for the  
2 underrepresented gender class; or (ii) to members of the  
3 underrepresented gender class who participate in intercollegiate  
4 athletics, where such waivers do not result in any saved or  
5 displaced money that can be used for athletic programs for members  
6 of the underrepresented gender class."

7 "Sec. XX. RCW 70.47.010 and 1987 1st ex.s. c 5 s 3 are each  
8 amended to read as follows:

9 (1) The legislature finds that:

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

13 (b) This lack of basic health care coverage is detrimental to  
14 the health of the individuals lacking coverage and to the public  
15 welfare, and results in substantial expenditures for emergency and  
16 remedial health care, often at the expense of health care  
17 providers, health care facilities, and all purchasers of health  
18 care, including the state; and

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

24 (2) The purpose of this chapter is to provide necessary basic  
25 health care services in an appropriate setting to working persons

1 and others who lack coverage, at a cost to these persons that does  
2 not create barriers to the utilization of necessary health care  
3 services. To that end, this chapter establishes a program to be  
4 made available to those residents under sixty-five years of age not  
5 otherwise eligible for medicare with gross family income at or  
6 below two hundred percent of the federal poverty guidelines or who  
7 have been dislocated from their jobs as a result of changes in the  
8 local economy where they work, who share in the cost of receiving  
9 basic health care services from a managed health care system.

10 (3) It is not the intent of this chapter to provide health  
11 care services for those persons who are presently covered through  
12 private employer-based health plans, nor to replace employer-based  
13 health plans. Further, it is the intent of the legislature to  
14 expand, wherever possible, the availability of private health care  
15 coverage and to discourage the decline of employer-based coverage.

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

25 "Sec. XXI. RCW 70.47.020 and 1987 1st ex.s. c 5 s 4 are each

1 amended to read as follows:

2 As used in this chapter:

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

8 (2) "Administrator" means the Washington basic health plan  
9 administrator.

10 (3) "Managed health care system" means any health care  
11 organization, including health care providers, insurers, health  
12 care service contractors, health maintenance organizations, or any  
13 combination thereof, that provides directly or by contract basic  
14 health care services, as defined by the administrator and rendered  
15 by duly licensed providers, on a prepaid capitated basis to a  
16 defined patient population enrolled in the plan and in the managed  
17 health care system.

18 (4) "Enrollee" means an individual, or an individual plus the  
19 individual's spouse and/or dependent children, all under the age of  
20 sixty-five and not otherwise eligible for medicare, who resides in  
21 an area of the state served by a managed health care system  
22 participating in the plan, whose gross family income at the time of  
23 enrollment does not exceed twice the federal poverty level as  
24 adjusted for family size and determined annually by the federal  
25 department of health and human services, or who has been dislocated  
26 from his or her job as a result of changes in the local economy

1 where he or she works, who chooses to obtain basic health care  
2 coverage from a particular managed health care system in return for  
3 periodic payments to the plan.

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

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

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

17 (8) "Dislocated workers" means workers in timber-impacted  
18 areas who (a) have been terminated or laid off or received a notice  
19 of termination or layoff from employment and are eligible for or  
20 have exhausted their entitlement to benefits under Title 50 RCW;  
21 (b) have been terminated as a result of any permanent plant  
22 closure; or (c) are long-term unemployed and are unlikely to return  
23 to employment in a timber-related occupation because of a  
24 diminishing demand for their skills in that occupation."

25 "Sec. XXII. RCW 70.47.060 and 1987 1st ex.s. c 5 s 8 are each

1 amended to read as follows:

2 The administrator has the following powers and duties:

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

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

26 (3) To design and implement a structure of nominal copayments

1 due a managed health care system from enrollees. The structure  
2 shall discourage inappropriate enrollee utilization of health care  
3 services, but shall not be so costly to enrollees as to constitute  
4 a barrier to appropriate utilization of necessary health care  
5 services.

6 (4) To design and implement, in concert with a sufficient  
7 number of potential providers in a discrete area, an enrollee  
8 financial participation structure, separate from that otherwise  
9 established under this chapter, that has the following  
10 characteristics:

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

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

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

23 (d) A case management system that fosters a provider-enrollee  
24 relationship whereby, in an effort to control cost, maintain or  
25 improve the health status of the enrollee, and maximize patient  
26 involvement in her or his health care decision-making process,



1 every effort is made by the provider to inform the enrollee of the  
2 cost of the specific services and procedures and related health  
3 benefits.

4 The potential financial liability of the plan to any such  
5 providers shall not exceed in the aggregate an amount greater than  
6 that which might otherwise have been incurred by the plan on the  
7 basis of the number of enrollees multiplied by the average of the  
8 prepaid capitated rates negotiated with participating managed  
9 health care systems under RCW 70.47.100 and reduced by any sums  
10 charged enrollees on the basis of the coinsurance rates that are  
11 established under this subsection.

12 (5) To limit enrollment of persons who qualify for subsidies  
13 so as to prevent an overexpenditure of appropriations for such  
14 purposes. Whenever the administrator finds that there is danger of  
15 such an overexpenditure, the administrator shall close enrollment  
16 until the administrator finds the danger no longer exists.

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

20 In the selection of any area of the state for the initial  
21 operation of the plan, the administrator shall take into account  
22 the levels and rates of unemployment in different areas of the  
23 state, the need to provide basic health care coverage to a  
24 population reasonably representative of the portion of the state's  
25 population that lacks such coverage, and the need for geographic,  
26 demographic, and economic diversity.

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

5           (7) To solicit and accept applications from managed health  
6 care systems, as defined in this chapter, for inclusion as eligible  
7 basic health care providers under the plan. The administrator  
8 shall endeavor to assure that covered basic health care services  
9 are available to any enrollee of the plan from among a selection of  
10 two or more participating managed health care systems. In adopting  
11 any rules or procedures applicable to managed health care systems  
12 and in its dealings with such systems, the administrator shall  
13 consider and make suitable allowance for the need for health care  
14 services and the differences in local availability of health care  
15 resources, along with other resources, within and among the several  
16 areas of the state.

17           (8) To receive periodic premiums from enrollees, employers,  
18 and the department of labor and industries, deposit them in the  
19 basic health plan operating account, keep records of enrollee  
20 status, and authorize periodic payments to managed health care  
21 systems on the basis of the number of enrollees participating in  
22 the respective managed health care systems.

23           (9) To accept applications from individuals residing in areas  
24 served by the plan, on behalf of themselves and their spouses and  
25 dependent children, for enrollment in the Washington basic health  
26 plan, to establish appropriate minimum-enrollment periods for

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

22 (10) To require that prospective enrollees who may be eligible  
23 for categorically needy medical coverage under RCW 74.09.510 or  
24 whose income does not exceed the medically needy income level under  
25 RCW 74.09.700 apply for such coverage, but the administrator shall  
26 enroll the individuals in the plan pending the determination of

1 eligibility under chapter 74.09 RCW.

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

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

1 of health, to minimize duplication of effort.

2 (13) To monitor the access that state residents have to  
3 adequate and necessary health care services, determine the extent  
4 of any unmet needs for such services or lack of access that may  
5 exist from time to time, and make such reports and recommendations  
6 to the legislature as the administrator deems appropriate.

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

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

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

17 "**Sec. XXIII.** RCW 70.47.080 and 1987 1st ex.s. c 5 s 10 are  
18 each amended to read as follows:

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

25 Thereafter, total enrollment shall not exceed the number

1 established by the legislature in any act appropriating funds to  
2 the plan.

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

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

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

17 "NEW SECTION. **Sec. XXIV.** (1) The Pacific Northwest export  
18 assistance project is hereby created for the following purposes:

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

24 (b) To provide, in cooperation with the export promotion  
25 services offered by the department of trade and economic

1 development and the Washington state department of agriculture,  
2 information and assistance to businesses with gross annual revenues  
3 less than twenty-five million dollars about the methods and  
4 procedures of structuring company specific export financing and  
5 credit guarantee alternatives; or

6 (c) To provide information to their clients about  
7 opportunities in organizing cooperative export networks, foreign  
8 sales corporations, or export trading companies under the United  
9 States export trading company act of 1982, for the purpose of  
10 increasing their comparative sales volume and ability to export  
11 their products to foreign markets.

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

15 (3) The Pacific Northwest export assistance project is subject  
16 to the authority of the small business export finance assistance  
17 center, under RCW 43.210.020, and shall be governed and managed by  
18 the board of directors, under RCW 43.210.030."

19 "NEW SECTION. Sec. XXV. (1) The small business export  
20 finance assistance center has the following powers and duties when  
21 exercising its authority under section 24(3) of this act:

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

25 (b) Offer comprehensive export assistance and counseling to

1 manufacturers relatively new to exporting with gross annual  
2 revenues less than twenty-five million dollars. As close to ninety  
3 percent as possible of each year's new cadre of clients must have  
4 gross annual revenues of less than five million dollars at the time  
5 of their initial contract. Counseling may include, but not be  
6 limited to, helping clients obtain debt or equity financing, in  
7 constructing competent proposals, and assessing federal guarantee  
8 and/or insurance programs that underwrite exporting risk; assisting  
9 clients in evaluating their international marketplace by developing  
10 marketing materials, assessing and selecting targeted markets;  
11 assisting firms in finding foreign customers by conducting foreign  
12 market research, evaluating distribution systems, selecting and  
13 assisting in identification of and/or negotiations with foreign  
14 agents, distributors, retailers, and by promoting products through  
15 attending trade shows abroad; advising companies on their products,  
16 guarantees, and after sales service requirements necessary to  
17 compete effectively in a foreign market; designing a competitive  
18 strategy for a firm's products in targeted markets and methods of  
19 minimizing their commercial and political risks; securing for  
20 clients specific assistance as needed, outside the center's field  
21 of expertise, by referrals to other public or private  
22 organizations. The Pacific Northwest export assistance project  
23 shall focus its efforts on facilitating export transactions for its  
24 clients, and in doing so, provide such technical services as are  
25 appropriate to accomplish its mission either with staff or outside  
26 consultants;



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

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

25 (e) May contract with the Washington state international trade  
26 fair to provide services for Pacific Northwest export assistance

1 project clients to participate in one trade show annually. The  
2 president and board of directors shall decide the amount of funding  
3 allocated for trade fair assistance based on the availability of  
4 resources in the operating budget of the Pacific Northwest export  
5 assistance project;

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

1 confidential by each department and the small business export  
2 finance assistance center;

3 (g) Take whatever action may be necessary to accomplish the  
4 purposes set forth in sections 24 through 27 of this act; and

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

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

12 (3) The Pacific Northwest export assistance project may not  
13 use any Washington state funds which come from the public treasury  
14 of the state of Washington to make loans or to make any payment  
15 under a loan guarantee agreement. Under no circumstances may the  
16 center use any funds received under RCW 43.210.050 to make or  
17 assist in making any loan or to pay or assist in paying any amount  
18 under a loan guarantee agreement. Debts of the center shall be  
19 center debts only and may be satisfied only from the resources of  
20 the center. The state of Washington shall not in any way be liable  
21 for such debts.

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

24 (5) The Pacific Northwest export assistance project shall take  
25 whatever steps are necessary to provide its services, if requested,  
26 to the states of Oregon, Idaho, Montana, Alaska, and the Canadian

1 provinces of British Columbia and Alberta. Interstate services  
2 shall not be provided by the Pacific Northwest export assistance  
3 project during its first biennium of operation. The provision of  
4 services may be temporary and subject to the payment of fees, or  
5 each state may request permanent services contingent upon a level  
6 of permanent funding adequate for services provided. Temporary  
7 services and fees may be negotiated by the small business export  
8 finance assistance center's president subject to approval of the  
9 board of directors. The president of the small business export  
10 finance assistance center may enter into negotiations with  
11 neighboring states to contract for delivery of the project's  
12 services. Final contracts for providing the project's counseling  
13 and services outside of the state of Washington on a permanent  
14 basis shall be subject to approval of the governor, appropriate  
15 legislative oversight committees, and the small business export  
16 finance assistance center's board of directors.

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

24 (7) The president of the small business export finance  
25 assistance center, in consultation with the board of directors, may  
26 use the following formula in determining the number of clients that

1 can be reasonably served by the Pacific Northwest export assistance  
2 project relative to its appropriation. Divide the amount  
3 appropriated for administration of the Pacific Northwest export  
4 assistance project by the marginal cost of adding each additional  
5 Pacific Northwest export assistance project client. For the  
6 purposes of this calculation, and only for the first biennium of  
7 operation, the biennial marginal cost of adding each additional  
8 Pacific Northwest export assistance project client shall be fifty-  
9 seven thousand ninety-five dollars. The biennial marginal cost of  
10 adding each additional client after the first biennium of operation  
11 shall be established from the actual operating experience of the  
12 Pacific Northwest export assistance project.

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

15 "NEW SECTION. Sec. XXVI. The department of trade and  
16 economic development shall adopt rules under chapter 34.05 RCW as  
17 necessary to carry out the purposes of sections 24 through 27 of  
18 this act."

19 "NEW SECTION. Sec. XXVII. The small business export  
20 finance assistance center fund is created in the custody of the  
21 state treasurer. Expenditures from the fund may be used only for  
22 the purposes of funding the services of the small business export  
23 finance assistance center and its projects under this chapter.  
24 Only the director of the department of trade and economic

1 development or the director's designee may authorize expenditures  
2 from the fund. The director of the department of trade and  
3 economic development shall not withhold funds appropriated for the  
4 administration of the small business export finance assistance  
5 center and its projects, if the small business export finance  
6 assistance center complies with the provisions of its contract  
7 under RCW 43.210.050 and section 24 of this act. Funding  
8 appropriated by the state of Washington shall not be used to  
9 provide services to other states or provinces. The fund is subject  
10 to allotment procedures under chapter 43.88 RCW, but no  
11 appropriation is required for expenditures."

12 "Sec. XXVIII. RCW 43.210.030 and 1985 c 231 s 3 are each  
13 amended to read as follows:

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

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

1           "Sec. XXIX. RCW 43.210.050 and 1985 c 466 s 64 and 1985 c 231  
2 s 5 are each reenacted and amended to read as follows:

3           The small business export finance assistance center formed  
4 under RCW 43.210.020 and 43.210.030 (~~is eligible to receive~~  
5 ~~consideration for~~) shall enter into a contract under this chapter  
6 (~~from the~~) with the department of trade and economic development  
7 or its statutory successor. The contract shall require the center  
8 to provide export assistance services, (~~may not have a duration of~~  
9 ~~longer than two years,~~) consistent with sections 24 through 27 of  
10 this act, shall have a duration of two years, and shall require the  
11 center to aggressively seek to fund its continued operation from  
12 nonstate funds. The contract shall also require the center to  
13 report (~~at least twice~~) annually to the department on its success  
14 in obtaining nonstate funding. Upon expiration of the contract,  
15 any provisions within the contract applicable to the Pacific  
16 Northwest export assistance project shall be automatically renewed  
17 without change provided the legislature appropriates funds for  
18 administration of the small business export assistance center and  
19 the Pacific Northwest export assistance project. The provisions of  
20 the contract related to the Pacific Northwest export assistance  
21 project may be changed at any time if the director of the  
22 department of trade and economic development or the president of  
23 the small business export finance assistance center present  
24 compelling reasons supporting the need for a contract change to the  
25 board of directors and a majority of the board of directors agrees  
26 to the changes. The department of agriculture shall be included in



1 the contracting negotiations with the department of trade and  
2 economic development and the small business export finance  
3 assistance center when the Pacific Northwest export assistance  
4 project provides export services to industrial sectors within the  
5 administrative domain of the Washington state department of  
6 agriculture. The department of trade and economic development, the  
7 small business export finance assistance center, and, if  
8 appropriate, the department of agriculture, shall report annually,  
9 as one group, to the appropriate legislative oversight committees  
10 on the progress of the Pacific Northwest export assistance  
11 project."

12        "NEW SECTION. Sec. XXX.        The following acts or parts of  
13 acts are each repealed:

14        a. RCW 43.131.325 and 1985 c 231 s 10; and  
15        (2) RCW 43.131.326 and 1985 c 231 s 11."

16        "NEW SECTION. Sec. XXXI. A new section is added to chapter  
17 43.131 RCW to read as follows:

18        The Pacific Northwest export assistance project shall be  
19 terminated on June 30, 1996, as provided in section 32 of this  
20 act."

21        "NEW SECTION. Sec. XXXII. A new section is added to chapter  
22 43.131 RCW to read as follows:

23        The following acts or parts of acts, as now existing or

1 hereafter amended, are each repealed, effective June 30, 1997:

- 2 (1) Section 24 of this act;
- 3 (2) Section 25 of this act;
- 4 (3) Section 26 of this act; and
- 5 (4) Section 27 of this act."

6 "Sec. XXXIII. RCW 82.60.020 and 1988 c 42 s 16 are each  
7 amended to read as follows:

8 Unless the context clearly requires otherwise, the definitions  
9 in this section apply throughout this chapter.

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

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

13 (3) "Eligible area" means: (a) A county in which the average  
14 level of unemployment for the three years before the year in which  
15 an application is filed under this chapter exceeds the average  
16 state unemployment for those years by twenty percent; or (b) a  
17 metropolitan statistical area, as defined by the office of federal  
18 statistical policy and standards, United States department of  
19 commerce, in which the average level of unemployment for the  
20 calendar year immediately preceding the year in which an  
21 application is filed under this chapter exceeds the average state  
22 unemployment for such calendar year by twenty percent.  
23 Applications under this subsection (3)(b) shall be filed by April  
24 30, 1989. However, counties eligible under section 2 of this act  
25 may file an application by July 1, 1993.

1 (4)(a) "Eligible investment project" means that portion of an  
2 investment project which:

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

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

11 (iii) Acquires machinery and equipment to be used for either  
12 manufacturing or research and development if the machinery and  
13 equipment is housed in a new leased structure: PROVIDED, That the  
14 lessor/owner of the structure is not eligible for a deferral unless  
15 the underlying ownership of the buildings, machinery, and equipment  
16 vests exclusively in the same person.

17 (b) "Eligible investment project" does not include any portion  
18 of an investment project undertaken by a light and power business  
19 as defined in RCW 82.16.010(5) or investment projects which have  
20 already received deferrals under this chapter.

21 (5) "Investment project" means an investment in qualified  
22 buildings and qualified machinery and equipment, including labor  
23 and services rendered in the planning, installation, and  
24 construction of the project.

25 (6) "Manufacturing" means all activities of a commercial or  
26 industrial nature wherein labor or skill is applied, by hand or

1 machinery, to materials so that as a result thereof a new,  
2 different, or useful substance or article of tangible personal  
3 property is produced for sale or commercial or industrial use and  
4 shall include the production or fabrication of specially made or  
5 custom made articles. "Manufacturing" also includes computer  
6 programming, the production of computer software, and other  
7 computer-related services, and the activities performed by research  
8 and development laboratories and commercial testing laboratories.

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

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

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

23 (10) "Qualified machinery and equipment" means all new  
24 industrial and research fixtures, equipment, and support facilities  
25 that are an integral and necessary part of a manufacturing or  
26 research and development operation. "Qualified machinery and

1 equipment" includes: Computers; software; data processing  
2 equipment; laboratory equipment; manufacturing components such as  
3 belts, pulleys, shafts, and moving parts; molds, tools, and dies;  
4 operating structures; and all equipment used to control or operate  
5 the machinery.

6 (11) "Recipient" means a person receiving a tax deferral under  
7 this chapter.

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

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

17 Unless the context clearly requires otherwise, the definitions  
18 in this section apply throughout this chapter.

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

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

22 (3) "Eligible area" means: (a) A county in which the average  
23 level of unemployment for the three years before the year in which  
24 an application is filed under this chapter exceeds the average  
25 state unemployment for those years by twenty percent; or (b) a

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

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

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

24 (5) "Manufacturing" means all activities of a commercial or  
25 industrial nature wherein labor or skill is applied, by hand or  
26 machinery, to materials so that as a result thereof a new,

1 different, or useful substance or article of tangible personal  
2 property is produced for sale or commercial or industrial use and  
3 shall include the production or fabrication of specially made or  
4 custom made articles. "Manufacturing" also includes computer  
5 programming, the production of computer software, and other  
6 computer-related services, and the activities performed by research  
7 and development laboratories and commercial testing laboratories.

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

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

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

13 (9) "Recipient" means a person receiving tax credits under  
14 this chapter.

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

22 "Sec. **XXXV**. RCW 43.168.020 and 1988 c 42 s 18 are each  
23 amended to read as follows:

24 Unless the context clearly requires otherwise, the definitions  
25 in this section apply throughout this chapter.

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

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

5 (3) "Director" means the director of the department of  
6 community development.

7 (4) "Distressed area" means: (a) A county which has an  
8 unemployment rate which is twenty percent above the state average  
9 for the immediately previous three years; (b) a metropolitan  
10 statistical area, as defined by the office of federal statistical  
11 policy and standards, United States department of commerce, in  
12 which the average level of unemployment for the calendar year  
13 immediately preceding the year in which an application is filed  
14 under this chapter exceeds the average state unemployment for such  
15 calendar year by twenty percent. Applications under this  
16 subsection (4)(b) shall be filed by April 30, 1989; ~~((or))~~ (c) an  
17 area within a county, which area: (i) Is composed of contiguous  
18 census tracts; (ii) has a minimum population of five thousand  
19 persons; (iii) has at least seventy percent of its families and  
20 unrelated individuals with incomes below eighty percent of the  
21 county's median income for families and unrelated individuals; and  
22 (iv) has an unemployment rate which is at least forty percent  
23 higher than the county's unemployment rate; or (d) a county  
24 designated as a timber impact area under section 2 of this act if  
25 an application is filed by July 1, 1993. For purposes of this  
26 definition, "families and unrelated individuals" has the same



1 meaning that is ascribed to that term by the federal department of  
2 housing and urban development in its regulations authorizing action  
3 grants for economic development and neighborhood revitalization  
4 projects.

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

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

11 (7) "Project" means the establishment of a new or expanded  
12 business in an area which when completed will provide employment  
13 opportunities. "Project" also means the retention of an existing  
14 business in an area which when completed will provide employment  
15 opportunities."

16 "NEW SECTION. Sec. XXXVI. Unless the context clearly  
17 requires otherwise, the definitions in this section apply  
18 throughout sections 37 through 40 of this act.

19 (1) "Timber-dependent community" means a community in which  
20 thirty percent or more of the work force is employed in the timber  
21 industry.

22 (2) "Permanent residence" means the residence in which an  
23 individual resides on the effective date of this act on a full-time  
24 basis, including detached, semi-detached, or townhouse units;  
25 modular homes; condominium units or manufactured housing units

1 which meet the program standards.

2 (3) "Program" means the emergency mortgage assistance  
3 program."

4 "NEW SECTION. Sec. XXXVII. The department shall establish  
5 and administer the emergency mortgage assistance program under the  
6 following general guidelines:

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

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

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

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

15 (5) Loan payments shall be made directly to the mortgage  
16 lender by the department.

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

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

21 "NEW SECTION. Sec. XXXVIII. The goals of the program  
22 are to:

23 (1) Provide up to twenty-four months of emergency assistance  
24 loans to households who, because of their loss of employment in the

1 timber industry for a period of six consecutive months, are unable  
2 to make current mortgage payments on their permanent residence and  
3 are likely to face imminent home mortgage or other home loan  
4 foreclosure proceedings;

5 (2) Prevent the dislocation of individuals and families from  
6 their permanent residences and their communities; and

7 (3) Maintain the economic and social stability of timber-  
8 dependent communities."

9 "NEW SECTION. **Sec. XXXIX.** To become eligible to receive  
10 emergency mortgage assistance loans provided for under sections 36  
11 through 40 of this act, an applicant must:

12 (1) Be unable to keep payments on his or her home mortgage  
13 current, due to a temporary loss of employment in the timber  
14 industry, and shall be at significant risk of forfeiting the title  
15 to his or her home;

16 (2) Have his or her permanent residence located in a timber-  
17 dependent community and be the owner of an equitable interest in  
18 such residence;

19 (3) Intend to reside in the home being financed;

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

22 (5) With the assistance of the applicant's lender or other  
23 financial adviser, submit an application by June 30, 1996, to the  
24 department requesting assistance from the program."

1           "NEW SECTION.   **Sec. XL.**           The department shall carry out  
2 the following duties:

3           (1) Administer and implement the program;

4           (2) Develop and adopt the necessary rules for implementation  
5 of the program;

6           (3) Establish the interest rate for repayment of loans at two  
7 percent below the market rate;

8           (4) Work with lending institutions in timber-dependent  
9 communities to assure that all eligible homeowners are informed  
10 about the program;

11           (5) Utilize federal and state programs that complement or  
12 facilitate carrying out the program;

13           (6) Evaluate the program effectiveness;

14           (7) Submit a report to the senate commerce and labor committee  
15 by January 31, 1992."

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

18           (1) The legislature finds that it is the public policy of the  
19 state of Washington to direct financial resources toward the  
20 fostering of economic development through the stimulation of  
21 investment and job opportunities and the retention of sustainable  
22 existing employment for the general welfare of the inhabitants of  
23 the state. Reducing unemployment and reducing the time citizens  
24 remain jobless is important for the economic welfare of the state.  
25 A valuable means of fostering economic development is the

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

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

16 (b) Encouraging the diversification of the economies of the  
17 state and regions within the state in order to provide greater  
18 seasonal and cyclical stability of income and employment;

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

21 (d) Encouraging new economic development or expansions to  
22 maximize employment;

23 (e) Encouraging the retention of viable existing firms and  
24 employment; and

25 (f) Providing incentives for expansion of employment  
26 opportunities for groups of state residents that have been less

1 successful relative to other groups in efforts to gain permanent  
2 employment.

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

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

13 (b) It is the intent of the legislature to create an economic  
14 development account within the motor vehicle fund from which  
15 expenditures can be made by the department of transportation for  
16 state highway improvements necessitated by planned economic  
17 development. All such improvements must first be approved by the  
18 state transportation commission and the community economic  
19 revitalization board in accordance with the procedures established  
20 by RCW 43.160.074 and 47.01.280. It is further the intent of the  
21 legislature that such improvements not jeopardize any other planned  
22 highway construction projects. The improvements are intended to be  
23 of limited size and cost, and to include such items as additional  
24 turn lanes, signalization, illumination, and safety improvements.

25 (3) The legislature also finds that the state's economic  
26 development efforts can be enhanced by providing funds to improve

1 markets for those recyclable materials representing a large  
2 fraction of the waste stream. The legislature finds that public  
3 facilities which result in private construction of processing or  
4 remanufacturing facilities for recyclable materials are eligible  
5 for consideration from the board.

6 (4) The legislature finds that sharing economic growth state-  
7 wide is important to the welfare of the state. Distressed areas  
8 and timber-dependent counties do not share in the economic vitality  
9 of the Puget Sound region. Infrastructure is one of several  
10 ingredients that are critical for economic development. Distressed  
11 areas and timber-dependent counties generally lack the  
12 infrastructure necessary to diversify and revitalize their  
13 economies. It is, therefore, the intent of the legislature to  
14 increase the availability of funds to help provide infrastructure  
15 to distressed areas and timber-dependent counties."

16 "Sec. XLII. RCW 43.160.020 and 1985 c 466 s 58 are each  
17 amended to read as follows:

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

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

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

24 (3) "Department" means the department of trade and economic  
25 development or its successor with respect to the powers granted by

1 this chapter.

2 (4) "Financial institution" means any bank, savings and loan  
3 association, credit union, development credit corporation,  
4 insurance company, investment company, trust company, savings  
5 institution, or other financial institution approved by the board  
6 and maintaining an office in the state.

7 (5) "Industrial development facilities" means "industrial  
8 development facilities" as defined in RCW 39.84.020.

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

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

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

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

24 (10) "User" means one or more persons acting as lessee,  
25 purchaser, mortgagor, or borrower under a financing document and  
26 receiving or applying to receive revenues from bonds issued under



1 this chapter.

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

9 "NEW SECTION. Sec. XLIII. A new section is added to chapter  
10 43.160 RCW to read as follows:

11 (1) The economic development account is created within the  
12 public facilities construction loan revolving fund under RCW  
13 43.160.080. Moneys in the account may be spent only after  
14 appropriation. Expenditures from the account may be used only for  
15 the purposes of RCW 43.160.010(4) and this section. The account is  
16 subject to allotment procedures under chapter 43.88 RCW.

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

21 (3) Eligible applicants under this section are limited to  
22 political subdivisions of the state in federal timber impact areas  
23 that demonstrate, to the satisfaction of the board, the local  
24 economy's dependence on the forest products industry.

25 (4) Applicants must demonstrate that their request is part of

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

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

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

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

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

1 subdivision.

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

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

7 "NEW SECTION. **Sec. XLIV.** A new section is added to chapter  
8 43.160 RCW to read as follows:

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

12 (1) A process to equitably compare and evaluate applications  
13 from competing communities.

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

23 (3) A method of evaluating the impact of the loans or grants  
24 on the economy of the community and whether the loans or grants  
25 achieved their purpose."

1           **"Sec. XLV.** RCW 43.160.076 and 1985 c 446 s 6 are each amended  
2 to read as follows:

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

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

21           "NEW SECTION. **Sec. XLVI.**           (1) For the period beginning  
22 July 1, 1991, and ending June 30, 1993, in those areas designated  
23 by the department of community development as timber impact areas  
24 under section 2 of this act, the public works board may award low-  
25 interest or interest-free loans to local governments for

1 construction of new public works facilities that stimulate economic  
2 growth or diversification.

3 (2) For the purposes of this section and section 47 of this  
4 act, "public facilities" means bridge, road and street, domestic  
5 water, sanitary sewer, and storm sewer systems.

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

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

14 "NEW SECTION. Sec. XLVII. (1) As authorized by section 46  
15 of this act, the board shall establish criteria for awarding loans  
16 to local governments including, but not limited to, the following:

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

20 (b) The local government must have in place a capital  
21 improvement plan meeting standards established by the board and an  
22 economic development plan meeting standards established by the  
23 department;

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

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

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

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

9 (2) Existing debt or other financial obligations of the local  
10 government shall not be refinanced under this section and section  
11 46 of this act.

12 (3) The board shall award loans only to those projects that  
13 meet the criteria and will fulfill the purpose of this section and  
14 section 46 of this act. Any funds not obligated at the close of  
15 the biennium shall be returned to the public works assistance  
16 account."

17 "NEW SECTION. **Sec. XLVIII.** The board shall provide to the  
18 office of financial management and the legislative fiscal  
19 committees a report by January 15, 1994, on the loans awarded  
20 through the biennium ending June 30, 1993."

21 "NEW SECTION. **Sec. XLIX.** To the extent that funds are  
22 specifically appropriated therefor, the state board for community  
23 college education shall provide training and retraining in timber-  
24 dependent communities as follows:

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

4 (2) Pilot projects for innovative approaches to literacy and  
5 employment training;

6 (3) Personnel and equipment for cranberry industry research;

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

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

16 (6) Agricultural development, diversification, marketing, and  
17 processing programs in timber-impacted areas under sections 1  
18 through 10 of this act. The department of trade and economic  
19 development shall contract with local organizations, institutions,  
20 or agencies to:

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

25 (b) Seek to increase the coordination and effectiveness of  
26 existing federal, state, and local programs for agricultural

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

3 (c) Undertake efforts to promote and further the existing  
4 strengths of the timber-impacted areas in the value-added program.  
5 To accomplish this the department shall provide a targeted industry  
6 strategy to increase the amount of value added to each board foot  
7 of timber harvested. The department shall provide technical  
8 assistance, plant-specific feasibility studies, additional  
9 industrial extension and 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  
13 not apply in the community colleges in timber-impacted  
14 communities."

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

22 "NEW SECTION. **Sec. LI.** To the extent that funds are  
23 specifically appropriated therefor, the employment security  
24 department shall establish and maintain a job service message



1 center for displaced workers without phone service. The voice-mail  
2 service shall allow twenty-four hour access to phone messages from  
3 employers for job prospects and from case managers who provide  
4 essential employment and support services."

5 "NEW SECTION. Sec. LII. To the extent that funds are  
6 specifically appropriated therefor, the department of community  
7 development shall enhance the two reemployment centers in timber-  
8 dependent communities in order to continue providing referral  
9 services, counseling, and support."

10 "NEW SECTION. Sec. LIII. To the extent that funds are  
11 specifically appropriated therefor, the University of Washington  
12 shall establish a research center for natural resources on the  
13 Olympic Peninsula. The center shall conduct research for forest  
14 resources and marine resources and shall coordinate research in  
15 marine resources with Grays Harbor and Peninsula Community  
16 Colleges."

17 "NEW SECTION. Sec. LIV. If specific funding for the  
18 purposes of sections 3 through 10 of this act, referencing sections  
19 3 through 10 of this act by bill and section number, is not  
20 provided by June 30, 1991, in the omnibus appropriations act,  
21 sections 3 through 10 of this act shall be null and void."

22 "NEW SECTION. Sec. LV. If specific funding for the

1 purposes of sections 11 through 16 of this act, referencing  
2 sections 11 through 16 of this act by bill and section number, is  
3 not provided by June 30, 1991, in the omnibus appropriations act,  
4 sections 11 through 16 of this act shall be null and void."

5 "NEW SECTION. **Sec. LVI.** If specific funding for the  
6 purposes of section 17 of this act, referencing section 17 of this  
7 act by bill and section number, is not provided by June 30, 1991,  
8 in the omnibus appropriations act, section 17 of this act shall be  
9 null and void."

10 "NEW SECTION. **Sec. LVII.** If specific funding for the  
11 purposes of sections 20 through 23 of this act, referencing  
12 sections 20 through 23 of this act by bill and section number, is  
13 not provided by June 30, 1991, in the omnibus appropriations act,  
14 sections 20 through 23 of this act shall be null and void."

15 "NEW SECTION. **Sec. LVIII.** If specific funding for the  
16 purposes of sections 24 through 32 of this act, referencing  
17 sections 24 through 32 of this act by bill and section number, is  
18 not provided by June 30, 1991, in the omnibus appropriations act,  
19 sections 24 through 32 of this act shall be null and void."

20 "NEW SECTION. **Sec. LIX.** If specific funding for the  
21 purposes of sections 36 through 40 of this act, referencing  
22 sections 36 through 40 of this act by bill and section number, is

1 not provided by June 30, 1991, in the omnibus appropriations act,  
2 sections 36 through 40 of this act shall be null and void."

3 "NEW SECTION. Sec. LX. If specific funding for the  
4 purposes of sections 41 through 45 of this act, referencing  
5 sections 41 through 45 of this act by bill and section number, is  
6 not provided by June 30, 1991, in the omnibus appropriations act,  
7 sections 41 through 45 of this act shall be null and void."

8 "NEW SECTION. Sec. LXI. If specific funding for the  
9 purposes of sections 46 through 48 of this act, referencing  
10 sections 46 through 48 of this act by bill and section number, is  
11 not provided by June 30, 1991, in the omnibus appropriations act,  
12 sections 46 through 48 of this act shall be null and void."

13 "NEW SECTION. Sec. LXII. (1) Sections 1 through 10 of  
14 this act are each added to chapter 43.31 RCW.

15 (2) Sections 11 through 16 of this act shall constitute a new  
16 chapter in Title 50 RCW.

17 (3) Sections 24 through 27 of this act are each added to  
18 chapter 43.210 RCW.

19 (4) Sections 36 through 40 of this act are each added to  
20 chapter 43.63A RCW."

21 "NEW SECTION. Sec. LXIII. Sections 46 through 48 of this  
22 act expire on June 30, 1994."

