
SUBSTITUTE SENATE BILL 5602

State of Washington

52nd Legislature

1991 Regular Session

By Senate Committee on Commerce & Labor (originally sponsored by Senators McDonald, Craswell, Owen, Niemi, Matson, Jesernig, L. Smith and Barr; by request of Trade and Economic Development and Office of Financial Management).

Read first time February 27, 1991.

1 AN ACT Relating to timber impact areas; amending RCW 43.160.010 and
2 43.160.020; and adding a new section to chapter 43.160 RCW.

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

4 **Sec. 1.** RCW 43.160.010 and 1989 c 431 s 61 are each amended to
5 read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

24 (4) The legislature also finds that the state's economic
25 development efforts can be enhanced by providing federal timber supply
26 impact areas with support for public facility improvements necessary to
27 achieve long-term economic diversification goals. It is the intent of
28 the legislature to create a separate economic development account
29 within the community economic revitalization board to provide public
30 facilities for industrial projects and tourism projects that can

1 demonstrate a high probability of attracting or retaining jobs and
2 private investment. Funds shall also be available for feasibility
3 studies that would be used to determine the economic viability of such
4 proposed projects.

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

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

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

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

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

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

21 (5) "Industrial development facilities" means "industrial
22 development facilities" as defined in RCW 39.84.020.

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

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

27 (8) "Sponsor" means any of the following entities which customarily
28 provide service or otherwise aid in industrial or other financing and
29 are approved as a sponsor by the board: A bank, trust company, savings

1 bank, investment bank, national banking association, savings and loan
2 association, building and loan association, credit union, insurance
3 company, or any other financial institution, governmental agency, or
4 holding company of any entity specified in this subsection.

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

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

11 (11) "Federal timber impact area" means a county meeting two of the
12 following three criteria for the most recent year such data is
13 available: (a) Logging and lumber employment location quotient of 1.0
14 or more of the state average, (b) direct logging and lumber job loss of
15 one hundred or more, (c) annual unemployment rate twenty percent above
16 the state average.

17 (12) "Tourism project" means a project where additions to current
18 facilities will attract primarily nonresident visitors for overnight
19 stays. A tourism project may be a new project or an expansion or
20 refurbishment of an existing facility.

21 NEW SECTION. Sec. 3. A new section is added to chapter 43.160 RCW
22 to read as follows:

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

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

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

9 (4) Applicants must demonstrate that their request is part of an
10 economic development plan consistent with applicable state planning
11 requirements. Industrial projects must be approved by the local
12 government and the associate development organization. Applicants must
13 demonstrate that tourism projects have been approved by the local
14 government and are part of a regional tourism plan approved by the
15 local and regional tourism organizations.

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

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

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

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

3 NEW SECTION. **Sec. 4.** If any provision of this act or its
4 application to any person or circumstance is held invalid, the
5 remainder of the act or the application of the provision to other
6 persons or circumstances is not affected.