

1 **E2SSB 5468** - H AMD TO TEH COMM AMD (H-4446.1)**1273 ADOPTED 3-3-94**
2 By Representative Kremen and Sheldon

3 On page 1, beginning on line 7 of the amendment, strike all
4 material through "1994." on page 4, line 2, and insert the
5 following:

6 "NEW SECTION. **Sec. 1.** The legislature finds that when
7 public funds are used to support private enterprise, the public
8 may gain through the creation of new jobs, the diversification of
9 the economy, or higher quality jobs for existing workers. The
10 legislature further finds that such returns on public investments
11 are not automatic and that tax-based incentives, in particular,
12 may result in a greater tax burden on businesses and individuals
13 that are not eligible for the public support. It is the purpose
14 of this chapter to collect information sufficient to allow the
15 legislature and the executive branch to make informed decisions
16 about the merits of existing tax-based incentives and loan
17 programs intended to encourage economic development in the state.
18

19 NEW SECTION. **Sec. 2.** (1) The department of revenue and the
20 department of community, trade, and economic development shall
21 gather such base-line data as is necessary to measure the effect
22 on businesses of any of the following benefits: (a) A loan of
23 one hundred thousand dollars or more from the development loan
24 fund; (b) fifty thousand dollars or more in tax credits under
25 chapter 82.62 RCW or chapter____(House Bill No. 2663), Laws of
26 1994; or (c) a deferral of one hundred thousand dollars or more
27 in taxes under chapter 82.60, 82.61 RCW, or chapter____(House
28 Bill 2663), Laws of 1994. The departments shall measure the
29 effect of the programs on job creation, the number of jobs
30 created for Washington residents, company growth, the
31 introduction of new products, the diversification of the state's

1 economy, growth in investments, the movement of firms or the
2 consolidation of firms' operation into the state, and such other
3 factors as the departments select.

4 (2) The departments shall also measure whether the
5 businesses receiving the benefits: (a) Have complied with
6 federal and state requirements for affirmative action in hiring
7 and promotion of its employees; (b) have provided an average wage
8 that is above the average wage paid by firms located in the same
9 county that share the same two-digit standard industrial code;
10 (c) have provided basic health coverage at a level at least
11 equivalent to basic health coverage under chapter 70.47 RCW; (d)
12 have complied with all applicable federal and state environmental
13 and employment laws and regulations; and (e) have complied with
14 the requirements of all federal and state plant closure laws if
15 reducing operations at a facility or relocating a facility.

16 (3) Businesses applying for one of the benefits specified in
17 subsection (1) of this section shall submit employment impact
18 estimates to the departments specifying the number and types of
19 jobs, with wage rates and benefits for those jobs, that the
20 business submitting the application expects to be eliminated,
21 created, or retained on the project site and on other employment
22 sites of the business in Washington as a result of the project
23 that is the subject of the application.

24 (4) The departments shall specify that upon a certain date
25 or dates, the businesses which receive one of the benefits
26 specified in subsection (1) of this section shall submit to the
27 department an employment impact statement stating the net number
28 and types of jobs eliminated, created, or retained, with the wage
29 rates and benefits for those jobs, by the business in Washington
30 as a result of the benefit received.

31 (5) The information collected on individual businesses under
32 this section is not subject to public disclosure.

1 (6) The departments shall report their findings to the
2 executive-legislative committee on economic development policy,
3 or the appropriate legislative committees, if the executive-
4 legislative committee on economic development policy is not
5 created by statute, by September 1, 1995. The report shall
6 provide aggregate information on businesses that share the same
7 two digit standard industrial code.

8 (7) The executive-legislative committee on economic
9 development policy shall evaluate the departments' report and
10 make recommendations to the governor and the legislature on the
11 continuation of the benefit programs and any conditions under
12 which they should operate if they are to continue.

13
14 NEW SECTION. **Sec. 3.** Sections 1 and 2 of this act shall
15 constitute a new chapter in Title 43 RCW.

16
17 NEW SECTION. **Sec. 4.** This act is necessary for the
18 immediate preservation of the public peace, health, or safety, or
19 support of the state government and its existing public
20 institutions, and shall take effect March 1, 1994."

EFFECT: Includes businesses that receive tax credits or
deferrals as high-technology businesses in the study.
Removes the requirement that the departments study
provisions related to collective bargaining, higher
performing work organizations, and employee-ownership.
Eliminates review and comment requirements for business
employment impact estimates. Exempts information on
individual businesses from public disclosure. Allows the
department's report to be sent to legislative committees if
the executive-legislative committee is not created.