

2 SSB 6163 - H COMM AMD

3 By Committee on Trade, Economic Development & Housing

4

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

7 "Sec. 1. RCW 43.163.010 and 1989 c 279 s 2 are each amended to
8 read as follows:

9 As used in this chapter, the following words and terms have the
10 following meanings, unless the context requires otherwise:

11 (1) "Authority" means the Washington economic development finance
12 authority created under RCW 43.163.020 or any board, body, commission,
13 department or officer succeeding to the principal functions of the
14 authority or to whom the powers conferred upon the authority shall be
15 given by law;

16 (2) "Bonds" means any bonds, notes, debentures, interim
17 certificates, conditional sales or lease financing agreements, lines of
18 credit, forward purchase agreements, investment agreements, and other
19 banking or financial arrangements, guaranties, or other obligations
20 issued by or entered into by the authority. Such bonds may be issued
21 on either a tax-exempt or taxable basis;

22 (3) "Borrower" means one or more public or private persons or
23 entities acting as lessee, purchaser, mortgagor, or borrower who has
24 obtained or is seeking to obtain financing either from the authority or
25 from an eligible banking organization that has obtained or is seeking
26 to obtain funds from the authority to finance a project. A borrower
27 may include a party who transfers the right of use and occupancy to
28 another party by lease, sublease or otherwise, or a party who is
29 seeking or has obtained a financial guaranty from the authority;

30 (4) "Eligible banking organization" means any organization subject
31 to regulation by the (~~state supervisor of banking or the state~~
32 ~~supervisor of savings and loans~~) director of financial institutions,
33 any national bank, federal savings and loan association, and federal
34 credit union located within this state;

35 (5) "Eligible export transaction" means any preexport or export
36 activity by a person or entity located in the state of Washington

1 involving a sale for export and product sale which, in the judgment of
2 the authority: (a) Will create or maintain employment in the state of
3 Washington, (b) will obtain a material percent of its value from
4 manufactured goods or services made, processed or occurring in
5 Washington, and (c) could not otherwise obtain financing on reasonable
6 terms from an eligible banking organization;

7 (6) "Eligible farmer" means any person who is a resident of the
8 state of Washington and whose specific acreage qualifying for receipts
9 from the federal department of agriculture under its conservation
10 reserve program is within the state of Washington;

11 (7) "Financing document" means an instrument executed by the
12 authority and one or more persons or entities pertaining to the
13 issuance of or security for bonds, or the application of the proceeds
14 of bonds or other funds of, or payable to, the authority. A financing
15 document may include, but need not be limited to, a lease, installment
16 sale agreement, conditional sale agreement, mortgage, loan agreement,
17 trust agreement or indenture, security agreement, letter or line of
18 credit, reimbursement agreement, insurance policy, guaranty agreement,
19 or currency or interest rate swap agreement. A financing document also
20 may be an agreement between the authority and an eligible banking
21 organization which has agreed to make a loan to a borrower;

22 (8) "Plan" means the general plan of economic development finance
23 objectives developed and adopted by the authority, and updated from
24 time to time, as required under RCW 43.163.090;

25 (9) "Small business" means a corporation, partnership, sole
26 proprietorship, or individual operating a business for profit, with two
27 hundred fifty employees or fewer, including employees employed in a
28 subsidiary or affiliated corporation that otherwise meets the
29 requirements of the federal small business innovation research program;

30 (10) "Small business innovation research program" means the
31 program, enacted under the small business innovation development act of
32 1982, P.L. 97-219, that provided funds to small businesses to conduct
33 innovative research having commercial application.

34 NEW SECTION. Sec. 2. A new section is added to chapter 43.163 RCW
35 to read as follows:

36 (1) The authority is authorized to develop and conduct a program or
37 programs to assist small businesses participating in the federal small
38 business innovation research program in continuing innovative research

1 that has potential commercial application. Assistance under this
2 section shall be limited to those small businesses whose technology
3 shows the greatest potential to lead to commercialization or
4 fabrication within the state or to improved products or processes, and
5 which demonstrates need.

6 (2) To receive assistance under this section, the small business
7 must meet the following requirements:

8 (a) The small business's principal place of business shall be
9 located in this state;

10 (b) The small business certifies that the research to be conducted
11 shall be located in this state;

12 (c) The small business has completed its small business innovation
13 research program phase I research;

14 (d) The small business's final phase I report with respect thereto
15 has been accepted by the federal agency involved;

16 (e) The small business's phase II research proposal has been
17 properly submitted to the federal agency involved; and

18 (f) The small business has submitted copies of its final phase I
19 report and phase II proposal to the federal agency.

20 (3) Assistance under this section shall be no greater than twenty-
21 five thousand dollars.

22 (4) Consistent with federal small business innovation research
23 program procedures, proprietary information submitted to the authority
24 under this section shall not be subject to disclosure under the public
25 disclosure act.

26 (5) The authority may condition assistance under this section upon
27 receipt of a share of any license, patent, copyright, or royalty that
28 results from the research or programs under this section."

29 EFFECT: The Washington Economic Development Finance Authority is
30 authorized to provide assistance to small businesses waiting to hear on
31 phase II funding under the federal Small Business Innovation Research
32 Program.

--- END ---