

2 **E2SSB 5468** - CONF REPT
3 By Conference Committee

4 ADOPTED 3/10/94

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

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

19 NEW SECTION. **Sec. 2.** (1) The department of revenue and the
20 department of community, trade, and economic development shall gather
21 such base-line data as is necessary to measure the effect on businesses
22 of any of the following benefits: (a) A loan of one hundred thousand
23 dollars or more from the development loan fund; (b) fifty thousand
24 dollars or more in tax credits under chapter 82.62 RCW; or (c) a
25 deferral of one hundred thousand dollars or more in taxes under chapter
26 82.60 or 82.61 RCW. The departments shall measure the effect of the
27 programs on job creation, company growth, the introduction of new
28 products, the diversification of the state's economy, growth in
29 investments, the movement of firms or the consolidation of firms'
30 operation into the state, and such other factors as the departments
31 select.

32 (2) The departments shall also measure whether the businesses
33 receiving the benefits: (a) Have complied with federal and state
34 requirements for affirmative action in hiring and promotion of their
35 employees; (b) have provided an average wage that is above the average

1 wage paid by firms located in the same county that share the same two-
2 digit standard industrial code; (c) have provided basic health coverage
3 at a level at least equivalent to basic health coverage under chapter
4 70.47 RCW; (d) have complied with all applicable federal and state
5 environmental and employment laws and regulations; and (e) have
6 complied with the requirements of all federal and state plant closure
7 laws if reducing operations at a facility or relocating a facility.

8 (3) Businesses applying for one of the benefits specified in
9 subsection (1) of this section shall submit employment impact estimates
10 to the departments specifying the number and types of jobs, with wage
11 rates and benefits for those jobs, that the business submitting the
12 application expects to be eliminated, created, or retained on the
13 project site and on other employment sites of the business in
14 Washington as a result of the project that is the subject of the
15 application.

16 (4) The departments shall specify that upon a certain date or
17 dates, the businesses that receive one of the benefits specified in
18 subsection (1) of this section shall submit to the department an
19 employment impact statement stating the net number and types of jobs
20 eliminated, created, or retained, with the wage rates and benefits for
21 those jobs, by the business in Washington as a result of the benefit
22 received.

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

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

31 (6) The executive-legislative committee on economic development
32 policy shall evaluate the departments' report and make recommendations
33 to the governor and the legislature on the continuation of the benefit
34 programs and any conditions under which they should operate if they are
35 to continue.

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

