
ENGROSSED SUBSTITUTE HOUSE BILL 1662

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By House Committee on Trade, Economic Development & Housing (originally sponsored by Representatives Wineberry, Shin, Forner, Sheldon, Wang, Riley, Ogden, Silver, Valle, Jones, Holm, Basich, Rayburn, Jacobsen, Kremen, Cooke and J. Kohl; by request of Department of Trade and Economic Development)

Read first time 02/22/93.

1 AN ACT Relating to the community economic revitalization board;
2 amending RCW 43.160.020, 43.160.030, 43.160.060, 43.160.076,
3 43.160.077, 43.160.200, and 43.160.900; amending 1991 c 314 s 32
4 (uncodified); amending 1991 c 314 s 34 (uncodified); reenacting and
5 amending RCW 42.17.310; and declaring an emergency.

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

7 **Sec. 1.** RCW 43.160.020 and 1992 c 21 s 3 are each amended to read
8 as follows:

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

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

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

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

18 (4) "Financial institution" means any bank, savings and loan
19 association, credit union, development credit corporation, insurance

1 company, investment company, trust company, savings institution, or
2 other financial institution approved by the board and maintaining an
3 office in the state.

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

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

8 (7) "Local government" or "political subdivision" means any port
9 district, county, city, (~~(or)~~) town, or special utility district.

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

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

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

23 (11) "Timber impact area" means:

24 (a) A county having a population of less than five hundred
25 thousand, or a city or town located within a county having a population
26 of less than five hundred thousand, and meeting two of the following
27 three criteria, as determined by the employment security department,
28 for the most recent year such data is available: (i) A lumber and wood
29 products employment location quotient at or above the state average;
30 (ii) projected or actual direct lumber and wood products job losses of
31 one hundred positions or more, except counties having a population
32 greater than two hundred thousand but less than five hundred thousand
33 must have direct lumber and wood products job losses of one thousand
34 positions or more; or (iii) an annual unemployment rate twenty percent
35 or more above the state average; or

36 (b) Additional communities as the economic recovery coordinating
37 board, established in RCW 43.31.631, designates based on a finding by
38 the board that each designated community is socially and economically

1 integrated with areas that meet the definition of a timber impact area
2 under (a) of this subsection.

3 **Sec. 2.** RCW 43.160.030 and 1987 c 422 s 2 are each amended to read
4 as follows:

5 (1) The community economic revitalization board is hereby created
6 to exercise the powers granted under this chapter.

7 (2) The board shall consist of the chairman of and one minority
8 member appointed by the speaker of the house of representatives from
9 the committee on trade and economic development of the house of
10 representatives, the chairman of and one minority member appointed by
11 the president of the senate from the committee on commerce and labor
12 of the senate, or the equivalent standing committees, and the following
13 members appointed by the governor: A recognized private or public
14 sector economist; one port district official; one county official; one
15 city official; one representative of the public; one representative of
16 small businesses each from: (a) The area west of Puget Sound, (b) the
17 area east of Puget Sound and west of the Cascade range, (c) the area
18 east of the Cascade range and west of the Columbia river, and (d) the
19 area east of the Columbia river; one executive from large businesses
20 each from the area west of the Cascades and the area east of the
21 Cascades. The appointive members shall initially be appointed to terms
22 as follows: Three members for one-year terms, three members for two-
23 year terms, and three members for three-year terms which shall include
24 the chair. Thereafter each succeeding term shall be for three years.
25 The chair of the board shall be selected by the governor (~~and should~~
26 ~~be a member of the governor's council of economic advisors~~). The
27 members of the board shall elect one of their members to serve as vice-
28 chair. The director of trade and economic development, the director of
29 community development, the director of revenue, the commissioner of
30 employment security, and the secretary of transportation shall serve as
31 nonvoting advisory members of the board.

32 (3) Staff support shall be provided by the department of trade and
33 economic development to assist the board in implementing this chapter
34 and the allocation of private activity bonds.

35 (4) All appointive members of the board shall be compensated in
36 accordance with RCW 43.03.240 and shall be reimbursed for travel
37 expenses as provided in RCW 43.03.050 and 43.03.060.

1 (5) If a vacancy occurs by death, resignation, or otherwise of
2 appointive members of the board, the governor shall fill the same for
3 the unexpired term. Any members of the board, appointive or otherwise,
4 may be removed for malfeasance or misfeasance in office, upon specific
5 written charges by the governor, under chapter 34.05 RCW.

6 **Sec. 3.** RCW 43.160.060 and 1990 1st ex.s. c 17 s 73 are each
7 amended to read as follows:

8 The board is authorized to make direct loans to political
9 subdivisions of the state for the purposes of assisting the political
10 subdivisions in financing the cost of public facilities, including
11 development of land and improvements for public facilities, as well as
12 the ((acquisition,)) construction, rehabilitation, alteration,
13 expansion, or improvement of the facilities. A grant may also be
14 authorized for purposes designated in this chapter, but only when, and
15 to the extent that, a loan is not reasonably possible, given the
16 limited resources of the political subdivision.

17 Application for funds shall be made in the form and manner as the
18 board may prescribe. In making grants or loans the board shall conform
19 to the following requirements:

20 (1) The board shall not make a grant or loan:

21 (a) For a project the primary purpose of which is to facilitate or
22 promote a retail shopping development or expansion.

23 (b) For any project that evidence exists would result in a
24 development or expansion that would displace existing jobs in any other
25 community in the state.

26 (c) For the acquisition of real property, including buildings and
27 other fixtures which are a part of real property.

28 (2) The board shall only make grants or loans:

29 (a) For those projects which would result in specific private
30 developments or expansions (i) in manufacturing, production, food
31 processing, assembly, warehousing, and industrial distribution; (ii)
32 for processing recyclable materials or for facilities that support
33 recycling, including processes not currently provided in the state,
34 including but not limited to, de-inking facilities, mixed waste paper,
35 plastics, yard waste, and problem-waste processing; (iii) for
36 manufacturing facilities that rely significantly on recyclable
37 materials, including but not limited to waste tires and mixed waste
38 paper; (iv) which support the relocation of businesses from

1 nondistressed urban areas to distressed rural areas; or (v) which
2 substantially support the trading of goods or services outside of the
3 state's borders.

4 (b) For projects which it finds will improve the opportunities for
5 the successful maintenance, establishment, or expansion of industrial
6 or commercial plants or will otherwise assist in the creation or
7 retention of long-term economic opportunities.

8 (c) When the application includes convincing evidence that a
9 specific private development or expansion is ready to occur and will
10 occur only if the grant or loan is made.

11 (3) The board shall prioritize each proposed project according to
12 the relative benefits provided to the community by the jobs the project
13 would create, not just the total number of jobs it would create after
14 the project is completed and according to the unemployment rate in the
15 area in which the jobs would be located. As long as there is more
16 demand for loans or grants than there are funds available for loans or
17 grants, the board is instructed to fund projects in order of their
18 priority.

19 (4) A responsible official of the political subdivision shall be
20 present during board deliberations and provide information that the
21 board requests.

22 Before any loan or grant application is approved, the political
23 subdivision seeking the loan or grant must demonstrate to the community
24 economic revitalization board that no other timely source of funding is
25 available to it at costs reasonably similar to financing available from
26 the community economic revitalization board.

27 **Sec. 4.** RCW 43.160.076 and 1991 c 314 s 24 are each amended to
28 read as follows:

29 (1) Except as authorized to the contrary under subsection (2) of
30 this section, from all funds available to the board for loans and
31 grants in a biennium, the board shall spend at least fifty percent for
32 grants and loans for projects in distressed counties or timber impact
33 areas. For purposes of this section, the term "distressed counties"
34 includes any county, in which the average level of unemployment for the
35 three years before the year in which an application for a loan or grant
36 is filed, exceeds the average state employment for those years by
37 twenty percent.

1 (2) If at any time during the last six months of a biennium the
2 board finds that the actual and anticipated applications for qualified
3 projects in distressed counties or timber impact areas are clearly
4 insufficient to use up the fifty percent allocation, then the board
5 shall estimate the amount of the insufficiency and during the remainder
6 of the biennium may use that amount of the allocation for loans and
7 grants for projects not located in distressed counties or timber impact
8 areas.

9 **Sec. 5.** RCW 43.160.077 and 1989 c 431 s 63 are each amended to
10 read as follows:

11 (1) ~~((Before))~~ When the board ~~((consideration of))~~ receives an
12 application from a political subdivision that includes a request for
13 assistance in financing the cost of public facilities to encourage the
14 development of a private facility to process recyclable materials, a
15 copy of the application shall be ~~((forwarded))~~ sent by the board to the
16 department of ecology.

17 ~~((The department of ecology shall submit a recommendation on
18 all applications related to processing recyclable materials to the
19 board for their consideration.~~

20 ~~((3) Upon receiving an application for assistance in financing the
21 cost of public facilities to encourage the development of a private
22 facility to process recyclable materials from the board, the department
23 of ecology shall, within thirty days, determine whether or not the
24 proposed assistance:~~

25 ~~((a) Has a significant impact on the residential and commercial
26 waste stream;~~

27 ~~((b) Results in a product that has a ready market;~~

28 ~~((c) Does not jeopardize any other planned market development
29 projects; and~~

30 ~~((d) Results in a product that would otherwise be purchased out of
31 state.~~

32 ~~((4) Upon completion of its determination of the factors contained
33 in subsection (3) of this section and any other factors it deems
34 pertinent, the department of ecology shall forward its recommended
35 approval, as submitted or amended, or recommended disapproval of the
36 proposed improvements to the board, along with any recommendation it
37 may wish to make concerning the desirability and feasibility of the
38 proposed market development. If the department of ecology recommends~~

1 ~~disapproval of any proposed project, it shall specify its reasons for~~
2 ~~recommending disapproval.~~

3 (5)) The board shall notify the department of ecology of its
4 decision regarding any application made under this section.

5 **Sec. 6.** RCW 43.160.200 and 1991 c 314 s 23 are each amended to
6 read as follows:

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

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

17 (3) Eligible applicants under this section are limited to political
18 subdivisions of the state in timber impact areas that demonstrate, to
19 the satisfaction of the board, the local economy's dependence on the
20 forest products industry.

21 (4) Applicants must demonstrate that their request is part of an
22 economic development plan consistent with applicable state planning
23 requirements. Applicants must demonstrate that tourism projects have
24 been approved by the local government (~~and are part of a regional~~
25 ~~tourism plan approved by the local and regional tourism~~
26 ~~organizations)). Industrial projects must be approved by the local~~
27 government and the associate development organization.

28 (5) Publicly owned projects may be financed under this section upon
29 proof by the applicant that the public project is a necessary component
30 of, or constitutes in whole, a tourism project.

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

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

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

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

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

13 (11) The board shall establish guidelines for making grants and
14 loans under this section to ensure that the requirements of this
15 chapter are complied with. The guidelines shall include:

16 (a) A process to equitably compare and evaluate applications from
17 competing communities.

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

26 (c) A method of evaluating the impact of the loans or grants on the
27 economy of the community and whether the loans or grants achieved their
28 purpose.

29 **Sec. 7.** RCW 43.160.900 and 1987 c 422 s 10 are each amended to
30 read as follows:

31 ~~((The community economic revitalization board and its powers and
32 duties shall be terminated on June 30, 1993, and shall be subject to
33 the procedures required by chapter 43.131 RCW. This chapter expires
34 June 30, 1994. Any remaining duties of the community economic
35 revitalization board after June 30, 1993, regarding repayment of loans
36 made by the community economic revitalization board are transferred to
37 the department of revenue on June 30, 1993))~~ The community economic
38 revitalization board shall report to the appropriate standing

1 committees of the legislature by June 30, 1999, on the implementation
2 of this chapter. The report must include an analysis of the
3 effectiveness of the financial assistance provided under this chapter
4 in accomplishing the objectives outlined in RCW 43.160.010, and a
5 recommendation on whether the program established under this chapter
6 should be continued, modified, or terminated.

7 **Sec. 8.** RCW 42.17.310 and 1992 c 139 s 5 and 1992 c 71 s 12 are
8 each reenacted and amended to read as follows:

9 (1) The following are exempt from public inspection and copying:

10 (a) Personal information in any files maintained for students in
11 public schools, patients or clients of public institutions or public
12 health agencies, or welfare recipients.

13 (b) Personal information in files maintained for employees,
14 appointees, or elected officials of any public agency to the extent
15 that disclosure would violate their right to privacy.

16 (c) Information required of any taxpayer in connection with the
17 assessment or collection of any tax if the disclosure of the
18 information to other persons would (i) be prohibited to such persons by
19 RCW 82.32.330 or (ii) violate the taxpayer's right to privacy or result
20 in unfair competitive disadvantage to the taxpayer.

21 (d) Specific intelligence information and specific investigative
22 records compiled by investigative, law enforcement, and penology
23 agencies, and state agencies vested with the responsibility to
24 discipline members of any profession, the nondisclosure of which is
25 essential to effective law enforcement or for the protection of any
26 person's right to privacy.

27 (e) Information revealing the identity of persons who are witnesses
28 to or victims of crime or who file complaints with investigative, law
29 enforcement, or penology agencies, other than the public disclosure
30 commission, if disclosure would endanger any person's life, physical
31 safety, or property. If at the time a complaint is filed the
32 complainant, victim or witness indicates a desire for disclosure or
33 nondisclosure, such desire shall govern. However, all complaints filed
34 with the public disclosure commission about any elected official or
35 candidate for public office must be made in writing and signed by the
36 complainant under oath.

37 (f) Test questions, scoring keys, and other examination data used
38 to administer a license, employment, or academic examination.

1 (g) Except as provided by chapter 8.26 RCW, the contents of real
2 estate appraisals, made for or by any agency relative to the
3 acquisition or sale of property, until the project or prospective sale
4 is abandoned or until such time as all of the property has been
5 acquired or the property to which the sale appraisal relates is sold,
6 but in no event shall disclosure be denied for more than three years
7 after the appraisal.

8 (h) Valuable formulae, designs, drawings, and research data
9 obtained by any agency within five years of the request for disclosure
10 when disclosure would produce private gain and public loss.

11 (i) Preliminary drafts, notes, recommendations, and intra-agency
12 memorandums in which opinions are expressed or policies formulated or
13 recommended except that a specific record shall not be exempt when
14 publicly cited by an agency in connection with any agency action.

15 (j) Records which are relevant to a controversy to which an agency
16 is a party but which records would not be available to another party
17 under the rules of pretrial discovery for causes pending in the
18 superior courts.

19 (k) Records, maps, or other information identifying the location of
20 archaeological sites in order to avoid the looting or depredation of
21 such sites.

22 (l) Any library record, the primary purpose of which is to maintain
23 control of library materials, or to gain access to information, which
24 discloses or could be used to disclose the identity of a library user.

25 (m) Financial information supplied by or on behalf of a person,
26 firm, or corporation for the purpose of qualifying to submit a bid or
27 proposal for ~~((a))~~ (i) a ferry system construction or repair contract
28 as required by RCW 47.60.680 through 47.60.750 or ~~((b))~~ (ii) highway
29 construction or improvement as required by RCW 47.28.070.

30 (n) Railroad company contracts filed prior to July 28, 1991, with
31 the utilities and transportation commission under *RCW 81.34.070,
32 except that the summaries of the contracts are open to public
33 inspection and copying as otherwise provided by this chapter.

34 (o) Financial and commercial information and records supplied by
35 private persons pertaining to export services provided pursuant to
36 chapter 43.163 RCW and chapter 53.31 RCW.

37 (p) Financial disclosures filed by private vocational schools under
38 chapter 28C.10 RCW.

1 (q) Records filed with the utilities and transportation commission
2 or attorney general under RCW 80.04.095 that a court has determined are
3 confidential under RCW 80.04.095.

4 (r) Financial and commercial information and records supplied by
5 businesses during application for loans or program services provided by
6 chapter 43.163 RCW and chapters 43.31, 43.63A, 43.160, and 43.168 RCW.

7 (s) Membership lists or lists of members or owners of interests of
8 units in timeshare projects, subdivisions, camping resorts,
9 condominiums, land developments, or common-interest communities
10 affiliated with such projects, regulated by the department of
11 licensing, in the files or possession of the department.

12 (t) All applications for public employment, including the names of
13 applicants, resumes, and other related materials submitted with respect
14 to an applicant.

15 (u) The residential addresses and residential telephone numbers of
16 employees or volunteers of a public agency which are held by the agency
17 in personnel records, employment or volunteer rosters, or mailing lists
18 of employees or volunteers.

19 (v) The residential addresses and residential telephone numbers of
20 the customers of a public utility contained in the records or lists
21 held by the public utility of which they are customers.

22 (w) Information obtained by the board of pharmacy as provided in
23 RCW 69.45.090.

24 (x) Information obtained by the board of pharmacy or the department
25 of health and its representatives as provided in RCW 69.41.044,
26 69.41.280, and 18.64.420.

27 (y) Financial information, business plans, examination reports, and
28 any information produced or obtained in evaluating or examining a
29 business and industrial development corporation organized or seeking
30 certification under chapter 31.24 RCW.

31 (z) Financial and commercial information supplied to the state
32 investment board by any person when the information relates to the
33 investment of public trust or retirement funds and when disclosure
34 would result in loss to such funds or in private loss to the providers
35 of this information.

36 (aa) Financial and valuable trade information under RCW 51.36.120.

37 (bb) Client records maintained by an agency that is a domestic
38 violence program as defined in RCW 70.123.020 or a rape crisis center
39 as defined in RCW 70.125.030.

1 (cc) Information that identifies a person who, while an agency
2 employee: (i) Seeks advice, under an informal process established by
3 the employing agency, in order to ascertain his or her rights in
4 connection with a possible unfair practice under chapter 49.60 RCW
5 against the person; and (ii) requests his or her identity or any
6 identifying information not be disclosed.

7 (dd) Business related information protected from public inspection
8 and copying under RCW 15.86.110.

9 (2) Except for information described in subsection (1)(c)(i) of
10 this section and confidential income data exempted from public
11 inspection pursuant to RCW 84.40.020, the exemptions of this section
12 are inapplicable to the extent that information, the disclosure of
13 which would violate personal privacy or vital governmental interests,
14 can be deleted from the specific records sought. No exemption may be
15 construed to permit the nondisclosure of statistical information not
16 descriptive of any readily identifiable person or persons.

17 (3) Inspection or copying of any specific records exempt under the
18 provisions of this section may be permitted if the superior court in
19 the county in which the record is maintained finds, after a hearing
20 with notice thereof to every person in interest and the agency, that
21 the exemption of such records is clearly unnecessary to protect any
22 individual's right of privacy or any vital governmental function.

23 (4) Agency responses refusing, in whole or in part, inspection of
24 any public record shall include a statement of the specific exemption
25 authorizing the withholding of the record (or part) and a brief
26 explanation of how the exemption applies to the record withheld.

27 **Sec. 9.** 1991 c 314 s 32 (uncodified) is amended to read as
28 follows:

29 RCW 43.160.076 and 1991 c 314 s 24 & 1985 c 446 s 6 are each
30 repealed effective June 30, (~~(1993)~~) 1995.

31 **Sec. 10.** 1991 c 314 s 34 (uncodified) is amended to read as
32 follows:

33 (~~(Section 25 of this act)~~) RCW 43.160.210 shall take effect July 1,
34 (~~(1993)~~) 1995.

35 NEW SECTION. **Sec. 11.** Section 7 of this act is necessary for the
36 immediate preservation of the public peace, health, or safety, or

1 support of the state government and its existing public institutions,
2 and shall take effect immediately.

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