
SECOND SUBSTITUTE SENATE BILL 6107

State of Washington

53rd Legislature

1994 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Skratek, Sheldon and M. Rasmussen)

Read first time 02/08/94.

1 AN ACT Relating to fees for services for the department of
2 community, trade, and economic development; amending RCW 70.95H.040;
3 reenacting and amending RCW 43.210.110; adding new sections to chapter
4 43.330 RCW; adding a new section to chapter 70.95H RCW; creating a new
5 section; providing an effective date; and declaring an emergency.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.330 RCW
8 to read as follows:

9 The department is authorized to charge reasonable fees to cover
10 costs for conferences, workshops, and training purposes and to expend
11 those fees for the purposes for which they were collected.

12 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.330 RCW
13 to read as follows:

14 In order to extend its services and programs, the department may
15 charge reasonable fees for services and products provided in the areas
16 of financial assistance, housing, international trade, community
17 assistance, economic development, and other service delivery areas,
18 except as otherwise provided. These fees are not intended to exceed

1 the costs of providing the service or preparing and distributing the
2 product.

3 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.330 RCW
4 to read as follows:

5 Before the fees authorized in section 2 of this act become
6 effective the department shall:

7 (1) Submit the proposed schedule of fees to the office of financial
8 management for approval on or before November 1, 1994; and

9 (2) Submit the fees approved by the office of financial management
10 to the appropriate committees of the senate and house of
11 representatives before December 1, 1994.

12 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.330 RCW
13 to read as follows:

14 The community and economic development fee account is created in
15 the state treasury. The department may create subaccounts as
16 necessary. The account consists of all receipts from fees charged by
17 the department under section 1 of this act. Expenditures from the
18 account may be used only for the purposes of this chapter. Only the
19 director or the director's designee may authorize expenditures from the
20 account. Expenditures from the account may be spent only after
21 appropriation.

22 **Sec. 5.** RCW 70.95H.040 and 1991 c 319 s 206 are each amended to
23 read as follows:

24 In order to carry out its responsibilities under this chapter, the
25 center may:

26 (1) Receive such gifts, grants, funds, fees, and endowments, in
27 trust or otherwise, for the use and benefit of the purposes of the
28 center. The center may expend the same or any income therefrom
29 according to the terms of the gifts, grants, or endowments;

30 (2) Initiate, conduct, or contract for studies and searches
31 relating to market development for recyclable materials, including but
32 not limited to applied research, technology transfer, and pilot
33 demonstration projects;

34 (3) Obtain and disseminate information relating to market
35 development for recyclable materials from other state and local
36 agencies;

1 (4) Enter into, amend, and terminate contracts with individuals,
2 corporations, trade associations, and research institutions for the
3 purposes of this chapter;

4 (5) Provide grants to local governments or other public
5 institutions to further the development of recycling markets;

6 (6) Provide business and marketing assistance to public and private
7 sector entities within the state; (~~and~~)

8 (7) Evaluate, analyze, and make recommendations on state policies
9 that may affect markets for recyclable materials; and

10 (8) Charge fees for services and products and expend the fees or
11 any income therefrom for purposes of the center.

12 NEW SECTION. Sec. 6. A new section is added to chapter 70.95H RCW
13 to read as follows:

14 The clean Washington center fee account is created in the state
15 treasury. Proceeds from fees collected by the center for services and
16 products shall be deposited into this account. Expenditures from this
17 account may be used only for the purposes under this chapter. Only the
18 director or the director's designee may authorize expenditures from the
19 account. Expenditures from the account may be spent only after
20 appropriation.

21 **Sec. 7.** RCW 43.210.110 and 1993 sp.s. c 24 s 922, 1993 c 366 s 1,
22 and 1993 c 280 s 57 are each reenacted and amended to read as follows:

23 (1) The small business export finance assistance center has the
24 following powers and duties when exercising its authority under RCW
25 43.210.100(3):

26 (a) Solicit and accept grants, contributions, and any other
27 financial assistance from the federal government, federal agencies, and
28 any other public or private sources to carry out its purposes;

29 (b) Offer comprehensive export assistance and counseling to
30 manufacturers relatively new to exporting with gross annual revenues
31 less than twenty-five million dollars. As close to seventy-five
32 percent as possible of each year's new cadre of clients must have gross
33 annual revenues of less than five million dollars at the time of their
34 initial contract. At least fifty percent of each year's new cadre of
35 clients shall be from timber impact areas as defined in RCW 43.31.601.
36 Counseling may include, but not be limited to, helping clients obtain
37 debt or equity financing, in constructing competent proposals, and

1 assessing federal guarantee and/or insurance programs that underwrite
2 exporting risk; assisting clients in evaluating their international
3 marketplace by developing marketing materials, assessing and selecting
4 targeted markets; assisting firms in finding foreign customers by
5 conducting foreign market research, evaluating distribution systems,
6 selecting and assisting in identification of and/or negotiations with
7 foreign agents, distributors, retailers, and by promoting products
8 through attending trade shows abroad; advising companies on their
9 products, guarantees, and after sales service requirements necessary to
10 compete effectively in a foreign market; designing a competitive
11 strategy for a firm's products in targeted markets and methods of
12 minimizing their commercial and political risks; securing for clients
13 specific assistance as needed, outside the center's field of expertise,
14 by referrals to other public or private organizations. The Pacific
15 Northwest export assistance project shall focus its efforts on
16 facilitating export transactions for its clients, and in doing so,
17 provide such technical services as are appropriate to accomplish its
18 mission either with staff or outside consultants;

19 (c) Sign three-year counseling agreements with its clients that
20 provide for termination if adequate funding for the Pacific Northwest
21 export assistance project is not provided in future appropriations.
22 Counseling agreements shall not be renewed unless there are compelling
23 reasons to do so, and under no circumstances shall they be renewed for
24 more than two additional years. A counseling agreement may not be
25 renewed more than once. The counseling agreements shall have mutual
26 performance clauses, that if not met, will be grounds for releasing
27 each party, without penalty, from the provisions of the agreement.
28 Clients shall be immediately released from a counseling agreement with
29 the Pacific Northwest export assistance project, without penalty, if a
30 client wishes to switch to a private export management service and
31 produces a valid contract signed with a private export management
32 service, or if the president of the small business export finance
33 assistance center determines there are compelling reasons to release a
34 client from the provisions of the counseling agreement;

35 (d) May contract with private or public international trade
36 education services to provide Pacific Northwest export assistance
37 project clients with training in international business. The president
38 and board of directors shall decide the amount of funding allocated for

1 educational services based on the availability of resources in the
2 operating budget of the Pacific Northwest export assistance project;

3 (e) May contract with the Washington state international trade fair
4 to provide services for Pacific Northwest export assistance project
5 clients to participate in one trade show annually. The president and
6 board of directors shall decide the amount of funding allocated for
7 trade fair assistance based on the availability of resources in the
8 operating budget of the Pacific Northwest export assistance project;

9 (f) Provide biennial assessments of its performance. Project
10 personnel shall work with the department of revenue and employment
11 security department to confidentially track the performance of the
12 project's clients in increasing tax revenues to the state, increasing
13 gross sales revenues and volume of products destined to foreign
14 clients, and in creating new jobs for Washington citizens. A biennial
15 report shall be prepared for the governor and legislature to assess the
16 costs and benefits to the state from creating the project. The
17 president of the small business export finance assistance center shall
18 design an appropriate methodology for biennial assessments in
19 consultation with the director of community, trade, and economic
20 development and the director of the Washington state department of
21 agriculture. The department of revenue and the employment security
22 department shall provide data necessary to complete this biennial
23 evaluation, if the data being requested is available from existing data
24 bases. Client-specific information generated from the files of the
25 department of revenue and the employment security department for the
26 purposes of this evaluation shall be kept strictly confidential by each
27 department and the small business export finance assistance center;

28 (g) Take whatever action may be necessary to accomplish the
29 purposes set forth in RCW 43.210.070 and 43.210.100 through 43.210.120;
30 and

31 (h) Limit its assistance to promoting the exportation of value-
32 added manufactured goods. The project shall not provide counseling or
33 assistance, under any circumstances, for the importation of foreign
34 made goods into the United States.

35 (2) The Pacific Northwest export assistance project shall not,
36 under any circumstances, assume ownership or take title to the goods of
37 its clients.

38 (3) The Pacific Northwest export assistance project may not use any
39 Washington state funds which come from the public treasury of the state

1 of Washington to make loans or to make any payment under a loan
2 guarantee agreement. Under no circumstances may the center use any
3 funds received under RCW 43.210.050 to make or assist in making any
4 loan or to pay or assist in paying any amount under a loan guarantee
5 agreement. Debts of the center shall be center debts only and may be
6 satisfied only from the resources of the center. The state of
7 Washington shall not in any way be liable for such debts.

8 (4) The Pacific Northwest export assistance project shall make
9 every effort to seek nonstate funds to supplement its operations. The
10 small business export finance assistance center and the project are
11 authorized to charge reasonable fees for services and products provided
12 and to expend the proceeds for the particular purposes for which they
13 were collected.

14 (5) The small business export finance assistance center and its
15 Pacific Northwest export assistance project shall take whatever steps
16 are necessary to provide its services, if requested, to the states of
17 Oregon, Idaho, Montana, Alaska, and the Canadian provinces of British
18 Columbia and Alberta. Interstate services shall not be provided by the
19 Pacific Northwest export assistance project during its first biennium
20 of operation. The provision of services may be temporary and subject
21 to the payment of fees, or each state may request permanent services
22 contingent upon a level of permanent funding adequate for services
23 provided. Temporary services and fees may be negotiated by the small
24 business export finance assistance center's president subject to
25 approval of the board of directors. The president of the small
26 business export finance assistance center may enter into negotiations
27 with neighboring states to contract for delivery of the project's
28 services. Final contracts for providing the project's counseling and
29 services outside of the state of Washington on a permanent basis shall
30 be subject to approval of the governor, appropriate legislative
31 oversight committees, and the small business export finance assistance
32 center's board of directors.

33 (6) The small business export finance assistance center may receive
34 such gifts, grants, and endowments from public or private sources as
35 may be made from time to time, in trust or otherwise, for the use and
36 benefit of the purposes of the Pacific Northwest export assistance
37 project and expend the same or any income therefrom according to the
38 terms of the gifts, grants, or endowments.

1 (7) The president of the small business export finance assistance
2 center, in consultation with the board of directors, may use the
3 following formula in determining the number of clients that can be
4 reasonably served by the Pacific Northwest export assistance project
5 relative to its appropriation. Divide the amount appropriated for
6 administration of the Pacific Northwest export assistance project by
7 the marginal cost of adding each additional Pacific Northwest export
8 assistance project client. For the purposes of this calculation, and
9 only for the first biennium of operation, the biennial marginal cost of
10 adding each additional Pacific Northwest export assistance project
11 client shall be fifty-seven thousand ninety-five dollars. The biennial
12 marginal cost of adding each additional client after the first biennium
13 of operation shall be established from the actual operating experience
14 of the Pacific Northwest export assistance project.

15 ~~((8) All receipts from the Pacific Northwest export assistance
16 project shall be deposited into the general fund. However, during the
17 1993-95 fiscal biennium, the receipts of the project shall be deposited
18 into the small business export finance assistance center fund under RCW
19 43.210.070.))~~

20 NEW SECTION. **Sec. 8.** The fees authorized under this act shall be
21 adopted by rule pursuant to chapter 34.05 RCW.

22 NEW SECTION. **Sec. 9.** The amendments to section 7, chapter . . . ,
23 Laws of 1994 (section 7 of this act) are necessary for the immediate
24 preservation of the public peace, health, or safety, or support of the
25 state government and its existing public institutions, and shall take
26 effect March 1, 1994.

--- END ---