

CERTIFICATION OF ENROLLMENT

**ENGROSSED SECOND SUBSTITUTE SENATE BILL 5468**

53rd Legislature  
1994 Regular Session

Passed by the Senate March 10, 1994  
YEAS 30 NAYS 18

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**President of the Senate**

Passed by the House March 10, 1994  
YEAS 61 NAYS 36

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**Speaker of the  
House of Representatives**

Approved

CERTIFICATE

I, Marty Brown, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SECOND SUBSTITUTE SENATE BILL 5468** as passed by the Senate and the House of Representatives on the dates hereon set forth.

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**Secretary**

FILED

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**Governor of the State of Washington**

**Secretary of State  
State of Washington**

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ENGROSSED SECOND SUBSTITUTE SENATE BILL 5468

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AS RECOMMENDED BY THE CONFERENCE COMMITTEE

Passed Legislature - 1994 Regular Session

State of Washington                      53rd Legislature                      1994 Regular Session

By Senate Committee on Trade, Technology & Economic Development  
(originally sponsored by Senators Fraser, Skratek, Pelz and Prentice)

Read first time 02/04/94.

1            AN ACT Relating to private business entities receiving public  
2 assistance; adding a new chapter to Title 43 RCW; and declaring an  
3 emergency.

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

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

17            NEW SECTION.    **Sec. 2.** (1) The department of revenue and the  
18 department of community, trade, and economic development shall gather

1 such base-line data as is necessary to measure the effect on businesses  
2 of any of the following benefits: (a) A loan of one hundred thousand  
3 dollars or more from the development loan fund; (b) fifty thousand  
4 dollars or more in tax credits under chapter 82.62 RCW; or (c) a  
5 deferral of one hundred thousand dollars or more in taxes under chapter  
6 82.60 or 82.61 RCW. The departments shall measure the effect of the  
7 programs on job creation, company growth, the introduction of new  
8 products, the diversification of the state's economy, growth in  
9 investments, the movement of firms or the consolidation of firms'  
10 operation into the state, and such other factors as the departments  
11 select.

12 (2) The departments shall also measure whether the businesses  
13 receiving the benefits: (a) Have complied with federal and state  
14 requirements for affirmative action in hiring and promotion of their  
15 employees; (b) have provided an average wage that is above the average  
16 wage paid by firms located in the same county that share the same two-  
17 digit standard industrial code; (c) have provided basic health coverage  
18 at a level at least equivalent to basic health coverage under chapter  
19 70.47 RCW; (d) have complied with all applicable federal and state  
20 environmental and employment laws and regulations; and (e) have  
21 complied with the requirements of all federal and state plant closure  
22 laws if reducing operations at a facility or relocating a facility.

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

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

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

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

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

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

14 NEW SECTION. **Sec. 4.** This act is necessary for the immediate  
15 preservation of the public peace, health, or safety, or support of the  
16 state government and its existing public institutions, and shall take  
17 effect immediately.

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