

2 **ESSB 6479** - H COMM AMD

3 By Committee on Trade & Economic Development

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

7 "**Sec. 1.** 1994 c 302 s 1 (uncodified) is amended to read as  
8 follows:

9 (1) The legislature finds that when public funds are used to  
10 support private enterprise, the public may gain through the creation of  
11 new jobs, the diversification of the economy, or higher quality jobs  
12 for existing workers. The legislature further finds that such returns  
13 on public investments are not automatic and that tax-based incentives,  
14 in particular, may result in a greater tax burden on businesses and  
15 individuals that are not eligible for the public support.

16 (2) It is the purpose of this chapter to:

17 (a) Create an advisory committee comprised of representatives of  
18 business, labor, and state agencies to collect and analyze information  
19 sufficient to allow the legislature and the executive branch to make  
20 informed decisions about the merits of ((existing)) tax-based  
21 incentives and loan programs intended to encourage economic  
22 development, job creation, or job retention in the state; and

23 (b) Recommend to the legislature changes to the state's economic  
24 development assistance programs to ensure that recipients are meeting  
25 the goals of job creation or retention.

26 NEW SECTION. **Sec. 2.** (1)(a) The business assistance advisory  
27 committee is created, which shall consist of eleven members appointed  
28 by the governor as follows:

29 (i) Three members of the committee must represent labor. The  
30 members representing labor may be appointed from a list of names  
31 submitted to the governor by an organization, state-wide in scope, that  
32 through its affiliates embraces a cross section and a majority of the  
33 organized labor of the state.

34 (ii) Three members must represent business. The members  
35 representing business may be appointed from a list of names submitted

1 to the governor by a recognized state-wide organization of employers  
2 representing a majority of employers.

3 (iii) Five members must represent agencies with one member from  
4 each of the following: The department of community, trade, and  
5 economic development; the department of revenue; the work force  
6 training and education coordinating board; the office of financial  
7 management; and the labor market and economic analysis section of the  
8 employment security department.

9 (b) The members of the advisory committee shall be appointed by  
10 September 1, 1996.

11 (2) The advisory committee shall analyze the effect of all state  
12 assistance to private business. The advisory committee shall:

13 (a) Inventory all state assistance programs to business that are  
14 administered by state agencies;

15 (b) Identify the type of assistance provided to businesses by type  
16 and location of business;

17 (c) Identify the number of jobs created or retained, by assistance  
18 program, and typical wages paid for the new or retained jobs;

19 (d) Evaluate the effectiveness of all state assistance programs in  
20 meeting the goal of economic development, job creation, or job  
21 retention; and

22 (e) Review economic development assistance programs in other  
23 states and countries and compare their effectiveness in meeting their  
24 stated goals with the stated goals of similar state assistance  
25 programs.

26 (3) The department of community, trade, and economic development  
27 and the department of revenue shall provide staff support to the  
28 advisory committee.

29 (4) The advisory committee shall present a final report of the  
30 findings of the study and its recommendations to the appropriate  
31 committees of the legislature no later than December 1, 1997.

32 (5) As used in this section, "assistance" means a grant, loan,  
33 bond, tax deferral, or tax abatement program administered by the state  
34 in which the business receives assistance of more than twenty-five  
35 thousand dollars."

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4 On page 1, line 2 of the title, after "programs;" strike the  
5 remainder of the title and insert "amending 1994 c 302 s 1  
6 (uncodified); and creating a new section."

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