

SHB 1903 - H AMD

By Representative Ericks

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature has and continues to
4 recognize the vital importance of economic development to the
5 health and prosperity of Washington state as indicated in RCW
6 43.160.010, 43.155.070(4)(g), 43.163.005, and 43.168.010. The
7 legislature finds that current economic development programs and
8 funding, which are primarily low-interest loan programs, can be
9 enhanced by creating a grant program to assist local governments
10 with public infrastructure projects that directly stimulate
11 community and economic development by supporting the creation of
12 new jobs or the retention of existing jobs.

13 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.155
14 RCW to read as follows:

15 (1) The job development fund program is created. In
16 administering the job development fund, the board shall establish
17 a competitive process to request and prioritize proposals for
18 public infrastructure projects, the primary objective of which is
19 to stimulate community and economic development through development
20 or redevelopment of an area.

21 (2) The board shall conduct a statewide request for project
22 applications from political subdivisions or federally recognized
23 Indian tribes in partnership with a political subdivision. The
24 board shall develop criteria on which to evaluate and rank
25 applications, and shall develop performance and evaluation criteria
26 to review how well successful applicants met the community and
27 economic development objectives stated in their applications.
28 Among the priorities for ranking projects, the board shall include
29 consideration of:

1 (a) The relative benefits provided to the community by the jobs
2 the project would create, including, but not limited to: (i) The
3 total number of jobs; (ii) the total number of full-time, family
4 wage jobs; (iii) the unemployment rate in the area; and (iv) the
5 increase in employment in comparison to total community population;

6 (b) The present level of economic activity in the community and
7 the existing local financial capacity to increase economic activity
8 in the community;

9 (c) The rate of return of the state's investment, that includes
10 the expected increase in state and local tax revenues associated
11 with the project;

12 (d) The lack of another timely source of funding available to
13 finance the project which would likely prevent the proposed
14 community or economic development, absent the financing available
15 under this act;

16 (e) The ability of the project to improve the viability of
17 existing business entities in the project area; and

18 (f) Whether or not the project is a partnership of multiple
19 jurisdictions.

20 (3) At a minimum, applicants shall demonstrate that the
21 requested assistance will directly stimulate community and economic
22 development by facilitating the creation of new jobs or the
23 retention of existing jobs. The evaluation and ranking process
24 shall also include an examination of existing assets that
25 applicants may apply to projects.

26 (4) The board shall not provide financial assistance if the
27 funds will not be used within the jurisdiction or jurisdictions of
28 the local government deemed in need of the community or economic
29 development.

30 (5) The board shall not provide financial assistance for any
31 project for which evidence exists that the project would result in
32 a development or expansion that would displace existing jobs in any
33 other community in the state.

34 (6) Beginning September 1, 2010, and continuing every five
35 years thereafter, the joint legislative audit and review committee
36 shall submit a report to the appropriate committees of the
37 legislature. The report, at a minimum, should evaluate the
38 effectiveness of the job development fund grant program, including
39 a project by project review. The report should include information

1 regarding the criteria and performance measures used, whether the
2 performance measures were met, and how the funds were used.

3 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.155
4 RCW to read as follows:

5 (1) For the 2005-2007 biennium, the board may solicit and rank
6 applications to the job development fund as provided in section
7 2(2) of this act, and need not submit the list for approval to the
8 legislature, to the extent funding is included in the 2005-2007
9 capital budget for purposes of this section and to the extent the
10 legislature has not specified otherwise in the appropriation.

11 (2)(a) Beginning with the 2007-2009 biennium, the board may not
12 sign contracts or otherwise financially obligate job development
13 funds until the legislature has approved a specific list of
14 projects. Beginning with the 2007-2009 biennium and thereafter,
15 the board shall submit a prioritized list of recommended projects
16 to the governor and the legislature. The legislature may remove
17 projects from the list recommended by the board.

18 The legislature may not change the prioritization of projects
19 recommended for funding by the board. For purposes of the job
20 development funds's biennial capital budget request, the board
21 shall request fifty million dollars per biennium. The total amount
22 of the board's recommended state funding for projects on a biennial
23 job development fund project list submitted by the board may not
24 exceed seventy percent of the biennial budget request. The board
25 may provide an additional alternate job development fund project
26 list up to ten million dollars. The list shall include a
27 description of each project, the amount of recommended state
28 funding, and documentation of nonstate funds to be used for the
29 project. The board shall also describe the expected community or
30 economic development benefits for each of the recommended projects
31 in its budget request.

32 (b) The remaining funds not expended or obligated under (a) of
33 this subsection may be expended or obligated by the governor, who
34 shall notify the board and the legislature, for projects not on the
35 list approved by the legislature if:

36 (i) The application was submitted for consideration in the
37 board's biennial application solicitation and ranking process,
38 meets the criteria developed pursuant to section 2(2) of this act,

1 but circumstances have subsequently changed that make the project
2 more urgent and more highly ranked;

3 (ii)(A) The application was submitted after the board's
4 biennial application deadline through no fault of the applicant;
5 (B) the application meets the criteria developed pursuant to
6 section 2(2) of this act; and (C) the applicant cannot wait for the
7 next biennial application period due to exigent or emergency
8 circumstances; or

9 (iii)(A) Through no fault of the applicant, the project was not
10 proposed in time for consideration in the board's biennial
11 application solicitation; (B) the project meets the criteria
12 developed pursuant to section 2(2) of this act; and (C) the project
13 cannot wait for the next biennial application period due to exigent
14 or emergency circumstances.

15 (c) As used in (b) of this subsection, "notify the board and
16 the legislature" means the governor informs the board, the speaker
17 and minority leader of the house of representatives, and the
18 president and minority leader of the senate in writing within ten
19 business days of expending or obligating the funds.

20 (3) The maximum grant from the job development fund for any one
21 project is ten million dollars. Grant assistance from the job
22 development fund may not exceed thirty-three percent of the total
23 cost of the project. The nonstate portion of the total project
24 cost may include cash, the value of real property when acquired
25 solely for the purpose of the project, and in-kind contributions.

26 **Sec. 4.** RCW 43.155.050 and 2001 c 131 s 2 are each amended to
27 read as follows:

28 The public works assistance account is hereby established in
29 the state treasury. Money may be placed in the public works
30 assistance account from the proceeds of bonds when authorized by
31 the legislature or from any other lawful source. Money in the
32 public works assistance account shall be used to make loans and to
33 give financial guarantees to local governments for public works
34 projects. Moneys in the account may also be appropriated to
35 provide for state match requirements under federal law for projects
36 and activities conducted and financed by the board under the
37 drinking water assistance account. Not more than fifteen percent
38 of the biennial capital budget appropriation to the public works

1 board from this account may be expended or obligated for
2 preconstruction loans, emergency loans, or loans for capital
3 facility planning under this chapter; of this amount, not more than
4 ten percent of the biennial capital budget appropriation may be
5 expended for emergency loans and not more than one percent of the
6 biennial capital budget appropriation may be expended for capital
7 facility planning loans. Beginning July 1, 2007, fifty million
8 dollars from the public works assistance account will be
9 appropriated each biennium for the job development fund program.

10 NEW SECTION. **Sec. 5.** If any provision of this act or its
11 application to any person or circumstance is held invalid, the
12 remainder of the act or the application of the provision to other
13 persons or circumstances is not affected."

14 Correct the title.

EFFECT: (1) The Governor will notify the Public Works Board, the Speaker and Minority Leader of the House of Representatives, and the President and Minority Leader of the Senate within 10 business days of expending or obligating money from the Job Development Fund's 30 percent reserve. (2) The dedication of the refuse tax proceeds solely to the Job Development Fund instead of the Public Works Trust Fund is eliminated. Beginning in the 07-09 biennium, \$50 million of the Public Works Trust Fund will be appropriated for the Job Development Fund. (3) The creation of a separate account for the Job Development Fund is eliminated. (4) The requirement that a project would have ranked highly had it been submitted in order to qualify for the Job Development Fund's 30 percent reserve is eliminated.