
SUBSTITUTE HOUSE BILL 1231

State of Washington

68th Legislature

2023 Regular Session

By House Capital Budget (originally sponsored by Representatives Berg, Chapman, Wylie, Waters, Reed, Volz, Peterson, Taylor, Leavitt, Doglio, Riccelli, Paul, Fey, McEntire, Ramel, Tharinger, Lekanoff, Slatter, Barkis, and Stonier)

READ FIRST TIME 02/17/23.

1 AN ACT Relating to accelerating rural job growth and promoting
2 economic recovery across Washington through site readiness grants;
3 amending RCW 43.160.060 and 43.160.900; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that while many
6 of Washington's high-wage industries, particularly those clustered
7 around the Puget Sound corridor, have weathered both public health
8 and economic crises well, many rural communities continue to struggle
9 to recover without adequate access to resources. This has negative
10 impacts on rural communities' broader ability to retain and grow
11 family-wage jobs and local businesses, grow their tax base, and
12 provide basic government services.

13 (2) The legislature further finds that reliable, modern
14 infrastructure is critical for successful economic recovery and
15 development. The underpinning of all commerce is physical
16 infrastructure: Roads, transit, airports, railroads, water and sewer,
17 broadband, and energy. Public investments in infrastructure create
18 construction jobs, set the stage for future private investment, and
19 shape an area's prospects for generations. New or relocating
20 businesses often factor in the degree of certainty in timing of
21 permitting and predevelopment work in selecting a site to locate.

1 (3) Therefore, the legislature intends to promote permanent job
2 growth, ensure equitable recovery, and provide businesses as much
3 predictability and certainty as possible through supporting site
4 readiness and investments in predevelopment work to help give new or
5 relocating businesses the assurance and confidence they need to
6 choose Washington communities as their next home.

7 **Sec. 2.** RCW 43.160.060 and 2014 c 112 s 108 are each amended to
8 read as follows:

9 (1) The board is authorized to make direct loans to political
10 subdivisions of the state and to federally recognized Indian tribes
11 for the purposes of assisting the political subdivisions and
12 federally recognized Indian tribes in financing the cost of public
13 facilities, including development of land and improvements for public
14 facilities, project-specific environmental, capital facilities, land
15 use, permitting, feasibility, and marketing studies and plans;
16 project design, site planning, and analysis; project debt and revenue
17 impact analysis; as well as the construction, rehabilitation,
18 alteration, expansion, or improvement of the facilities. A grant may
19 also be authorized for purposes designated in this chapter, but only
20 when, and to the extent that, a loan is not reasonably possible,
21 given the limited resources of the political subdivision or the
22 federally recognized Indian tribe and the finding by the board that
23 financial circumstances require grant assistance to enable the
24 project to move forward. However, no more than twenty-five percent of
25 all financial assistance approved by the board in any biennium may
26 consist of grants to political subdivisions and federally recognized
27 Indian tribes.

28 (2) Application for funds must be made in the form and manner as
29 the board may prescribe. In making grants or loans the board must
30 conform to the following requirements:

31 (a) The board may not provide financial assistance:

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

34 (ii) For any project that evidence exists would result in a
35 development or expansion that would displace existing jobs in any
36 other community in the state.

37 (iii) For a project the primary purpose of which is to facilitate
38 or promote gambling.

1 (iv) For a project located outside the jurisdiction of the
2 applicant political subdivision or federally recognized Indian tribe.

3 (b) The board may only provide financial assistance:

4 (i) For a project demonstrating convincing evidence that a
5 specific private development or expansion is ready to occur and will
6 occur only if the public facility improvement is made that:

7 (A) Results in the creation of significant private sector jobs or
8 significant private sector capital investment as determined by the
9 board; and

10 (B) Will improve the opportunities for the successful
11 maintenance, establishment, or expansion of industrial or commercial
12 plants or will otherwise assist in the creation or retention of long-
13 term economic opportunities;

14 (ii) For a project that cannot meet the requirement of (b)(i) of
15 this subsection but is a project that:

16 (A) Results in the creation of significant private sector jobs or
17 significant private sector capital investment as determined by the
18 board;

19 (B) Is part of a local economic development plan consistent with
20 applicable state planning requirements;

21 (C) Can demonstrate project feasibility using standard economic
22 principles; and

23 (D) Is located in a rural community as defined by the board, or a
24 rural county;

25 (iii) For site-specific plans, studies, and analyses that address
26 environmental impacts, capital facilities, land use, permitting,
27 feasibility, marketing, project engineering, design, site planning,
28 costs of achieving site readiness, and project debt and revenue
29 impacts, as grants (~~not to exceed fifty thousand dollars~~). After
30 December 31, 2028, such grants may not exceed \$200,000.

31 (c) The board must develop guidelines for local participation and
32 allowable match and activities.

33 (d) An application must demonstrate local match and local
34 participation, in accordance with guidelines developed by the board.

35 (e) An application must be approved by the political subdivision
36 and supported by the local associate development organization or
37 local workforce development council or approved by the governing body
38 of the federally recognized Indian tribe.

1 (f) The board may allow de minimis general system improvements to
2 be funded if they are critically linked to the viability of the
3 project.

4 (g) An application must demonstrate convincing evidence that the
5 median hourly wage of the private sector jobs created after the
6 project is completed will exceed the countywide median hourly wage.

7 (h) The board must prioritize each proposed project according to:

8 (i) The relative benefits provided to the community by the jobs
9 the project would create, not just the total number of jobs it would
10 create after the project is completed, but also giving consideration
11 to the unemployment rate in the area in which the jobs would be
12 located;

13 (ii) The rate of return of the state's investment, including, but
14 not limited to, the leveraging of private sector investment,
15 anticipated job creation and retention, and expected increases in
16 state and local tax revenues associated with the project;

17 (iii) Whether the proposed project offers a health insurance plan
18 for employees that includes an option for dependents of employees;

19 (iv) Whether the public facility investment will increase
20 existing capacity necessary to accommodate projected population and
21 employment growth in a manner that supports infill and redevelopment
22 of existing urban or industrial areas that are served by adequate
23 public facilities. Projects should maximize the use of existing
24 infrastructure and provide for adequate funding of necessary
25 transportation improvements;

26 (v) Whether the applicant's permitting process has been certified
27 as streamlined by the office of regulatory assistance; and

28 (vi) Whether the applicant has developed and adhered to
29 guidelines regarding its permitting process for those applying for
30 development permits consistent with section 1(2), chapter 231, Laws
31 of 2007.

32 (i) A responsible official of the political subdivision or the
33 federally recognized Indian tribe must be present during board
34 deliberations and provide information that the board requests.

35 (3) Before any financial assistance application is approved, the
36 political subdivision or the federally recognized Indian tribe
37 seeking the assistance must demonstrate to the community economic
38 revitalization board that no other timely source of funding is
39 available to it at costs reasonably similar to financing available
40 from the community economic revitalization board.

1 **Sec. 3.** RCW 43.160.900 and 2014 c 112 s 109 are each amended to
2 read as follows:

3 (1) The community economic revitalization board shall conduct
4 biennial outcome-based evaluations of the financial assistance
5 provided under this chapter. The evaluations shall include the
6 following:

7 (a) Information on the number of applications for community
8 economic revitalization board assistance;

9 (b) The number and types of projects approved;

10 (c) The grant or loan amount awarded each project;

11 (d) The projected number of jobs created or retained by each
12 project;

13 (e) The actual number and cost of jobs created or retained by
14 each project;

15 (f) The wages and health benefits associated with the jobs;

16 (g) The amount of state funds and total capital invested in
17 projects;

18 (h) The number and types of businesses assisted by funded
19 projects;

20 (i) The location of funded projects;

21 (j) The transportation infrastructure available for completed
22 projects;

23 (k) The local match and local participation obtained;

24 (l) The number of delinquent loans; ((and))

25 (m) The number of project terminations; and

26 (n) Certain information identifying the biennial total number,
27 percentage, and dollar amount of projects' utilization of: Businesses
28 certified by the office of minority and women's business enterprises
29 under chapter 39.19 RCW and department of veterans affairs under
30 chapter 43.60A RCW, and businesses not yet certified with these
31 organizations but which self-report as meeting the requirements of
32 certification.

33 (2) The evaluations may also include additional performance
34 measures and recommendations for programmatic changes.

35 ~~((2))~~ (3) The evaluation must be presented to the governor and
36 appropriate committees of the legislature by December 31st of each
37 even-numbered year. ~~((The initial evaluation must be submitted by~~
38 ~~December 31, 2010.))~~

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