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**SENATE BILL 5229**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** Senators Frame, Warnick, Kuderer, Lovelett, Nobles, Randall, Salomon, Shewmake, and Torres

Read first time 01/10/23. Referred to Committee on Business, Financial Services, Gaming & Trade.

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 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

1 available to it at costs reasonably similar to financing available  
2 from the community economic revitalization board.

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