

1 **SHB 1493 - H AMD 3-15-93 000220**

2 By Representatives Wineberry, Wang, Miller, Chandler, J. Kohl and Forner

3 Strike everything after the enacting clause and insert the following:

4 "NEW SECTION. **Sec. 1.** INTENT. It is the intent of the legislature to combat
5 discrimination in the economy.

6 (1) The legislature finds that discrimination is in part responsible for:

7 (a) The disproportionately small percentage of the state's businesses that are owned by
8 minorities and women;

9 (b) The limited and unequal opportunity minority and women entrepreneurs and business
10 owners have to procure small business financing; and

11 (c) The difficulty many minority and women-owned contracting businesses have in
12 securing bonds and contract work.

13 (2) The legislature further finds that:

14 (a) Many minority and women entrepreneurs and business owners lack training in how
15 to establish and operate a business. This lack of training inhibits their competitiveness when
16 they apply for business loans, bonds, and contracts;

17 (b) Minorities and women are an increasingly expanding portion of the population and
18 work force. In order for these individuals to fully contribute to the society and economy it is
19 necessary to ensure that minority and women entrepreneurs and business owners are provided
20 an equal opportunity to procure small business financing, bonds, and contracts; and

21 (c) The growth of small businesses will have a favorable impact on the Washington
22 economy by creating jobs, increasing competition in the marketplace, and expanding tax
23 revenues. Access to financial markets, bonds, and contracts by entrepreneurs and small business
24 owners is vital to this process. Without reasonable access to financing, bonds, and contracts,
25 talented and aggressive entrepreneurs and small business owners are cut out of the economic
26 system and the state's economy suffers.

1 (3) Therefore, the legislature declares there to be a substantial public purpose in
2 providing technical assistance in the areas of marketing, finance, and management, and access
3 to capital resources, bonds, and contracts, to help start or expand a minority or women-owned
4 business, and specifically to encourage and make possible greater participation by minorities and
5 women in international trade, public works and construction, and public facility concessions.
6 To accomplish these purposes, it is the intent of the legislature to:

7 (a) Develop or contract for training courses in financing, marketing, managing,
8 accounting, and recordkeeping for a small business and to make these programs available to
9 minority and women entrepreneurs and small business owners;

10 (b) Make public works and construction projects, public facility concessions, and
11 purchase of goods and services accessible to a greater number of minority and women-owned
12 businesses;

13 (c) Provide for the lending of nonstate funds to qualified minority and women
14 entrepreneurs and business owners in order to provide the maximum practicable opportunity for
15 innovative minority and women entrepreneurs and business owners to compete for small business
16 financing; and

17 (d) Provide professional services assistance grants and bond guarantees on behalf of
18 qualified contractors in order to provide the maximum practicable opportunity for minority and
19 women-owned contracting businesses to participate in the Washington state economy by bidding
20 and completing various public and private contracting jobs.

21 NEW SECTION. **Sec. 2.** DEFINITIONS. Unless the context clearly requires
22 otherwise, the definitions in this section apply throughout this chapter.

23 (1) "Minority" means persons of color, including African-Americans, Hispanic/Latino
24 Americans, Native Americans, and Asian/Pacific Islanders Americans;

25 (2) "Minority and women-owned business" means any resident minority business
26 enterprise or women's business enterprise, certified as such by the office of minority and
27 women's business enterprises under chapter 39.19 RCW and consistent with subsection (1) of

1 this section.

2 I. EDUCATION AND TECHNICAL ASSISTANCE

3 **Sec. 3.** RCW 43.31.085 and 1989 c 430 s 2 are each amended to read as follows:

4 **MARKETING, FINANCE, AND MANAGEMENT ASSISTANCE.** The business
5 assistance center shall:

6 (1) Serve as the state’s lead agency and advocate for the development and conservation
7 of businesses.

8 (2) Coordinate the delivery of state programs to assist businesses.

9 (3) Provide comprehensive referral services to businesses requiring government
10 assistance.

11 (4) Serve as the business ombudsman within state government and advise the governor
12 and the legislature of the need for new legislation to improve the effectiveness of state programs
13 to assist businesses.

14 (5) Aggressively promote business awareness of the state’s business programs and
15 distribute information on the services available to businesses.

16 (6) Develop, in concert with local economic development and business assistance
17 organizations, coordinated processes that complement both state and local activities and services.

18 (7) (~~The business assistance center shall~~) Work with other federal, state, and local
19 agencies and organizations to ensure that business assistance services including small business,
20 trade services, and distressed area programs are provided in a coordinated and cost-effective
21 manner.

22 (8) Provide or contract for technical assistance to minority and women-owned business
23 enterprises in a variety of areas, including, but not limited to, marketing, finance, bidding and
24 estimating assistance, public contracting assistance, and management.

25 (9) In collaboration with the child care coordinating committee in the department of social
26 and health services, prepare and disseminate information on child care options for employers and

1 the existence of the program. As much as possible, and through interagency agreements where
2 necessary, such information should be included in the routine communications to employers from
3 (a) the department of revenue, (b) the department of labor and industries, (c) the department of
4 community development, (d) the employment security department, (e) the department of trade
5 and economic development, (f) the small business development center, and (g) the department
6 of social and health services.

7 ~~((9))~~ (10) In collaboration with the child care coordinating committee in the department
8 of social and health services, compile information on and facilitate employer access to
9 individuals, firms, organizations, and agencies that provide technical assistance to employers to
10 enable them to develop and support child care services or facilities.

11 ~~((10))~~ (11) Actively seek public and private money to support the child care facility
12 fund described in RCW 43.31.502, staff and assist the child care facility fund committee as
13 described in RCW 43.31.504, and work to promote applications to the committee for loan
14 guarantees, loans, and grants.

15 **Sec. 4.** RCW 43.31.055 and 1985 c 466 s 6 are each amended to read as follows:

16 EXPORT ASSISTANCE. The department shall assist in expanding the state's role as
17 a major international gateway for landing and transshipping goods bound for domestic and
18 foreign markets. The department shall identify and work with Washington businesses, especially
19 women and minority-owned businesses and ethnic community-based organizations, which can
20 utilize state assistance to increase domestic and foreign exports and are capable of increasing
21 production of goods and services, including but not limited to manufactured goods, raw
22 materials, services, and retail trade. The department shall participate in trade and industry
23 exhibitions both foreign and domestic to promote and market state products and services. The
24 department's activities shall include, but not be limited to:

25 (1) Operating an active and vigorous effort to market the state's products and services
26 internationally, coordinated with private and public international trade efforts throughout the
27 state.

1 (2) Coordinating with the domestic and foreign export market development activities of
2 the state department of agriculture.

3 (3) Sending delegations to foreign countries and other states to promote trade with
4 Washington.

5 (4) Acting as a centralized location for the assimilation and distribution of trade
6 information.

7 (5) Identifying domestic and international markets in which minority and women-owned
8 businesses may have an advantage and providing technical assistance to develop capacity for
9 minority and women-owned businesses to participate in international trade.

10 NEW SECTION. Sec. 5. A new section is added to chapter 43.210 RCW to read as
11 follows:

12 The small business export finance assistance center shall develop a minority business
13 export outreach program. The program shall provide outreach services to minority businesses
14 in Washington to inform them of the importance of and opportunities in international trade, and
15 to inform them of the export assistance programs available to assist these businesses to become
16 exporters.

17 NEW SECTION. Sec. 6. A new section is added to chapter 43.31 RCW to read as
18 follows:

19 ENTREPRENEURIAL TRAINING COURSES. The department of trade and economic
20 development shall contract with public and private agencies, institutions, and organizations to
21 conduct entrepreneurial training courses for minority and women-owned small businesses. The
22 instruction shall be intensive, practical training courses in financing, marketing, managing,
23 accounting, and recordkeeping for a small business, with an emphasis on federal, state, local,
24 or private programs available to assist small businesses. The business assistance center may
25 recommend professional instructors, with practical knowledge and experience on how to start
26 and operate a business, to teach the courses. Instruction shall be offered in major population

1 centers throughout the state at times and locations which are convenient for minority and women
2 small business owners and entrepreneurs.

3 NEW SECTION. **Sec. 7.** If specific funding for the purposes of sections 5 and 6 of this
4 act, referencing sections 5 and 6 of this act by bill and section numbers, is not provided by June
5 30, 1993, in the omnibus appropriations act, sections 5 and 6 of this act are null and void.

6 II. FAIRNESS IN CONTRACTING AND CONCESSIONS

7 **Sec. 8.** RCW 39.19.060 and 1983 c 120 s 6 are each amended as follows:

8 Each state agency and educational institution shall comply with the annual goals
9 established for that agency or institution under this chapter for public works and procuring goods
10 or services. This chapter applies to all public works and procurement by state agencies and
11 educational institutions, including all contracts and other procurement under chapters 28B.10,
12 39.04, 39.29, 43.19, and 47.28 RCW. Each state agency shall adopt a plan, developed in
13 consultation with the director and the advisory committee, to insure that minority and women-
14 owned businesses are afforded the maximum practicable opportunity to directly and meaningfully
15 participate in the execution of public contracts for public works and construction. In order to
16 achieve the established participation goals, this plan shall include, but not be limited to, the
17 agency contracting directly with certified minority and women-owned businesses for public
18 works, construction, and goods and services. The office shall annually notify the governor, the
19 state auditor, and the legislative budget committee of all agencies and educational institutions not
20 in compliance with this chapter.

21 NEW SECTION. **Sec. 9.** A new section is added to chapter 39.19 RCW to read as
22 follows:

23 State agencies shall not require a performance bond for any public works project that
24 does not exceed twenty-five thousand dollars awarded to a certified minority or woman-owned

1 business.

2 III. LOAN FUND AND GUARANTEES

3 **Sec. 10.** RCW 43.168.030 and 1985 c 164 s 3 are each amended to read as follows:

4 (1) The Washington state development loan fund committee is established as an entity
5 within the department of community development. The committee shall have ~~((seven))~~ eight
6 members. The director shall appoint the members, subject to the following requirements: (a)
7 Three members shall be experienced in investment finance and have skills in providing capital
8 to new and innovative businesses, in starting and operating businesses and providing professional
9 services to small or expanding businesses; (b) two members shall be residents of distressed
10 areas; (c) one member shall represent organized labor; ~~((and))~~ (d) one member shall represent
11 a minority business; and (e) one member shall represent a women-owned business. Careful
12 consideration in making these appointments shall be taken to ensure that the various geographic
13 regions of the state are represented, that members will be available for meetings on a regular
14 basis, and will have a commitment to working with local governments and local development
15 organizations.

16 (2) Each member appointed by the director shall serve a term of three years, except that
17 of the members first appointed, two shall serve two-year terms and two shall serve one-year
18 terms. A person appointed to fill a vacancy of a member shall be appointed in a like manner
19 and shall serve for only the unexpired term. A member is eligible for reappointment. A
20 member may be removed by the director only for cause.

21 (3) The director shall designate a member of the board as its chairperson. The committee
22 may elect such other officers as it deems appropriate. ~~((Four))~~ Five members of the committee
23 constitute a quorum and ~~((four))~~ five affirmative votes are necessary for the transaction of
24 business or the exercise of any power or function of the committee.

25 (4) The members of the committee shall serve without compensation, but are entitled to
26 reimbursement for actual and necessary expenses incurred in the performance of official duties

1 in accordance with RCW 43.03.050 and 43.03.060.

2 (5) Members shall not be liable to the state, to the fund, or to any other person as a result
3 of their activities, whether ministerial or discretionary, as members except for wilful dishonesty
4 or intentional violations of law. The department may purchase liability insurance for members
5 and may indemnify these persons against the claims of others.

6 **Sec. 11.** RCW 43.168.050 and 1990 1st ex.s. c 17 s 74 are each amended to read as
7 follows:

8 (1) The committee may only approve an application providing a loan for a project which
9 the committee finds:

10 (a) Will result in the creation of employment opportunities, ~~((and))~~ the maintenance of
11 threatened employment, or development or expansion of business ownership by minorities and
12 women;

13 (b) Has been approved by the director as conforming to federal rules and regulations
14 governing the spending of federal community development block grant funds;

15 (c) Will be of public benefit and for a public purpose, and that the benefits, including
16 increased or maintained employment, improved standard of living, ~~((and))~~ the employment of
17 disadvantaged workers, and development or expansion of business ownership by minorities and
18 women, will primarily accrue to residents of the area;

19 (d) Will probably be successful;

20 (e) Would probably not be completed without the loan because other capital or financing
21 at feasible terms is unavailable or the return on investment is inadequate.

22 (2) The committee shall, subject to federal block grant criteria, give higher priority to
23 economic development projects that contain provisions for child care.

24 (3) The committee may not approve an application if it fails to provide for adequate
25 reporting or disclosure of financial data to the committee. The committee may require an annual
26 or other periodic audit of the project books.

27 (4) The committee may require that the project be managed in whole or in part by a local

1 development organization and may prescribe a management fee to be paid to such organization
2 by the recipient of the loan or grant.

3 (5) (a) Except as provided in (b) of this subsection, the committee shall not approve any
4 application which would result in a loan or grant in excess of three hundred fifty thousand
5 dollars.

6 (b) The committee may approve an application which results in a loan or grant of up to
7 seven hundred thousand dollars if the application has been approved by the director.

8 (6) The committee shall fix the terms and rates pertaining to its loans.

9 (7) Should there be more demand for loans than funds available for lending, the
10 committee shall provide loans for those projects which will lead to the greatest amount of
11 employment or benefit to a community. In determining the "greatest amount of employment or
12 benefit" the committee shall also consider the employment which would be saved by its loan and
13 the benefit relative to the community, not just the total number of new jobs or jobs saved.

14 (8) To the extent permitted under federal law the committee shall require applicants to
15 provide for the transfer of all payments of principal and interest on loans to the Washington state
16 development loan fund created under this chapter. Under circumstances where the federal law
17 does not permit the committee to require such transfer, the committee shall give priority to
18 applications where the applicants on their own volition make commitments to provide for the
19 transfer.

20 (9) The committee shall not approve any application to finance or help finance a shopping
21 mall.

22 (10) For loans not made to minority and women-owned businesses, the committee shall
23 make at least eighty percent of the appropriated funds available to projects located in distressed
24 areas, and may make up to twenty percent available to projects located in areas not designated
25 as distressed. For loans not made to minority and women-owned businesses, the committee shall
26 not make funds available to projects located in areas not designated as distressed if the fund's
27 net worth is less than seven million one hundred thousand dollars.

28 (11) If an objection is raised to a project on the basis of unfair business competition, the

1 committee shall evaluate the potential impact of a project on similar businesses located in the
2 local market area. A grant may be denied by the committee if a project is not likely to result
3 in a net increase in employment within a local market area.

4 (12) For loans to minority and women-owned businesses who do not meet the credit
5 criteria, the committee may consider non-traditional credit standards to offset past discrimination
6 that has precluded full participation of minority or women-owned businesses in the economy.
7 For applicants with high potential who do not meet the credit criteria, the committee shall
8 consider developing alternative borrowing methods. For applicants denied loans due to credit
9 problems, the committee shall provide financial counseling within available resources and
10 provide referrals to credit rehabilitation services. In circumstances of competing applications,
11 priority shall be given to members of eligible groups which previously have been least served
12 by this fund.

13 NEW SECTION. Sec. 12. A new section is added to chapter 43.168 RCW to read as
14 follows:

15 Subject to the restrictions contained in this chapter, the committee is authorized to
16 approve applications of minority and women-owned businesses for loans or loan guarantees from
17 the fund. Applications approved by the committee under this chapter shall conform to applicable
18 federal requirements. The committee shall prioritize available funds for loan guarantees rather
19 than loans when possible. The committee may enter into agreements with other public or private
20 lending institutions to develop a joint loan guarantee program for minority and women-owned
21 businesses. If such a program is developed, the committee may provide funds, in conjunction
22 with the other organizations, to operate the program. This section does not preclude the
23 committee from making individual loan guarantees.

24 **Sec. 13.** RCW 43.168.070 and 1987 c 461 s 5 are each amended to read as follows:

25 The committee may receive and approve applications on a monthly basis but shall receive
26 and approve applications on at least a quarterly basis for each fiscal year. The committee shall

1 make every effort to simplify the loan process for applicants. Department staff shall process and
2 assist in the preparation of applications. Each application shall show in detail the nature of the
3 project, the types and numbers of jobs to be created, wages to be paid to new employees, and
4 methods to hire unemployed persons from the area. Each application shall contain a credit
5 analysis of the business to receive the loan. The chairperson of the committee may convene the
6 committee on short notice to respond to applications of a serious or immediate nature.

7 **Sec. 14.** RCW 43.168.100 and 1986 c 204 s 1 are each amended to read as follows:

8 The committee may make grants of state funds to local governments which qualify as
9 "entitlement communities" under the federal law authorizing community development block
10 grants. These grants may only be made on the condition that the entitlement community provide
11 the committee with assurances that it will: (1) Spend the grant moneys for purposes and in a
12 manner which satisfies state constitutional requirements; (2) spend the grant moneys for purposes
13 and in a manner which would satisfy federal requirements; and (3) spend at least the same
14 ~~((double the))~~ amount of the grant for loans to businesses from the federal funds received by the
15 entitlement community.

16 IV. BONDING ASSISTANCE

17 NEW SECTION. **Sec. 15.** DEFINITIONS. Unless the context clearly requires
18 otherwise, the definitions in this section apply throughout sections 16 through 25 of this act.

19 (1) "Approved surety company" means a surety company approved by the department for
20 participation in providing direct bonding assistance to qualified contractors.

21 (2) "Bond" means any bond or security required for bid, payment, or performance of
22 contracts.

23 (3) "Department" means the department of trade and economic development.

24 (4) "Program" means the Washington state small business bonding assistance program
25 provided for in this chapter.

1 (5) "Qualified contractor" means any resident minority business enterprise or women's
2 business enterprise, as determined by the department to be consistent with the requirements of
3 chapter 39.19 RCW and engaged in the contracting business, which has obtained a certificate
4 of accreditation from the Washington state small business bonding assistance program.

5 NEW SECTION. **Sec. 16.** PROGRAM ESTABLISHED. There is established within
6 the department of trade and economic development the Washington state small business bonding
7 assistance program to assist resident minority and women-owned small contracting businesses
8 to acquire the managerial and financial skills, standards, and assistance necessary to enable them
9 to obtain bid, payment, and performance bonds from surety companies for either advertised or
10 designated contracts. The department shall implement the program by establishing a course of
11 instruction as set forth in section 18 of this act. The department shall encourage surety
12 companies and other private interests to help implement this course of instruction to assist
13 minority and women-owned small contracting businesses. The department shall adopt rules to
14 ensure the proper implementation of the program set forth in this chapter.

15 NEW SECTION. **Sec. 17.** ASSISTANCE. The department shall seek information,
16 advice, and assistance from regional minority contractor organizations, and the United States
17 small business administration and any other appropriate organization or agency.

18 The following departments, offices, and agencies shall, at the request of the department,
19 provide information, advice, and assistance to the department:

- 20 (1) The department of general administration;
- 21 (2) The Washington state business assistance center;
- 22 (3) The office of the insurance commissioner;
- 23 (4) The Washington state economic development finance authority; and
- 24 (5) The office of minority and women's business enterprises.

25 NEW SECTION. **Sec. 18.** SPECIALIZED INSTRUCTION FOR SMALL

1 CONTRACTING BUSINESSES. The business assistance center shall modify the entrepreneurial
2 training course established in section 6 of this act in order to provide instruction which is
3 appropriate to the specific needs of contracting businesses. This course of instruction shall be
4 available to resident minority and women small business contractors. The instruction shall be
5 intensive, practical training courses in financing, bidding for contracts, managing, accounting,
6 and recordkeeping for a contracting business, with an emphasis on federal, state, local, or
7 private programs available to assist small contractors. The business assistance center shall
8 appoint professional instructors, with practical knowledge and experience in the field of small
9 business contracting, to teach those courses developed to meet the specific needs of contracting
10 businesses. Instruction shall be offered in major population centers throughout the state at times
11 and locations which are convenient for people in the contracting business.

12 NEW SECTION. **Sec. 19.** ACCREDITATION OF SMALL CONTRACTING
13 BUSINESSES. Any resident minority or woman small business contractor may select a key
14 management employee or employees to attend any course of instruction established under section
15 6 of this act. When the records, maintained by the business assistance center, indicate that a key
16 management employee of a small contracting business has attended all the courses offered, and
17 has successfully completed any tests required, the department shall award the small contracting
18 business a certificate of accreditation which acknowledges successful completion of the courses.
19 The department may also award a certificate of accreditation if a review of the key management
20 employee's education, experience, and business history indicates that the business already
21 possesses the knowledge and skills offered through the course of instruction, or if the key
22 management employee successfully completes all tests required of those who attend the
23 entrepreneurial training course.

24 NEW SECTION. **Sec. 20.** PROFESSIONAL SERVICES ASSISTANCE--GRANTS.
25 Any qualified contractor seeking a grant for professional services assistance may apply to the
26 department. If approved, the department may enter into an agreement to provide a grant of up

1 to two thousand five hundred dollars on behalf of a qualified contractor for the acquisition of
2 the professional services of certified public accountants, construction management companies,
3 or any other technical, surety, financial, or managerial professionals. This assistance is only
4 available to a qualified contractor on a one-time basis.

5 NEW SECTION. **Sec. 21.** GRANT MONITORING. The department shall administer
6 all grants issued to assist qualified contractors and shall monitor the performance of all grant
7 recipients in order to provide such further assistance as is necessary to ensure that all program
8 requirements are met and that the program's purpose is fulfilled. However, nothing in this
9 chapter should be construed to restrict the rendering of program services to any qualified
10 contractor over and above the services provided by the grant.

11 NEW SECTION. **Sec. 22.** BOND GUARANTEE APPLICATIONS. If a qualified
12 contractor makes a bond application to an approved surety company for a public or private
13 contracting job, but fails to obtain the bond because the contractor is unable to meet the
14 requirements of the surety company on such bonding contracts, for reasons other than
15 nonperformance, and if the approved surety company applies to the department to have the bond
16 guaranteed by the program, then the department may provide a bond guarantee of up to seventy-
17 five thousand dollars on behalf of the qualified contractor.

18 NEW SECTION. **Sec. 23.** BOND GUARANTEE APPROVAL. Upon receipt of an
19 approved surety company's application for a bond guarantee, the department shall review the
20 application in order to verify that:

- 21 (1) The bond being sought by the qualified contractor is needed;
22 (2) The contracting job is within the qualified contractor's capability to perform; and
23 (3) The qualified contractor has not been denied a bond due to nonperformance.

24 Based upon subsections (1) through (3) of this section, the department shall either
25 approve or disapprove the application. If the application is approved, the department has the

1 authority to enter into a contract with the approved surety company. Under the terms of this
2 contract the approved surety company shall enter into a contract with, and issue the required
3 bond to, the qualified contractor at the standard fees and charges usually made by the company
4 for the type and amount of the bond issued. The bond issued by the approved surety company
5 shall be guaranteed by money in the program fund. The approved surety company shall also
6 agree to make a reasonable, good faith effort to pursue and collect any claims it may have
7 against a qualified contractor who defaults on a bond guaranteed by the program, including, but
8 not limited to, the institution of legal proceedings against the defaulting contractor, prior to
9 collecting on the guarantee.

10 NEW SECTION. **Sec. 24.** PROGRAM FUND ESTABLISHED. The Washington state
11 small business bonding assistance program fund is created in the state treasury. Any amounts
12 appropriated, donated, or granted to the program shall be deposited and credited to the program
13 fund. Moneys in the program fund may be spent only after appropriation. Expenditures from
14 the program fund shall only be used as follows:

- 15 (1) To pay the implementation costs of the program provided for in this chapter;
16 (2) To be disbursed by the department to enable qualified contractors to obtain services
17 provided for in this chapter; and
18 (3) To guarantee bonds issued pursuant to sections 22 and 23 of this act and to pay such
19 bonds in the event of default by a qualified contractor.

20 However, the full faith and credit of the state of Washington shall not be used to secure
21 the bonds and the state's liability shall be limited to the money appropriated by the legislature.

22 NEW SECTION. **Sec. 25.** FUND SUPPORT. The department shall solicit funds and
23 support from surety companies and other public and private entities with an interest in assisting
24 Washington's small business contractors and may enter into agreements with such companies and
25 interests by which they provide funds to the program fund to be matched with funds from
26 nonstate sources.

1 NEW SECTION. **Sec. 31.** This act may be known and cited as the omnibus minority
2 and women-owned businesses assistance act.

3 NEW SECTION. **Sec. 32.** Sections 1, 2, and 15 through 26 of this act shall constitute
4 a new chapter in Title 43 RCW.

5 NEW SECTION. **Sec. 33.** CAPTIONS NOT LAW. Part headings and section captions
6 as used in this act do not constitute part of the law.

7 NEW SECTION. **Sec. 34.** If any provision of this act or its application to any person
8 or circumstance is held invalid, the remainder of the act or the application of the provision to
9 other persons or circumstances is not affected.

10 NEW SECTION. **Sec. 35.** This act is necessary for the immediate preservation of the
11 public peace, health, or safety, or support of the state government and its existing public
12 institutions, and shall take effect July 1, 1993."

13 Correct internal references accordingly.