

HB 2527 - S COMM AMD

By Committee on Economic Development, Trade & Management

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

3       "**Sec. 1.** RCW 43.160.020 and 2004 c 252 s 1 are each amended to  
4 read as follows:

5       Unless the context clearly requires otherwise, the definitions in  
6 this section apply throughout this chapter.

7       (1) "Board" means the community economic revitalization board.

8       (2) "Bond" means any bond, note, debenture, interim certificate, or  
9 other evidence of financial indebtedness issued by the board pursuant  
10 to this chapter.

11       (3) "Department" means the department of community, trade, and  
12 economic development.

13       (4) "Financial institution" means any bank, savings and loan  
14 association, credit union, development credit corporation, insurance  
15 company, investment company, trust company, savings institution, or  
16 other financial institution approved by the board and maintaining an  
17 office in the state.

18       (5) "Industrial development facilities" means "industrial  
19 development facilities" as defined in RCW 39.84.020.

20       (6) "Industrial development revenue bonds" means tax-exempt revenue  
21 bonds used to fund industrial development facilities.

22       (7) "Local government" or "political subdivision" means any port  
23 district, county, city, town, special purpose district, and any other  
24 municipal corporations or quasi-municipal corporations in the state  
25 providing for public facilities under this chapter.

26       (8) "Sponsor" means any of the following entities which customarily  
27 provide service or otherwise aid in industrial or other financing and  
28 are approved as a sponsor by the board: A bank, trust company, savings  
29 bank, investment bank, national banking association, savings and loan

1 association, building and loan association, credit union, insurance  
2 company, or any other financial institution, governmental agency, or  
3 holding company of any entity specified in this subsection.

4 (9) "Umbrella bonds" means industrial development revenue bonds  
5 from which the proceeds are loaned, transferred, or otherwise made  
6 available to two or more users under this chapter.

7 (10) "User" means one or more persons acting as lessee, purchaser,  
8 mortgagor, or borrower under a financing document and receiving or  
9 applying to receive revenues from bonds issued under this chapter.

10 (11) "Public facilities" means a project of a local government or  
11 a federally recognized Indian tribe for the planning, acquisition,  
12 construction, repair, reconstruction, replacement, rehabilitation, or  
13 improvement of bridges, roads, domestic and industrial water, earth  
14 stabilization, sanitary sewer, storm sewer, railroad, electricity,  
15 telecommunications, transportation, natural gas, buildings or  
16 structures, and port facilities, all for the purpose of job creation,  
17 job retention, or job expansion.

18 (12) "Rural county" (~~means a county with a population density of~~  
19 ~~fewer than one hundred persons per square mile as determined by the~~  
20 ~~office of financial management~~) has the same meaning as provided in  
21 RCW 82.14.370.

22 (13) "Rural natural resources impact area" means:

23 (a) A nonmetropolitan county, as defined by the 1990 decennial  
24 census, that meets three of the five criteria set forth in subsection  
25 (14) of this section;

26 (b) A nonmetropolitan county with a population of less than forty  
27 thousand in the 1990 decennial census, that meets two of the five  
28 criteria as set forth in subsection (14) of this section; or

29 (c) A nonurbanized area, as defined by the 1990 decennial census,  
30 that is located in a metropolitan county that meets three of the five  
31 criteria set forth in subsection (14) of this section.

32 (14) For the purposes of designating rural natural resources impact  
33 areas, the following criteria shall be considered:

34 (a) A lumber and wood products employment location quotient at or  
35 above the state average;

36 (b) A commercial salmon fishing employment location quotient at or  
37 above the state average;

1 (c) Projected or actual direct lumber and wood products job losses  
2 of one hundred positions or more;

3 (d) Projected or actual direct commercial salmon fishing job losses  
4 of one hundred positions or more; and

5 (e) An unemployment rate twenty percent or more above the state  
6 average. The counties that meet these criteria shall be determined by  
7 the employment security department for the most recent year for which  
8 data is available. For the purposes of administration of programs  
9 under this chapter, the United States post office five-digit zip code  
10 delivery areas will be used to determine residence status for  
11 eligibility purposes. For the purpose of this definition, a zip code  
12 delivery area of which any part is ten miles or more from an urbanized  
13 area is considered nonurbanized. A zip code totally surrounded by zip  
14 codes qualifying as nonurbanized under this definition is also  
15 considered nonurbanized. The office of financial management shall make  
16 available a zip code listing of the areas to all agencies and  
17 organizations providing services under this chapter.

18 **Sec. 2.** RCW 43.168.020 and 2005 c 136 s 3 are each amended to read  
19 as follows:

20 Unless the context clearly requires otherwise, the definitions in  
21 this section apply throughout this chapter.

22 (1) "Department" means the department of community, trade, and  
23 economic development.

24 (2) "Director" means the director of community, trade, and economic  
25 development.

26 (3) "Distressed area" means: (a) A rural county; (b) a county  
27 which has an unemployment rate which is twenty percent above the state  
28 average for the immediately previous three years; (c) a county that has  
29 a median household income that is less than seventy-five percent of the  
30 state median household income for the previous three years; (d) a  
31 metropolitan statistical area, as defined by the office of federal  
32 statistical policy and standards, United States department of commerce,  
33 in which the average level of unemployment for the calendar year  
34 immediately preceding the year in which an application is filed under  
35 this chapter exceeds the average state unemployment for such calendar  
36 year by twenty percent; or (e) an area within a county, which area:  
37 (i) Is composed of contiguous census tracts; (ii) has a minimum

1 population of five thousand persons; (iii) has at least seventy percent  
2 of its families and unrelated individuals with incomes below eighty  
3 percent of the county's median income for families and unrelated  
4 individuals; and (iv) has an unemployment rate which is at least forty  
5 percent higher than the county's unemployment rate. For purposes of  
6 this definition, "families and unrelated individuals" has the same  
7 meaning that is ascribed to that term by the federal department of  
8 housing and urban development in its regulations authorizing action  
9 grants for economic development and neighborhood revitalization  
10 projects.

11 (4) "Fund" means the rural Washington loan fund.

12 (5) "Local development organization" means a nonprofit organization  
13 which is organized to operate within an area, demonstrates a commitment  
14 to a long-standing effort for an economic development program, and  
15 makes a demonstrable effort to assist in the employment of unemployed  
16 or underemployed residents in an area.

17 (6) "Project" means the establishment of a new or expanded business  
18 in an area which when completed will provide employment opportunities.  
19 "Project" also means the retention of an existing business in an area  
20 which when completed will provide employment opportunities.

21 (7) "Rural county" (~~((means a county with a population density of~~  
22 ~~fewer than one hundred persons per square mile as determined by the~~  
23 ~~office of financial management))~~ has the same meaning as provided in  
24 RCW 82.14.370.

25 **Sec. 3.** RCW 43.330.086 and 2007 c 249 s 5 are each amended to read  
26 as follows:

27 To the extent that funds are specifically appropriated therefor,  
28 contracts with associate development organizations for the provision of  
29 services under RCW 43.330.080(1) shall be awarded according to the  
30 following annual schedule:

31 (1) For associate development associations serving urban counties,  
32 which are counties other than rural counties as defined in RCW  
33 (~~(43.160.020))~~ 82.14.370, a locally matched allocation of up to ninety  
34 cents per capita, totaling no more than three hundred thousand dollars  
35 per organization; and

36 (2) For associate development associations in rural counties, as

1 defined in RCW ((43.160.020)) 82.14.370, a per county base allocation  
2 of up to forty thousand dollars and a locally matched allocation of up  
3 to ninety cents per capita.

4 **Sec. 4.** RCW 82.16.0491 and 2004 c 238 s 1 are each amended to read  
5 as follows:

6 (1) The following definitions apply to this section:

7 (a) "Qualifying project" means a project designed to achieve job  
8 creation or business retention, to add or upgrade nonelectrical  
9 infrastructure, to add or upgrade health and safety facilities, to  
10 accomplish energy and water use efficiency improvements, including  
11 renewable energy development, or to add or upgrade emergency services  
12 in any designated qualifying rural area.

13 (b) "Qualifying rural area" means:

14 (i) A rural county(~~(, which on the date that a contribution is made~~  
15 ~~to an electric utility rural economic development revolving fund is a~~  
16 ~~county with a population density of less than one hundred persons per~~  
17 ~~square mile as determined by the office of financial management)) as  
18 defined in RCW 82.14.370; or~~

19 (ii) Any geographic area in the state that receives electricity  
20 from a light and power business with twelve thousand or fewer  
21 customers.

22 (c) "Electric utility rural economic development revolving fund"  
23 means a fund devoted exclusively to funding qualifying projects in  
24 qualifying rural areas.

25 (d) "Local board" is (i) a board of directors with at least, but  
26 not limited to, three members representing local businesses and  
27 community groups who have been appointed by the sponsoring electric  
28 utility to oversee and direct the activities of the electric utility  
29 rural economic development revolving fund; or (ii) a board of directors  
30 of an existing associate development organization serving the  
31 qualifying rural area who have been designated by the sponsoring  
32 electrical utility to oversee and direct the activities of the electric  
33 utility rural economic development revolving fund.

34 (2) A light and power business shall be allowed a credit against  
35 taxes due under this chapter in an amount equal to fifty percent of  
36 contributions made in any fiscal year directly to an electric utility  
37 rural economic development revolving fund. The credit shall be taken

1 in a form and manner as required by the department. The credit under  
2 this section shall not exceed twenty-five thousand dollars per fiscal  
3 year per light and power business. The credit may not exceed the tax  
4 that would otherwise be due under this chapter. Refunds shall not be  
5 granted in the place of credits. Expenditures not used to earn a  
6 credit in one fiscal year may not be used to earn a credit in  
7 subsequent years, except that this limitation does not apply to  
8 expenditures made between January 1, 2004, and March 31, 2004, which  
9 expenditures may be used to earn a credit through December 30, 2004.

10 (3) The right to earn tax credits under this section expires June  
11 30, 2011.

12 (4) To qualify for the credit in subsection (2) of this section,  
13 the light and power business shall establish, or have a local board  
14 establish with the business's contribution, an electric utility rural  
15 economic development revolving fund which is governed by a local board  
16 whose members shall reside or work in the qualifying rural area served  
17 by the light and power business. Expenditures from the electric  
18 utility rural economic development revolving fund shall be made solely  
19 on qualifying projects, and the local board shall have authority to  
20 determine all criteria and conditions for the expenditure of funds from  
21 the electric utility rural economic development revolving fund, and for  
22 the terms and conditions of repayment.

23 (5) Any funds repaid to the electric utility rural economic  
24 development revolving fund by recipients shall be made available for  
25 additional qualifying projects.

26 (6) If at any time the electric utility rural economic development  
27 revolving fund is dissolved, any moneys claimed as a tax credit under  
28 this section shall either be granted to a qualifying project or  
29 refunded to the state within two years of termination.

30 (7) The total amount of credits that may be used in any fiscal year  
31 shall not exceed three hundred fifty thousand dollars in any fiscal  
32 year. The department shall allow the use of earned credits on a first-  
33 come, first-served basis. Unused earned credits may be carried over to  
34 subsequent years.

35 (8) The following provisions apply to expenditures under subsection  
36 (2) of this section made between January 1, 2004, and March 31, 2004:

37 (a) Credits earned from such expenditures are not considered in

1 computing the statewide limitation set forth in subsection (7) of this  
2 section for the period July 1, 2004, through December 31, 2004; and

3 (b) For the fiscal year ending June 30, 2005, the credit allowed  
4 under this section for light and power businesses making expenditures  
5 is limited to thirty-seven thousand five hundred dollars.

6 NEW SECTION. **Sec. 5.** (1) The sum of forty thousand dollars, or as  
7 much thereof as may be necessary, is appropriated for the fiscal year  
8 ending June 30, 2008, from the general fund to the department of  
9 community, trade, and economic development for the purpose of making  
10 disbursements under RCW 43.330.086 to associate development  
11 organizations located in a county that is less than two hundred twenty-  
12 five square miles in size and has a population density of more than  
13 three hundred people per square mile.

14 (2) The sum of forty thousand dollars, or as much thereof as may be  
15 necessary, is appropriated for the fiscal year ending June 30, 2009,  
16 from the general fund to the department of community, trade, and  
17 economic development for the purpose of making disbursements under RCW  
18 43.330.086 to associate development organizations located in a county  
19 that is less than two hundred twenty-five square miles in size and has  
20 a population density of more than three hundred people per square  
21 mile."

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22 On page 1, line 1 of the title, after "Relating to" strike the  
23 remainder of the title and insert "the definition of rural county for  
24 economic development purposes; amending RCW 43.160.020, 43.168.020,  
25 43.330.086, and 82.16.0491; and making appropriations."

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