

1 1341-S.E AMS CL

2 ESHB 1341 - S COMM AMD

3 By Committee on Commerce & Labor

4 Not Adopted 4/19/91 - Voice Vote

5 Strike everything after the enacting clause and insert the  
6 following:

7 "NEW SECTION. **Sec. 1.** FINDINGS AND INTENT. The legislature finds  
8 that:

9 (1) The economic health and well-being of timber-dependent  
10 communities is of substantial public concern. The significant  
11 reduction in annual timber harvest levels likely will result in reduced  
12 economic activity and persistent unemployment and underemployment over  
13 time, which would be a serious threat to the safety, health, and  
14 welfare of residents of the timber-dependent communities, decreasing  
15 the value of private investments and jeopardizing the sources of public  
16 revenue.

17 (2) The state is experiencing a dual economy, where growth is  
18 occurring rapidly in some areas and is occurring slowly or not at all  
19 in other areas. This uneven growth rate across the state is causing  
20 some areas to suffer negative impacts from too much growth while  
21 other areas experience difficulty in creating adequate economic  
22 development. Inadequate economic development is a serious threat to  
23 the public safety, health, and welfare of a community. The state has  
24 an interest in encouraging growth state-wide, which reduces the  
25 negative impacts of growth in rapidly growing areas and assists areas  
26 of the state in need of economic development.

27 (3) Timber-dependent communities are most often located in areas  
28 that are experiencing little or no economic growth, creating an even

1 greater risk to the health, safety, and welfare of these communities.  
2 The ability to remedy problems caused by the substantial reduction in  
3 harvest activity is beyond the power and control of the regulatory  
4 process and influence of the state, and the ordinary operations of  
5 private enterprise without additional governmental assistance are  
6 insufficient to adequately remedy the resulting problems of poverty and  
7 unemployment.

8 (4) The revitalization and diversification of the economies of  
9 timber-dependent communities require the stimulation of private  
10 investment, the development of new business ventures, the provision of  
11 capital to ventures sponsored by local organizations and capable of  
12 growth in the business markets, and assistance to viable, but  
13 under-financed, small businesses in order to create and preserve jobs  
14 that are sustainable in the local economy. Therefore, the legislature  
15 declares there to be a substantial public purpose in providing capital  
16 to promote economic development and job creation in distressed areas in  
17 general and timber-dependent communities in particular. To accomplish  
18 this purpose, it is the intent of the legislature to:

19 (a) Increase the public financing of infrastructure necessary for  
20 economic development and make such financing more flexible;

21 (b) Increase and target the amount of public financing available to  
22 businesses to better create or preserve jobs through formation or  
23 expansion of viable enterprises;

24 (c) Provide technical and financial assistance to businesses to  
25 increase the export of products from timber-dependent communities;

26 (d) Increase the resources available to associated development  
27 organizations to provide economic and community development services in  
28 timber-dependent communities and to provide resource and referral  
29 services to the community regarding state and local economic and  
30 community development services;

1 (e) Increase training and retraining services accessible to timber-  
2 dependent communities; and

3 (f) Provide for coordination of noneconomic development services in  
4 timber-dependent communities as economic development efforts will not  
5 succeed unless social, housing, health, and other needs are addressed."

6 "Sec. 2. RCW 43.160.010 and 1989 c 431 s 61 are each amended to  
7 read as follows:

8 INFRASTRUCTURE FINANCING--CERB--INTENT. (1) The legislature finds  
9 that it is the public policy of the state of Washington to direct  
10 financial resources toward the fostering of economic development  
11 through the stimulation of investment and job opportunities and the  
12 retention of sustainable existing employment for the general welfare of  
13 the inhabitants of the state. Reducing unemployment and reducing the  
14 time citizens remain jobless is important for the economic welfare of  
15 the state. A valuable means of fostering economic development is the  
16 construction of public facilities which contribute to the stability and  
17 growth of the state's economic base. Strengthening the economic base  
18 through issuance of industrial development bonds, whether single or  
19 umbrella, further serves to reduce unemployment. Consolidating issues  
20 of industrial development bonds when feasible to reduce costs  
21 additionally advances the state's purpose to improve economic vitality.  
22 Expenditures made for these purposes as authorized in this chapter are  
23 declared to be in the public interest, and constitute a proper use of  
24 public funds. A community economic revitalization board is needed  
25 which shall aid the development of economic opportunities. The general  
26 objectives of the board should include:

27 (a) Strengthening the economies of areas of the state which have  
28 experienced or are expected to experience chronically high unemployment  
29 rates or below average growth in their economies;

1 (b) Encouraging the diversification of the economies of the state  
2 and regions within the state in order to provide greater seasonal and  
3 cyclical stability of income and employment;

4 (c) Encouraging wider access to financial resources for both large  
5 and small industrial development projects;

6 (d) Encouraging new economic development or expansions to maximize  
7 employment;

8 (e) Encouraging the retention of viable existing firms and  
9 employment; and

10 (f) Providing incentives for expansion of employment opportunities  
11 for groups of state residents that have been less successful relative  
12 to other groups in efforts to gain permanent employment.

13 (2) The legislature also finds that the state's economic  
14 development efforts can be enhanced by, in certain instances, providing  
15 funds to improve state highways in the vicinity of new industries  
16 considering locating in this state or existing industries that are  
17 considering significant expansion.

18 (a) The legislature finds it desirable to provide a process whereby  
19 the need for diverse public works improvements necessitated by planned  
20 economic development can be addressed in a timely fashion and with  
21 coordination among all responsible governmental entities.

22 (b) It is the intent of the legislature to create an economic  
23 development account within the motor vehicle fund from which  
24 expenditures can be made by the department of transportation for state  
25 highway improvements necessitated by planned economic development. All  
26 such improvements must first be approved by the state transportation  
27 commission and the community economic revitalization board in  
28 accordance with the procedures established by RCW 43.160.074 and  
29 47.01.280. It is further the intent of the legislature that such  
30 improvements not jeopardize any other planned highway construction

1 projects. The improvements are intended to be of limited size and  
2 cost, and to include such items as additional turn lanes,  
3 signalization, illumination, and safety improvements.

4 (3) The legislature also finds that the state's economic  
5 development efforts can be enhanced by providing funds to improve  
6 markets for those recyclable materials representing a large fraction of  
7 the waste stream. The legislature finds that public facilities which  
8 result in private construction of processing or remanufacturing  
9 facilities for recyclable materials are eligible for consideration from  
10 the board.

11 (4) The legislature finds that sharing economic growth state-wide  
12 is important to the welfare of the state. Distressed areas and timber-  
13 dependent communities do not share in the economic vitality of the  
14 Puget Sound region. Infrastructure is one of several ingredients that  
15 are critical for economic development. Distressed areas and timber-  
16 dependent communities generally lack the infrastructure necessary to  
17 diversify and revitalize their economies. It is, therefore, the intent  
18 of the legislature to increase the availability of funds to help  
19 provide infrastructure to distressed areas and timber-dependent  
20 communities."

21 "Sec. 3. RCW 43.160.020 and 1985 c 466 s 58 are each amended to  
22 read as follows:

23 Unless the context clearly requires otherwise, the definitions in  
24 this section apply throughout this chapter.

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

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

1 (3) "Department" means the department of trade and economic  
2 development or its successor with respect to the powers granted by this  
3 chapter.

4 (4) "Financial institution" means any bank, savings and loan  
5 association, credit union, development credit corporation, insurance  
6 company, investment company, trust company, savings institution, or  
7 other financial institution approved by the board and maintaining an  
8 office in the state.

9 (5) "Industrial development facilities" means "industrial  
10 development facilities" as defined in RCW 39.84.020.

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

13 (7) "Local government" means any port district, county, city, or  
14 town.

15 (8) "Sponsor" means any of the following entities which customarily  
16 provide service or otherwise aid in industrial or other financing and  
17 are approved as a sponsor by the board: A bank, trust company, savings  
18 bank, investment bank, national banking association, savings and loan  
19 association, building and loan association, credit union, insurance  
20 company, or any other financial institution, governmental agency, or  
21 holding company of any entity specified in this subsection.

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

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

28 (11) Until July 1, 1995, "timber-dependent community" means a  
29 county, city, or town located in a county meeting two of the following  
30 three criteria for the most recent year such data is available: (a) A

1 lumber and wood products employment location quotient at or above the  
2 state average, (b) a direct lumber and wood products job loss of one  
3 hundred or more, or (c) an annual unemployment rate twenty percent or  
4 more above the state average.

5 (12) Until July 1, 1995, "tourism project" means a project where  
6 additions to current facilities will attract primarily nonresident  
7 visitors for overnight stays. A tourism project may be a new project  
8 or an expansion or refurbishment of an existing facility."

9 "NEW SECTION. Sec. 4. A new section is added to chapter 43.160  
10 RCW to read as follows:

11 (1) The economic development account is created within the public  
12 facilities construction loan revolving fund under RCW 43.160.080.  
13 Moneys in the account may be spent only after appropriation.  
14 Expenditures from the account may be used only for the purposes of RCW  
15 43.160.010(4) and this section. The account is subject to allotment  
16 procedures under chapter 43.88 RCW.

17 (2) Applications under this section for assistance from the  
18 economic development account are subject to all of the applicable  
19 criteria set forth under this chapter, as well as procedures and  
20 criteria established by the board, except as otherwise provided.

21 (3) Eligible applicants under this section are limited to political  
22 subdivisions of the state in timber-dependent communities that  
23 demonstrate, to the satisfaction of the board, the local economy's  
24 dependence on the forest products industry.

25 (4) Applicants must demonstrate that their request is part of an  
26 economic development plan consistent with applicable state planning  
27 requirements. Industrial projects must be approved by the local  
28 government and the associate development organization. Applicants must  
29 demonstrate that tourism projects have been approved by the local

1 government and are part of a regional tourism plan approved by the  
2 local and regional tourism organizations.

3 (5) Publicly owned projects may be financed under this section upon  
4 proof by the applicant that the public project is a necessary component  
5 of, or constitutes in whole, a tourism project.

6 (6) Applications must demonstrate local match and participation.  
7 The amount of local match shall not be less than twenty percent of the  
8 total dollar amount sought in the application. Such match may include:  
9 Land donation, other public or private funds or both, or other means of  
10 local commitment to the project.

11 (7) Board financing for feasibility studies shall not exceed  
12 twenty-five thousand dollars per study. Board funds for feasibility  
13 studies may be provided as a grant and require a dollar for dollar  
14 match with up to one-half in-kind match allowed.

15 (8) Board financing for tourism projects shall not exceed two  
16 hundred fifty thousand dollars. Other public facility projects under  
17 this section shall not exceed five hundred thousand dollars. Loans  
18 with flexible terms and conditions to meet the needs of the applicants  
19 shall be provided. Grants may also be authorized, but only when, and to  
20 the extent that, a loan is not reasonably possible, given the limited  
21 resources of the political subdivision.

22 (9) The board shall develop guidelines for allowable local match  
23 and feasibility studies.

24 (10) Applications under this section need not demonstrate evidence  
25 that specific private development or expansion is ready to occur or  
26 will occur if funds are provided.

27 (11) This section shall expire July 1, 1995."

28 "NEW SECTION. **Sec. 5.** A new section is added to chapter 43.160  
29 RCW to read as follows:



1 (1) For the 1991-93 biennium, half of all funds appropriated to the  
2 department for purposes of this chapter shall be used for section 4 of  
3 this act.

4 (2) This section shall expire on July 1, 1993."

5 "NEW SECTION. **Sec. 6.** A new section is added to chapter 43.160  
6 RCW to read as follows:

7 The board shall establish guidelines for making grants and loans  
8 under section 4 of this act. The guidelines shall include:

9 (1) A process to equitably compare and evaluate applications from  
10 competing communities.

11 (2) Criteria to ensure that approved projects will have a high  
12 probability of success and are likely to provide long-term economic  
13 benefits to the community. The board shall give priority to  
14 applications from communities with high unemployment rates or high  
15 rates of timber unemployment. The criteria shall include: (a) A  
16 minimum amount of local participation, determined by the board per  
17 application, to verify community support for the project; (b) an  
18 analysis that establishes the project is feasible using standard  
19 economic principles; and (c) an explanation from the applicant  
20 regarding how the project is consistent with the communities' economic  
21 strategy and goals.

22 (3) A method of evaluating the impact of the loans or grants on the  
23 economy of the community and whether the loans or grants achieved their  
24 purpose. The board shall provide to the legislative fiscal committees  
25 a report by January 15, 1995, and January 15, 1996, identifying by  
26 county the economic growth and/or economic diversification attributable  
27 to the loan and grant awards authorized by this section and section 4  
28 of this act and RCW 43.160.076.

29 This section shall expire July 1, 1995."

1       **"Sec. 7.** RCW 43.160.080 and 1987 c 422 s 6 are each amended to  
2 read as follows:

3       INFRASTRUCTURE--CERB--REVOLVING LOAN FUND REPAYMENTS. There shall  
4 be a fund known as the public facilities construction loan revolving  
5 fund, which shall consist of all moneys collected under this chapter,  
6 except moneys of the board collected in connection with the issuance of  
7 industrial development revenue bonds, and any moneys appropriated to it  
8 by law: PROVIDED, That seventy-five percent of all principal and  
9 interest payments on loans made with the proceeds deposited in the fund  
10 under section 901, chapter 57, Laws of 1983 1st ex. sess. shall be  
11 deposited in the general fund as reimbursement for debt service  
12 payments on the bonds authorized in RCW 43.83.184. The state treasurer  
13 shall be custodian of the revolving fund. Disbursements from the  
14 revolving fund shall be on authorization of the board. In order to  
15 maintain an effective expenditure and revenue control, the public  
16 facilities construction loan revolving fund shall be subject in all  
17 respects to chapter 43.88 RCW(~~(, but no appropriation is required to~~  
18 ~~permit expenditures and payment of obligations from the fund)~~).

19       Moneys in this fund not needed to meet the current expenses and  
20 obligations of the board shall be invested in the manner authorized for  
21 moneys in revolving funds. Any interest earned shall be deposited in  
22 this fund and shall be used for the purposes specified in this chapter.  
23 The state treasurer shall render reports to the board advising of the  
24 status of any funds invested, the market value of the assets as of the  
25 date the statement is rendered, and the income received from the  
26 investments during the period covered by the report."

27       "NEW SECTION. **Sec. 8.** A new section is added to chapter 43.31 RCW  
28 to read as follows:

1 INCREASING EXPORTS FROM TIMBER-DEPENDENT COMMUNITIES. (1)

2 Marketing is a vital element in expanding the economies of timber-  
3 dependent communities. The export of products produced in timber-  
4 dependent areas contributes substantial economic benefits to these  
5 communities, including an increase in jobs and an increase in tax  
6 revenues to the state and local governments.

7 (2)(a) Subject to funding for this subsection, the department shall  
8 contract with the small business export finance assistance center,  
9 created in chapter 43.210 RCW, to assist businesses in timber-dependent  
10 communities obtain financing for the export of their products. The  
11 department shall assist the small business export finance assistance  
12 center to ensure the services available under this subsection are  
13 understood and accessible in timber-dependent communities.

14 (b) Subject to funding for the necessary reserve funds, the  
15 Washington economic development finance authority, created in chapter  
16 43.163 RCW, shall provide financing for export transactions where the  
17 product being exported is produced in timber-dependent communities.

18 (3) The department may make rules that are necessary to carry out  
19 this section and to coordinate the services described in this section  
20 and to prioritize the services based on greatest negative impact from  
21 the harvest reductions.

22 (4) For purposes of this section, the definition of "timber-  
23 dependent community" is the same as RCW 43.160.020."

24 "NEW SECTION. Sec. 9. A new section is added to chapter 43.06 RCW  
25 to read as follows:

26 COORDINATION OF STATE AND LOCAL SERVICES. (1) The governor, or the  
27 governor's designee, shall coordinate state noneconomic development  
28 related assistance provided to timber-dependent communities to ensure  
29 state services are delivered effectively and efficiently and

1 coordinated locally with minimal duplication and maximum local access.

2 (2) Associate development organizations located in timber-dependent  
3 communities shall assist the governor in coordinating the delivery of  
4 state economic development related services locally. The associate  
5 development organization, as the primary local coordinating  
6 organization for state and local economic development services, shall  
7 provide resource and referral services to ensure state and local  
8 economic development services are delivered effectively and efficiently  
9 with minimal duplication and maximum local access."

10 "Sec. 10. RCW 43.17.065 and 1990 1st ex.s. c 17 s 77 are each  
11 amended to read as follows:

12 EXPEDITING PERMITS IN TIMBER-DEPENDENT COMMUNITIES. (1) Where  
13 power is vested in a department to issue permits, licenses,  
14 certifications, contracts, grants, or otherwise authorize action on the  
15 part of individuals, businesses, local governments, or public or  
16 private organizations, such power shall be exercised in an expeditious  
17 manner. All departments with such power shall cooperate with officials  
18 of the business assistance center of the department of trade and  
19 economic development, and any other state officials, when such  
20 officials request timely action on the part of the issuing department.

21 (2)(a) The legislature finds that timber-dependent communities and  
22 distressed counties, as defined in RCW 43.160.020, are located  
23 predominately in areas characterized by little or no growth. These  
24 areas impact the environment less than areas of high growth. These  
25 timber-dependent communities and distressed counties need sites for  
26 industrial and economic development with infrastructure in place as  
27 soon as possible to help revitalize their local economies.

28 (b) Any state agency in which subsection (1) of this section  
29 applies shall adopt, by August 1, 1991, an expedited process for the

1 fast and efficient processing of any permits or other actions that are  
2 necessary for economic development in timber-dependent communities and  
3 distressed counties."

4 "Sec. 11. RCW 53.36.030 and 1990 c 254 s 1 are each amended to  
5 read as follows:

6 ~~((A))~~ (1)(a) Except as provided in (b) of this subsection, a port  
7 district may at any time contract indebtedness or borrow money for  
8 district purposes and may issue general obligation bonds therefor not  
9 exceeding an amount, together with any existing indebtedness of the  
10 district not authorized by the voters, of one-fourth of one percent of  
11 the value of the taxable property in the district~~((; and,)).~~

12 (b) Port districts having both a comprehensive scheme of harbor  
13 improvements and industrial developments or amendments thereto and a  
14 long-term finance plan that have been filed with the department of  
15 community development and having less than eight hundred million  
16 dollars in value of taxable property may at anytime contract  
17 indebtedness or borrow money for district purposes, and may issue  
18 general obligation bonds therefor not exceeding an amount, combined  
19 with existing indebtedness of the district not authorized by the  
20 voters, of three-eighths of one percent of the value of the taxable  
21 property in the district.

22 (2) With the assent of three-fifths of the voters voting thereon at  
23 a general or special port election called for that purpose, a port  
24 district may contract indebtedness or borrow money for district  
25 purposes and may issue general obligation bonds therefor provided the  
26 total indebtedness of the district at any such time shall not exceed  
27 three-fourths of one percent of the value of the taxable property in  
28 the district~~((: PROVIDED FURTHER, That)).~~

1       (3) In addition to the indebtedness authorized under subsections  
2 (1) and (2) of this section, port districts having less than two  
3 hundred million dollars in value of taxable property and operating a  
4 municipal airport may at any time contract indebtedness or borrow money  
5 for airport capital improvement purposes and may issue general  
6 obligation bonds therefor not exceeding an additional one-eighth of one  
7 percent of the value of the taxable property in the district without  
8 authorization by the voters; and, with the assent of three-fifths of  
9 the voters voting thereon at a general or special port election called  
10 for that purpose, may contract indebtedness or borrow money for airport  
11 capital improvement purposes and may issue general obligation bonds  
12 therefor for an additional three-eighths of one percent provided the  
13 total indebtedness of the district for all port purposes at any such  
14 time shall not exceed one and one-fourth percent of the value of the  
15 taxable property in the district.

16       (4) Any port district may issue general district bonds evidencing  
17 any indebtedness, payable at any time not exceeding fifty years from  
18 the date of the bonds. Such bonds shall be issued and sold in  
19 accordance with chapter 39.46 RCW.

20       (5) Elections required under this section shall be held as provided  
21 in RCW 39.36.050.

22       (6) For the purpose of this section, "indebtedness of the district"  
23 shall not include any debt of a county-wide district with a population  
24 less than twenty-five hundred people when the debt is secured by a  
25 mortgage on property leased to the federal government; and the term  
26 "value of the taxable property" shall have the meaning set forth in RCW  
27 39.36.015.

28       ~~((Such bonds shall be issued and sold in accordance with chapter~~  
29 ~~39.46 RCW.))"~~

1        "NEW SECTION.   **Sec. 12.**   TITLE.   This act may be referred to as  
2    "the omnibus timber community assistance act."

3        "NEW SECTION.   **Sec. 13.**   SECTION HEADINGS ARE NOT LAW.   Section  
4    headings as used in this act do not constitute any part of the law."

5        "NEW SECTION.   **Sec. 14.**        If any provision of this act or its  
6    application to any person or circumstance is held invalid, the  
7    remainder of the act or the application of the provision to other  
8    persons or circumstances is not affected."

9        "NEW SECTION.   **Sec. 15.**        This act is necessary for the immediate  
10   preservation of the public peace, health, or safety, or support of the  
11   state government and its existing public institutions, and shall take  
12   effect immediately."

13   **ESHB 1341** - S COMM AMD  
14        By Committee on Commerce & Labor

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16        On page 1, line 1 of the title, after "development;" strike the  
17   remainder of the title and insert "amending RCW 43.160.010, 43.160.020,  
18   43.160.080, 43.17.065, and 53.36.030; adding new sections to chapter  
19   43.160 RCW; adding a new section to chapter 43.31 RCW; adding a new  
20   section to chapter 43.06 RCW; creating new sections; and declaring an  
21   emergency."