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HOUSE BILL 1645

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State of Washington

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1991 Regular Session

By Representatives Locke, Jones, Rasmussen, Bowman and Wynne; by request of Dept. of Trade and Economic Developmt and Office of Financial Management.

Read first time February 5, 1991. Referred to Committee on Trade & Economic Development\Capital Facilities & Financing.

1 AN ACT Relating to timber impact areas; amending RCW 43.160.010 and  
2 43.160.020; and adding a new section to chapter 43.160 RCW.

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

4 **Sec. 1.** RCW 43.160.010 and 1989 c 431 s 61 are each amended to  
5 read as follows:

6 (1) The legislature finds that it is the public policy of the state  
7 of Washington to direct financial resources toward the fostering of  
8 economic development through the stimulation of investment and job  
9 opportunities and the retention of sustainable existing employment for  
10 the general welfare of the inhabitants of the state. Reducing  
11 unemployment and reducing the time citizens remain jobless is important  
12 for the economic welfare of the state. A valuable means of fostering  
13 economic development is the construction of public facilities which  
14 contribute to the stability and growth of the state's economic base.  
15 Strengthening the economic base through issuance of industrial

1 development bonds, whether single or umbrella, further serves to reduce  
2 unemployment. Consolidating issues of industrial development bonds  
3 when feasible to reduce costs additionally advances the state's purpose  
4 to improve economic vitality. Expenditures made for these purposes as  
5 authorized in this chapter are declared to be in the public interest,  
6 and constitute a proper use of public funds. A community economic  
7 revitalization board is needed which shall aid the development of  
8 economic opportunities. The general objectives of the board should  
9 include:

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

13 (b) Encouraging the diversification of the economies of the state  
14 and regions within the state in order to provide greater seasonal and  
15 cyclical stability of income and employment;

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

18 (d) Encouraging new economic development or expansions to maximize  
19 employment;

20 (e) Encouraging the retention of viable existing firms and  
21 employment; and

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

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

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

5 (b) It is the intent of the legislature to create an economic  
6 development account within the motor vehicle fund from which  
7 expenditures can be made by the department of transportation for state  
8 highway improvements necessitated by planned economic development. All  
9 such improvements must first be approved by the state transportation  
10 commission and the community economic revitalization board in  
11 accordance with the procedures established by RCW 43.160.074 and  
12 47.01.280. It is further the intent of the legislature that such  
13 improvements not jeopardize any other planned highway construction  
14 projects. The improvements are intended to be of limited size and  
15 cost, and to include such items as additional turn lanes,  
16 signalization, illumination, and safety improvements.

17 (3) The legislature also finds that the state's economic  
18 development efforts can be enhanced by providing funds to improve  
19 markets for those recyclable materials representing a large fraction of  
20 the waste stream. The legislature finds that public facilities which  
21 result in private construction of processing or remanufacturing  
22 facilities for recyclable materials are eligible for consideration from  
23 the board.

24 (4) The legislature also finds that the state's economic  
25 development efforts can be enhanced by providing federal timber supply  
26 impact areas with support for public facility improvements necessary to  
27 achieve long-term economic diversification goals. It is the intent of  
28 the legislature to create a separate economic development account  
29 within the community economic revitalization board to provide public  
30 facilities for industrial projects and small scale tourism projects

1 that can demonstrate a high probability of attracting or retaining jobs  
2 and private investment. Funds shall also be available for feasibility  
3 studies that would be used to determine the economic viability of such  
4 proposed projects.

5       **Sec. 2.** RCW 43.160.020 and 1985 c 466 s 58 are each amended to  
6 read as follows:

7       Unless the context clearly requires otherwise, the definitions in  
8 this section apply throughout this chapter.

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

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

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

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

21       (5) "Industrial development facilities" means "industrial  
22 development facilities" as defined in RCW 39.84.020.

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

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

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

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

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

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

11 (11) "Federal timber impact area" means a county meeting two of the  
12 following three criteria for the most recent year such data is  
13 available: (a) Logging and lumber employment location quotient of 1.0  
14 or more of the state average, (b) direct logging and lumber job loss of  
15 one hundred or more, (c) annual unemployment rate twenty percent above  
16 the state average.

17 (12) "Small scale tourism project" means a project that where added  
18 to the current facilities in the area attracts additional visitors for  
19 overnight stays and will be used primarily by nonresidents of the  
20 immediate area. A small scale tourism project may be a new project or  
21 an expansion or refurbishment of an existing facility.

22 NEW SECTION. Sec. 3. A new section is added to chapter 43.160 RCW  
23 to read as follows:

24 (1) The economic development account is created within the public  
25 facilities construction loan revolving fund under RCW 43.160.080.  
26 Moneys in the account may be spent only after appropriation.  
27 Expenditures from the account may be used only for the purposes of RCW  
28 43.160.010(4) and section 3 of this act. The account is subject to  
29 allotment procedures under chapter 43.88 RCW.

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

5 (3) Eligible applicants under this section are limited to political  
6 subdivisions of the state in federal timber impact areas that  
7 demonstrate, to the satisfaction of the board, the local economy's  
8 dependence on the forest products industry.

9 (4) Applicants must demonstrate that their request is part of an  
10 economic development plan consistent with applicable state planning  
11 requirements. Industrial projects must be approved by the local  
12 government and the associate development organization. Applicants must  
13 demonstrate that small scale tourism projects have been approved by the  
14 local government and are part of a regional tourism plan approved by  
15 the local and regional tourism organizations.

16 (5) Applications must demonstrate local match and participation.  
17 Such match may include: Land donation, other public or private funds  
18 or both, or other means of local commitment to the project.

19 (6) Board financing for feasibility studies shall not exceed  
20 twenty-five thousand dollars per study. Board funds for feasibility  
21 studies may be provided as a grant and require a dollar for dollar  
22 match with up to one-half in-kind match allowed.

23 (7) Board financing for small scale tourism projects shall not  
24 exceed two hundred fifty thousand dollars. Other public facility  
25 projects under this section shall not exceed five hundred thousand  
26 dollars. Loans with flexible terms and conditions to meet the needs of  
27 the applicants shall be provided. Grants may also be authorized, but  
28 only when, and to the extent that, a loan is not reasonably possible,  
29 given the limited resources of the political subdivision.

1           (8) The board shall develop guidelines for allowable local match  
2 and feasibility studies.

3           NEW SECTION.   **Sec. 4.**           If any provision of this act or its  
4 application to any person or circumstance is held invalid, the  
5 remainder of the act or the application of the provision to other  
6 persons or circumstances is not affected.