
HOUSE BILL 1731

State of Washington 52nd Legislature 1991 Regular Session

By Representatives Heavey, R. King, Jones, Prentice and Cole.

Read first time February 7, 1991. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to private business entities receiving public
2 assistance; adding a new chapter to Title 19 RCW; and providing an
3 effective date.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that public
6 assistance in the form of grants or tax deferrals or credits allowed to
7 private business is a public service that should be subject to rules of
8 conduct. In particular, the state should offer assistance to those
9 private businesses that are willing to provide advance consultation to
10 the state and their communities prior to plant relocation, closure, or
11 employee layoff, and to continue to honor the obligations of their
12 labor contracts after the relocation of a facility.

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

4 (1) "Business" means a person, firm, partnership, corporation,
5 trust, association, or other form of private business organization
6 which employs one or more employees at a facility within this state.

7 (2) "Business assistance programs" means the sales and use tax
8 deferral or credit programs created in chapters 82.60, 82.61, and 82.62
9 RCW, state and local government industrial development bonds authorized
10 under chapter 39.84 RCW, and any business assistance programs operated
11 by the community economic revitalization board.

12 (3) "Certified closure or reduction date" means the actual or
13 anticipated date of any reduction in operations at a business facility
14 as determined by the department.

15 (4) "Department" means the state employment security department.

16 (5) "Reduction in operations" means the total closure of a business
17 facility or any partial closure, other reduction in operations, or
18 relocation of a business facility that results in the layoff of at
19 least twenty-five employees at the facility within a six month period
20 prior to the closure date as certified by the department.

21 NEW SECTION. **Sec. 3.** This chapter shall not apply to
22 reductions in business operations:

23 (1) Resulting solely from labor disputes as defined by the national
24 labor relations act;

25 (2) Occurring at construction sites;

26 (3) Resulting from seasonal factors, which are customary in the
27 industry of which the business is a part, as determined by the
28 department; or

29 (4) Resulting from fire, flood, war, or other acts of God.

1 located and to agents who represent a majority of the employees of the
2 employer, who singly or in combination are seeking to form a community-
3 owned, employee-owned, or jointly owned business at the facility being
4 closed.

5 (7) The business shall employ no employees at wages less than the
6 state average annual wage, as calculated under RCW 50.04.355.

7 (8) The business shall provide basic health coverage for its
8 employees.

9 NEW SECTION. **Sec. 5.** Failure to comply with section 4 of this
10 act shall subject the business to the following:

11 (1) If the failure to comply occurs within any period in which any
12 tax deferral still exists, the business's tax deferral shall be
13 rescinded and the entire amount of any remaining deferred tax together
14 with a ten percent penalty on the tax owing and interest at twelve
15 percent per annum shall be immediately due and payable. Interest shall
16 accrue from the date notice of the tax deferral rescission is received
17 by the business.

18 (2) If the failure to comply occurs within ten years of receiving
19 authorization for industrial revenue bonds, the business that has
20 received industrial revenue bonds shall be penalized an amount equal to
21 the federal tax exemption received plus ten percent of the federal tax
22 exemption together with interest at twelve percent per annum.

23 NEW SECTION. **Sec. 6.** No business shall receive state
24 assistance under any business assistance program unless the business
25 agrees to accept the rules of conduct specified under section 4 of this
26 act. Any business that receives the benefits of a state business
27 assistance program who violates any provision of this chapter is not

1 eligible for any business assistance program for a period of ten years
2 following the date of violation as determined by the department.

3 NEW SECTION. **Sec. 7.** (1) The employment security department
4 shall be notified by the department of revenue and the community
5 economic revitalization board of each business that participates in a
6 business assistance program. The information shall include the amount
7 of assistance received by the business and other information necessary
8 to implement this chapter. The department shall review all
9 participating businesses for compliance with this chapter, shall make
10 any necessary administration determinations, and shall assess and
11 collect any penalties for violations under the assessment and
12 collection provisions of chapter 50.24 RCW. All penalties collected
13 shall be paid into the state general fund.

14 (2) Any business receiving a notice of violation under this chapter
15 may file an appeal in accordance with the provisions of chapter 50.32
16 RCW.

17 (3) The department shall adopt rules under chapter 34.05 RCW to
18 carry out the purposes of this chapter.

19 NEW SECTION. **Sec. 8.** Sections 1 through 7 of this act shall
20 constitute a new chapter in Title 19 RCW.

21 NEW SECTION. **Sec. 9.** This act shall take effect January 1,
22 1992.