

2 **E2SSB 5468** - H COMM AMD

3 By Committee on Trade, Economic Development & Housing

4 ADOPTED AS AMENDED 3/3/94

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

7 "NEW SECTION. **Sec. 1.** The legislature finds that when public
8 funds are used to support private enterprise, the public may gain
9 through the creation of new jobs, the diversification of the economy,
10 or higher quality jobs for existing workers. The legislature further
11 finds that such returns on public investments are not automatic and
12 that tax-based incentives, in particular, may result in a greater tax
13 burden on businesses and individuals that are not eligible for the
14 public support. It is the purpose of this chapter to collect
15 information sufficient to allow the legislature and the executive
16 branch to make informed decisions about the merits of existing tax-
17 based incentives and loan programs intended to encourage economic
18 development in the state.

19 NEW SECTION. **Sec. 2.** (1) The department of revenue and the
20 department of community, trade, and economic development shall gather
21 such baseline data as is necessary to measure the effect on businesses
22 of any of the following benefits: (a) A loan of one hundred thousand
23 dollars or more from the development loan fund; (b) fifty thousand
24 dollars or more in tax credits under chapter 82.62 RCW or chapter . . .
25 (House Bill No. 2663), Laws of 1994; or (c) a deferral of one hundred
26 thousand dollars or more in taxes under chapter 82.60 or 82.61 RCW, or
27 chapter . . . (House Bill No. 2663), Laws of 1994. The departments
28 shall measure the effect of the programs on job creation, the number of
29 jobs created for Washington residents, company growth, the introduction
30 of new products, the diversification of the state's economy, growth in
31 investments, the movement of firms or the consolidation of firms'
32 operation into the state, and such other factors as the departments
33 select.

34 (2) The departments shall also measure whether the businesses
35 receiving the benefits: (a) Have complied with federal and state

1 requirements for affirmative action in hiring and promotion of its
2 employees; (b) have provided an average wage that is above the average
3 wage paid by firms located in the same county that share the same two-
4 digit standard industrial code; (c) have provided basic health coverage
5 at a level at least equivalent to basic health coverage under chapter
6 70.47 RCW; (d) have complied with all applicable federal and state
7 environmental and employment laws and regulations; and (e) have
8 complied with the requirements of all federal and state plant closure
9 laws if reducing operations at a facility or relocating a facility.

10 (3) Businesses applying for one of the benefits specified in
11 subsection (1) of this section shall submit employment impact estimates
12 to the departments specifying the number and types of jobs, with wage
13 rates and benefits for those jobs, that the business submitting the
14 application expects to be eliminated, created, or retained on the
15 project site and on other employment sites of the business in
16 Washington as a result of the project that is the subject of the
17 application.

18 (4) The departments shall specify that upon a certain date or
19 dates, the businesses which receive one of the benefits specified in
20 subsection (1) of this section shall submit to the department an
21 employment impact statement stating the net number and types of jobs
22 eliminated, created, or retained, with the wage rates and benefits for
23 those jobs, by the business in Washington as a result of the benefit
24 received.

25 (5) The information collected on individual businesses under this
26 section is not subject to public disclosure.

27 (6) The departments shall report their findings to the executive-
28 legislative committee on economic development policy, or the
29 appropriate legislative committees, if the executive-legislative
30 committee on economic development policy is not created by statute, by
31 September 1, 1995. The report shall provide aggregate information on
32 businesses that share the same two-digit standard industrial code.

33 (7) The executive-legislative committee on economic development
34 policy shall evaluate the departments' report and make recommendations
35 to the governor and the legislature on the continuation of the benefit
36 programs and any conditions under which they should operate if they are
37 to continue.

1 NEW SECTION. **Sec. 3.** Sections 1 and 2 of this act shall
2 constitute a new chapter in Title 43 RCW.

3 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
4 preservation of the public peace, health, or safety, or support of the
5 state government and its existing public institutions, and shall take
6 effect March 1, 1994."

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