
SUBSTITUTE HOUSE BILL 1662

State of Washington

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By House Committee on Trade, Economic Development & Housing (originally sponsored by Representatives Wineberry, Shin, Forner, Sheldon, Wang, Riley, Ogden, Silver, Valle, Jones, Holm, Basich, Rayburn, Jacobsen, Kremen, Cooke and J. Kohl; by request of Department of Trade and Economic Development)

Read first time 02/22/93.

1 AN ACT Relating to the community economic revitalization board;
2 amending RCW 43.160.020, 43.160.060, 43.160.076, 43.160.077,
3 43.160.200, and 43.160.900; amending 1991 c 314 s 32 (uncodified);
4 amending 1991 c 314 s 34 (uncodified); reenacting and amending RCW
5 42.17.310; and declaring an emergency.

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

7 **Sec. 1.** RCW 43.160.020 and 1992 c 21 s 3 are each amended to read
8 as follows:

9 Unless the context clearly requires otherwise, the definitions in
10 this section apply throughout this chapter.

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

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

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

18 (4) "Financial institution" means any bank, savings and loan
19 association, credit union, development credit corporation, insurance

1 company, investment company, trust company, savings institution, or
2 other financial institution approved by the board and maintaining an
3 office in the state.

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

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

8 (7) "Local government" or "political subdivision" means any port
9 district, county, city, (~~(or)~~) town, or special utility district.

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

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

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

23 (11) "Timber impact area" means:

24 (a) A county having a population of less than five hundred
25 thousand, or a city or town located within a county having a population
26 of less than five hundred thousand, and meeting two of the following
27 three criteria, as determined by the employment security department,
28 for the most recent year such data is available: (i) A lumber and wood
29 products employment location quotient at or above the state average;
30 (ii) projected or actual direct lumber and wood products job losses of
31 one hundred positions or more, except counties having a population
32 greater than two hundred thousand but less than five hundred thousand
33 must have direct lumber and wood products job losses of one thousand
34 positions or more; or (iii) an annual unemployment rate twenty percent
35 or more above the state average; or

36 (b) Additional communities as the economic recovery coordinating
37 board, established in RCW 43.31.631, designates based on a finding by
38 the board that each designated community is socially and economically

1 integrated with areas that meet the definition of a timber impact area
2 under (a) of this subsection.

3 **Sec. 2.** RCW 43.160.060 and 1990 1st ex.s. c 17 s 73 are each
4 amended to read as follows:

5 The board is authorized to make direct loans to political
6 subdivisions of the state for the purposes of assisting the political
7 subdivisions in financing the cost of public facilities, including
8 development of land and improvements for public facilities, as well as
9 the ((~~acquisition~~)) construction, rehabilitation, alteration,
10 expansion, or improvement of the facilities. A grant may also be
11 authorized for purposes designated in this chapter, but only when, and
12 to the extent that, a loan is not reasonably possible, given the
13 limited resources of the political subdivision.

14 Application for funds shall be made in the form and manner as the
15 board may prescribe. In making grants or loans the board shall conform
16 to the following requirements:

17 (1) The board shall not make a grant or loan:

18 (a) For a project the primary purpose of which is to facilitate or
19 promote a retail shopping development or expansion.

20 (b) For any project that evidence exists would result in a
21 development or expansion that would displace existing jobs in any other
22 community in the state.

23 (c) For the acquisition of real property, including buildings and
24 other fixtures which are a part of real property.

25 (2) The board shall only make grants or loans:

26 (a) For those projects which would result in specific private
27 developments or expansions (i) in manufacturing, production, food
28 processing, assembly, warehousing, and industrial distribution; (ii)
29 for processing recyclable materials or for facilities that support
30 recycling, including processes not currently provided in the state,
31 including but not limited to, de-inking facilities, mixed waste paper,
32 plastics, yard waste, and problem-waste processing; (iii) for
33 manufacturing facilities that rely significantly on recyclable
34 materials, including but not limited to waste tires and mixed waste
35 paper; (iv) which support the relocation of businesses from
36 nondistressed urban areas to distressed rural areas; or (v) which
37 substantially support the trading of goods or services outside of the
38 state's borders.

1 (b) For projects which it finds will improve the opportunities for
2 the successful maintenance, establishment, or expansion of industrial
3 or commercial plants or will otherwise assist in the creation or
4 retention of long-term economic opportunities.

5 (c) When the application includes convincing evidence that a
6 specific private development or expansion is ready to occur and will
7 occur only if the grant or loan is made.

8 (3) The board shall prioritize each proposed project according to
9 the relative benefits provided to the community by the jobs the project
10 would create, not just the total number of jobs it would create after
11 the project is completed and according to the unemployment rate in the
12 area in which the jobs would be located. As long as there is more
13 demand for loans or grants than there are funds available for loans or
14 grants, the board is instructed to fund projects in order of their
15 priority.

16 (4) A responsible official of the political subdivision shall be
17 present during board deliberations and provide information that the
18 board requests.

19 Before any loan or grant application is approved, the political
20 subdivision seeking the loan or grant must demonstrate to the community
21 economic revitalization board that no other timely source of funding is
22 available to it at costs reasonably similar to financing available from
23 the community economic revitalization board.

24 **Sec. 3.** RCW 43.160.076 and 1991 c 314 s 24 are each amended to
25 read as follows:

26 (1) Except as authorized to the contrary under subsection (2) of
27 this section, from all funds available to the board for loans and
28 grants in a biennium, the board shall spend at least fifty percent for
29 grants and loans for projects in distressed counties or timber impact
30 areas. For purposes of this section, the term "distressed counties"
31 includes any county, in which the average level of unemployment for the
32 three years before the year in which an application for a loan or grant
33 is filed, exceeds the average state employment for those years by
34 twenty percent.

35 (2) If at any time during the last six months of a biennium the
36 board finds that the actual and anticipated applications for qualified
37 projects in distressed counties or timber impact areas are clearly
38 insufficient to use up the fifty percent allocation, then the board

1 shall estimate the amount of the insufficiency and during the remainder
2 of the biennium may use that amount of the allocation for loans and
3 grants for projects not located in distressed counties or timber impact
4 areas.

5 **Sec. 4.** RCW 43.160.077 and 1989 c 431 s 63 are each amended to
6 read as follows:

7 (1) ~~((Before))~~ When the board ~~((consideration of))~~ receives an
8 application from a political subdivision that includes a request for
9 assistance in financing the cost of public facilities to encourage the
10 development of a private facility to process recyclable materials, a
11 copy of the application shall be ~~((forwarded))~~ sent by the board to the
12 department of ecology.

13 ~~((The department of ecology shall submit a recommendation on
14 all applications related to processing recyclable materials to the
15 board for their consideration.~~

16 ~~((3) Upon receiving an application for assistance in financing the
17 cost of public facilities to encourage the development of a private
18 facility to process recyclable materials from the board, the department
19 of ecology shall, within thirty days, determine whether or not the
20 proposed assistance:~~

21 ~~((a) Has a significant impact on the residential and commercial
22 waste stream;~~

23 ~~((b) Results in a product that has a ready market;~~

24 ~~((c) Does not jeopardize any other planned market development
25 projects; and~~

26 ~~((d) Results in a product that would otherwise be purchased out-of-
27 state.~~

28 ~~((4) Upon completion of its determination of the factors contained
29 in subsection (3) of this section and any other factors it deems
30 pertinent, the department of ecology shall forward its recommended
31 approval, as submitted or amended, or recommended disapproval of the
32 proposed improvements to the board, along with any recommendation it
33 may wish to make concerning the desirability and feasibility of the
34 proposed market development. If the department of ecology recommends
35 disapproval of any proposed project, it shall specify its reasons for
36 recommending disapproval.~~

37 ~~((5))~~ The board shall notify the department of ecology of its
38 decision regarding any application made under this section.

1 **Sec. 5.** RCW 43.160.200 and 1991 c 314 s 23 are each amended to
2 read as follows:

3 (1) The economic development account is created within the public
4 facilities construction loan revolving fund under RCW 43.160.080.
5 Moneys in the account may be spent only after appropriation.
6 Expenditures from the account may be used only for the purposes of RCW
7 43.160.010(4) and this section. The account is subject to allotment
8 procedures under chapter 43.88 RCW.

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

13 (3) Eligible applicants under this section are limited to political
14 subdivisions of the state in timber impact areas that demonstrate, to
15 the satisfaction of the board, the local economy's dependence on the
16 forest products industry.

17 (4) Applicants must demonstrate that their request is part of an
18 economic development plan consistent with applicable state planning
19 requirements. Applicants must demonstrate that tourism projects have
20 been approved by the local government (~~and are part of a regional~~
21 ~~tourism plan approved by the local and regional tourism~~
22 ~~organizations)). Industrial projects must be approved by the local~~
23 government and the associate development organization.

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

27 (6) Applications must demonstrate local match and participation.
28 Such match may include: Land donation, other public or private funds
29 or both, or other means of local commitment to the project.

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

34 (8) Board financing for tourism projects shall not exceed two
35 hundred fifty thousand dollars. Other public facility projects under
36 this section shall not exceed five hundred thousand dollars. Loans
37 with flexible terms and conditions to meet the needs of the applicants
38 shall be provided. Grants may also be authorized, but only when, and

1 to the extent that, a loan is not reasonably possible, given the
2 limited resources of the political subdivision.

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

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

8 (11) The board shall establish guidelines for making grants and
9 loans under this section to ensure that the requirements of this
10 chapter are complied with. The guidelines shall include:

11 (a) A process to equitably compare and evaluate applications from
12 competing communities.

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

21 (c) A method of evaluating the impact of the loans or grants on the
22 economy of the community and whether the loans or grants achieved their
23 purpose.

24 **Sec. 6.** RCW 43.160.900 and 1987 c 422 s 10 are each amended to
25 read as follows:

26 The community economic revitalization board and its powers and
27 duties shall be terminated on June 30, (~~(1993)~~) 1999, and shall be
28 subject to the procedures required by chapter 43.131 RCW. This chapter
29 expires June 30, (~~(1994)~~) 1999. Any remaining duties of the community
30 economic revitalization board after June 30, (~~(1993)~~) 1999, regarding
31 repayment of loans made by the community economic revitalization board
32 are transferred to the department of revenue on June 30, (~~(1993)~~) 1999.

33 **Sec. 7.** RCW 42.17.310 and 1992 c 139 s 5 and 1992 c 71 s 12 are
34 each reenacted and amended to read as follows:

35 (1) The following are exempt from public inspection and copying:

1 (a) Personal information in any files maintained for students in
2 public schools, patients or clients of public institutions or public
3 health agencies, or welfare recipients.

4 (b) Personal information in files maintained for employees,
5 appointees, or elected officials of any public agency to the extent
6 that disclosure would violate their right to privacy.

7 (c) Information required of any taxpayer in connection with the
8 assessment or collection of any tax if the disclosure of the
9 information to other persons would (i) be prohibited to such persons by
10 RCW 82.32.330 or (ii) violate the taxpayer's right to privacy or result
11 in unfair competitive disadvantage to the taxpayer.

12 (d) Specific intelligence information and specific investigative
13 records compiled by investigative, law enforcement, and penology
14 agencies, and state agencies vested with the responsibility to
15 discipline members of any profession, the nondisclosure of which is
16 essential to effective law enforcement or for the protection of any
17 person's right to privacy.

18 (e) Information revealing the identity of persons who are witnesses
19 to or victims of crime or who file complaints with investigative, law
20 enforcement, or penology agencies, other than the public disclosure
21 commission, if disclosure would endanger any person's life, physical
22 safety, or property. If at the time a complaint is filed the
23 complainant, victim or witness indicates a desire for disclosure or
24 nondisclosure, such desire shall govern. However, all complaints filed
25 with the public disclosure commission about any elected official or
26 candidate for public office must be made in writing and signed by the
27 complainant under oath.

28 (f) Test questions, scoring keys, and other examination data used
29 to administer a license, employment, or academic examination.

30 (g) Except as provided by chapter 8.26 RCW, the contents of real
31 estate appraisals, made for or by any agency relative to the
32 acquisition or sale of property, until the project or prospective sale
33 is abandoned or until such time as all of the property has been
34 acquired or the property to which the sale appraisal relates is sold,
35 but in no event shall disclosure be denied for more than three years
36 after the appraisal.

37 (h) Valuable formulae, designs, drawings, and research data
38 obtained by any agency within five years of the request for disclosure
39 when disclosure would produce private gain and public loss.

1 (i) Preliminary drafts, notes, recommendations, and intra-agency
2 memorandums in which opinions are expressed or policies formulated or
3 recommended except that a specific record shall not be exempt when
4 publicly cited by an agency in connection with any agency action.

5 (j) Records which are relevant to a controversy to which an agency
6 is a party but which records would not be available to another party
7 under the rules of pretrial discovery for causes pending in the
8 superior courts.

9 (k) Records, maps, or other information identifying the location of
10 archaeological sites in order to avoid the looting or depredation of
11 such sites.

12 (l) Any library record, the primary purpose of which is to maintain
13 control of library materials, or to gain access to information, which
14 discloses or could be used to disclose the identity of a library user.

15 (m) Financial information supplied by or on behalf of a person,
16 firm, or corporation for the purpose of qualifying to submit a bid or
17 proposal for ~~((+a))~~ (i) a ferry system construction or repair contract
18 as required by RCW 47.60.680 through 47.60.750 or ~~((+b))~~ (ii) highway
19 construction or improvement as required by RCW 47.28.070.

20 (n) Railroad company contracts filed prior to July 28, 1991, with
21 the utilities and transportation commission under *RCW 81.34.070,
22 except that the summaries of the contracts are open to public
23 inspection and copying as otherwise provided by this chapter.

24 (o) Financial and commercial information and records supplied by
25 private persons pertaining to export services provided pursuant to
26 chapter 43.163 RCW and chapter 53.31 RCW.

27 (p) Financial disclosures filed by private vocational schools under
28 chapter 28C.10 RCW.

29 (q) Records filed with the utilities and transportation commission
30 or attorney general under RCW 80.04.095 that a court has determined are
31 confidential under RCW 80.04.095.

32 (r) Financial and commercial information and records supplied by
33 businesses during application for loans or program services provided by
34 chapter 43.163 RCW and chapters 43.31, 43.63A, 43.160, and 43.168 RCW.

35 (s) Membership lists or lists of members or owners of interests of
36 units in timeshare projects, subdivisions, camping resorts,
37 condominiums, land developments, or common-interest communities
38 affiliated with such projects, regulated by the department of
39 licensing, in the files or possession of the department.

1 (t) All applications for public employment, including the names of
2 applicants, resumes, and other related materials submitted with respect
3 to an applicant.

4 (u) The residential addresses and residential telephone numbers of
5 employees or volunteers of a public agency which are held by the agency
6 in personnel records, employment or volunteer rosters, or mailing lists
7 of employees or volunteers.

8 (v) The residential addresses and residential telephone numbers of
9 the customers of a public utility contained in the records or lists
10 held by the public utility of which they are customers.

11 (w) Information obtained by the board of pharmacy as provided in
12 RCW 69.45.090.

13 (x) Information obtained by the board of pharmacy or the department
14 of health and its representatives as provided in RCW 69.41.044,
15 69.41.280, and 18.64.420.

16 (y) Financial information, business plans, examination reports, and
17 any information produced or obtained in evaluating or examining a
18 business and industrial development corporation organized or seeking
19 certification under chapter 31.24 RCW.

20 (z) Financial and commercial information supplied to the state
21 investment board by any person when the information relates to the
22 investment of public trust or retirement funds and when disclosure
23 would result in loss to such funds or in private loss to the providers
24 of this information.

25 (aa) Financial and valuable trade information under RCW 51.36.120.

26 (bb) Client records maintained by an agency that is a domestic
27 violence program as defined in RCW 70.123.020 or a rape crisis center
28 as defined in RCW 70.125.030.

29 (cc) Information that identifies a person who, while an agency
30 employee: (i) Seeks advice, under an informal process established by
31 the employing agency, in order to ascertain his or her rights in
32 connection with a possible unfair practice under chapter 49.60 RCW
33 against the person; and (ii) requests his or her identity or any
34 identifying information not be disclosed.

35 (dd) Business related information protected from public inspection
36 and copying under RCW 15.86.110.

37 (2) Except for information described in subsection (1)(c)(i) of
38 this section and confidential income data exempted from public
39 inspection pursuant to RCW 84.40.020, the exemptions of this section

1 are inapplicable to the extent that information, the disclosure of
2 which would violate personal privacy or vital governmental interests,
3 can be deleted from the specific records sought. No exemption may be
4 construed to permit the nondisclosure of statistical information not
5 descriptive of any readily identifiable person or persons.

6 (3) Inspection or copying of any specific records exempt under the
7 provisions of this section may be permitted if the superior court in
8 the county in which the record is maintained finds, after a hearing
9 with notice thereof to every person in interest and the agency, that
10 the exemption of such records is clearly unnecessary to protect any
11 individual's right of privacy or any vital governmental function.

12 (4) Agency responses refusing, in whole or in part, inspection of
13 any public record shall include a statement of the specific exemption
14 authorizing the withholding of the record (or part) and a brief
15 explanation of how the exemption applies to the record withheld.

16 **Sec. 8.** 1991 c 314 s 32 (uncodified) is amended to read as
17 follows:

18 RCW 43.160.076 and 1991 c 314 s 24 & 1985 c 446 s 6 are each
19 repealed effective June 30, (~~(1993)~~) 1995.

20 **Sec. 9.** 1991 c 314 s 34 (uncodified) is amended to read as
21 follows:

22 (~~(Section 25 of this act)~~) RCW 43.160.210 shall take effect July 1,
23 (~~(1993)~~) 1995.

24 NEW SECTION. **Sec. 10.** Section 6 of this act is necessary for the
25 immediate preservation of the public peace, health, or safety, or
26 support of the state government and its existing public institutions,
27 and shall take effect immediately.

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