
HOUSE BILL 2699

State of Washington

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By Representatives Wineberry, Forner, J. Kohl, Schoesler, Appelwick, Long, Thibaudeau, Ballasiotes, Lemmon, L. Johnson, Campbell, Valle, Basich, Pruitt, Rayburn, Flemming, Kremen, Sheldon, Karahalios, Conway, Springer and Quall

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1 AN ACT Relating to community empowerment; amending RCW 43.63A.700,
2 43.63A.710, 82.60.020, 82.62.010, 43.270.010, 43.270.020, 43.270.030,
3 43.270.040, 43.270.050, 43.270.060, and 43.270.070; adding a new
4 section to chapter 82.04 RCW; adding a new section to chapter 43.330
5 RCW; adding a new section to chapter 50.67 RCW; adding a new section to
6 chapter 43.310 RCW; adding a new section to chapter 43.185A RCW; adding
7 new chapters to Title 43 RCW; adding new chapters to Title 82 RCW;
8 adding a new chapter to Title 50 RCW; creating new sections;
9 recodifying RCW 43.63A.700 and 43.63A.710; making appropriations;
10 providing an effective date; and declaring an emergency.

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

12 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

13 (a) Neighborhoods are a powerful indicator of the diversity and
14 health of the state;

15 (b) There are geographic areas within communities that are
16 characterized by a lack of employment opportunities and high
17 unemployment, by an average income that is below the median income
18 level for the surrounding community, by a high rate of crime, by a lack

1 of affordable housing, by deteriorating infrastructure, and by a lack
2 of facilities for community services, job training, and education;

3 (c) Strategies to revitalize these neighborhoods and empower
4 residents involve a variety of activities that increase economic and
5 social diversity, make physical improvements, and improve economic
6 opportunities for neighborhood residents;

7 (d) Revitalization strategies cannot be accomplished with
8 governmental resources only and requires a comprehensive approach that
9 depends on a local government's ability to coordinate public resources
10 in a long-term strategy designed to leverage private and community
11 investment in the neighborhood;

12 (e) Local governments, in cooperation with neighborhood residents,
13 can provide leadership as well as planning and coordination of
14 resources and necessary services to address revitalization of the
15 neighborhood; and

16 (f) It is in the public interest to adopt a targeted approach to
17 community empowerment and enlist the resources of the public and
18 private sectors and neighborhood groups to revitalize neighborhoods.

19 (2) The legislature declares that the purposes of the community
20 empowerment act are to:

21 (a) Encourage community empowerment through strong partnerships and
22 cooperation between all levels of government, community-based
23 organizations and groups, neighborhood residents, and the private
24 sector;

25 (b) Involve and educate the private sector and stimulate private
26 reinvestment through the judicious use of public resources;

27 (c) Target governmental resources to those neighborhoods in
28 greatest need;

29 (d) Include neighborhood individuals and organizations in the
30 policy-making process; and

31 (e) Enable economically disadvantaged young adults to obtain the
32 education and employment skills necessary to achieve economic self-
33 sufficiency.

34 **PART I. COMMUNITY EMPOWERMENT ZONES**

35 NEW SECTION. **Sec. 101.** Unless the context clearly requires
36 otherwise, the definitions in this section apply throughout this
37 chapter.

- 1 (1) "Affordable housing" has the same meaning as in RCW
2 43.185B.010.
- 3 (2) "Afterschool program" means a program of tutoring, recreation,
4 mentoring, or cultural activities that are offered to K-12 students
5 either before or after school hours and is approved by the local school
6 district.
- 7 (3) "Community empowerment zone" means a geographic area within the
8 boundaries of a local government that: (a) Meets the requirements of
9 RCW 43.63A.710 (as recodified by this act) and is so designated by the
10 director; or (b) is designated an empowerment zone or enterprise
11 community under Title XIII, Chapter I of the Omnibus Reconciliation Act
12 of 1993 (P.L. 103-66) and is designated by the director.
- 13 (4) "Community empowerment zone assistance" means furnishing
14 financial assistance, labor, material, or technical assistance to aid
15 in the provision of community services, crime prevention, education,
16 job training, and housing assistance activities within a designated
17 community empowerment zone.
- 18 (5) "Community service" means any type of counseling and advice,
19 emergency assistance, or medical care furnished to individuals or
20 groups within a designated community empowerment zone.
- 21 (6) "Crime prevention" means any activity that aids in the
22 reduction or prevention of crime within a designated community
23 empowerment zone.
- 24 (7) "Department" means the department of community, trade, and
25 economic development.
- 26 (8) "Director" means the director of community, trade, and economic
27 development.
- 28 (9) "Education" means any type of scholastic instruction or
29 scholarship assistance, including an afterschool program, to any person
30 who resides within a designated community empowerment zone that enables
31 that person to prepare for better employment opportunities.
- 32 (10) "Housing assistance" means any activity that aids in the
33 acquisition, preservation, rehabilitation, or construction of
34 affordable housing within a designated community empowerment zone.
- 35 (11) "Job training" means any type of instruction to any person who
36 resides within a designated community empowerment zone that enables
37 that person to acquire vocational skills to become employable or seek
38 a higher grade of employment.
- 39 (12) "Local government" means a city, town, or county.

1 (13) "Nonprofit organization" means any public or private
2 organization that: (a) Is organized under federal, state, or local
3 laws; (b) has no part of its net earnings inuring to the benefit of any
4 member, founder, contributor, or individual; and (c) has among its
5 purposes significant activities related to community empowerment zone
6 assistance activities within a designated community empowerment zone.
7 The term also includes public housing authorities created under chapter
8 35.82 RCW and public corporations created under chapter 35.21 RCW that
9 operate within a designated community empowerment zone.

10 **Sec. 102.** RCW 43.63A.700 and 1993 sp.s. c 25 s 401 are each
11 amended to read as follows:

12 (1) The department, in cooperation with the department of revenue,
13 the employment security department, and the office of financial
14 management, shall approve applications submitted by local governments
15 for designation as a (~~neighborhood reinvestment area~~) community
16 empowerment zone under this section. The application shall be in the
17 form and manner and contain such information as the department may
18 prescribe, provided that the application for designation shall:

19 (a) Contain information sufficient for the director to determine if
20 the criteria established in RCW 43.63A.710 (as recodified by this act)
21 have been met.

22 (b) Be submitted on behalf of the local government by its chief
23 elected official, or, if none, by the governing body of the local
24 government.

25 (c) Contain a five-year (~~neighborhood reinvestment~~) community
26 empowerment plan that describes the proposed designated (~~neighborhood~~
27 ~~reinvestment area's~~) community empowerment zone's community
28 development needs and present a strategy for meeting those needs. The
29 plan shall address the following categories: Housing needs; public
30 infrastructure needs, such as transportation, water, sanitation,
31 energy, and drainage/flood control; other public facilities needs, such
32 as neighborhood facilities or facilities for provision of health,
33 education, recreation, public safety, or other services; community
34 economic development needs, such as commercial/industrial
35 revitalization, job creation and retention considering the unemployment
36 and underemployment of area residents, accessibility to financial
37 resources by area residents and businesses, investment within the area,
38 or other related components of community economic development; (~~and~~)

1 social service needs; and public safety needs, such as gang and
2 violence reduction or prevention, or community policing activities.

3 The local government is required to provide a description of its
4 strategy for meeting the needs identified in this subsection (1)(c).
5 As part of the strategy, the local government is required to identify
6 the needs for which specific plans are currently in place and the
7 source of funds expected to be used. For the balance of the area's
8 needs, the local government must identify the source of funds expected
9 to become available during the next two-year period and actions the
10 local government will take to acquire those funds.

11 (d) Certify that neighborhood residents were given the opportunity
12 to participate in the development of the five-year (~~neighborhood~~
13 ~~reinvestment~~) community empowerment strategy required under (c) of
14 this subsection.

15 (2) No local government shall submit more than two neighborhoods to
16 the department for possible designation as a designated (~~neighborhood~~
17 ~~reinvestment area~~) community empowerment zone under this section.

18 (3)(a) Within ninety days after January 1, 1994, the director may
19 designate up to six designated (~~neighborhood reinvestment areas~~)
20 community empowerment zones from among the applications eligible for
21 designation as a designated (~~neighborhood reinvestment area under this~~
22 ~~section~~) community empowerment zone.

23 (b) Within ninety days after October 1, 1994, the director may
24 designate additional designated community empowerment zones from among
25 the applications eligible for designation as a designated community
26 empowerment zone. The director may designate up to a total of ten
27 designated community empowerment zones under this section.

28 (c) The director shall make determinations of designated
29 (~~neighborhood reinvestment areas~~) community empowerment zones on the
30 basis of the following factors:

31 (i) The strength and quality of the local government commitments to
32 meet the needs identified in the five-year (~~neighborhood~~
33 ~~reinvestment~~) community empowerment plan required under this section.

34 (ii) The level of private commitments by private entities of
35 additional resources and contribution to the designated (~~neighborhood~~
36 ~~reinvestment area~~) community empowerment zone.

37 (iii) The potential for (~~reinvestment in~~) revitalization of the
38 area as a result of designation as a designated (~~neighborhood~~
39 ~~reinvestment area~~) community empowerment zone.

1 (iv) Other factors the director (~~(of the department of community~~
2 ~~development)~~) deems necessary.

3 (~~(b)~~) (d) The determination of the director as to the areas
4 designated as (~~(neighborhood reinvestment areas)~~) community empowerment
5 zones shall be final.

6 **Sec. 103.** RCW 43.63A.710 and 1993 sp.s. c 25 s 402 are each
7 amended to read as follows:

8 (1) The director may not designate an area as a designated
9 (~~(neighborhood reinvestment area)~~) community empowerment zone unless
10 that area meets the following requirements:

11 (a) The area must be designated by the legislative authority of the
12 local government as an area to receive federal, state, and local
13 assistance designed to increase economic, physical, or social activity
14 in the area;

15 (b) The area must have at least fifty-one percent of the households
16 in the area with incomes at or below eighty percent of the county's
17 median income, adjusted for household size;

18 (c) The average unemployment rate for the area, for the most recent
19 twelve-month period for which data is available must be at least one
20 hundred twenty percent of the average unemployment rate of the county;
21 and

22 (d) A five-year (~~(neighborhood reinvestment)~~) community empowerment
23 plan for the area that meets the requirements of RCW 43.63A.700(1)(c)
24 (as recodified by this act) and as further defined by the director must
25 be adopted.

26 (2) The director may establish, by rule, such other requirements as
27 the director may reasonably determine necessary and appropriate to
28 assure that the purposes of this section are satisfied.

29 (3) In determining if an area meets the requirements of this
30 section, the director may consider data provided by the United States
31 bureau of the census from the most recent census or any other reliable
32 data that the director determines to be acceptable for the purposes for
33 which the data is used.

34 **PART II. COMMUNITY EMPOWERMENT ZONE INCENTIVES**
35 **A. Community and Business Partnership Tax Credits**

1 NEW SECTION. **Sec. 201.** Unless the context clearly requires
2 otherwise, the definitions in this section apply throughout sections
3 201 through 206 of this act.

4 (1) "Affordable housing" has the same meaning as in RCW
5 43.185B.010.

6 (2) "Community empowerment zone" has the same meaning as in section
7 101 of this act.

8 (3) "Community empowerment zone assistance" has the same meaning as
9 in section 101 of this act.

10 (4) "Community service" has the same meaning as in section 101 of
11 this act.

12 (5) "Crime prevention" has the same meaning as in section 101 of
13 this act.

14 (6) "Department" means the department of revenue.

15 (7) "Director" means the director of the department of revenue.

16 (8) "Education" has the same meaning as in section 101 of this act.

17 (9) "Housing assistance" has the same meaning as in section 101 of
18 this act.

19 (10) "Job training" has the same meaning as in section 101 of this
20 act.

21 (11) "Nonprofit organization" has the same meaning as in section
22 101 of this act.

23 (12) "Person" has the meaning given in RCW 82.04.030.

24 (13) "Recipient" means a person receiving tax credits under this
25 chapter.

26 NEW SECTION. **Sec. 202.** The department shall establish a program
27 to provide tax credits to a person making contributions to nonprofit
28 organizations that are undertaking community empowerment zone
29 assistance activities in a designated community empowerment zone. The
30 tax credit may be used as a credit against any of the taxes imposed on
31 the person under chapter 82.04 RCW.

32 NEW SECTION. **Sec. 203.** (1) Application for tax credit under this
33 chapter must be made before the actual contribution to the community
34 empowerment zone assistance activity is made. The application shall be
35 made to the department of community development through June 30, 1994,
36 and on and after July 1, 1994, to the department of community, trade,
37 and economic development in a form and manner prescribed by the

1 department of revenue and the department of community development
2 through June 30, 1994, and on and after July 1, 1994, the department of
3 community, trade, and economic development.

4 (2) The department of community development through June 30, 1994,
5 and on and after July 1, 1994, the department of community, trade, and
6 economic development shall transmit a copy of the completed application
7 for tax credits to the department of revenue, with its recommendations,
8 within ten working days after receipt thereof. Within thirty days
9 after receipt of the completed application from the department of
10 community development or the department of community, trade, and
11 economic development, the department of revenue shall determine the
12 amount of tax credits to be allocated to the business firm. The
13 department of revenue shall notify the department of community
14 development through June 30, 1994, and on and after July 1, 1994, the
15 department of community, trade, and economic development of its
16 decision within ten working days.

17 (3) The department of revenue, in consultation with the department
18 of community development through June 30, 1994, and on and after July
19 1, 1994, the department of community, trade, and economic development,
20 shall adopt rules specifying the administrative procedures applicable
21 to applicants for tax credits, the form and manner in which the
22 applications shall be filed, and the information to be contained
23 therein. The rules shall apply to administrative procedure before the
24 department of revenue and the department of community development or
25 the department of community, trade, and economic development.

26 NEW SECTION. **Sec. 204.** In order to qualify for the tax credits in
27 section 202 of this act, the community empowerment zone assistance
28 activity must meet the following requirements:

29 (1) The activity must be located in a designated community
30 empowerment zone;

31 (2) The contribution must be made to a nonprofit organization that
32 is undertaking activities that are consistent with the area's five-year
33 community empowerment zone strategy approved under RCW 43.63A.700 (as
34 recodified by this act).

35 NEW SECTION. **Sec. 205.** (1) No tax credit under this chapter for
36 community empowerment zone assistance activities may be issued after
37 December 31, 1999.

1 (2) The department shall grant a credit against the tax due under
2 this chapter of an amount equal to thirty percent of the approved
3 amount contributed by the person for eligible community empowerment
4 zone assistance activities in designated community empowerment zones
5 during the taxable year.

6 (3) Any tax credit not used during the taxable year in which the
7 contribution was made may be carried forward for the five immediately
8 succeeding taxable years until the full credit has been used.

9 (4) The department shall keep a running total of all tax credits
10 granted under this chapter during each fiscal biennium. The department
11 shall not allow any credits that would cause the total tabulation for
12 a biennium to exceed two million dollars. If all or part of an
13 application for credit is disallowed under this subsection, the
14 disallowed portion shall be carried over for approval the next
15 biennium.

16 (5) No tax credit shall be granted to any bank, bank and trust
17 company, trust company, national bank, savings bank, savings
18 association, or savings and loan association for activities that are a
19 part of its normal course of business.

20 (6) No recipient is eligible for tax credits in excess of two
21 hundred thousand dollars during the taxable year and no tax credit
22 shall be granted to any person for any amount contributed of less than
23 two hundred fifty dollars.

24 NEW SECTION. **Sec. 206.** Applications and any other information
25 received by the department under sections 201 through 205 of this act
26 shall not be confidential and shall be subject to disclosure.

27 **B. Tax Deferrals for Investment Projects in Distressed Areas**

28 **Sec. 207.** RCW 82.60.020 and 1993 sp.s. c 25 s 403 are each amended
29 to read as follows:

30 Unless the context clearly requires otherwise, the definitions in
31 this section apply throughout this chapter.

32 (1) "Applicant" means a person applying for a tax deferral under
33 this chapter.

34 (2) "Department" means the department of revenue.

35 (3) "Eligible area" means: (a) A county in which the average level
36 of unemployment for the three years before the year in which an

1 application is filed under this chapter exceeds the average state
2 unemployment for those years by twenty percent; (b) a metropolitan
3 statistical area, as defined by the office of federal statistical
4 policy and standards, United States department of commerce, in which
5 the average level of unemployment for the calendar year immediately
6 preceding the year in which an application is filed under this chapter
7 exceeds the average state unemployment for such calendar year by twenty
8 percent; or (c) a designated (~~neighborhood reinvestment area~~)
9 community empowerment zone approved under RCW 43.63A.700 (as recodified
10 by this act).

11 (4)(a) "Eligible investment project" means that portion of an
12 investment project which:

13 (i) Is directly utilized to create at least one new full-time
14 qualified employment position for each three hundred thousand dollars
15 of investment on which a deferral is requested; and

16 (ii) Either initiates a new operation, or expands or diversifies a
17 current operation by expanding or renovating an existing building with
18 costs in excess of twenty-five percent of the true and fair value of
19 the plant complex prior to improvement; or

20 (iii) Acquires machinery and equipment to be used for either
21 manufacturing or research and development if the machinery and
22 equipment is housed in a new leased structure. The lessor/owner of the
23 structure is not eligible for a deferral unless the underlying
24 ownership of the buildings, machinery, and equipment vests exclusively
25 in the same person.

26 (b) "Eligible investment project" does not include any portion of
27 an investment project undertaken by a light and power business as
28 defined in RCW 82.16.010(5) or investment projects which have already
29 received deferrals under this chapter.

30 (5) "Investment project" means an investment in qualified buildings
31 and qualified machinery and equipment, including labor and services
32 rendered in the planning, installation, and construction of the
33 project.

34 (6) "Manufacturing" means all activities of a commercial or
35 industrial nature wherein labor or skill is applied, by hand or
36 machinery, to materials so that as a result thereof a new, different,
37 or useful substance or article of tangible personal property is
38 produced for sale or commercial or industrial use and shall include the
39 production or fabrication of specially made or custom made articles.

1 "Manufacturing" also includes computer programming, the production of
2 computer software, and other computer-related services, and the
3 activities performed by research and development laboratories and
4 commercial testing laboratories.

5 (7) "Person" has the meaning given in RCW 82.04.030.

6 (8) "Qualified buildings" means new structures used for
7 manufacturing and research and development activities, including plant
8 offices and warehouses or other facilities for the storage of raw
9 material or finished goods if such facilities are an essential or an
10 integral part of a factory, mill, plant, or laboratory used for
11 manufacturing or research and development. If a building is used
12 partly for manufacturing or research and development and partly for
13 other purposes, the applicable tax deferral shall be determined by
14 apportionment of the costs of construction under rules adopted by the
15 department.

16 (9) "Qualified employment position" means a permanent full-time
17 employee employed in the eligible investment project during the entire
18 tax year.

19 (10) "Qualified machinery and equipment" means all new industrial
20 and research fixtures, equipment, and support facilities that are an
21 integral and necessary part of a manufacturing or research and
22 development operation. "Qualified machinery and equipment" includes:
23 Computers; software; data processing equipment; laboratory equipment;
24 manufacturing components such as belts, pulleys, shafts, and moving
25 parts; molds, tools, and dies; operating structures; and all equipment
26 used to control or operate the machinery.

27 (11) "Recipient" means a person receiving a tax deferral under this
28 chapter.

29 (12) "Research and development" means the development, refinement,
30 testing, marketing, and commercialization of a product, service, or
31 process before commercial sales have begun. As used in this
32 subsection, "commercial sales" excludes sales of prototypes or sales
33 for market testing if the total gross receipts from such sales of the
34 product, service, or process do not exceed one million dollars.

35 **C. Tax Credits for Eligible Business Projects**

36 **Sec. 208.** RCW 82.62.010 and 1993 sp.s. c 25 s 410 are each amended
37 to read as follows:

1 Unless the context clearly requires otherwise, the definitions in
2 this section apply throughout this chapter.

3 (1) "Applicant" means a person applying for a tax credit under this
4 chapter.

5 (2) "Department" means the department of revenue.

6 (3) "Eligible area" means: (a) A county in which the average level
7 of unemployment for the three years before the year in which an
8 application is filed under this chapter exceeds the average state
9 unemployment for those years by twenty percent; (b) a metropolitan
10 statistical area, as defined by the office of federal statistical
11 policy and standards, United States department of commerce, in which
12 the average level of unemployment for the calendar year immediately
13 preceding the year in which an application is filed under this chapter
14 exceeds the average state unemployment for such calendar year by twenty
15 percent; (c) a designated (~~neighborhood reinvestment area~~) community
16 empowerment zone approved under RCW 43.63A.700 (as recodified by this
17 act); or (d) subcounty areas in those counties that are not covered
18 under (a) of this subsection that are timber impact areas as defined in
19 RCW 43.31.601.

20 (4)(a) "Eligible business project" means manufacturing or research
21 and development activities which are conducted by an applicant in an
22 eligible area at a specific facility, provided the applicant's average
23 full-time qualified employment positions at the specific facility will
24 be at least fifteen percent greater in the year for which the credit is
25 being sought than the applicant's average full-time qualified
26 employment positions at the same facility in the immediately preceding
27 year.

28 (b) "Eligible business project" does not include any portion of a
29 business project undertaken by a light and power business as defined in
30 RCW 82.16.010(5) or that portion of a business project creating
31 qualified full-time employment positions outside an eligible area or
32 those recipients of a sales tax deferral under chapter 82.61 RCW.

33 (5) "Manufacturing" means all activities of a commercial or
34 industrial nature wherein labor or skill is applied, by hand or
35 machinery, to materials so that as a result thereof a new, different,
36 or useful substance or article of tangible personal property is
37 produced for sale or commercial or industrial use and shall include the
38 production or fabrication of specially made or custom made articles.
39 "Manufacturing" also includes computer programming, the production of

1 computer software, and other computer-related services, and the
2 activities performed by research and development laboratories and
3 commercial testing laboratories.

4 (6) "Person" has the meaning given in RCW 82.04.030.

5 (7) "Qualified employment position" means a permanent full-time
6 employee employed in the eligible business project during the entire
7 tax year.

8 (8) "Tax year" means the calendar year in which taxes are due.

9 (9) "Recipient" means a person receiving tax credits under this
10 chapter.

11 (10) "Research and development" means the development, refinement,
12 testing, marketing, and commercialization of a product, service, or
13 process before commercial sales have begun. As used in this
14 subsection, "commercial sales" excludes sales of prototypes or sales
15 for market testing if the total gross receipts from such sales of the
16 product, service, or process do not exceed one million dollars.

17 **D. Deductions for Business Loans in Community Empowerment Zones**

18 NEW SECTION. **Sec. 209.** A new section is added to chapter 82.04
19 RCW to read as follows:

20 In computing tax there may be deducted from the measure of tax by
21 those engaged in banking, loan, security, or other financial business,
22 amounts derived from interest received on loans to bona fide businesses
23 located in a designated community empowerment zone approved under RCW
24 43.63A.700 (as recodified by this act).

25 **E. Commercial District Revitalization Technical Assistance**

26 NEW SECTION. **Sec. 210.** A new section is added to chapter 43.330
27 RCW to read as follows:

28 The department shall provide technical assistance on commercial
29 district revitalization techniques to communities or organizations
30 using the state's main street program approach to revitalize business
31 districts located in designated community empowerment zones. As used
32 in this section, "community empowerment zone" has the same meaning as
33 in section 101 of this act.

1 NEW SECTION. **Sec. 211.** The sum of one hundred thousand dollars,
2 or as much thereof as may be necessary, is appropriated for the
3 biennium ending June 30, 1995, from the general fund to the department
4 of community, trade, and economic development for the purposes of
5 section 210 of this act.

6 **PART III. ECONOMIC OPPORTUNITIES FOR AT-RISK YOUTH**

7 **A. At-Risk Youth Employment Tax Credits**

8 NEW SECTION. **Sec. 301.** Unless the context clearly requires
9 otherwise, the definitions in this section apply throughout this
10 chapter.

11 (1) "At-risk youth" means a person who is under the age of
12 eighteen, who risks the significant loss of social or economic
13 opportunities, including those who are victims of violence, abuse, and
14 neglect, and who resides within a designated community empowerment zone
15 as defined in section 101 of this act.

16 (2) "Department" means the department of revenue.

17 (3) "Person" has the meaning given in RCW 82.04.030.

18 (4) "Tax year" means the calendar year in which taxes are due.

19 (5) "Recipient" means a person receiving tax credits.

20 NEW SECTION. **Sec. 302.** (1) A person shall be allowed a credit
21 against the tax due under chapter 82.04 RCW of an amount equal to five
22 hundred dollars for each one thousand hours of employment, or a credit
23 that is prorated by the number of hours of employment, by at-risk
24 youth.

25 (2) No recipient is eligible for tax credits in excess of ten
26 thousand dollars in a tax year.

27 (3) No recipient may use tax credits to decertify a union or
28 displace existing jobs in any community in the state.

29 (4) No recipient may receive a tax credit on taxes which have not
30 been paid during the taxable year.

31 NEW SECTION. **Sec. 303.** (1) Each recipient shall submit a report
32 to the department on December 31st of each year on the number of at-
33 risk youth employed over the previous twelve months as a result of the
34 tax credits authorized by this chapter.

1 (2) The department shall report to the appropriate committee of the
2 house of representatives and senate on the accomplishments of the tax
3 credit authorized by this chapter.

4 NEW SECTION. **Sec. 304.** Chapter 82.32 RCW applies to the
5 administration of this chapter.

6 **B. Washington Youthbuild Assistance Program**

7 NEW SECTION. **Sec. 305.** (1) The legislature finds that there is a
8 need to:

9 (a) Expand the supply of permanent affordable housing for homeless
10 individuals, low and very low-income persons, and special need
11 populations by utilizing the energies and talents of economically
12 disadvantaged youth;

13 (b) Provide economically disadvantaged youth with opportunities for
14 meaningful work and service to their communities in helping to meet the
15 housing needs of homeless individuals, low and very low-income persons,
16 and special need populations;

17 (c) Enable economically disadvantaged youth to obtain the education
18 and employment skills necessary to achieve economic self-sufficiency;
19 and

20 (d) Foster the development of leadership skills and commitment to
21 community development among youth in designated community empowerment
22 zones.

23 (2) The legislature declares that the purpose of the Washington
24 youthbuild assistance program is to:

25 (a) Help disadvantaged youth who have dropped out of school to
26 obtain the education and employment skills necessary to achieve
27 economic self-sufficiency and develop leadership skills and a
28 commitment to community development in designated community empowerment
29 zones; and

30 (b) Provide supplemental funding assistance to entities
31 implementing programs that provide comprehensive education and skills
32 training programs designed to lead to self-sufficiency for economically
33 disadvantaged youth.

1 NEW SECTION. **Sec. 306.** Unless the context clearly requires
2 otherwise, the definitions in this section apply throughout this
3 chapter.

4 (1) "Applicant" means a public or private nonprofit organization
5 agency eligible to provide education and employment training under
6 federal employment training programs.

7 (2) "Commissioner" means the commissioner of employment security.

8 (3) "Department" means the employment security department.

9 (4) "Low income" means a person or household whose income is at or
10 below eighty percent of the median family income, adjusted for
11 household size, for the county where the household is located.

12 (5) "Participant" means an individual that:

13 (a) Is sixteen to twenty-four years of age, inclusive;

14 (b) Is or is a member of a very low-income household; and

15 (c) Is neither attending any school nor subject to a compulsory
16 attendance law and who has not received a secondary school diploma or
17 a certificate of equivalency for such diploma.

18 (6) "Very low income" means a person or household whose income is
19 at or below fifty percent of the median family income, adjusted for
20 household size, for the county where the household is located.

21 (7) "Youthbuild" means any program that provides disadvantaged
22 youth with opportunities for employment, education, leadership
23 development, and training in the construction or rehabilitation of
24 housing for special need populations or very low-income households and
25 low-income households.

26 NEW SECTION. **Sec. 307.** The Washington youthbuild assistance
27 program is established within the employment security department. The
28 commissioner of the employment security department shall:

29 (1) Make supplemental grants, up to three hundred thousand dollars,
30 to applicants eligible to provide education and employment training
31 under federal or state employment training programs, for the purpose of
32 carrying out a wide range of multidisciplinary activities and services
33 to assist economically disadvantaged youth under the federal
34 opportunities for youth: youthbuild program (106 Stat. 3723; 42 U.S.C.
35 Sec. 8011), or locally developed youthbuild-type programs for
36 economically disadvantaged youth; and

37 (2) Coordinate youth employment and training efforts under the
38 employment security department's jurisdiction and cooperate with other

1 agencies and departments providing youth services to ensure that funds
2 appropriated for the purposes of this chapter will be used to
3 supplement funding from federal, state, local, or private sources.

4 NEW SECTION. **Sec. 308.** (1) Supplemental grants made under this
5 chapter shall be used to fund an applicant's activities to implement a
6 comprehensive education and employment skills training program.

7 (2) Activities eligible for assistance under this chapter include:

8 (a) Education and job skills training services and activities
9 designed to meet the needs of the participants;

10 (b) Counseling services and related activities;

11 (c) Support services and need-based stipends necessary to enable
12 the participant to participate in the program and to assist
13 participants through support services in retaining employment;

14 (d) Activities designed to develop employment and leadership
15 skills; and

16 (e) Wage stipends and benefits provided to participants.

17 NEW SECTION. **Sec. 309.** (1) An individual selected as a
18 participant in the youthbuild program under this chapter may be offered
19 full-time participation for a period of not less than six months and
20 not more than twenty-four months.

21 (2) An applicant's program that is selected for funding under this
22 chapter shall be structured so that fifty percent of the time spent by
23 the participants in the youthbuild program is devoted to educational
24 services and activities, such as those outlined in section 308 of this
25 act.

26 NEW SECTION. **Sec. 310.** (1) An application for a supplemental
27 grant under this chapter shall be submitted by the applicant in such
28 form and in accordance with the requirements as determined by the
29 commissioner of the employment security department.

30 (2) The application for a supplemental grant under this chapter
31 shall contain at a minimum:

32 (a) The amount of the supplemental grant request and its proposed
33 use;

34 (b) A description of the applicant and a statement of its
35 qualifications, including past experience with housing rehabilitation

1 or construction with youth and youth education and employment training
2 programs;

3 (c) A description of the educational and job training activities,
4 work opportunities, and other services that will be provided to
5 participants;

6 (d) A description of the manner in which eligible participants will
7 be recruited and selected;

8 (e) A description of the special outreach efforts that will be
9 undertaken to recruit eligible young women, including young women with
10 dependent children;

11 (f) A description of how the proposed program will be coordinated
12 with other federal, state, local, and private resources and programs;

13 (g) A description of activities that will be undertaken to develop
14 the leadership skills of the participants; and

15 (h) Other factors the commissioner of the employment security
16 department deems necessary.

17 NEW SECTION. **Sec. 311.** A new section is added to chapter 50.67
18 RCW to read as follows:

19 (1) In addition to its duties under this chapter, the Washington
20 state job training coordinating council shall advise the employment
21 security department on the development and implementation of the
22 Washington youthbuild assistance program created under sections 305
23 through 310 of this act.

24 (2) The Washington state job training coordinating council shall
25 submit to the commissioner of the employment security department and
26 the legislature, by each December 1st, beginning December 1, 1994, a
27 report detailing the progress, findings, and recommendations concerning
28 the Washington youthbuild assistance program created under sections 305
29 through 310 of this act.

30 NEW SECTION. **Sec. 312.** The sum of five million dollars, or as
31 much thereof as may be necessary, is appropriated for the biennium
32 ending June 30, 1995, from the general fund to the employment security
33 department for the purposes of sections 305 through 310 of this act.

34 **PART IV. CRIME PREVENTION AND REDUCTION**

1 NEW SECTION. **Sec. 401.** The legislature finds that crime is one of
2 the most compelling, symbolic, and practical issues that reinforce the
3 image of decline in a neighborhood. Pervasive and violent crime, drug
4 trafficking, and gang activities make these neighborhoods difficult
5 places in which to live and dangerous and expensive places in which to
6 do business. The legislature further finds that the perception that an
7 area is unsafe discourages business involvement or reinvestment by
8 individuals or financial institutions. The legislature declares that
9 all citizens of the state of Washington will benefit from a
10 comprehensive strategy to provide local communities the tools to
11 develop community-based responses to crime prevention.

12 **A. Youth Gangs**

13 NEW SECTION. **Sec. 402.** A new section is added to chapter 43.310
14 RCW to read as follows:

15 (1) For the period beginning July 1, 1994, through June 30, 1995,
16 the department of community, trade, and economic development shall
17 award grants to either school districts or community organizations for
18 the development, administration, and implementation of community-based
19 gang risk prevention and intervention pilot programs in designated
20 community empowerment zones.

21 (2) The provisions of this chapter shall apply to grants awarded
22 under this section.

23 (3) For the purpose of this section, "community empowerment zone"
24 has the same meaning as in section 101 of this act.

25 (4) This section shall expire June 30, 1995.

26 NEW SECTION. **Sec. 403.** The sum of two hundred thousand dollars,
27 or as much thereof as may be necessary, is appropriated for the
28 biennium ending June 30, 1995, from the general fund to the department
29 of community, trade, and economic development for the purposes of
30 section 402 of this act.

31 **B. Violence Prevention and Intervention**

32 **Sec. 404.** RCW 43.270.010 and 1989 c 271 s 315 are each amended to
33 read as follows:

1 The legislature recognizes that state-wide efforts aimed at
2 reducing the incidence of substance abuse and violence must be
3 increased. The legislature further recognizes that the most effective
4 strategy for reducing the impact of alcohol ~~((and))~~, other drug abuse,
5 and violence is through the collaborative efforts of educators, law
6 enforcement, local government officials, local treatment providers, and
7 concerned community and citizens' groups.

8 The legislature intends to support the development and activities
9 of community mobilization strategies against substance abuse or
10 violence through the following efforts:

11 (1) Provide funding support for prevention, treatment, and
12 enforcement activities identified by communities that have brought
13 together education, treatment, local government, law enforcement, and
14 other key elements of the community;

15 (2) Provide technical assistance and support to help communities
16 develop and carry out effective activities; and

17 (3) Provide communities with opportunities to share suggestions for
18 state program operations and budget priorities.

19 **Sec. 405.** RCW 43.270.020 and 1989 c 271 s 316 are each amended to
20 read as follows:

21 There is established in the ~~((office of the governor))~~ department
22 of community, trade, and economic development a grant program to
23 provide incentive for and support for communities to develop targeted
24 and coordinated strategies to reduce the incidence and impact of either
25 substance abuse or violence.

26 Activities which may be funded through this grant program include
27 those which:

28 (1) Prevent either substance abuse or violent behavior through
29 educational and self-esteem efforts, development of positive
30 alternatives, intervention with high-risk groups, and other prevention
31 strategies;

32 (2) Support effective treatment by increasing access to and
33 availability of treatment opportunities, particularly for underserved
34 or highly impacted populations, developing aftercare and support
35 mechanisms, and other strategies to increase the availability and
36 effectiveness of treatment;

1 (3) Provide meaningful consequences for participation in illegal
2 activity and promote safe and healthy communities through support of
3 law enforcement strategies;

4 (4) Create or build on efforts by existing community programs,
5 coordinate their efforts, and develop cooperative efforts or other
6 initiatives to make most effective use of resources to carry out the
7 community's strategy against either substance abuse or violence; and

8 (5) Other activities which demonstrate both feasibility and a
9 rationale for how the activity will achieve measurable results in the
10 strategy against either substance abuse or violence.

11 **Sec. 406.** RCW 43.270.030 and 1989 c 271 s 317 are each amended to
12 read as follows:

13 Applications for funding under this chapter must:

14 (1) Demonstrate that the community has developed and is committed
15 to carrying out a coordinated strategy of prevention, treatment, and
16 law enforcement activities; and

17 (2)(a) For applications for substance abuse prevention or
18 intervention activities, contain evidence of active participation of
19 the community and specific commitments to implementing the community-
20 wide agenda by leadership from at least education, law enforcement,
21 local government, tribal government, and treatment entities in the
22 community, and the opportunity for meaningful involvement from others
23 such as neighborhood and citizen groups, businesses, human service,
24 health and job training organizations, and other key elements of the
25 community, particularly those whose responsibilities in law
26 enforcement, treatment, prevention, or other community efforts provide
27 direct, ongoing contact with substance abusers; or

28 (b) For applications for violence prevention or intervention
29 activities, contain evidence of active participation of the community
30 and specific commitments to implement the community-wide agenda by
31 leadership from at least education, law enforcement, local government,
32 and tribal government, and the opportunity for meaningful involvement
33 from others such as neighborhood and citizen groups, businesses, human
34 service, health and job training organizations, and other key elements
35 of the community, particularly those that are involved in violence
36 prevention or intervention activities.

1 **Sec. 407.** RCW 43.270.040 and 1989 c 271 s 318 are each amended to
2 read as follows:

3 This grant program will be available to communities of any
4 geographic size but will encourage and reward communities which develop
5 coordinated or complimentary strategies within geographic areas such as
6 county areas or groups of county areas which correspond to units of
7 government with significant responsibilities in the area of substance
8 abuse or violence prevention, existing coalitions, or other entities
9 important to the success of a community's strategy against either
10 substance abuse or violence.

11 **Sec. 408.** RCW 43.270.050 and 1989 c 271 s 319 are each amended to
12 read as follows:

13 At a minimum, grant applications must include the following:

14 (1) Definition of geographic area;

15 (2) A description of the extent and impact of substance abuse or
16 violence in the community, including an explanation of those who are
17 most severely impacted and those most at risk of substance abuse or
18 violence;

19 (3) An explanation of the community-wide strategy for prevention,
20 treatment, and law enforcement activities related to substance abuse or
21 violence with particular attention to those who are most severely
22 impacted and those most at risk of substance abuse or violence;

23 (4) Explanation of who was involved in development of the strategy
24 and what specific commitments have been made to carrying it out;

25 (5) Identification of existing prevention, treatment, and law
26 enforcement resources committed by the community, including financial
27 and other support, and an explanation of how the community's strategy
28 involves and builds on the efforts of existing organizations or
29 coalitions that have been carrying out community efforts against
30 substance abuse or violence;

31 (6) Identification of activities that address specific objectives
32 in the strategy for which additional resources are needed;

33 (7) Identification of additional local resources, including public
34 or private funds, donated goods or services, and other measurable
35 commitments, that have been committed to the activities identified in
36 subsection (6) of this section;

1 (8) Identification of activities which address specific
2 objectivities in the strategy for which funding is requested.
3 Activities should be presented in priority order;

4 (9) Each activity for which funding is requested must be explained
5 in sufficient detail to demonstrate:

6 (a) Feasibility through deliberative design, specific
7 objectivities, and realistic plan for implementation;

8 (b) A rationale for how this activity will achieve measurable
9 results and how it will be evaluated;

10 (c) That funds requested are necessary and appropriate to
11 effectively carry out the activity; and

12 (10) Identification of a fiscal agent meeting state requirements
13 for each activity proposed for funding.

14 **Sec. 409.** RCW 43.270.060 and 1989 c 271 s 320 are each amended to
15 read as follows:

16 The (~~governor~~) director of community, trade, and economic
17 development shall make awards, subject to funds appropriated by the
18 legislature, under the following terms:

19 (1) In order to be eligible for consideration, applications must
20 demonstrate, at a minimum:

21 (a) That proposals submitted for funding are based on and address
22 specific objectives contained in a coordinated strategy of prevention,
23 treatment, and law enforcement against substance abuse or violence;

24 (b)(i) For applications for substance abuse prevention or
25 intervention activities, evidence of active participation in
26 preparation of the proposal and specific commitments to implementing
27 the community-wide agenda by leadership from at least education, law
28 enforcement, local government, tribal government, and treatment
29 entities in the community, and the opportunity for meaningful
30 involvement from others such as neighborhood and citizen groups,
31 businesses, human service, health and job training organizations, and
32 other key elements of the community, particularly those whose
33 responsibilities in law enforcement, treatment, prevention, or other
34 community efforts provide direct, ongoing contact with substance
35 abusers, or those at risk for substance abuse; or

36 (ii) For applications for violence prevention or intervention
37 activities, evidence of active participation of the community and
38 specific commitments to implement the community-wide agenda by

1 leadership from at least education, law enforcement, local government,
2 and tribal organizations, and the opportunity for meaningful
3 involvement from others such as neighborhood and citizen groups,
4 businesses, human service, health and job training organizations, and
5 other key elements of the community, particularly those that are
6 involved in violence prevention or intervention activities;

7 (c) That they have met the requirements listed in RCW 43.270.050;

8 (d) Evidence of additional local resources committed to its
9 strategy totaling at least twenty-five percent of funds awarded under
10 this section. These resources may consist of public or private funds,
11 donated goods or services, and other measurable commitments, including
12 in-kind contributions such as volunteer services, materials, supplies,
13 physical facilities or a combination thereof; and

14 (e) That the funds applied for, if received, will not be used to
15 replace funding for existing activities.

16 (2) In order to encourage and reward communities which develop
17 coordinated or complementary strategies within geographic areas which
18 correspond to units of government with significant responsibilities in
19 the area of substance abuse or violence prevention, up to fifty percent
20 of funds appropriated for the purposes of this chapter may be awarded
21 on a per capita basis to eligible applications reflecting coordinated
22 strategy from a county area or group of county areas. The ~~((governor))~~
23 director of community, trade, and economic development may establish
24 minimum allotments per eligible county areas up to fifteen thousand
25 dollars; and

26 (3) No less than fifty percent of funds appropriated under this
27 chapter shall be awarded on a competitive basis for activities by
28 communities not participating in a county-wide strategy and activities
29 identified by county-wide strategies but not funded through per capita
30 grants. Eligible applications will be assessed and compared by a peer
31 review committee whose members have experience in prevention,
32 treatment, law enforcement, and other community efforts against
33 substance abuse or violence using the following criteria:

34 (a) The extent and impact of substance abuse or violence;

35 (b) The extent to which key elements of the community are involved
36 in and committed to the coordinated strategy;

37 (c) The extent of commitments of local resources to the coordinated
38 strategy;

1 (d) The extent to which any activities in a community's strategy
2 offer an innovative approach to a chronic, wide-spread problem.

3 The peer review committee will advise the ((governor)) director of
4 community, trade, and economic development on the extent to which each
5 eligible applicant has met these criteria. The ((governor)) director
6 of community, trade, and economic development will distribute available
7 funds based on this information.

8 (4) (~~The governor shall distribute fifty percent of the initial~~
9 ~~appropriation for the purposes of this chapter no later than October 1,~~
10 ~~1989, and the remainder no later than July 1, 1990.~~

11 (5)) Activities funded under this section may be considered for
12 funding in future years, but will be considered under the same terms
13 and criteria of new activities. Funding under this section shall not
14 constitute an obligation by the state of Washington to provide ongoing
15 funding.

16 **Sec. 410.** RCW 43.270.070 and 1989 c 271 s 321 are each amended to
17 read as follows:

18 The ((governor)) director of community, trade, and economic
19 development shall ask communities for suggestions on state practices,
20 policies, and priorities that would help communities implement their
21 strategies against substance abuse or violence. The ((governor))
22 director of community, trade, and economic development or appropriate
23 agency officials shall review and respond to those suggestions making
24 necessary changes where feasible, making recommendations to the
25 legislature where appropriate, and providing an explanation as to why
26 suggested changes cannot be accomplished, if the suggestions cannot be
27 acted upon.

28 NEW SECTION. **Sec. 411.** The sum of one million five hundred
29 thousand dollars, or as much thereof as may be necessary, is
30 appropriated for the biennium ending June 30, 1995, from the general
31 fund to the department of community, trade, and economic development
32 for the purposes of sections 404 through 410 of this act.

33 C. Community Policing Assistance

34 NEW SECTION. **Sec. 412.** The department of community, trade, and
35 economic development shall administer a grant program which makes

1 matching grants to local governments under section 413 of this act to
2 develop effective crime-fighting partnerships between law enforcement
3 and the community using a problem-oriented approach.

4 NEW SECTION. **Sec. 413.** (1) Eligibility for matching grants under
5 this section shall be limited to:

6 (a) Local governments that have developed an overall plan or
7 strategy to address crime and related problems through community
8 policing in designated community empowerment zones; and

9 (b) Community policing activities to address crime problems,
10 including but not limited to multidisciplinary crime prevention teams,
11 public education programs, neighborhood resource centers, and foot
12 patrols.

13 (2) A grant of up to twenty percent of salaries and fringe benefits
14 of additional newly sworn law enforcement officers, excluding overtime,
15 for a three-year period may be made under this section to local
16 governments.

17 (3) The department of community, trade, and economic development
18 may enact rules to carry out this section.

19 (4) As used in this section, "community empowerment zone" has the
20 same meaning as in section 101 of this act.

21 NEW SECTION. **Sec. 414.** The sum of five hundred thousand dollars,
22 or as much thereof as may be necessary, is appropriated for the
23 biennium ending June 30, 1995, from the general fund to the department
24 of community, trade, and economic development for the purposes of
25 sections 412 and 413 of this act.

26 **D. Homeownership Assistance for Law Enforcement Officers**

27 NEW SECTION. **Sec. 415.** A new section is added to chapter 43.185A
28 RCW to read as follows:

29 (1) Notwithstanding the provisions of this chapter, for the period
30 beginning July 1, 1994, through June 30, 1995, the department shall
31 give preference to applications for projects that provide down payment
32 or closing costs assistance to law enforcement officers who: (a)
33 Purchase and occupy single-family residences, including condominiums,
34 located in designated community empowerment zones; (b) are first-time
35 home buyers; and (c) are considered low-income households. As used in

1 this section, "community empowerment zone" has the same meaning as in
2 section 101 of this act.

3 (2) The provisions of this chapter shall apply to grants awarded
4 under this section.

5 (3) This section shall expire June 30, 1995.

6 NEW SECTION. **Sec. 416.** The sum of one hundred thousand dollars,
7 or as much thereof as may be necessary, is appropriated for the
8 biennium ending June 30, 1995, from the general fund to the department
9 of community, trade, and economic development for the purpose of
10 section 415 of this act.

11 **PART V. TECHNICAL PROVISIONS**

12 NEW SECTION. **Sec. 501.** (1) For the purposes of sections 101, 402,
13 403, 405, 409 through 414, and 416 of this act, "department" and
14 "department of community, trade, and economic development" mean the
15 department of community development and "director" and "director of
16 community, trade, and economic development" mean the director of
17 community development.

18 (2) This section shall expire July 1, 1994.

19 NEW SECTION. **Sec. 502.** (1) Sections 1 and 101 of this act shall
20 constitute a new chapter in Title 43 RCW.

21 (2) Sections 201 through 206 of this act shall constitute a new
22 chapter in Title 82 RCW.

23 (3) Sections 301 through 304 of this act shall constitute a new
24 chapter in Title 82 RCW.

25 (4) Sections 305 through 310 of this act shall constitute a new
26 chapter in Title 50 RCW.

27 (5) Sections 412 and 413 of this act shall constitute a new chapter
28 in Title 43 RCW.

29 NEW SECTION. **Sec. 503.** RCW 43.63A.700 and 43.63A.710 as amended
30 by this act are each recodified as sections in the new chapter created
31 by section 502(1) of this act.

32 NEW SECTION. **Sec. 504.** If any provision of this act or its
33 application to any person or circumstance is held invalid, the

1 remainder of the act or the application of the provision to other
2 persons or circumstances is not affected.

3 NEW SECTION. **Sec. 505.** Part and subpart headings as used in this
4 act do not constitute any part of the law.

5 NEW SECTION. **Sec. 506.** Sections 301 through 304 of this act shall
6 take effect July 1, 1994.

7 NEW SECTION. **Sec. 507.** Sections 1, 101 through 103, 401 through
8 416, and 501 of this act are necessary for the immediate preservation
9 of the public peace, health, or safety, or support of the state
10 government and its existing public institutions, and shall take effect
11 immediately.

12 NEW SECTION. **Sec. 508.** (1) Sections 1 and 101 through 103 of this
13 act may be known and cited as the community empowerment act.

14 (2) Sections 305 through 310 of this act may be known and cited as
15 the youthbuild violence prevention act.

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