

CERTIFICATION OF ENROLLMENT

**HOUSE BILL 1192**

56th Legislature  
1999 Regular Session

Passed by the House February 24, 1999  
Yeas 95 Nays 2

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**Speaker of the House of Representatives**

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**Speaker of the House of Representatives**

Passed by the Senate April 24, 1999  
Yeas 47 Nays 0

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**President of the Senate**

Approved

\_\_\_\_\_  
Governor of the State of Washington

CERTIFICATE

We, Dean R. Foster and Timothy A. Martin, Co-Chief Clerks of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1192** as passed by the House of Representatives and the Senate on the dates hereon set forth.

\_\_\_\_\_  
**Chief Clerk**

\_\_\_\_\_  
**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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HOUSE BILL 1192

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Passed Legislature - 1999 Regular Session

State of Washington                      56th Legislature                      1999 Regular Session

By Representatives Morris, Dunn, Miloscia, Voloria, Eickmeyer, DeBolt, Quall, Linville, Wolfe, Barlean, Kenney and Santos

Read first time 01/18/1999.      Referred to Committee on Economic Development, Housing & Trade.

1            AN ACT Relating to the Washington economic development finance  
2 authority; reenacting and amending RCW 43.163.010; and declaring an  
3 emergency.

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

5            **Sec. 1.** RCW 43.163.010 and 1994 c 238 s 1 and 1994 c 92 s 498 are  
6 each reenacted and amended to read as follows:

7            As used in this chapter, the following words and terms have the  
8 following meanings, unless the context requires otherwise:

9            (1) "Authority" means the Washington economic development finance  
10 authority created under RCW 43.163.020 or any board, body, commission,  
11 department or officer succeeding to the principal functions of the  
12 authority or to whom the powers conferred upon the authority shall be  
13 given by law;

14            (2) "Bonds" means any bonds, notes, debentures, interim  
15 certificates, conditional sales or lease financing agreements, lines of  
16 credit, forward purchase agreements, investment agreements, and other  
17 banking or financial arrangements, guaranties, or other obligations  
18 issued by or entered into by the authority. Such bonds may be issued  
19 on either a tax-exempt or taxable basis;

1 (3) "Borrower" means one or more public or private persons or  
2 entities acting as lessee, purchaser, mortgagor, or borrower who has  
3 obtained or is seeking to obtain financing either from the authority or  
4 from an eligible banking organization that has obtained or is seeking  
5 to obtain funds from the authority to finance a project. A borrower  
6 may include a party who transfers the right of use and occupancy to  
7 another party by lease, sublease or otherwise, or a party who is  
8 seeking or has obtained a financial guaranty from the authority;

9 (4) "Eligible banking organization" means any organization subject  
10 to regulation by the director of the department of financial  
11 institutions, any national bank, federal savings and loan association,  
12 and federal credit union located within this state;

13 (5) "Eligible export transaction" means any preexport or export  
14 activity by a person or entity located in the state of Washington  
15 involving a sale for export and product sale which, in the judgment of  
16 the authority: (a) Will create or maintain employment in the state of  
17 Washington, (b) will obtain a material percent of its value from  
18 manufactured goods or services made, processed or occurring in  
19 Washington, and (c) could not otherwise obtain financing on reasonable  
20 terms from an eligible banking organization;

21 (6) "Eligible farmer" means any person who is a resident of the  
22 state of Washington and whose specific acreage qualifying for receipts  
23 from the federal department of agriculture under its conservation  
24 reserve program is within the state of Washington;

25 (7) "Eligible person" means an individual, partnership,  
26 corporation, or joint venture carrying on business, or proposing to  
27 carry on business within the state and is seeking financial assistance  
28 under RCW 43.163.210;

29 (8) "Financial assistance" means the infusion of capital to persons  
30 for use in the development and exploitation of specific inventions and  
31 products;

32 (9) "Financing document" means an instrument executed by the  
33 authority and one or more persons or entities pertaining to the  
34 issuance of or security for bonds, or the application of the proceeds  
35 of bonds or other funds of, or payable to, the authority. A financing  
36 document may include, but need not be limited to, a lease, installment  
37 sale agreement, conditional sale agreement, mortgage, loan agreement,  
38 trust agreement or indenture, security agreement, letter or line of  
39 credit, reimbursement agreement, insurance policy, guaranty agreement,

1 or currency or interest rate swap agreement. A financing document also  
2 may be an agreement between the authority and an eligible banking  
3 organization which has agreed to make a loan to a borrower;

4 (10) "Plan" means the general plan of economic development finance  
5 objectives developed and adopted by the authority, and updated from  
6 time to time, as required under RCW 43.163.090;

7 (11) "Economic development activities" means activities related to:  
8 Manufacturing, processing, research, production, assembly, tooling,  
9 warehousing, airports, docks and wharves, mass commuting facilities,  
10 high-speed intercity rail facilities, public broadcasting, pollution  
11 control, solid waste disposal, federally qualified hazardous waste  
12 facilities, energy generating, conservation, or transmission  
13 facilities, and sports facilities and industrial parks and activities  
14 conducted within a federally designated enterprise or empowerment zone  
15 or geographic area of similar nature;

16 (12) "Project costs" means costs of:

17 (a) Acquisition, lease, construction, reconstruction, remodeling,  
18 refurbishing, rehabilitation, extension, and enlargement of land,  
19 rights to land, buildings, structures, docks, wharves, fixtures,  
20 machinery, equipment, excavations, paving, landscaping, utilities,  
21 approaches, roadways and parking, handling and storage areas, and  
22 similar ancillary facilities, and any other real or personal property  
23 included in an economic development activity;

24 (b) Architectural, engineering, consulting, accounting, and legal  
25 costs related directly to the development, financing, acquisition,  
26 lease, construction, reconstruction, remodeling, refurbishing,  
27 rehabilitation, extension, and enlargement of an activity included  
28 under subsection (11) of this section, including costs of studies  
29 assessing the feasibility of an economic development activity;

30 (c) Finance costs, including the costs of credit enhancement and  
31 discounts, if any, the costs of issuing revenue bonds, and costs  
32 incurred in carrying out any financing document;

33 (d) Start-up costs, working capital, capitalized research and  
34 development costs, capitalized interest during construction and during  
35 the eighteen months after estimated completion of construction, and  
36 capitalized debt service or repair and replacement or other appropriate  
37 reserves;

38 (e) The refunding of any outstanding obligations incurred for any  
39 of the costs outlined in this subsection; and

1 (f) Other costs incidental to any of the costs listed in this  
2 section;

3 (13) "Product" means a product, device, technique, or process that  
4 is or may be exploitable commercially. "Product" does not refer to  
5 pure research, but shall be construed to apply to products, devices,  
6 techniques, or processes that have advanced beyond the theoretic stage  
7 and are readily capable of being, or have been, reduced to practice;

8 (14) "Financing agreements" means, and includes without limitation,  
9 a contractual arrangement with an eligible person whereby the authority  
10 obtains rights from or in an invention or product or proceeds from an  
11 invention or product in exchange for the granting of financial and  
12 other assistance to the person.

13 NEW SECTION. **Sec. 2.** This act is necessary for the immediate  
14 preservation of the public peace, health, or safety, or support of the  
15 state government and its existing public institutions, and takes effect  
16 immediately.

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