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SENATE BILL 6532

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State of Washington 57th Legislature

2002 Regular Session

By Senators Prentice, Fairley, Franklin, Keiser, Gardner, Kohl-Welles, Fraser, Kline, Poulsen and Thibaudeau

Read first time 01/21/2002. Referred to Committee on State & Local Government.

1 AN ACT Relating to subsidy disclosure; adding new sections to  
2 chapter 42.17 RCW; and creating a new section.

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

4 NEW SECTION. **Sec. 1.** The definitions in this section apply  
5 throughout sections 1 through 4 of this act unless the context clearly  
6 requires otherwise.

7 (1) "Benefit date" means the date that the recipient receives the  
8 business subsidy. If the business subsidy involves the purchase,  
9 lease, or donation of physical equipment, then the benefit date begins  
10 when the recipient puts the equipment into service. If the business  
11 subsidy is for improvements to property, then the benefit date refers  
12 to the earliest date of either:

13 (a) When the improvements are finished for the entire project; or  
14 (b) When a business occupies the property. If a business occupies  
15 the property and the subsidy grantor expects that other businesses will  
16 also occupy the same property, the grantor may assign a separate  
17 benefit date for each business when it first occupies the property.

18 (2) "Business subsidy" or "subsidy" means a state or local  
19 government agency grant, contribution of personal property, real

1 property, infrastructure, the principal amount of a loan at rates below  
2 those commercially available to the recipient, any reduction or  
3 deferral of taxes or any fee, and guarantee of any payment under any  
4 loan, lease, or other obligation, or any preferential use of government  
5 facilities given to a business for the purpose of job creation or  
6 retention.

7 The following forms of financial assistance are not business  
8 subsidies:

9 (a) A grant of less than twenty-five thousand dollars;

10 (b) Tax reductions resulting from conformity with federal tax law;  
11 and

12 (c) Employer contributions made under Title 50 RCW.

13 (3) "Government agency" means a state or local government agency.

14 (4) "Grantor" means a state or local government agency with the  
15 authority to grant a business subsidy.

16 (5) "Local government agency" means a city, code city, town,  
17 county, special purpose district, port district, nonprofit entity  
18 created by a local government agency, or other entity created by or  
19 authorized by a local government with authority to provide business  
20 subsidies.

21 (6) "Recipient" means a for-profit business entity that receives a  
22 business subsidy.

23 (7) "State government agency" means a state agency that has the  
24 authority to award business subsidies.

25 (8) "Wage bands" means the following five grouping of wage rates:

26 (a) Up to state minimum wage plus two dollars per hour; (b) between  
27 state minimum wage plus two dollars and one cent to state minimum wage  
28 plus four dollars per hour; (c) between state minimum wage plus four  
29 dollars and one cent to state minimum wage plus six dollars per hour;  
30 (d) between state minimum wage plus six dollars and one cent to state  
31 minimum wage plus eight dollars per hour; (e) between state minimum  
32 wage plus eight dollars and one cent to state minimum wage plus ten  
33 dollars; and (f) greater than state minimum wage plus ten dollars per  
34 hour.

35 NEW SECTION. **Sec. 2.** (1) A recipient must provide information to  
36 grantors. The department of revenue shall develop the business subsidy  
37 disclosure statement and provide the forms to the recipients. The  
38 recipient must provide to the government agency that provided the

1 business subsidy and the department of revenue a subsidy disclosure  
2 statement in the following format and that contains the following  
3 information:

4 **WASHINGTON BUSINESS ASSISTANCE DISCLOSURE STATEMENT**

5 (Please return by August 1st)

6 Please type or print in dark ink.

- 7 1. Funding government agency name
- 8 2. Contact name
- 9 3. Agency street address or post office box
- 10 4. City and county
- 11 5. Zip code
- 12 6. Phone number (area code)
- 13 7. Fax number (area code)
- 14 8. Type of government agency  
15 . . . City . . . County . . . State  
16 . . . Other (please indicate) . . . . .
- 17 9. Name of business receiving business assistance
- 18 10. Industry of recipient (SIC code or NAIC code, please indicate code  
19 used)
- 20 11. Type of public assistance (e.g., loan, grant, tax credit or  
21 deferral, infrastructure, etc.)
- 22 12. Date business assistance agreement was signed
- 23 13. Date business assistance was provided
- 24 14. Date project (building, machinery, etc.) was placed in service
- 25 15. Dollar value of business assistance
- 26 16. Job creation/retention goals for business receiving assistance  
27 (please specify)
- 28 17. Average hourly wage goals for business receiving assistance (per  
29 hour)
- 30 18. Actual jobs created/retained since business received assistance  
31 (please specify)
- 32 19. Actual average hourly wage paid to employees hired since receiving  
33 assistance
- 34 20. Goals of business assistance received: (Please indicate number of  
35 employees by category of job, e.g., full-time, part-time, or  
36 contingent/temporary job, number of employees per wage band, and  
37 indicate the corresponding benefit level.)

- 1 21. Actual performance since project placed in service: (Please  
2 indicate number of employees by category of job, e.g., full-time,  
3 part-time, or contingent/temporary job, number of employees per  
4 wage band, and indicate the corresponding benefit level.)  
5 22. Last date actual wage and job creation/retention levels documented  
6 23. Have all wage and job goals been achieved?  
7 [ ] Yes - do not submit future forms for this project  
8 [ ] No - please submit another form next year  
9 24. Signature and phone number of person filling out the form  
10 25. Date this disclosure form completed

11 (2) The department of revenue, to the extent feasible, shall design  
12 the disclosure statement required under subsection (1) of this section  
13 so that it does not exceed two letter-sized pages in length.

14 (3) The report under subsection (1) of this section must be filed  
15 by August 1st of each year for the previous fiscal year.

16 (4) If the recipient does not submit its report by November 1st, it  
17 is ineligible for subsidies until the report has been satisfactorily  
18 completed and submitted.

19 NEW SECTION. **Sec. 3.** (1) Local government agencies and state  
20 government agencies that have awarded business subsidies must file a  
21 report by September 1st of each year with the department of revenue.  
22 The local government agency must include a list of recipients that did  
23 not complete the report required under section 2 of this act,  
24 recipients that have not met their job and wage goals within two years,  
25 and the steps being taken to bring them into compliance.

26 (2) If the department of revenue has not received the report under  
27 subsection (1) of this section by September 1st from a government  
28 agency required to report, the department of revenue shall issue a  
29 warning to the government agency.

30 (3) The department of revenue must provide information on reporting  
31 requirements to state and local government agencies.

32 NEW SECTION. **Sec. 4.** (1) The department of revenue must publish  
33 a compilation and summary of the results of the reports for the  
34 previous calendar year by December 1st of each year. The reports of  
35 the recipients and government agencies to the department of revenue and  
36 the compilation and summary report of the department of revenue must be  
37 made available to the public.

1           (2) The department of revenue must coordinate the production of  
2 reports so that useful comparisons across time periods and across  
3 grantors can be made. The department of revenue may add other  
4 information to the report as the department of revenue deems necessary  
5 to evaluate business subsidies. Among the information in the summary  
6 and compilation report, the department of revenue must include:

7           (a) Total amount of subsidies awarded in each city, code city,  
8 town, and county of the state;

9           (b) Distribution of business subsidy amounts by size of the  
10 business subsidy;

11           (c) Distribution of business subsidy amounts by time category, such  
12 as monthly or quarterly;

13           (d) Distribution of subsidies by type and by public purpose;

14           (e) Number of part-time, full-time, and contingency or temporary  
15 jobs within separate bands of wages; and

16           (f) Benefits paid within separate bands of wages.

17           (3) The department of revenue shall forward the compilation and  
18 summary report to the house of representatives committee on trade and  
19 economic development and the senate committee on economic development  
20 and telecommunications by December 31st of each year.

21           NEW SECTION.   **Sec. 5.** Sections 1 through 4 of this act are each  
22 added to chapter 42.17 RCW.

23           NEW SECTION.   **Sec. 6.** This act applies to all business subsidies  
24 entered into or state appropriations authorized after July 1, 2002.

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