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SECOND SUBSTITUTE SENATE BILL 5370

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State of Washington

59th Legislature

2005 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Brown, Benson, Shin, Sheldon, Eide, Kohl-Welles and McAuliffe)

READ FIRST TIME 03/08/05.

1 AN ACT Relating to the economic development strategic reserve  
2 account; adding a new section to chapter 43.330 RCW; and creating a new  
3 section.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.330 RCW  
6 to read as follows:

7 (1) The economic development strategic reserve account is created  
8 in the state treasury to be used only for the purposes of this section.

9 (2) Only the governor, in consultation with the director of the  
10 department of community, trade, and economic development and the  
11 economic development commission, may authorize expenditures from the  
12 account, subject to appropriation by the legislature.

13 (3) Expenditures from the account shall be made in an amount  
14 sufficient to fund a minimum of one full-time equivalent staff position  
15 for the economic development commission and to cover any other  
16 operational costs of the commission.

17 (4) Expenditures from the account may be made to prevent closure of  
18 a business or facility, to prevent relocation of a business or facility

1 in the state to a location outside the state, or to recruit a business  
2 or facility to the state. Expenditures may be authorized for:

3 (a) Work force development;

4 (b) Public infrastructure needed to support or sustain the  
5 operations of the business or facility; and

6 (c) Other lawfully provided assistance, including, but not limited  
7 to, technical assistance, environmental analysis, relocation  
8 assistance, and planning assistance. Funding may be provided for such  
9 assistance only when it is in the public interest and may be provided  
10 under a contractual arrangement ensuring that the state will receive  
11 appropriate consideration, such as an assurance of job creation or  
12 retention.

13 (5) The funds shall not be expended from the account unless:

14 (a) The circumstances are such that time does not permit the  
15 director of the department of community, trade, and economic  
16 development or the business or facility to secure funding from other  
17 state sources;

18 (b) The business or facility produces or will produce significant  
19 long-term economic benefits to the state, a region of the state, or a  
20 particular community in the state;

21 (c) The business or facility does not require a continuing state  
22 subsidy;

23 (d) The expenditure will result in new jobs, job retention, or  
24 higher incomes for citizens of the state;

25 (e) The expenditure will not supplant private investment; and

26 (f) The expenditure is accompanied by private investment.

27 NEW SECTION. **Sec. 2.** If specific funding for the purposes of this  
28 act, referencing this act by bill or chapter number, is not provided by  
29 June 30, 2005, in the omnibus appropriations act, this act is null and  
30 void.

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