

**E2SHB 2029** - S COMM AMD

By Committee on Trade & Economic Development

OUT OF ORDER 03/07/2014

1 Strike everything after the enacting clause and insert the  
2 following:

3 "PART I

4 **ELIMINATION OF THE WASHINGTON STATE ECONOMIC DEVELOPMENT COMMISSION**

5 **Sec. 101.** RCW 28B.30.530 and 2012 c 229 s 808 are each amended to  
6 read as follows:

7 (1) The board of regents of Washington State University shall  
8 establish the Washington State University small business development  
9 center.

10 (2) The center shall provide management and technical assistance  
11 including but not limited to training, counseling, and research  
12 services to small businesses throughout the state. The center shall  
13 work with the department of commerce, the state board for community and  
14 technical colleges, the workforce training and education coordinating  
15 board, the employment security department, (~~the Washington state~~  
16 ~~economic development commission,~~) associate development organizations,  
17 and workforce development councils to:

18 (a) Integrate small business development centers with other state  
19 and local economic development and workforce development programs;

20 (b) Target the centers' services to small businesses;

21 (c) Tailor outreach and services at each center to the needs and  
22 demographics of entrepreneurs and small businesses located within the  
23 service area;

24 (d) Establish and expand small business development center  
25 satellite offices when financially feasible; and

26 (e) Coordinate delivery of services to avoid duplication.

27 (3) The administrator of the center may contract with other public  
28 or private entities for the provision of specialized services.

1 (4) The small business development center may accept and disburse  
2 federal grants or federal matching funds or other funds or donations  
3 from any source when made, granted, or donated to carry out the  
4 center's purposes. When drawing on funds from the business assistance  
5 account created in RCW 28B.30.531, the center must first use the funds  
6 to make increased management and technical assistance available to  
7 existing small businesses and start-up businesses at satellite offices.  
8 The funds may also be used to develop and expand assistance programs  
9 such as small business planning workshops and small business  
10 counseling.

11 (5) By December 1, 2010, the center shall provide a written  
12 progress report and a final report to the appropriate committees of the  
13 legislature with respect to the requirements in subsection (2) of this  
14 section and the amount and use of funding received through the business  
15 assistance account. The reports must also include data on the number,  
16 location, staffing, and budget levels of satellite offices;  
17 affiliations with community colleges, associate development  
18 organizations or other local organizations; the number, size, and type  
19 of small businesses assisted; and the types of services provided. The  
20 reports must also include information on the outcomes achieved, such as  
21 jobs created or retained, private capital invested, and return on the  
22 investment of state and federal dollars.

23 (6)(a) Subject to the availability of amounts appropriated for this  
24 specific purpose, by December 1, 2010, the center, in conjunction with  
25 the department of commerce, must prepare and present to the governor  
26 and appropriate legislative committees a specific, actionable plan to  
27 increase access to capital and technical assistance to small businesses  
28 and entrepreneurs beginning with the 2011-2013 biennium. In developing  
29 the plan, the center and the department may consult with the Washington  
30 state microenterprise association, and with other government,  
31 nonprofit, and private organizations as necessary. The plan must  
32 identify:

33 (i) Existing sources of capital and technical assistance for small  
34 businesses and entrepreneurs;

35 (ii) Critical gaps and barriers to availability of capital and  
36 delivery of technical assistance to small businesses and entrepreneurs;

37 (iii) Workable solutions to filling the gaps and removing barriers  
38 identified in (a)(ii) of this subsection; and

1 (iv) The financial resources and statutory changes necessary to put  
2 the plan into effect beginning with the 2011-2013 biennium.

3 (b) With respect to increasing access to capital, the plan must  
4 identify specific, feasible sources of capital and practical mechanisms  
5 for expanding access to it.

6 (c) The center and the department must include, within the analysis  
7 and recommendations in (a) of this subsection, any specific gaps,  
8 barriers, and solutions related to rural and low-income communities and  
9 small manufacturers interested in exporting.

10 **Sec. 102.** RCW 28B.155.010 and 2012 c 242 s 1 are each amended to  
11 read as follows:

12 (1) The joint center for aerospace technology innovation is created  
13 to:

14 (a) Pursue joint industry-university research in computing,  
15 manufacturing efficiency, materials/structures innovation, and other  
16 new technologies that can be used in aerospace firms;

17 (b) Enhance the education of students in the engineering  
18 departments of the University of Washington, Washington State  
19 University, and other participating institutions through industry-  
20 focused research; and

21 (c) Work directly with existing small, medium-sized, and large  
22 aerospace firms and aerospace industry associations to identify  
23 research needs and opportunities to transfer off-the-shelf technologies  
24 that would benefit such firms.

25 (2) The center shall be operated and administered as a multi-  
26 institutional education and research center, conducting research and  
27 development programs in various locations within Washington under the  
28 joint authority of the University of Washington and Washington State  
29 University. The initial administrative offices of the center shall be  
30 west of the crest of the Cascade mountains. In order to meet aerospace  
31 industry needs, the facilities and resources of the center must be made  
32 available to all four-year institutions of higher education as defined  
33 in RCW 28B.10.016. Resources include, but are not limited to,  
34 internships, on-the-job training, and research opportunities for  
35 undergraduate and graduate students and faculty.

36 (3) The powers of the center are vested in and shall be exercised  
37 by a board of directors. The board shall consist of nine members

1 appointed by the governor. The governor shall appoint a nonvoting  
2 chair. Of the eight voting members, one member shall represent small  
3 aerospace firms, one member shall represent medium-sized firms, one  
4 member shall represent large aerospace firms, one member shall  
5 represent labor, two members shall represent aerospace industry  
6 associations, and two members shall represent higher education. The  
7 terms of the initial members shall be staggered.

8 (4) The board shall hire an executive director. The executive  
9 director shall hire such staff as the board deems necessary to operate  
10 the center. Staff support may be provided from among the cooperating  
11 institutions through cooperative agreements to the extent funds are  
12 available. The executive director may enter into cooperative  
13 agreements for programs and research with public and private  
14 organizations including state and nonstate agencies consistent with  
15 policies of the participating institutions.

16 (5) The board must:

17 (a) Work with aerospace industry associations and aerospace firms  
18 of all sizes to identify the research areas that will benefit the  
19 intermediate and long-term economic vitality of the Washington  
20 aerospace industry;

21 (b) Identify entrepreneurial researchers to join or lead research  
22 teams in the research areas specified in (a) of this subsection and the  
23 steps the University of Washington and Washington State University will  
24 take to recruit such researchers;

25 (c) Assist firms to integrate existing technologies into their  
26 operations and align the activities of the center with those of impact  
27 Washington (~~and innovate Washington~~) to enhance services available to  
28 aerospace firms;

29 (d) Develop internships, on-the-job training, research, and other  
30 opportunities and ensure that all undergraduate and graduate students  
31 enrolled in an aerospace engineering curriculum have direct experience  
32 with aerospace firms;

33 (e) Assist researchers and firms in safeguarding intellectual  
34 property while advancing industry innovation;

35 (f) Develop and strengthen university-industry relationships  
36 through promotion of faculty collaboration with industry, and  
37 sponsor(~~, in collaboration with innovate Washington,~~) at least one

1 annual symposium focusing on aerospace research in the state of  
2 Washington;

3 (g) Encourage a full range of projects from small research projects  
4 that meet the specific needs of a smaller company to large scale,  
5 multipartner projects;

6 (h) Develop nonstate support of the center's research activities  
7 through leveraging dollars from federal and private for-profit and  
8 nonprofit sources;

9 (i) Leverage its financial impact through joint support  
10 arrangements on a project-by-project basis as appropriate;

11 (j) Establish mechanisms for soliciting and evaluating proposals  
12 and for making awards and reporting on technological progress,  
13 financial leverage, and other measures of impact;

14 (k) By June 30, 2013, develop an operating plan that includes the  
15 specific processes, methods, or mechanisms the center will use to  
16 accomplish each of its duties as set out in this subsection; and

17 (l) Report biennially to the legislature and the governor about the  
18 impact of the center's work on the state's economy and the aerospace  
19 sector, with projections of future impact, providing indicators of its  
20 impact, and outlining ideas for enhancing benefits to the state. The  
21 report must be coordinated with the governor's office, (~~the Washington~~  
22 ~~economic development commission,~~) and the department of commerce(~~(~~  
23 ~~and innovate Washington)~~).

24 **Sec. 103.** RCW 28C.18.060 and 2012 c 229 s 579 are each amended to  
25 read as follows:

26 The board, in cooperation with the operating agencies of the state  
27 training system and private career schools and colleges, shall:

28 (1) Concentrate its major efforts on planning, coordination  
29 evaluation, policy analysis, and recommending improvements to the  
30 state's training system;

31 (2) Advocate for the state training system and for meeting the  
32 needs of employers and the workforce for workforce education and  
33 training;

34 (3) Establish and maintain an inventory of the programs of the  
35 state training system, and related state programs, and perform a  
36 biennial assessment of the vocational education, training, and adult  
37 basic education and literacy needs of the state; identify ongoing and

1 strategic education needs; and assess the extent to which employment,  
2 training, vocational and basic education, rehabilitation services, and  
3 public assistance services represent a consistent, integrated approach  
4 to meet such needs;

5 (4) Develop and maintain a state comprehensive plan for workforce  
6 training and education, including but not limited to, goals,  
7 objectives, and priorities for the state training system, and review  
8 the state training system for consistency with the state comprehensive  
9 plan. In developing the state comprehensive plan for workforce  
10 training and education, the board shall use, but shall not be limited  
11 to: Economic, labor market, and populations trends reports in office  
12 of financial management forecasts; joint office of financial management  
13 and employment security department labor force, industry employment,  
14 and occupational forecasts; the results of scientifically based  
15 outcome, net-impact and cost-benefit evaluations; the needs of  
16 employers as evidenced in formal employer surveys and other employer  
17 input; and the needs of program participants and workers as evidenced  
18 in formal surveys and other input from program participants and the  
19 labor community;

20 (5) In consultation with the student achievement council, review  
21 and make recommendations to the office of financial management and the  
22 legislature on operating and capital facilities budget requests for  
23 operating agencies of the state training system for purposes of  
24 consistency with the state comprehensive plan for workforce training  
25 and education;

26 (6) Provide for coordination among the different operating agencies  
27 and components of the state training system at the state level and at  
28 the regional level;

29 (7) Develop a consistent and reliable database on vocational  
30 education enrollments, costs, program activities, and job placements  
31 from publicly funded vocational education programs in this state;

32 (8)(a) Establish standards for data collection and maintenance for  
33 the operating agencies of the state training system in a format that is  
34 accessible to use by the board. The board shall require a minimum of  
35 common core data to be collected by each operating agency of the state  
36 training system;

37 (b) Develop requirements for minimum common core data in

1 consultation with the office of financial management and the operating  
2 agencies of the training system;

3 (9) Establish minimum standards for program evaluation for the  
4 operating agencies of the state training system, including, but not  
5 limited to, the use of common survey instruments and procedures for  
6 measuring perceptions of program participants and employers of program  
7 participants, and monitor such program evaluation;

8 (10) Every two years administer scientifically based outcome  
9 evaluations of the state training system, including, but not limited  
10 to, surveys of program participants, surveys of employers of program  
11 participants, and matches with employment security department payroll  
12 and wage files. Every five years administer scientifically based net-  
13 impact and cost-benefit evaluations of the state training system;

14 (11) In cooperation with the employment security department,  
15 provide for the improvement and maintenance of quality and utility in  
16 occupational information and forecasts for use in training system  
17 planning and evaluation. Improvements shall include, but not be  
18 limited to, development of state-based occupational change factors  
19 involving input by employers and employees, and delineation of skill  
20 and training requirements by education level associated with current  
21 and forecasted occupations;

22 (12) Provide for the development of common course description  
23 formats, common reporting requirements, and common definitions for  
24 operating agencies of the training system;

25 (13) Provide for effectiveness and efficiency reviews of the state  
26 training system;

27 (14) In cooperation with the student achievement council,  
28 facilitate transfer of credit policies and agreements between  
29 institutions of the state training system, and encourage articulation  
30 agreements for programs encompassing two years of secondary workforce  
31 education and two years of postsecondary workforce education;

32 (15) In cooperation with the student achievement council,  
33 facilitate transfer of credit policies and agreements between private  
34 training institutions and institutions of the state training system;

35 (16) Develop policy objectives for the workforce investment act,  
36 P.L. 105-220, or its successor; develop coordination criteria for  
37 activities under the act with related programs and services provided by

1 state and local education and training agencies; and ensure that  
2 entrepreneurial training opportunities are available through programs  
3 of each local workforce investment board in the state;

4 (17) Make recommendations to the commission of student assessment,  
5 the state board of education, and the superintendent of public  
6 instruction, concerning basic skill competencies and essential core  
7 competencies for K-12 education. Basic skills for this purpose shall  
8 be reading, writing, computation, speaking, and critical thinking,  
9 essential core competencies for this purpose shall be English, math,  
10 science/technology, history, geography, and critical thinking. The  
11 board shall monitor the development of and provide advice concerning  
12 secondary curriculum which integrates vocational and academic  
13 education;

14 (18) Establish and administer programs for marketing and outreach  
15 to businesses and potential program participants;

16 (19) Facilitate the location of support services, including but not  
17 limited to, child care, financial aid, career counseling, and job  
18 placement services, for students and trainees at institutions in the  
19 state training system, and advocate for support services for trainees  
20 and students in the state training system;

21 (20) Facilitate private sector assistance for the state training  
22 system, including but not limited to: Financial assistance, rotation  
23 of private and public personnel, and vocational counseling;

24 (21) Facilitate the development of programs for school-to-work  
25 transition that combine classroom education and on-the-job training,  
26 including entrepreneurial education and training, in industries and  
27 occupations without a significant number of apprenticeship programs;

28 (22) Include in the planning requirements for local workforce  
29 investment boards a requirement that the local workforce investment  
30 boards specify how entrepreneurial training is to be offered through  
31 the one-stop system required under the workforce investment act, P.L.  
32 105-220, or its successor;

33 (23) Encourage and assess progress for the equitable representation  
34 of racial and ethnic minorities, women, and people with disabilities  
35 among the students, teachers, and administrators of the state training  
36 system. Equitable, for this purpose, shall mean substantially  
37 proportional to their percentage of the state population in the



1 geographic area served. This function of the board shall in no way  
2 lessen more stringent state or federal requirements for representation  
3 of racial and ethnic minorities, women, and people with disabilities;

4 (24) Participate in the planning and policy development of governor  
5 set-aside grants under P.L. 97-300, as amended;

6 (25) Administer veterans' programs, licensure of private vocational  
7 schools, the job skills program, and the Washington award for  
8 vocational excellence;

9 (26) Allocate funding from the state job training trust fund;

10 (27) Work with the director of commerce (~~and the economic~~  
11 ~~development commission~~) to ensure coordination among workforce  
12 training priorities(~~, the long-term economic development strategy of~~  
13 ~~the economic development commission,~~) and economic development and  
14 entrepreneurial development efforts, including but not limited to  
15 assistance to industry clusters;

16 (28) Conduct research into workforce development programs designed  
17 to reduce the high unemployment rate among young people between  
18 approximately eighteen and twenty-four years of age. In consultation  
19 with the operating agencies, the board shall advise the governor and  
20 legislature on policies and programs to alleviate the high unemployment  
21 rate among young people. The research shall include disaggregated  
22 demographic information and, to the extent possible, income data for  
23 adult youth. The research shall also include a comparison of the  
24 effectiveness of programs examined as a part of the research conducted  
25 in this subsection in relation to the public investment made in these  
26 programs in reducing unemployment of young adults. The board shall  
27 report to the appropriate committees of the legislature by November 15,  
28 2008, and every two years thereafter. Where possible, the data  
29 reported to the legislative committees should be reported in numbers  
30 and in percentages;

31 (29) Adopt rules as necessary to implement this chapter.

32 The board may delegate to the director any of the functions of this  
33 section.

34 **Sec. 104.** RCW 28C.18.080 and 2009 c 421 s 6, 2009 c 151 s 7, and  
35 2009 c 92 s 1 are each reenacted and amended to read as follows:

36 (1) The board shall develop a state comprehensive plan for  
37 workforce training and education for a ten-year time period. The board

1 shall submit the ten-year state comprehensive plan to the governor and  
2 the appropriate legislative policy committees. Every four years by  
3 December 1st, beginning December 1, 2012, the board shall submit an  
4 update of the ten-year state comprehensive plan for workforce training  
5 and education to the governor and the appropriate legislative policy  
6 committees. Following public hearings, the legislature shall, by  
7 concurrent resolution, approve or recommend changes to the initial plan  
8 and the updates. The plan shall then become the state's workforce  
9 training policy unless legislation is enacted to alter the policies set  
10 forth in the plan.

11 (2) The comprehensive plan shall include workforce training role  
12 and mission statements for the workforce development programs of  
13 operating agencies represented on the board and sufficient specificity  
14 regarding expected actions by the operating agencies to allow them to  
15 carry out actions consistent with the comprehensive plan.

16 (3) Operating agencies represented on the board shall have  
17 operating plans for their workforce development efforts that are  
18 consistent with the comprehensive plan and that provide detail on  
19 implementation steps they will take to carry out their responsibilities  
20 under the plan. Each operating agency represented on the board shall  
21 provide an annual progress report to the board.

22 (4) The comprehensive plan shall include recommendations to the  
23 legislature and the governor on the modification, consolidation,  
24 initiation, or elimination of workforce training and education programs  
25 in the state.

26 (5) The comprehensive plan shall identify the strategic industry  
27 clusters targeted by the workforce development system. In identifying  
28 the strategic clusters, the board shall consult with the (~~economic  
29 development commission~~) department of commerce to identify clusters  
30 that meet the criteria identified by the working group convened by the  
31 (~~economic development commission~~) department of commerce and the  
32 workforce training and education coordinating board under RCW  
33 43.330.280.

34 (6) The board shall report to the appropriate legislative policy  
35 committees by December 1st of each year on its progress in implementing  
36 the comprehensive plan and on the progress of the operating agencies in  
37 meeting their obligations under the plan.

1           **Sec. 105.** RCW 39.102.040 and 2007 c 229 s 2 are each amended to  
2 read as follows:

3           (1) Prior to applying to the board to use local infrastructure  
4 financing, a sponsoring local government shall:

5           (a) Designate a revenue development area within the limitations in  
6 RCW 39.102.060;

7           (b) Certify that the conditions in RCW 39.102.070 are met;

8           (c) Complete the process in RCW 39.102.080;

9           (d) Provide public notice as required in RCW 39.102.100; and

10           (e) Pass an ordinance adopting the revenue development area as  
11 required in RCW 39.102.090.

12           (2) Any local government that has created an increment area under  
13 chapter 39.89 RCW and has not issued bonds to finance any public  
14 improvement may apply to the board and have its increment area  
15 considered for approval as a revenue development area under this  
16 chapter without adopting a new revenue development area under RCW  
17 39.102.090 and 39.102.100 if it amends its ordinance to comply with RCW  
18 39.102.090(1) and otherwise meets the conditions and limitations under  
19 this chapter.

20           (3) As a condition to imposing a sales and use tax under RCW  
21 82.14.475, a sponsoring local government, including any cosponsoring  
22 local government seeking authority to impose a sales and use tax under  
23 RCW 82.14.475, must apply to the board and be approved for a project  
24 award amount. The application shall be in a form and manner prescribed  
25 by the board and include but not be limited to information establishing  
26 that the applicant is an eligible candidate to impose the local sales  
27 and use tax under RCW 82.14.475, the anticipated effective date for  
28 imposing the tax, the estimated number of years that the tax will be  
29 imposed, and the estimated amount of tax revenue to be received in each  
30 fiscal year that the tax will be imposed. The board shall make  
31 available forms to be used for this purpose. As part of the  
32 application, each applicant must provide to the board a copy of the  
33 ordinance or ordinances creating the revenue development area as  
34 required in RCW 39.102.090. A notice of approval to use local  
35 infrastructure financing shall contain a project award that represents  
36 the maximum amount of state contribution that the applicant, including  
37 any cosponsoring local governments, can earn each year that local  
38 infrastructure financing is used. The total of all project awards

1 shall not exceed the annual state contribution limit. The  
2 determination of a project award shall be made based on information  
3 contained in the application and the remaining amount of annual state  
4 contribution limit to be awarded. Determination of a project award by  
5 the board is final.

6 (4)(a) Sponsoring local governments, and any cosponsoring local  
7 governments, applying in calendar year 2007 for a competitive project  
8 award, must submit completed applications to the board no later than  
9 July 1, 2007. By September 15, 2007, in consultation with the  
10 department of revenue and the department of (~~community, trade, and~~  
11 ~~economic development~~) commerce, the board shall approve competitive  
12 project awards from competitive applications submitted by the 2007  
13 deadline. No more than two million five hundred thousand dollars in  
14 competitive project awards shall be approved in 2007. For projects not  
15 approved by the board in 2007, sponsoring and cosponsoring local  
16 governments may apply again to the board in 2008 for approval of a  
17 project.

18 (b) Sponsoring local governments, and any cosponsoring local  
19 governments, applying in calendar year 2008 for a competitive project  
20 award, must submit completed applications to the board no later than  
21 July 1, 2008. By September 18, 2008, in consultation with the  
22 department of revenue and the department of (~~community, trade, and~~  
23 ~~economic development~~) commerce, the board shall approve competitive  
24 project awards from competitive applications submitted by the 2008  
25 deadline.

26 (c) Except as provided in RCW 39.102.050(2), a total of no more  
27 than five million dollars in competitive project awards shall be  
28 approved for local infrastructure financing.

29 (d) The project selection criteria and weighting developed prior to  
30 July 22, 2007, for the application evaluation and approval process  
31 shall apply to applications received prior to November 1, 2007. In  
32 evaluating applications for a competitive project award after November  
33 1, 2007, the board shall(~~(, in consultation with the Washington state~~  
34 ~~economic development commission,)~~) develop the relative weight to be  
35 assigned to the following criteria:

36 (i) The project's potential to enhance the sponsoring local  
37 government's regional and/or international competitiveness;

1 (ii) The project's ability to encourage mixed use and transit-  
2 oriented development and the redevelopment of a geographic area;

3 (iii) Achieving an overall distribution of projects statewide that  
4 reflect geographic diversity;

5 (iv) The estimated wages and benefits for the project is greater  
6 than the average labor market area;

7 (v) The estimated state and local net employment change over the  
8 life of the project;

9 (vi) The current economic health and vitality of the proposed  
10 revenue development area and the contiguous community and the estimated  
11 impact of the proposed project on the proposed revenue development area  
12 and contiguous community;

13 (vii) The estimated state and local net property tax change over  
14 the life of the project;

15 (viii) The estimated state and local sales and use tax increase  
16 over the life of the project;

17 (ix) An analysis that shows that, over the life of the project,  
18 neither the local excise tax allocation revenues nor the local property  
19 tax allocation revenues will constitute more than eighty percent of the  
20 total local funds as described in RCW 39.102.020(~~(+29)(e+)~~) (29)(b);  
21 and

22 (x) If a project is located within an urban growth area, evidence  
23 that the project utilizes existing urban infrastructure and that the  
24 transportation needs of the project will be adequately met through the  
25 use of local infrastructure financing or other sources.

26 (e)(i) Except as provided in this subsection (4)(e), the board may  
27 not approve the use of local infrastructure financing within more than  
28 one revenue development area per county.

29 (ii) In a county in which the board has approved the use of local  
30 infrastructure financing, the use of such financing in additional  
31 revenue development areas may be approved, subject to the following  
32 conditions:

33 (A) The sponsoring local government is located in more than one  
34 county; and

35 (B) The sponsoring local government designates a revenue  
36 development area that comprises portions of a county within which the  
37 use of local infrastructure financing has not yet been approved.

1 (iii) In a county where the local infrastructure financing tool is  
2 authorized under RCW 39.102.050, the board may approve additional use  
3 of the local infrastructure financing tool.

4 (5) Once the board has approved the sponsoring local government,  
5 and any cosponsoring local governments, to use local infrastructure  
6 financing, notification must be sent by the board to the sponsoring  
7 local government, and any cosponsoring local governments, authorizing  
8 the sponsoring local government, and any cosponsoring local  
9 governments, to impose the local sales and use tax authorized under RCW  
10 82.14.475, subject to the conditions in RCW 82.14.475.

11 **Sec. 106.** RCW 43.84.092 and 2013 2nd sp.s. c 23 s 24 and 2013 2nd  
12 sp.s. c 11 s 15 are each reenacted and amended to read as follows:

13 (1) All earnings of investments of surplus balances in the state  
14 treasury shall be deposited to the treasury income account, which  
15 account is hereby established in the state treasury.

16 (2) The treasury income account shall be utilized to pay or receive  
17 funds associated with federal programs as required by the federal cash  
18 management improvement act of 1990. The treasury income account is  
19 subject in all respects to chapter 43.88 RCW, but no appropriation is  
20 required for refunds or allocations of interest earnings required by  
21 the cash management improvement act. Refunds of interest to the  
22 federal treasury required under the cash management improvement act  
23 fall under RCW 43.88.180 and shall not require appropriation. The  
24 office of financial management shall determine the amounts due to or  
25 from the federal government pursuant to the cash management improvement  
26 act. The office of financial management may direct transfers of funds  
27 between accounts as deemed necessary to implement the provisions of the  
28 cash management improvement act, and this subsection. Refunds or  
29 allocations shall occur prior to the distributions of earnings set  
30 forth in subsection (4) of this section.

31 (3) Except for the provisions of RCW 43.84.160, the treasury income  
32 account may be utilized for the payment of purchased banking services  
33 on behalf of treasury funds including, but not limited to, depository,  
34 safekeeping, and disbursement functions for the state treasury and  
35 affected state agencies. The treasury income account is subject in all  
36 respects to chapter 43.88 RCW, but no appropriation is required for

1 payments to financial institutions. Payments shall occur prior to  
2 distribution of earnings set forth in subsection (4) of this section.

3 (4) Monthly, the state treasurer shall distribute the earnings  
4 credited to the treasury income account. The state treasurer shall  
5 credit the general fund with all the earnings credited to the treasury  
6 income account except:

7 (a) The following accounts and funds shall receive their  
8 proportionate share of earnings based upon each account's and fund's  
9 average daily balance for the period: The aeronautics account, the  
10 aircraft search and rescue account, the Alaskan Way viaduct replacement  
11 project account, the brownfield redevelopment trust fund account, the  
12 budget stabilization account, the capital vessel replacement account,  
13 the capitol building construction account, the Cedar River channel  
14 construction and operation account, the Central Washington University  
15 capital projects account, the charitable, educational, penal and  
16 reformatory institutions account, the cleanup settlement account, the  
17 Columbia river basin water supply development account, the Columbia  
18 river basin taxable bond water supply development account, the Columbia  
19 river basin water supply revenue recovery account, the common school  
20 construction fund, the county arterial preservation account, the county  
21 criminal justice assistance account, the deferred compensation  
22 administrative account, the deferred compensation principal account,  
23 the department of licensing services account, the department of  
24 retirement systems expense account, the developmental disabilities  
25 community trust account, the drinking water assistance account, the  
26 drinking water assistance administrative account, the drinking water  
27 assistance repayment account, the Eastern Washington University capital  
28 projects account, the Interstate 405 express toll lanes operations  
29 account, the education construction fund, the education legacy trust  
30 account, the election account, the energy freedom account, the energy  
31 recovery act account, the essential rail assistance account, The  
32 Evergreen State College capital projects account, the federal forest  
33 revolving account, the ferry bond retirement fund, the freight mobility  
34 investment account, the freight mobility multimodal account, the grade  
35 crossing protective fund, the public health services account, the high  
36 capacity transportation account, the state higher education  
37 construction account, the higher education construction account, the  
38 highway bond retirement fund, the highway infrastructure account, the

1 highway safety fund, the high occupancy toll lanes operations account,  
2 the hospital safety net assessment fund, the industrial insurance  
3 premium refund account, the judges' retirement account, the judicial  
4 retirement administrative account, the judicial retirement principal  
5 account, the local leasehold excise tax account, the local real estate  
6 excise tax account, the local sales and use tax account, the marine  
7 resources stewardship trust account, the medical aid account, the  
8 mobile home park relocation fund, the motor vehicle fund, the  
9 motorcycle safety education account, the multimodal transportation  
10 account, the multiuse roadway safety account, the municipal criminal  
11 justice assistance account, the natural resources deposit account, the  
12 oyster reserve land account, the pension funding stabilization account,  
13 the perpetual surveillance and maintenance account, the public  
14 employees' retirement system plan 1 account, the public employees'  
15 retirement system combined plan 2 and plan 3 account, the public  
16 facilities construction loan revolving account beginning July 1, 2004,  
17 the public health supplemental account, the public works assistance  
18 account, the Puget Sound capital construction account, the Puget Sound  
19 ferry operations account, the real estate appraiser commission account,  
20 the recreational vehicle account, the regional mobility grant program  
21 account, the resource management cost account, the rural arterial trust  
22 account, the rural mobility grant program account, the rural Washington  
23 loan fund, the site closure account, the skilled nursing facility  
24 safety net trust fund, the small city pavement and sidewalk account,  
25 the special category C account, the special wildlife account, the state  
26 employees' insurance account, the state employees' insurance reserve  
27 account, the state investment board expense account, the state  
28 investment board commingled trust fund accounts, the state patrol  
29 highway account, the state route number 520 civil penalties account,  
30 the state route number 520 corridor account, the state wildlife  
31 account, the supplemental pension account, the Tacoma Narrows toll  
32 bridge account, the teachers' retirement system plan 1 account, the  
33 teachers' retirement system combined plan 2 and plan 3 account, the  
34 tobacco prevention and control account, the tobacco settlement account,  
35 the toll facility bond retirement account, the transportation 2003  
36 account (nickel account), the transportation equipment fund, the  
37 transportation fund, the transportation improvement account, the  
38 transportation improvement board bond retirement account, the



1 transportation infrastructure account, the transportation partnership  
2 account, the traumatic brain injury account, the tuition recovery trust  
3 fund, the University of Washington bond retirement fund, the University  
4 of Washington building account, the volunteer firefighters' and reserve  
5 officers' relief and pension principal fund, the volunteer  
6 firefighters' and reserve officers' administrative fund, the Washington  
7 judicial retirement system account, the Washington law enforcement  
8 officers' and firefighters' system plan 1 retirement account, the  
9 Washington law enforcement officers' and firefighters' system plan 2  
10 retirement account, the Washington public safety employees' plan 2  
11 retirement account, the Washington school employees' retirement system  
12 combined plan 2 and 3 account, (~~the Washington state economic  
13 development commission account,~~) the Washington state health insurance  
14 pool account, the Washington state patrol retirement account, the  
15 Washington State University building account, the Washington State  
16 University bond retirement fund, the water pollution control revolving  
17 administration account, the water pollution control revolving fund, the  
18 Western Washington University capital projects account, the Yakima  
19 integrated plan implementation account, the Yakima integrated plan  
20 implementation revenue recovery account, and the Yakima integrated plan  
21 implementation taxable bond account. Earnings derived from investing  
22 balances of the agricultural permanent fund, the normal school  
23 permanent fund, the permanent common school fund, the scientific  
24 permanent fund, the state university permanent fund, and the state  
25 reclamation revolving account shall be allocated to their respective  
26 beneficiary accounts.

27 (b) Any state agency that has independent authority over accounts  
28 or funds not statutorily required to be held in the state treasury that  
29 deposits funds into a fund or account in the state treasury pursuant to  
30 an agreement with the office of the state treasurer shall receive its  
31 proportionate share of earnings based upon each account's or fund's  
32 average daily balance for the period.

33 (5) In conformance with Article II, section 37 of the state  
34 Constitution, no treasury accounts or funds shall be allocated earnings  
35 without the specific affirmative directive of this section.

36 **Sec. 107.** RCW 43.84.092 and 2013 2nd sp.s. c 23 s 25 and 2013 2nd  
37 sp.s. c 11 s 16 are each reenacted and amended to read as follows:

1 (1) All earnings of investments of surplus balances in the state  
2 treasury shall be deposited to the treasury income account, which  
3 account is hereby established in the state treasury.

4 (2) The treasury income account shall be utilized to pay or receive  
5 funds associated with federal programs as required by the federal cash  
6 management improvement act of 1990. The treasury income account is  
7 subject in all respects to chapter 43.88 RCW, but no appropriation is  
8 required for refunds or allocations of interest earnings required by  
9 the cash management improvement act. Refunds of interest to the  
10 federal treasury required under the cash management improvement act  
11 fall under RCW 43.88.180 and shall not require appropriation. The  
12 office of financial management shall determine the amounts due to or  
13 from the federal government pursuant to the cash management improvement  
14 act. The office of financial management may direct transfers of funds  
15 between accounts as deemed necessary to implement the provisions of the  
16 cash management improvement act, and this subsection. Refunds or  
17 allocations shall occur prior to the distributions of earnings set  
18 forth in subsection (4) of this section.

19 (3) Except for the provisions of RCW 43.84.160, the treasury income  
20 account may be utilized for the payment of purchased banking services  
21 on behalf of treasury funds including, but not limited to, depository,  
22 safekeeping, and disbursement functions for the state treasury and  
23 affected state agencies. The treasury income account is subject in all  
24 respects to chapter 43.88 RCW, but no appropriation is required for  
25 payments to financial institutions. Payments shall occur prior to  
26 distribution of earnings set forth in subsection (4) of this section.

27 (4) Monthly, the state treasurer shall distribute the earnings  
28 credited to the treasury income account. The state treasurer shall  
29 credit the general fund with all the earnings credited to the treasury  
30 income account except:

31 (a) The following accounts and funds shall receive their  
32 proportionate share of earnings based upon each account's and fund's  
33 average daily balance for the period: The aeronautics account, the  
34 aircraft search and rescue account, the Alaskan Way viaduct replacement  
35 project account, the brownfield redevelopment trust fund account, the  
36 budget stabilization account, the capital vessel replacement account,  
37 the capitol building construction account, the Cedar River channel  
38 construction and operation account, the Central Washington University

1 capital projects account, the charitable, educational, penal and  
2 reformatory institutions account, the cleanup settlement account, the  
3 Columbia river basin water supply development account, the Columbia  
4 river basin taxable bond water supply development account, the Columbia  
5 river basin water supply revenue recovery account, the Columbia river  
6 crossing project account, the common school construction fund, the  
7 county arterial preservation account, the county criminal justice  
8 assistance account, the deferred compensation administrative account,  
9 the deferred compensation principal account, the department of  
10 licensing services account, the department of retirement systems  
11 expense account, the developmental disabilities community trust  
12 account, the drinking water assistance account, the drinking water  
13 assistance administrative account, the drinking water assistance  
14 repayment account, the Eastern Washington University capital projects  
15 account, the Interstate 405 express toll lanes operations account, the  
16 education construction fund, the education legacy trust account, the  
17 election account, the energy freedom account, the energy recovery act  
18 account, the essential rail assistance account, The Evergreen State  
19 College capital projects account, the federal forest revolving account,  
20 the ferry bond retirement fund, the freight mobility investment  
21 account, the freight mobility multimodal account, the grade crossing  
22 protective fund, the public health services account, the high capacity  
23 transportation account, the state higher education construction  
24 account, the higher education construction account, the highway bond  
25 retirement fund, the highway infrastructure account, the highway safety  
26 fund, the high occupancy toll lanes operations account, the hospital  
27 safety net assessment fund, the industrial insurance premium refund  
28 account, the judges' retirement account, the judicial retirement  
29 administrative account, the judicial retirement principal account, the  
30 local leasehold excise tax account, the local real estate excise tax  
31 account, the local sales and use tax account, the marine resources  
32 stewardship trust account, the medical aid account, the mobile home  
33 park relocation fund, the motor vehicle fund, the motorcycle safety  
34 education account, the multimodal transportation account, the multiuse  
35 roadway safety account, the municipal criminal justice assistance  
36 account, the natural resources deposit account, the oyster reserve land  
37 account, the pension funding stabilization account, the perpetual  
38 surveillance and maintenance account, the public employees' retirement

1 system plan 1 account, the public employees' retirement system combined  
2 plan 2 and plan 3 account, the public facilities construction loan  
3 revolving account beginning July 1, 2004, the public health  
4 supplemental account, the public works assistance account, the Puget  
5 Sound capital construction account, the Puget Sound ferry operations  
6 account, the real estate appraiser commission account, the recreational  
7 vehicle account, the regional mobility grant program account, the  
8 resource management cost account, the rural arterial trust account, the  
9 rural mobility grant program account, the rural Washington loan fund,  
10 the site closure account, the skilled nursing facility safety net trust  
11 fund, the small city pavement and sidewalk account, the special  
12 category C account, the special wildlife account, the state employees'  
13 insurance account, the state employees' insurance reserve account, the  
14 state investment board expense account, the state investment board  
15 commingled trust fund accounts, the state patrol highway account, the  
16 state route number 520 civil penalties account, the state route number  
17 520 corridor account, the state wildlife account, the supplemental  
18 pension account, the Tacoma Narrows toll bridge account, the teachers'  
19 retirement system plan 1 account, the teachers' retirement system  
20 combined plan 2 and plan 3 account, the tobacco prevention and control  
21 account, the tobacco settlement account, the toll facility bond  
22 retirement account, the transportation 2003 account (nickel account),  
23 the transportation equipment fund, the transportation fund, the  
24 transportation improvement account, the transportation improvement  
25 board bond retirement account, the transportation infrastructure  
26 account, the transportation partnership account, the traumatic brain  
27 injury account, the tuition recovery trust fund, the University of  
28 Washington bond retirement fund, the University of Washington building  
29 account, the volunteer firefighters' and reserve officers' relief and  
30 pension principal fund, the volunteer firefighters' and reserve  
31 officers' administrative fund, the Washington judicial retirement  
32 system account, the Washington law enforcement officers' and  
33 firefighters' system plan 1 retirement account, the Washington law  
34 enforcement officers' and firefighters' system plan 2 retirement  
35 account, the Washington public safety employees' plan 2 retirement  
36 account, the Washington school employees' retirement system combined  
37 plan 2 and 3 account, (~~the Washington state economic development~~  
38 ~~commission account,~~) the Washington state health insurance pool

1 account, the Washington state patrol retirement account, the Washington  
2 State University building account, the Washington State University bond  
3 retirement fund, the water pollution control revolving administration  
4 account, the water pollution control revolving fund, the Western  
5 Washington University capital projects account, the Yakima integrated  
6 plan implementation account, the Yakima integrated plan implementation  
7 revenue recovery account, and the Yakima integrated plan implementation  
8 taxable bond account. Earnings derived from investing balances of the  
9 agricultural permanent fund, the normal school permanent fund, the  
10 permanent common school fund, the scientific permanent fund, the state  
11 university permanent fund, and the state reclamation revolving account  
12 shall be allocated to their respective beneficiary accounts.

13 (b) Any state agency that has independent authority over accounts  
14 or funds not statutorily required to be held in the state treasury that  
15 deposits funds into a fund or account in the state treasury pursuant to  
16 an agreement with the office of the state treasurer shall receive its  
17 proportionate share of earnings based upon each account's or fund's  
18 average daily balance for the period.

19 (5) In conformance with Article II, section 37 of the state  
20 Constitution, no treasury accounts or funds shall be allocated earnings  
21 without the specific affirmative directive of this section.

22 **Sec. 108.** RCW 43.160.060 and 2012 c 196 s 10 are each amended to  
23 read as follows:

24 (1) The board is authorized to make direct loans to political  
25 subdivisions of the state and to federally recognized Indian tribes for  
26 the purposes of assisting the political subdivisions and federally  
27 recognized Indian tribes in financing the cost of public facilities,  
28 including development of land and improvements for public facilities,  
29 project-specific environmental, capital facilities, land use,  
30 permitting, feasibility, and marketing studies and plans; project  
31 design, site planning, and analysis; project debt and revenue impact  
32 analysis; as well as the construction, rehabilitation, alteration,  
33 expansion, or improvement of the facilities. A grant may also be  
34 authorized for purposes designated in this chapter, but only when, and  
35 to the extent that, a loan is not reasonably possible, given the  
36 limited resources of the political subdivision or the federally  
37 recognized Indian tribe and the finding by the board that financial

1 circumstances require grant assistance to enable the project to move  
2 forward. However, no more than twenty-five percent of all financial  
3 assistance approved by the board in any biennium may consist of grants  
4 to political subdivisions and federally recognized Indian tribes.

5 (2) Application for funds must be made in the form and manner as  
6 the board may prescribe. In making grants or loans the board must  
7 conform to the following requirements:

8 (a) The board may not provide financial assistance:

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

11 (ii) For any project that evidence exists would result in a  
12 development or expansion that would displace existing jobs in any other  
13 community in the state.

14 (iii) For a project the primary purpose of which is to facilitate  
15 or promote gambling.

16 (iv) For a project located outside the jurisdiction of the  
17 applicant political subdivision or federally recognized Indian tribe.

18 (b) The board may only provide financial assistance:

19 (i) For a project demonstrating convincing evidence that a specific  
20 private development or expansion is ready to occur and will occur only  
21 if the public facility improvement is made that:

22 (A) Results in the creation of significant private sector jobs or  
23 significant private sector capital investment as determined by the  
24 board (~~and is consistent with the state comprehensive economic  
25 development plan developed by the Washington economic development  
26 commission pursuant to chapter 43.162 RCW, once the plan is adopted~~);  
27 and

28 (B) Will improve the opportunities for the successful maintenance,  
29 establishment, or expansion of industrial or commercial plants or will  
30 otherwise assist in the creation or retention of long-term economic  
31 opportunities;

32 (ii) For a project that cannot meet the requirement of (b)(i) of  
33 this subsection but is a project that:

34 (A) Results in the creation of significant private sector jobs or  
35 significant private sector capital investment as determined by the  
36 board (~~and is consistent with the state comprehensive economic  
37 development plan developed by the Washington economic development  
38 commission pursuant to chapter 43.162 RCW, once the plan is adopted~~);

1 (B) Is part of a local economic development plan consistent with  
2 applicable state planning requirements;

3 (C) Can demonstrate project feasibility using standard economic  
4 principles; and

5 (D) Is located in a rural community as defined by the board, or a  
6 rural county;

7 (iii) For site-specific plans, studies, and analyses that address  
8 environmental impacts, capital facilities, land use, permitting,  
9 feasibility, marketing, project engineering, design, site planning, and  
10 project debt and revenue impacts, as grants not to exceed fifty  
11 thousand dollars.

12 (c) The board must develop guidelines for local participation and  
13 allowable match and activities.

14 (d) An application must demonstrate local match and local  
15 participation, in accordance with guidelines developed by the board.

16 (e) An application must be approved by the political subdivision  
17 and supported by the local associate development organization or local  
18 workforce development council or approved by the governing body of the  
19 federally recognized Indian tribe.

20 (f) The board may allow de minimis general system improvements to  
21 be funded if they are critically linked to the viability of the  
22 project.

23 (g) An application must demonstrate convincing evidence that the  
24 median hourly wage of the private sector jobs created after the project  
25 is completed will exceed the countywide median hourly wage.

26 (h) The board must prioritize each proposed project according to:

27 (i) The relative benefits provided to the community by the jobs the  
28 project would create, not just the total number of jobs it would create  
29 after the project is completed, but also giving consideration to the  
30 unemployment rate in the area in which the jobs would be located;

31 (ii) The rate of return of the state's investment, including, but  
32 not limited to, the leveraging of private sector investment,  
33 anticipated job creation and retention, and expected increases in state  
34 and local tax revenues associated with the project;

35 (iii) Whether the proposed project offers a health insurance plan  
36 for employees that includes an option for dependents of employees;

37 (iv) Whether the public facility investment will increase existing  
38 capacity necessary to accommodate projected population and employment

1 growth in a manner that supports infill and redevelopment of existing  
2 urban or industrial areas that are served by adequate public  
3 facilities. Projects should maximize the use of existing  
4 infrastructure and provide for adequate funding of necessary  
5 transportation improvements;

6 (v) Whether the applicant's permitting process has been certified  
7 as streamlined by the office of regulatory assistance; and

8 (vi) Whether the applicant has developed and adhered to guidelines  
9 regarding its permitting process for those applying for development  
10 permits consistent with section 1(2), chapter 231, Laws of 2007.

11 (i) A responsible official of the political subdivision or the  
12 federally recognized Indian tribe must be present during board  
13 deliberations and provide information that the board requests.

14 (3) Before any financial assistance application is approved, the  
15 political subdivision or the federally recognized Indian tribe seeking  
16 the assistance must demonstrate to the community economic  
17 revitalization board that no other timely source of funding is  
18 available to it at costs reasonably similar to financing available from  
19 the community economic revitalization board.

20 **Sec. 109.** RCW 43.160.900 and 2008 c 327 s 9 are each amended to  
21 read as follows:

22 (1) The community economic revitalization board shall conduct  
23 biennial outcome-based evaluations of the financial assistance provided  
24 under this chapter. The evaluations shall include information on the  
25 number of applications for community economic revitalization board  
26 assistance; the number and types of projects approved; the grant or  
27 loan amount awarded each project; the projected number of jobs created  
28 or retained by each project; the actual number and cost of jobs created  
29 or retained by each project; the wages and health benefits associated  
30 with the jobs; the amount of state funds and total capital invested in  
31 projects; the number and types of businesses assisted by funded  
32 projects; the location of funded projects; the transportation  
33 infrastructure available for completed projects; the local match and  
34 local participation obtained; the number of delinquent loans; and the  
35 number of project terminations. The evaluations may also include  
36 additional performance measures and recommendations for programmatic  
37 changes.



1           (2)((~~(a) By September 1st of each even-numbered year, the board~~  
2 ~~shall forward its draft evaluation to the Washington state economic~~  
3 ~~development commission for review and comment, as required in section~~  
4 ~~10 of this act. The board shall provide any additional information as~~  
5 ~~may be requested by the commission for the purpose of its review.~~

6           ~~(b) Any written comments or recommendations provided by the~~  
7 ~~commission as a result of its review shall be included in the board's~~  
8 ~~completed evaluation.))~~   The evaluation must be presented to the  
9 governor and appropriate committees of the legislature by December 31st  
10 of each even-numbered year. The initial evaluation must be submitted  
11 by December 31, 2010.

12           **Sec. 110.** RCW 43.330.050 and 2005 c 136 s 12 are each amended to  
13 read as follows:

14           The department shall be responsible for promoting community and  
15 economic development within the state by assisting the state's  
16 communities to increase the quality of life of their citizens and their  
17 economic vitality, and by assisting the state's businesses to maintain  
18 and increase their economic competitiveness, while maintaining a  
19 healthy environment. Community and economic development efforts shall  
20 include: Efforts to increase economic opportunity; local planning to  
21 manage growth; the promotion and provision of affordable housing and  
22 housing-related services; providing public infrastructure; business and  
23 trade development; assisting firms and industrial sectors to increase  
24 their competitiveness; fostering the development of minority and women-  
25 owned businesses; facilitating technology development, transfer, and  
26 diffusion; community services and advocacy for low-income persons; and  
27 public safety efforts. The department shall have the following general  
28 functions and responsibilities:

29           (1) Provide advisory assistance to the governor, other state  
30 agencies, and the legislature on community and economic development  
31 matters and issues;

32           (2) Assist the governor in coordinating the activities of state  
33 agencies that have an impact on local government and communities;

34           (3) Cooperate with ~~((the Washington state economic development~~  
35 ~~commission,))~~ the legislature~~((,))~~ and the governor in the development  
36 and implementation of strategic plans for the state's community and  
37 economic development efforts;

1 (4) Solicit private and federal grants for economic and community  
2 development programs and administer such programs in conjunction with  
3 other programs assigned to the department by the governor or the  
4 legislature;

5 (5) Cooperate with and provide technical and financial assistance  
6 to local governments, businesses, and community-based organizations  
7 serving the communities of the state for the purpose of aiding and  
8 encouraging orderly, productive, and coordinated development of the  
9 state, and, unless stipulated otherwise, give additional consideration  
10 to local communities and individuals with the greatest relative need  
11 and the fewest resources;

12 (6) Participate with other states or subdivisions thereof in  
13 interstate programs and assist cities, counties, municipal  
14 corporations, governmental conferences or councils, and regional  
15 planning commissions to participate with other states and provinces or  
16 their subdivisions;

17 (7) Hold public hearings and meetings to carry out the purposes of  
18 this chapter;

19 (8) Conduct research and analysis in furtherance of the state's  
20 economic and community development efforts including maintenance of  
21 current information on market, demographic, and economic trends as they  
22 affect different industrial sectors, geographic regions, and  
23 communities with special economic and social problems in the state; and

24 (9) Develop a schedule of fees for services where appropriate.

25 **Sec. 111.** RCW 43.330.080 and 2012 c 195 s 1 are each amended to  
26 read as follows:

27 (1)(a) The department must contract with county-designated  
28 associate development organizations to increase the support for and  
29 coordination of community and economic development services in  
30 communities or regional areas. The contracting organizations in each  
31 community or regional area must:

32 (i) Be broadly representative of community and economic interests;

33 (ii) Be capable of identifying key economic and community  
34 development problems, developing appropriate solutions, and mobilizing  
35 broad support for recommended initiatives;

36 (iii) Work closely with the department to carry out state-  
37 identified economic development priorities;

1 (iv) Work with and include local governments, local chambers of  
2 commerce, workforce development councils, port districts, labor groups,  
3 institutions of higher education, community action programs, and other  
4 appropriate private, public, or nonprofit community and economic  
5 development groups; and

6 (v) Meet and share best practices with other associate development  
7 organizations at least two times each year.

8 (b) The scope of services delivered under the contracts required in  
9 (a) of this subsection must include two broad areas of work:

10 (i) Direct assistance, including business planning, to companies  
11 throughout the county who need support to stay in business, expand, or  
12 relocate to Washington from out of state or other countries.  
13 Assistance must comply with business recruitment and retention  
14 protocols established in RCW 43.330.062, and includes:

15 (A) Working with the appropriate partners throughout the county  
16 including, but not limited to, local governments, workforce development  
17 councils, port districts, community and technical colleges and higher  
18 education institutions, export assistance providers, impact Washington,  
19 the Washington state quality award council, small business assistance  
20 programs, innovation partnership zones, and other federal, state, and  
21 local programs to facilitate the alignment of planning efforts and the  
22 seamless delivery of business support services within the entire  
23 county;

24 (B) Providing information on state and local permitting processes,  
25 tax issues, export assistance, and other essential information for  
26 operating, expanding, or locating a business in Washington;

27 (C) Marketing Washington and local areas as excellent locations to  
28 expand or relocate a business and positioning Washington as a globally  
29 competitive place to grow business, which may include developing and  
30 executing regional plans to attract companies from out of state;

31 (D) Working with businesses on site location and selection  
32 assistance;

33 (E) Providing business retention and expansion services throughout  
34 the county. Such services must include, but are not limited to,  
35 business outreach and monitoring efforts to identify and address  
36 challenges and opportunities faced by businesses, assistance to trade  
37 impacted businesses in applying for grants from the federal trade

1 adjustment assistance for firms program, and the provision of  
2 information to businesses on:

3 (I) Resources available for microenterprise development;

4 (II) Resources available on the revitalization of commercial  
5 districts; and

6 (III) The opportunity to maintain jobs through shared work programs  
7 authorized under chapter 50.60 RCW;

8 (F) Participating in economic development system-wide discussions  
9 regarding gaps in business start-up assistance in Washington;

10 (G) Providing or facilitating the provision of export assistance  
11 through workshops or one-on-one assistance; and

12 (H) Using a web-based information system to track data on business  
13 recruitment, retention, expansion, and trade; and

14 (ii) Support for regional economic research and regional planning  
15 efforts to implement target industry sector strategies and other  
16 economic development strategies, including cluster-based strategies.  
17 Research and planning efforts should support increased living standards  
18 and increased foreign direct investment, and be aligned with the  
19 statewide economic development strategy. Regional associate  
20 development organizations retain their independence to address local  
21 concerns and goals. Activities include:

22 (A) Participating in regional planning efforts with workforce  
23 development councils involving coordinated strategies around workforce  
24 development and economic development policies and programs.  
25 Coordinated planning efforts must include, but not be limited to,  
26 assistance to industry clusters in the region;

27 (B) Participating with the state board for community and technical  
28 colleges as created in RCW 28B.50.050, and any community and technical  
29 colleges in the coordination of the job skills training program and the  
30 customized training program within its region;

31 (C) Collecting and reporting data as specified by the contract with  
32 the department for statewide systemic analysis. (~~The department must  
33 consult with the Washington state economic development commission in  
34 the establishment of such uniform data as is needed to conduct a  
35 statewide systemic analysis of the state's economic development  
36 programs and expenditures.~~) In cooperation with other local,  
37 regional, and state planning efforts, contracting organizations may

1 provide insight into the needs of target industry clusters, business  
2 expansion plans, early detection of potential relocations or layoffs,  
3 training needs, and other appropriate economic information;

4 (D) In conjunction with other governmental jurisdictions and  
5 institutions, (~~(participate [participating])~~) participating in the  
6 development of a countywide economic development plan(~~(, consistent~~  
7 ~~with the state comprehensive plan for economic development developed by~~  
8 ~~the Washington state economic development commission))~~).

9 (2) The department must provide business services training to the  
10 contracting organizations, including but not limited to:

11 (a) Training in the fundamentals of export assistance and the  
12 services available from private and public export assistance providers  
13 in the state; and

14 (b) Training in the provision of business retention and expansion  
15 services as required by subsection (1)(b)(i)(E) of this section.

16 **Sec. 112.** RCW 43.330.082 and 2012 c 195 s 2 are each amended to  
17 read as follows:

18 (1)(a) Contracting associate development organizations must provide  
19 the department with measures of their performance and a summary of best  
20 practices shared and implemented by the contracting organizations.  
21 Annual reports must include the following information to show the  
22 contracting organization's impact on employment and overall changes in  
23 employment: Current employment and economic information for the  
24 community or regional area produced by the employment security  
25 department; the net change from the previous year's employment and  
26 economic information using data produced by the employment security  
27 department; other relevant information on the community or regional  
28 area; the amount of funds received by the contracting organization  
29 through its contract with the department; the amount of funds received  
30 by the contracting organization(~~(s)~~) through all sources; and the  
31 contracting organization's impact on employment through all funding  
32 sources. Annual reports may include the impact of the contracting  
33 organization on wages, exports, tax revenue, small business creation,  
34 foreign direct investment, business relocations, expansions,  
35 terminations, and capital investment. Data must be input into a common  
36 web-based business information system managed by the department.  
37 Specific measures, data standards, and data definitions must be

1 developed in the contracting process between the department(~~(, the~~  
2 ~~economic development commission,~~) and the contracting organization  
3 every two years. Except as provided in (b) of this subsection,  
4 performance measures should be consistent across regions to allow for  
5 statewide evaluation.

6 (b) In addition to the measures required in (a) of this subsection,  
7 contracting associate development organizations in counties with a  
8 population greater than one million five hundred thousand persons must  
9 include the following measures in reports to the department:

10 (i) The number of small businesses that received retention and  
11 expansion services, and the outcome of those services;

12 (ii) The number of businesses located outside of the boundaries of  
13 the largest city within the contracting associate development  
14 organization's region that received recruitment, retention, and  
15 expansion services, and the outcome of those services.

16 (2)(a) The department and contracting associate development  
17 organizations must agree upon specific target levels for the  
18 performance measures in subsection (1) of this section. Comparison of  
19 agreed thresholds and actual performance must occur annually.

20 (b) Contracting organizations that fail to achieve the agreed  
21 performance targets in more than one-half of the agreed measures must  
22 develop remediation plans to address performance gaps. The remediation  
23 plans must include revised performance thresholds specifically chosen  
24 to provide evidence of progress in making the identified service  
25 changes.

26 (c) Contracts and state funding must be terminated for one year for  
27 organizations that fail to achieve the agreed upon progress toward  
28 improved performance defined under (b) of this subsection. During the  
29 year in which termination for nonperformance is in effect,  
30 organizations must review alternative delivery strategies to include  
31 reorganization of the contracting organization, merging of previous  
32 efforts with existing regional partners, and other specific steps  
33 toward improved performance. At the end of the period of termination,  
34 the department may contract with the associate development organization  
35 or its successor as it deems appropriate.

36 (3) The department must submit (~~(a preliminary report to the~~  
37 ~~Washington economic development commission by September 1st of each~~  
38 ~~even-numbered year, and)) a final report to the legislature (~~(and the~~~~

1 ~~Washington economic development commission))~~ by December 31st of each  
2 even-numbered year on the performance results of the contracts with  
3 associate development organizations.

4 ~~((4) Contracting associate development organizations must provide  
5 the Washington state economic development commission with information  
6 to be used in the comprehensive statewide economic development strategy  
7 and progress report due under RCW 43.162.020, by the date determined by  
8 the commission.))~~

9 **Sec. 113.** RCW 43.330.090 and 2012 c 198 s 3 are each amended to  
10 read as follows:

11 (1) The department shall work with private sector organizations,  
12 industry and sector associations, federal agencies, state agencies that  
13 use a sector-based approach to service delivery, local governments,  
14 local associate development organizations, and higher education and  
15 training institutions in the development of industry sector-based  
16 strategies to diversify the economy, facilitate technology transfer and  
17 diffusion, and increase value-added production. The industry sectors  
18 targeted by the department may include, but are not limited to,  
19 aerospace, agriculture, food processing, forest products, marine  
20 services, health and biomedical, software, digital and interactive  
21 media, transportation and distribution, and microelectronics. The  
22 department shall, on a continuing basis, evaluate the potential return  
23 to the state from devoting additional resources to an industry sector-  
24 based approach to economic development and identifying and assisting  
25 additional sectors.

26 (2) The department's sector-based strategies shall include, but not  
27 be limited to, cluster-based strategies that focus on assisting  
28 regional industry sectors and related firms and institutions that meet  
29 the definition of an industry cluster in this section and based on  
30 criteria identified by the working group established in this chapter.

31 (3)(a) The department shall promote, market, and encourage growth  
32 in the production of films and videos, as well as television  
33 commercials within the state; to this end the department is directed to  
34 assist in the location of a film and video production studio within the  
35 state.

36 (b) The department may, in carrying out its efforts to encourage  
37 film and video production in the state, solicit and receive gifts,

1 grants, funds, fees, and endowments, in trust or otherwise, from  
2 tribal, local, or other governmental entities, as well as private  
3 sources, and may expend the same or any income therefrom for the  
4 encouragement of film and video production. All revenue received for  
5 such purposes shall be deposited into the general fund.

6 (4) In assisting in the development of regional and statewide  
7 industry cluster-based strategies, the department's activities shall  
8 include, but are not limited to:

9 (a) Facilitating regional focus group discussions and conducting  
10 studies to identify industry clusters, appraise the current information  
11 linkages within a cluster, and identify issues of common concern within  
12 a cluster;

13 (b) Supporting industry and cluster associations, publications of  
14 association and cluster directories, and related efforts to create or  
15 expand the activities of industry and cluster associations;

16 (c) Administering a competitive grant program to fund economic  
17 development activities designed to further regional cluster growth. In  
18 administering the program, the department shall work with (~~the~~  
19 ~~economic development commission,~~) the workforce training and education  
20 coordinating board, the state board for community and technical  
21 colleges, the employment security department, business, and labor.

22 (i) The department shall seek recommendations on criteria for  
23 evaluating applications for grant funds and recommend applicants for  
24 receipt of grant funds. Criteria shall include not duplicating the  
25 purpose or efforts of industry skill panels.

26 (ii) Applicants must include organizations from at least two  
27 counties and participants from the local business community. Eligible  
28 organizations include, but are not limited to, local governments,  
29 economic development councils, chambers of commerce, federally  
30 recognized Indian tribes, workforce development councils, and  
31 educational institutions.

32 (iii) Applications must evidence financial participation of the  
33 partner organizations.

34 (iv) Eligible activities include the formation of cluster economic  
35 development partnerships, research and analysis of economic development  
36 needs of the cluster, the development of a plan to meet the economic  
37 development needs of the cluster, and activities to implement the plan.



1 (v) Priority shall be given to applicants that complement industry  
2 skill panels and will use the grant funds to build linkages and joint  
3 projects.

4 (vi) The maximum amount of a grant is one hundred thousand dollars.

5 (vii) A maximum of one hundred thousand dollars total can go to  
6 King, Pierce, Kitsap, and Snohomish counties combined.

7 (viii) No more than ten percent of funds received for the grant  
8 program may be used by the department for administrative costs.

9 (5) As used in this chapter, "industry cluster" means a geographic  
10 concentration of interconnected companies in a single industry, related  
11 businesses in other industries, including suppliers and customers, and  
12 associated institutions, including government and education.

13 **Sec. 114.** RCW 43.330.250 and 2013 2nd sp.s. c 24 s 1 are each  
14 amended to read as follows:

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

17 (2) Only the governor, with the recommendation of the director of  
18 the department of commerce (~~and the economic development commission~~),  
19 may authorize expenditures from the account.

20 (3) (~~Expenditures from the account shall be made in an amount~~  
21 ~~sufficient to fund a minimum of one staff position for the economic~~  
22 ~~development commission and to cover any other operational costs of the~~  
23 ~~commission.~~

24 ~~(4))~~ During the 2009-2011 and 2011-2013 fiscal biennia, moneys in  
25 the account may also be transferred into the state general fund.

26 ~~((5))~~ (4) Expenditures from the account may be made to prevent  
27 closure of a business or facility, to prevent relocation of a business  
28 or facility in the state to a location outside the state, or to recruit  
29 a business or facility to the state. Expenditures may be authorized  
30 for:

31 (a) Workforce development;

32 (b) Public infrastructure needed to support or sustain the  
33 operations of the business or facility;

34 (c) Other lawfully provided assistance, including, but not limited  
35 to, technical assistance, environmental analysis, relocation  
36 assistance, and planning assistance. Funding may be provided for such  
37 assistance only when it is in the public interest and may only be

1 provided under a contractual arrangement ensuring that the state will  
2 receive appropriate consideration, such as an assurance of job creation  
3 or retention; and

4 (d) The joint center for aerospace technology innovation.

5 ~~((+6))~~ (5) The funds shall not be expended from the account  
6 unless:

7 (a) The circumstances are such that time does not permit the  
8 director of the department of commerce or the business or facility to  
9 secure funding from other state sources;

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

13 (c) The business or facility does not require continuing state  
14 support;

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

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

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

19 ~~((+7))~~ (6) No more than three million dollars per year may be  
20 expended from the account for the purpose of assisting an individual  
21 business or facility pursuant to the authority specified in this  
22 section.

23 ~~((+8))~~ (7) If the account balance in the strategic reserve account  
24 exceeds fifteen million dollars at any time, the amount in excess of  
25 fifteen million dollars shall be transferred to the education  
26 construction account.

27 **Sec. 115.** RCW 43.330.270 and 2012 c 225 s 1 are each amended to  
28 read as follows:

29 (1) The department must design and implement an innovation  
30 partnership zone program through which the state will encourage and  
31 support research institutions, workforce training organizations, and  
32 globally competitive companies to work cooperatively in close  
33 geographic proximity to create commercially viable products and jobs.

34 (2) The director must designate innovation partnership zones on the  
35 basis of the following criteria:

36 (a) Innovation partnership zones must have three types of

1 institutions operating within their boundaries, or show evidence of  
2 planning and local partnerships that will lead to dense concentrations  
3 of these institutions:

4 (i) Research capacity in the form of a university or community  
5 college fostering commercially valuable research, nonprofit  
6 institutions creating commercially applicable innovations, or a  
7 national laboratory;

8 (ii) An industry cluster as defined in RCW 43.330.090. The cluster  
9 must include a dense proximity of globally competitive firms in a  
10 research-based industry or industries or individual firms with  
11 innovation strategies linked to (a)(i) of this subsection. A globally  
12 competitive firm may be signified through international organization  
13 for standardization 9000 or 1400 certification, or evidence of sales in  
14 international markets; and

15 (iii) Training capacity either within the zone or readily  
16 accessible to the zone. The training capacity requirement may be met  
17 by the same institution as the research capacity requirement, to the  
18 extent both are associated with an educational institution in the  
19 proposed zone.

20 (b) The support of a local jurisdiction, a research institution, an  
21 educational institution, an industry or cluster association, a  
22 workforce development council, and an associate development  
23 organization, port, or chamber of commerce;

24 (c) Identifiable boundaries for the zone within which the applicant  
25 will concentrate efforts to connect innovative researchers,  
26 entrepreneurs, investors, industry associations or clusters, and  
27 training providers. The geographic area defined should lend itself to  
28 a distinct identity and have the capacity to accommodate firm growth;

29 (d) The innovation partnership zone administrator must be an  
30 economic development council, port, workforce development council,  
31 city, or county.

32 (3) With respect solely to the research capacity required in  
33 subsection (2)(a)(i) of this section, the director may waive the  
34 requirement that the research institution be located within the zone.  
35 To be considered for such a waiver, an applicant must provide a  
36 specific plan that demonstrates the research institution's unique  
37 qualifications and suitability for the zone, and the types of jointly

1 executed activities that will be used to ensure ongoing, face-to-face  
2 interaction and research collaboration among the zone's partners.

3 (4) On October 1st of each odd-numbered year, the director must  
4 designate innovation partnership zones on the basis of applications  
5 that meet the legislative criteria, estimated economic impact of the  
6 zone, evidence of forward planning for the zone, and other criteria as  
7 developed by the department (~~(in consultation with the Washington state~~  
8 ~~economic development commission)~~). Estimated economic impact must  
9 include evidence of anticipated private investment, job creation,  
10 innovation, and commercialization. The director must require evidence  
11 that zone applicants will promote commercialization, innovation, and  
12 collaboration among zone residents.

13 (5) Innovation partnership zones are eligible for funds and other  
14 resources as provided by the legislature or at the discretion of the  
15 governor.

16 (6) If the innovation partnership zone meets the other requirements  
17 of the fund sources, then the zone is eligible for the following funds  
18 relating to:

19 (a) The local infrastructure financing tools program;

20 (b) The sales and use tax for public facilities in rural counties;

21 (c) Job skills;

22 (d) Local improvement districts; and

23 (e) Community economic revitalization board projects under chapter  
24 43.160 RCW.

25 (7) An innovation partnership zone must be designated as a zone for  
26 a four-year period. At the end of the four-year period, the zone must  
27 reapply for the designation through the department.

28 (8) If the director finds that an applicant does not meet all of  
29 the statutory criteria or additional criteria recommended by the  
30 department (~~(in consultation with the Washington state economic~~  
31 ~~development commission)~~) to be designated as an innovation partnership  
32 zone, the department must:

33 (a) Identify the deficiencies in the proposal and recommended steps  
34 for the applicant to take to strengthen the proposal;

35 (b) Provide the applicant with the opportunity to appeal the  
36 decision to the director; and

37 (c) Allow the applicant to reapply for innovation partnership

1 designation on October 1st of the following calendar year or during any  
2 subsequent application cycle.

3 (9) If the director finds at any time after the initial year of  
4 designation that an innovation partnership zone is failing to meet the  
5 performance standards required in its contract with the department, the  
6 director may withdraw such designation and cease state funding of the  
7 zone.

8 (10) The department must convene annual information sharing events  
9 for innovation partnership zone administrators and other interested  
10 parties.

11 (11) An innovation partnership zone must annually provide  
12 performance measures as required by the director, including but not  
13 limited to private investment measures, job creation measures, and  
14 measures of innovation such as licensing of ideas in research  
15 institutions, patents, or other recognized measures of innovation.

16 (12) The department must compile a biennial report on the  
17 innovation partnership zone program by December 1st of every even-  
18 numbered year. The report must provide information for each zone on  
19 its: Objectives; funding, tax incentives, and other support obtained  
20 from public sector sources; major activities; partnerships; performance  
21 measures; and outcomes achieved since the inception of the zone or  
22 since the previous biennial report. (~~The Washington state economic  
23 development commission must review the department's draft report and  
24 make recommendations on ways to increase the effectiveness of  
25 individual zones and the program overall.~~) The department must submit  
26 the report(~~(, including the commission's recommendations,)~~) to the  
27 governor and legislature beginning December 1, 2010.

28 **Sec. 116.** RCW 43.330.280 and 2012 c 229 s 708 are each amended to  
29 read as follows:

30 (1) The (~~Washington state economic development commission~~)  
31 department shall(~~(, with the advice of an innovation partnership  
32 advisory group selected by the commission: (a) Provide information and  
33 advice to the department of commerce to assist in the implementation of  
34 the innovation partnership zone program, including criteria to be used  
35 in the selection of grant applicants for funding;~~

36 ~~(b))~~ document clusters of companies throughout the state that have  
37 comparative competitive advantage or the potential for comparative

1 competitive advantage, using the process and criteria for identifying  
2 strategic clusters developed by the working group specified in  
3 subsection (2) of this section(†

4 ~~(c) Conduct an innovation opportunity analysis to identify (i) the~~  
5 ~~strongest current intellectual assets and research teams in the state~~  
6 ~~focused on emerging technologies and their commercialization, and (ii)~~  
7 ~~faculty and researchers that could increase their focus on~~  
8 ~~commercialization of technology if provided the appropriate technical~~  
9 ~~assistance and resources;~~

10 ~~(d) Based on its findings and analysis, and in conjunction with the~~  
11 ~~research institutions:~~

12 ~~(i) Develop a plan to build on existing, and develop new,~~  
13 ~~intellectual assets and innovation research teams in the state in~~  
14 ~~research areas where there is a high potential to commercialize~~  
15 ~~technologies. The commission shall present the plan to the governor~~  
16 ~~and legislature by December 31, 2009. The publicly funded research~~  
17 ~~institutions in the state shall be responsible for implementing the~~  
18 ~~plan. The plan shall address the following elements and such other~~  
19 ~~elements as the commission deems important:~~

20 ~~(A) Specific mechanisms to support, enhance, or develop innovation~~  
21 ~~research teams and strengthen their research and commercialization~~  
22 ~~capacity in areas identified as useful to strategic clusters and~~  
23 ~~innovative firms in the state;~~

24 ~~(B) Identification of the funding necessary for laboratory~~  
25 ~~infrastructure needed to house innovation research teams;~~

26 ~~(C) Specification of the most promising research areas meriting~~  
27 ~~enhanced resources and recruitment of significant entrepreneurial~~  
28 ~~researchers to join or lead innovation research teams;~~

29 ~~(D) The most productive approaches to take in the recruitment, in~~  
30 ~~the identified promising research areas, of a minimum of ten~~  
31 ~~significant entrepreneurial researchers over the next ten years to join~~  
32 ~~or lead innovation research teams;~~

33 ~~(E) Steps to take in solicitation of private sector support for the~~  
34 ~~recruitment of entrepreneurial researchers and the commercialization~~  
35 ~~activity of innovation research teams; and~~

36 ~~(F) Mechanisms for ensuring the location of innovation research~~  
37 ~~teams in innovation partnership zones;~~

1       ~~(ii) Provide direction for the development of comprehensive~~  
2 ~~entrepreneurial assistance programs at research institutions. The~~  
3 ~~programs may involve multidisciplinary students, faculty,~~  
4 ~~entrepreneurial researchers, entrepreneurs, and investors in building~~  
5 ~~business models and evolving business plans around innovative ideas.~~  
6 ~~The programs may provide technical assistance and the support of an~~  
7 ~~entrepreneur in residence to innovation research teams and offer~~  
8 ~~entrepreneurial training to faculty, researchers, undergraduates, and~~  
9 ~~graduate students. Curriculum leading to a certificate in~~  
10 ~~entrepreneurship may also be offered;~~

11       ~~(e) Develop performance measures to be used in evaluating the~~  
12 ~~performance of innovation research teams, the implementation of the~~  
13 ~~plan and programs under (d)(i) and (ii) of this subsection, and the~~  
14 ~~performance of innovation partnership zone grant recipients, including~~  
15 ~~but not limited to private investment measures, business initiation~~  
16 ~~measures, job creation measures, and measures of innovation such as~~  
17 ~~licensing of ideas in research institutions, patents, or other~~  
18 ~~recognized measures of innovation. The performance measures developed~~  
19 ~~shall be consistent with the economic development commission's~~  
20 ~~comprehensive plan for economic development and its standards and~~  
21 ~~metrics for program evaluation. The commission shall report to the~~  
22 ~~legislature and the governor by June 30, 2009, on the measures~~  
23 ~~developed; and~~

24       ~~(f) Using the performance measures developed, perform a biennial~~  
25 ~~assessment and report, the first of which shall be due December 31,~~  
26 ~~2012, on:~~

27       ~~(i) Commercialization of technologies developed at state~~  
28 ~~universities, found at other research institutions in the state, and~~  
29 ~~facilitated with public assistance at existing companies;~~

30       ~~(ii) Outcomes of the funding of innovation research teams and~~  
31 ~~recruitment of significant entrepreneurial researchers;~~

32       ~~(iii) Comparison with other states of Washington's outcomes from~~  
33 ~~the innovation research teams and efforts to recruit significant~~  
34 ~~entrepreneurial researchers; and~~

35       ~~(iv) Outcomes of the grants for innovation partnership zones. The~~  
36 ~~report shall include recommendations for modifications of chapter 227,~~  
37 ~~Laws of 2007 and of state commercialization efforts that would enhance~~  
38 ~~the state's economic competitiveness)).~~

1           (2) The (~~economic development commission~~) department and the  
2 workforce training and education coordinating board shall jointly  
3 convene a working group to:

4           (a) Specify the process and criteria for identification of substate  
5 geographic concentrations of firms or employment in an industry and the  
6 industry's customers, suppliers, supporting businesses, and  
7 institutions, which process will include the use of labor market  
8 information from the employment security department and local labor  
9 markets; and

10          (b) Establish criteria for identifying strategic clusters which are  
11 important to economic prosperity in the state, considering cluster  
12 size, growth rate, and wage levels among other factors.

13          **Sec. 117.** RCW 43.330.310 and 2012 c 229 s 590 and 2012 c 198 s 12  
14 are each reenacted and amended to read as follows:

15          (1) The legislature establishes a comprehensive green economy jobs  
16 growth initiative based on the goal of, by 2020, increasing the number  
17 of green economy jobs to twenty-five thousand from the eight thousand  
18 four hundred green economy jobs the state had in 2004.

19          (2) The department, in consultation with the employment security  
20 department, the state workforce training and education coordinating  
21 board, and the state board for community and technical colleges, shall  
22 develop a defined list of terms, consistent with current workforce and  
23 economic development terms, associated with green economy industries  
24 and jobs.

25          (3)(a) The employment security department, in consultation with the  
26 department, the state workforce training and education coordinating  
27 board, the state board for community and technical colleges, Washington  
28 State University small business development center, and the Washington  
29 State University extension energy program, shall conduct labor market  
30 research to analyze the current labor market and projected job growth  
31 in the green economy, the current and projected recruitment and skill  
32 requirement of green economy industry employers, the wage and benefits  
33 ranges of jobs within green economy industries, and the education and  
34 training requirements of entry-level and incumbent workers in those  
35 industries.

36          (i) The employment security department shall conduct an analysis of  
37 occupations in the forest products industry to: (A) Determine key



1 growth factors and employment projections in the industry; and (B)  
2 define the education and skill standards required for current and  
3 emerging green occupations in the industry.

4 (ii) The term "forest products industry" must be given a broad  
5 interpretation when implementing (a)(i) of this subsection and  
6 includes, but is not limited to, businesses that grow, manage, harvest,  
7 transport, and process forest, wood, and paper products.

8 (b) The University of Washington business and economic development  
9 center shall: Analyze the current opportunities for and participation  
10 in the green economy by minority and women-owned business enterprises  
11 in Washington; identify existing barriers to their successful  
12 participation in the green economy; and develop strategies with  
13 specific policy recommendations to improve their successful  
14 participation in the green economy. The research may be informed by  
15 the research of the Puget Sound regional council prosperity  
16 partnership, as well as other entities. The University of Washington  
17 business and economic development center shall report to the  
18 appropriate committees of the house of representatives and the senate  
19 on their research, analysis, and recommendations by December 1, 2008.

20 (4) Based on the findings from subsection (3) of this section, the  
21 employment security department, in consultation with the department and  
22 taking into account the requirements and goals of chapter 14, Laws of  
23 2008 and other state clean energy and energy efficiency policies, shall  
24 propose which industries will be considered high-demand green  
25 industries, based on current and projected job creation and their  
26 strategic importance to the development of the state's green economy.  
27 The employment security department and the department shall take into  
28 account which jobs within green economy industries will be considered  
29 high-wage occupations and occupations that are part of career pathways  
30 to the same, based on family-sustaining wage and benefits ranges.  
31 These designations, and the results of the employment security  
32 department's broader labor market research, shall inform the planning  
33 and strategic direction of the department, the state workforce training  
34 and education coordinating board, and the state board for community and  
35 technical colleges.

36 (5) The department shall identify emerging technologies and  
37 innovations that are likely to contribute to advancements in the green

1 economy, including the activities in designated innovation partnership  
2 zones established in RCW 43.330.270.

3 (6) The department (~~(, consistent with the priorities established by~~  
4 ~~the state economic development commission,)~~) shall:

5 (a) Develop targeting criteria for existing investments, and make  
6 recommendations for new or expanded financial incentives and  
7 comprehensive strategies, to recruit, retain, and expand green economy  
8 industries and small businesses; and

9 (b) Make recommendations for new or expanded financial incentives  
10 and comprehensive strategies to stimulate research and development of  
11 green technology and innovation, including designating innovation  
12 partnership zones linked to the green economy.

13 (7) For the purposes of this section, "target populations" means  
14 (a) entry-level or incumbent workers in high-demand green industries  
15 who are in, or are preparing for, high-wage occupations; (b) dislocated  
16 workers in declining industries who may be retrained for high-wage  
17 occupations in high-demand green industries; (c) dislocated  
18 agriculture, timber, or energy sector workers who may be retrained for  
19 high-wage occupations in high-demand green industries; (d) eligible  
20 veterans or national guard members; (e) disadvantaged populations; or  
21 (f) anyone eligible to participate in the state opportunity grant  
22 program under RCW 28B.50.271.

23 (8) The legislature directs the state workforce training and  
24 education coordinating board to create and pilot green industry skill  
25 panels. These panels shall consist of business representatives from:  
26 Green industry sectors, including but not limited to forest product  
27 companies, companies engaged in energy efficiency and renewable energy  
28 production, companies engaged in pollution prevention, reduction, and  
29 mitigation, and companies engaged in green building work and green  
30 transportation; labor unions representing workers in those industries  
31 or labor affiliates administering state-approved, joint apprenticeship  
32 programs or labor-management partnership programs that train workers  
33 for these industries; state and local veterans agencies; employer  
34 associations; educational institutions; and local workforce development  
35 councils within the region that the panels propose to operate; and  
36 other key stakeholders as determined by the applicant. Any of these  
37 stakeholder organizations are eligible to receive grants under this  
38 section and serve as the intermediary that convenes and leads the

1 panel. Panel applicants must provide labor market and industry  
2 analysis that demonstrates high demand, or demand of strategic  
3 importance to the development of the state's clean energy economy as  
4 identified in this section, for high-wage occupations, or occupations  
5 that are part of career pathways to the same, within the relevant  
6 industry sector. The panel shall:

7 (a) Conduct labor market and industry analyses, in consultation  
8 with the employment security department, and drawing on the findings of  
9 its research when available;

10 (b) Plan strategies to meet the recruitment and training needs of  
11 the industry and small businesses; and

12 (c) Leverage and align other public and private funding sources.

13 **Sec. 118.** RCW 43.330.375 and 2012 c 229 s 591 are each amended to  
14 read as follows:

15 (1) The department and the workforce board must:

16 (a) Coordinate efforts across the state to ensure that federal  
17 training and education funds are captured and deployed in a focused and  
18 effective manner in order to support green economy projects and  
19 accomplish the goals of the evergreen jobs initiative;

20 (b) Accelerate and coordinate efforts by state and local  
21 organizations to identify, apply for, and secure all sources of funds,  
22 particularly those created by the 2009 American recovery and  
23 reinvestment act, and to ensure that distributions of funding to local  
24 organizations are allocated in a manner that is time-efficient and  
25 user-friendly for the local organizations. Local organizations  
26 eligible to receive support include but are not limited to:

27 (i) Associate development organizations;

28 (ii) Workforce development councils;

29 (iii) Public utility districts; and

30 (iv) Community action agencies;

31 (c) Support green economy projects at both the state and local  
32 level by developing a process and a framework to provide, at a minimum:

33 (i) Administrative and technical assistance;

34 (ii) Assistance with and expediting of permit processes; and

35 (iii) Priority consideration of opportunities leading to exportable  
36 green economy goods and services, including renewable energy  
37 technology;

1 (d) Coordinate local and state implementation of projects using  
2 federal funds to ensure implementation is time-efficient and user-  
3 friendly for local organizations;

4 (e) Emphasize through both support and outreach efforts, projects  
5 that:

6 (i) Have a strong and lasting economic or environmental impact;

7 (ii) Lead to a domestically or internationally exportable good or  
8 service, including renewable energy technology;

9 (iii) Create training programs leading to a credential,  
10 certificate, or degree in a green economy field;

11 (iv) Strengthen the state's competitiveness in a particular sector  
12 or cluster of the green economy;

13 (v) Create employment opportunities for veterans, members of the  
14 national guard, and low-income and disadvantaged populations;

15 (vi) Comply with prevailing wage provisions of chapter 39.12 RCW;

16 (vii) Ensure at least fifteen percent of labor hours are performed  
17 by apprentices;

18 (f) Identify emerging technologies and innovations that are likely  
19 to contribute to advancements in the green economy, including the  
20 activities in designated innovation partnership zones established in  
21 RCW 43.330.270;

22 (g) Identify barriers to the growth of green jobs in traditional  
23 industries such as the forest products industry;

24 (h) Identify statewide performance metrics for projects receiving  
25 agency assistance. Such metrics may include:

26 (i) The number of new green jobs created each year, their wage  
27 levels, and, to the extent determinable, the percentage of new green  
28 jobs filled by veterans, members of the national guard, and low-income  
29 and disadvantaged populations;

30 (ii) The total amount of new federal funding secured, the  
31 respective amounts allocated to the state and local levels, and the  
32 timeliness of deployment of new funding by state agencies to the local  
33 level;

34 (iii) The timeliness of state deployment of funds and support to  
35 local organizations; and

36 (iv) If available, the completion rates, time to completion, and  
37 training-related placement rates for green economy postsecondary  
38 training programs;

1 (i) Identify strategies to allocate existing and new funding  
2 streams for green economy workforce training programs and education to  
3 emphasize those leading to a credential, certificate, or degree in a  
4 green economy field;

5 (j) Identify and implement strategies to allocate existing and new  
6 funding streams for workforce development councils and associate  
7 development organizations to increase their effectiveness and  
8 efficiency and increase local capacity to respond rapidly and  
9 comprehensively to opportunities to attract green jobs to local  
10 communities;

11 (k) Develop targeting criteria for existing investments that are  
12 consistent with (~~the economic development commission's economic~~  
13 ~~development strategy and~~) the goals of this section and RCW  
14 28C.18.170, 28B.50.281, and 49.04.200; and

15 (1) Make and support outreach efforts so that residents of  
16 Washington, particularly members of target populations, become aware of  
17 educational and employment opportunities identified and funded through  
18 the evergreen jobs act.

19 (2) The department and the workforce board must provide semiannual  
20 performance reports to the governor and appropriate committees of the  
21 legislature on:

22 (a) Actual statewide performance based on the performance measures  
23 identified in subsection (1)(h) of this section;

24 (b) How the state is emphasizing and supporting projects that lead  
25 to a domestically or internationally exportable good or service,  
26 including renewable energy technology;

27 (c) A list of projects supported, created, or funded in furtherance  
28 of the goals of the evergreen jobs initiative and the actions taken by  
29 state and local organizations, including the effectiveness of state  
30 agency support provided to local organizations as directed in  
31 subsection (1)(b) and (c) of this section;

32 (d) Recommendations for new or expanded financial incentives and  
33 comprehensive strategies to:

34 (i) Recruit, retain, and expand green economy industries and small  
35 businesses; and

36 (ii) Stimulate research and development of green technology and  
37 innovation, which may include designating innovation partnership zones  
38 linked to the green economy;

1 (e) Any information that associate development organizations and  
2 workforce development councils choose to provide to appropriate  
3 legislative committees regarding the effectiveness, timeliness, and  
4 coordination of support provided by state agencies under this section  
5 and RCW 28C.18.170, 28B.50.281, and 49.04.200; and

6 (f) Any recommended statutory changes necessary to increase the  
7 effectiveness of the evergreen jobs initiative and state responsiveness  
8 to local agencies and organizations.

9 (3) The definitions, designations, and results of the employment  
10 security department's broader labor market research under RCW  
11 43.330.010 shall inform the planning and strategic direction of the  
12 department, the state workforce training and education coordinating  
13 board, the state board for community and technical colleges, and the  
14 student achievement council.

15 **Sec. 119.** RCW 50.38.050 and 2009 c 151 s 2 are each amended to  
16 read as follows:

17 The department shall have the following duties:

18 (1) Oversight and management of a statewide comprehensive labor  
19 market and occupational supply and demand information system, including  
20 development of a five-year employment forecast for state and labor  
21 market areas;

22 (2) Produce local labor market information packages for the state's  
23 counties, including special studies and job impact analyses in support  
24 of state and local employment, training, education, and job creation  
25 programs, especially activities that prevent job loss, reduce  
26 unemployment, and create jobs;

27 (3) Coordinate with the office of financial management and the  
28 office of the forecast council to improve employment estimates by  
29 enhancing data on corporate officers, improving business establishment  
30 listings, expanding sample for employment estimates, and developing  
31 business entry/exit analysis relevant to the generation of occupational  
32 and economic forecasts;

33 (4) In cooperation with the office of financial management, produce  
34 long-term industry and occupational employment forecasts. These  
35 forecasts shall be consistent with the official economic and revenue  
36 forecast council biennial economic and revenue forecasts; and

1 (5) Analyze labor market and economic data, including the use of  
2 input-output models, for the purpose of identifying industry clusters  
3 and strategic industry clusters that meet the criteria identified by  
4 the working group convened by the ((~~economic development commission~~))  
5 department of commerce and the workforce training and education  
6 coordinating board under chapter 43.330 RCW.

7 **Sec. 120.** RCW 82.14.505 and 2010 c 164 s 8 are each amended to  
8 read as follows:

9 (1) Demonstration projects are designated to determine the  
10 feasibility of local revitalization financing. For the purpose of this  
11 section, "annual state contribution limit" means four million two  
12 hundred thousand dollars statewide per fiscal year.

13 (a) Notwithstanding RCW 39.104.100, the department must approve  
14 each demonstration project for 2009 as follows:

15 (i) The Whitman county Pullman/Moscow corridor improvement project  
16 award may not exceed two hundred thousand dollars;

17 (ii) The University Place improvement project award may not exceed  
18 five hundred thousand dollars;

19 (iii) The Tacoma international financial services area/Tacoma dome  
20 project award may not exceed five hundred thousand dollars;

21 (iv) The Bremerton downtown improvement project award may not  
22 exceed three hundred thirty thousand dollars;

23 (v) The Auburn downtown redevelopment project award may not exceed  
24 two hundred fifty thousand dollars;

25 (vi) The Vancouver Columbia waterfront/downtown project award may  
26 not exceed two hundred twenty thousand dollars; and

27 (vii) The Spokane University District project award may not exceed  
28 two hundred fifty thousand dollars.

29 (b) Notwithstanding RCW 39.104.100, the department must approve  
30 each demonstration project for 2010 meeting the requirements in  
31 subsection (2)(c) of this section as follows:

32 (i) The Richland revitalization area for industry, science and  
33 education project award may not exceed three hundred thirty thousand  
34 dollars;

35 (ii) The Lacey gateway town center project award may not exceed  
36 five hundred thousand dollars;

1 (iii) The Mill Creek east gateway planned urban village  
2 revitalization area project award may not exceed three hundred thirty  
3 thousand dollars;

4 (iv) The Puyallup river road revitalization area project award may  
5 not exceed two hundred fifty thousand dollars;

6 (v) The Renton south Lake Washington project award may not exceed  
7 five hundred thousand dollars; and

8 (vi) The New Castle downtown project (~~{award}~~) award may not  
9 exceed forty thousand dollars.

10 (2)(a) Local government sponsors of demonstration projects under  
11 subsection (1)(a) of this section must submit to the department no  
12 later than September 1, 2009, documentation that substantiates that the  
13 project has met the conditions, limitations, and requirements provided  
14 in chapter 270, Laws of 2009.

15 (b) Sponsoring local government of demonstration projects under  
16 subsection (1)(b) of this section must update and resubmit to the  
17 department no later than September 1, 2010, the application already on  
18 file with the department to substantiate that the project has met the  
19 conditions, limitations, and requirements provided in chapter 270, Laws  
20 of 2009 and chapter 164, Laws of 2010 and the project is substantially  
21 the same as the project in the original application submitted to the  
22 department in 2009.

23 (c) The department must not approve any resubmitted application  
24 unless an economic analysis by a qualified researcher at the department  
25 of economics at the University of Washington confirms that there is an  
26 eighty-five percent probability that the application's assumptions and  
27 estimates of jobs created and increased tax receipts will be achieved  
28 by the project and determines that net state tax revenue will increase  
29 as a result of the project by an amount that equals or exceeds the  
30 award authorized in subsection (1)(b) of this section. (~~Prior to~~  
31 ~~submitting the economic analysis to the department, the qualified~~  
32 ~~researcher must consult with the economic development commission~~  
33 ~~established in chapter 43.162 RCW regarding his or her preliminary~~  
34 ~~findings. The final economic analysis must include comments and~~  
35 ~~recommendations of the economic development commission.))~~

36 (3) Within ninety days of such submittal, the economic analysis in  
37 subsection (2)(c) of this section must be completed and the department  
38 must either approve demonstration projects that have met these



1 conditions, limitations, and requirements or deny resubmitted  
2 applications that have not met these conditions, limitations, and  
3 requirements.

4 (4) Local government sponsors of demonstration projects may elect  
5 to decline the project awards as designated in this section, and may  
6 elect instead to submit applications according to the process described  
7 in RCW 39.104.100.

8 (5) If a demonstration project listed in subsection (1)(b) of this  
9 section does not update and resubmit its application to the department  
10 by the deadline specified in subsection (2)(b) of this section or if  
11 the demonstration project withdraws its application, the associated  
12 dollar amounts may not be approved for another project and may not be  
13 considered part of the annual state contribution limit under RCW  
14 39.104.020(1).

15 **Sec. 121.** RCW 82.33A.010 and 2007 c 232 s 8 are each amended to  
16 read as follows:

17 (1) The economic climate council is hereby created.

18 (2) The council shall(~~(, in consultation with the Washington~~  
19 ~~economic development commission,)~~) select a series of benchmarks that  
20 characterize the competitive environment of the state. The benchmarks  
21 should be indicators of the cost of doing business; the education and  
22 skills of the workforce; a sound infrastructure; and the quality of  
23 life. In selecting the appropriate benchmarks, the council shall use  
24 the following criteria:

25 (a) The availability of comparative information for other states  
26 and countries;

27 (b) The timeliness with which benchmark information can be  
28 obtained; and

29 (c) The accuracy and validity of the benchmarks in measuring the  
30 economic climate indicators named in this section.

31 (3) Each year the council shall prepare an official state economic  
32 climate report on the present status of benchmarks, changes in the  
33 benchmarks since the previous report, and the reasons for the changes.  
34 The reports shall include current benchmark comparisons with other  
35 states and countries, and an analysis of factors related to the  
36 benchmarks that may affect the ability of the state to compete  
37 economically at the national and international level.

1 (4) All agencies of state government shall provide to the council  
2 immediate access to all information relating to economic climate  
3 reports.

4 **Sec. 122.** RCW 43.131.418 and 2013 2nd sp.s. c 24 s 3 are each  
5 amended to read as follows:

6 The following acts or parts of acts, as now existing or hereafter  
7 amended, are each repealed, effective July 1, 2021:

8 (1) RCW 28B.155.010 and 2014 c ... s 102 (section 102 of this act)  
9 & 2012 c 242 s 1; and

10 (2) RCW 28B.155.020 and 2012 c 242 s 2.

11 NEW SECTION. **Sec. 123.** The following acts or parts of acts are  
12 each repealed:

13 (1) RCW 43.162.005 (Findings--Intent) and 2011 c 311 s 1, 2007 c  
14 232 s 1, & 2003 c 235 s 1;

15 (2) RCW 43.162.010 (Washington state economic development  
16 commission--Membership--Policies and procedures) and 2011 c 311 s 2,  
17 2007 c 232 s 2, & 2003 c 235 s 2;

18 (3) RCW 43.162.012 ("Commission" defined) and 2011 c 311 s 3;

19 (4) RCW 43.162.015 (Executive director) and 2011 c 311 s 4 & 2007  
20 c 232 s 3;

21 (5) RCW 43.162.020 (Duties--Biennial comprehensive statewide  
22 economic development strategy--Report--Biennial budget request--  
23 Memorandum of understanding--Performance evaluation--Gifts, grants,  
24 donations) and 2012 c 195 s 3, 2011 c 311 s 5, 2009 c 151 s 9, 2007 c  
25 232 s 4, & 2003 c 235 s 3;

26 (6) RCW 43.162.025 (Additional authority) and 2011 c 311 s 6 & 2007  
27 c 232 s 5;

28 (7) RCW 43.162.030 (Authority of governor and department of  
29 commerce not affected) and 2011 c 311 s 7, 2007 c 232 s 7, & 2003 c 235  
30 s 4;

31 (8) RCW 43.162.040 (Washington state economic development  
32 commission account) and 2011 c 311 s 8; and

33 (9) RCW 82.33A.020 (Consulting with Washington economic development  
34 commission) and 2007 c 232 s 9 & 1996 c 152 s 4.

35 **PART II**

1                   **ELIMINATION OF THE WASHINGTON GLOBAL HEALTH TECHNOLOGIES**  
2                   **AND PRODUCT DEVELOPMENT COMPETITIVENESS PROGRAM'S BOARD OF DIRECTORS**

3           **Sec. 201.** RCW 43.374.010 and 2010 1st sp.s. c 13 s 2 are each  
4 amended to read as follows:

5           (1) The Washington global health technologies and product  
6 development competitiveness program is created.

7           (2)(a) The program must be administered by a nonprofit organization  
8 (~~exempt from income taxation under 26 U.S.C. Sec. 501(c)(6) of the~~  
9 ~~federal internal revenue code~~) whose board of directors is appointed  
10 by the governor. The governor must make the appointments after  
11 consultation with a statewide alliance of global health research,  
12 nonprofit, and private entities. (~~The board consists of the following~~  
13 ~~members:~~

14           ~~(i) Three members representing private companies engaged in the~~  
15 ~~provision of global health products or services;~~

16           ~~(ii) Three members representing nonprofit organizations supporting~~  
17 ~~global health research or providing global health products or services;~~

18           ~~(iii) Three members representing public research institutions~~  
19 ~~engaged in global health research and education; and~~

20           ~~(iv) One member who is a former elected official.)~~

21           (b) The governor must appoint the chair of the board from among the  
22 members. The governor must appoint the members to staggered terms and  
23 each appointment may not last more than three years, but an appointee  
24 may serve more than one term.

25           (3) The (~~board~~) life sciences discovery fund authority must  
26 contract with the (~~department of commerce for management services to~~  
27 ~~assist the board in implementing~~) board to implement and manage the  
28 program.

29           (4) The life sciences discovery fund authority and the board  
30 (~~must~~) are empowered to solicit and receive gifts, grants, bequests,  
31 royalty payments, licensing income, and other funds from businesses,  
32 foundations, and the federal government to promote the development and  
33 delivery of global health technologies and products. All federal funds  
34 received must be deposited in the Washington global health technologies  
35 and product development account created in RCW 43.374.020. All  
36 remaining nonstate funds received must be deposited in an account that  
37 the board creates and administers to carry out the purposes of this

1 section. Expenditures from the account created by the board may be  
2 used only for funding activities of the program created in this  
3 section. Of the total amounts deposited into these accounts, no more  
4 than (~~three~~) four percent of the total funds may be used for the  
5 (~~department of commerce's management services and~~) life sciences  
6 discovery fund authority's administrative expenses related to the  
7 program created in this section.

8 (5) The board must establish eligibility criteria for global health  
9 technologies and product development grants and adopt policies and  
10 procedures to facilitate the orderly process of grant application,  
11 review, and reward.

12 (6) In making grants to entities pursuant to contract for the  
13 development, production, promotion, and delivery of global health  
14 technologies and products, the board must consider the following:

15 (a) The quality of the proposed research or the proposed technical  
16 assistance in product development or production process design. Any  
17 grant funds awarded for research activities must be awarded for  
18 nonbasic research which will assist in commercialization or manufacture  
19 of global health technologies;

20 (b) The potential for the grant recipient to improve global health  
21 outcomes;

22 (c) The potential for the grant to leverage additional funding for  
23 the development of global health technologies and products;

24 (d) The potential for the grant to stimulate, or promote technical  
25 skills training for, employment in the development of global health  
26 technologies in the state;

27 (e) The willingness of the grant recipient, when appropriate, to  
28 enter into royalty or licensing income agreements with the board; and

29 (f) Any other factors, as the board determines.

30 (7) Grant contracts must specify that award recipients must conduct  
31 their research, development, and any subsequent production activities  
32 within Washington, with the exception of activities such as clinical  
33 trials that must be carried out in developing countries, and that a  
34 failure to comply with this requirement will obligate the recipient to  
35 return the amount of the award plus interest as determined by the  
36 board.

37 (~~Upon the recommendation of the Washington economic~~  
38 ~~development commission, the board may provide funding for the~~

1 ~~recruitment and employment by public research institutions and global~~  
2 ~~health nonprofit organizations in the state, of global health~~  
3 ~~researchers with a history of commercialization of global health~~  
4 ~~technologies.~~

5 (9)) Each project receiving a grant under this section must report  
6 information to the board in the format and at the intervals as the  
7 board requires to provide accountability and to evaluate the  
8 effectiveness of the program. The information reported must include  
9 the amount of funding received; the funding, if any, leveraged by the  
10 grant; the number and types of jobs created as a result of the grant;  
11 and any other information that the board requires. The board must use  
12 the information to prepare an annual evaluation of the program for a  
13 report to the appropriate committees of the legislature and the  
14 governor, beginning December 1, 2012.

15 **PART III**

16 **ELIMINATION OF THE WASHINGTON TOURISM COMMISSION**

17 NEW SECTION. **Sec. 301.** The following acts or parts of acts are  
18 each repealed:

19 (1) RCW 43.336.010 (Definitions) and 2009 c 565 s 42 & 2007 c 228  
20 s 101;

21 (2) RCW 43.336.020 (Commission created--Composition--Terms--  
22 Executive director--Rule-making authority) and 2011 1st sp.s. c 50 s  
23 957, 2009 c 549 s 5178, & 2007 c 228 s 102;

24 (3) RCW 43.336.030 (Tourism industry expansion--Coordinated  
25 program--Strategic plan--Tourism marketing plan) and 2007 c 228 s 103;

26 (4) RCW 43.336.040 (Tourism competitive grant program) and 2007 c  
27 228 s 104;

28 (5) RCW 43.336.050 (Tourism enterprise account) and 2011 c 5 s 914  
29 & 2007 c 228 s 105;

30 (6) RCW 43.336.060 (Tourism development program--Report to the  
31 legislature) and 2009 c 518 s 13, 2007 c 228 s 107, & 1998 c 299 s 5;  
32 and

33 (7) RCW 43.336.900 (Part headings not law--2007 c 228) and 2007 c  
34 228 s 204.

35 **PART IV**

1                   **ELIMINATION OF THE MICROENTERPRISE DEVELOPMENT PROGRAM**

2           **Sec. 401.** RCW 43.330.010 and 2011 c 286 s 4 are each amended to  
3 read as follows:

4           Unless the context clearly requires otherwise, the definitions in  
5 this section apply throughout this chapter.

6           (1) "Associate development organization" means a local economic  
7 development nonprofit corporation that is broadly representative of  
8 community interests.

9           (2) "Department" means the department of commerce.

10          (3) "Director" means the director of the department of commerce.

11          (4) "Financial institution" means a bank, trust company, mutual  
12 savings bank, savings and loan association, or credit union authorized  
13 to do business in this state under state or federal law.

14          (5) (~~"Microenterprise development organization" means a community  
15 development corporation, a nonprofit development organization, a  
16 nonprofit social services organization or other locally operated  
17 nonprofit entity that provides services to low-income entrepreneurs.~~

18          ~~(6))~~) "Small business" has the same meaning as provided in RCW  
19 (~~(39.29.006)~~) 39.26.010.

20          (~~(7) "Statewide microenterprise association" means a nonprofit  
21 entity with microenterprise development organizations as members that  
22 serves as an intermediary between the department of commerce and local  
23 microenterprise development organizations.~~)

24          NEW SECTION.       **Sec. 402.** RCW 43.330.290 (Microenterprise  
25 development program) and 2009 c 565 s 15 & 2007 c 322 s 3 are each  
26 repealed.

27   **PART V**

28   **MISCELLANEOUS PROVISIONS**

29          NEW SECTION.       **Sec. 501.** Section 106 of this act expires on the  
30 date the requirements set out in section 7, chapter 36, Laws of 2012  
31 are met.

32          NEW SECTION.       **Sec. 502.** Section 107 of this act takes effect on

1 the date the requirements set out in section 7, chapter 36, Laws of  
2 2012 are met."

**E2SHB 2029** - S COMM AMD

By Committee on Trade & Economic Development

**OUT OF ORDER 03/07/2014**

3 On page 1, beginning on line 2 of the title, after "commissions;"  
4 strike the remainder of the title and insert "amending RCW 28B.30.530,  
5 28B.155.010, 28C.18.060, 39.102.040, 43.160.060, 43.160.900,  
6 43.330.050, 43.330.080, 43.330.082, 43.330.090, 43.330.250, 43.330.270,  
7 43.330.280, 43.330.375, 50.38.050, 82.14.505, 82.33A.010, 43.131.418,  
8 43.374.010, and 43.330.010; reenacting and amending RCW 28C.18.080,  
9 43.84.092, 43.84.092, and 43.330.310; repealing RCW 43.162.005,  
10 43.162.010, 43.162.012, 43.162.015, 43.162.020, 43.162.025, 43.162.030,  
11 43.162.040, 82.33A.020, 43.336.010, 43.336.020, 43.336.030, 43.336.040,  
12 43.336.050, 43.336.060, 43.336.900, and 43.330.290; providing a  
13 contingent effective date; and providing a contingent expiration date."

EFFECT: Removes provisions eliminating the Innovate Washington Program and creating an Innovate Washington Program in the Department of Commerce. Removes the transfer of real property of Innovate Washington to Washington State University.

--- END ---