

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

3 (1) The board of regents of Washington State University shall
4 establish the Washington State University small business development
5 center.

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

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

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

17 (c) Tailor outreach and services at each center to the needs and
18 demographics of entrepreneurs and small businesses located within the
19 service area;

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

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

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

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

35 (5) By December 1, 2010, the center shall provide a written
36 progress report and a final report to the appropriate committees of the
37 legislature with respect to the requirements in subsection (2) of this
38 section and the amount and use of funding received through the business

1 assistance account. The reports must also include data on the number,
2 location, staffing, and budget levels of satellite offices;
3 affiliations with community colleges, associate development
4 organizations or other local organizations; the number, size, and type
5 of small businesses assisted; and the types of services provided. The
6 reports must also include information on the outcomes achieved, such as
7 jobs created or retained, private capital invested, and return on the
8 investment of state and federal dollars.

9 (6)(a) Subject to the availability of amounts appropriated for this
10 specific purpose, by December 1, 2010, the center, in conjunction with
11 the department of commerce, must prepare and present to the governor
12 and appropriate legislative committees a specific, actionable plan to
13 increase access to capital and technical assistance to small businesses
14 and entrepreneurs beginning with the 2011-2013 biennium. In developing
15 the plan, the center and the department may consult with the Washington
16 state microenterprise association, and with other government,
17 nonprofit, and private organizations as necessary. The plan must
18 identify:

19 (i) Existing sources of capital and technical assistance for small
20 businesses and entrepreneurs;

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

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

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

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

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

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

36 (1) The joint center for aerospace technology innovation is created
37 to:

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

4 (b) Enhance the education of students in the engineering
5 departments of the University of Washington, Washington State
6 University, and other participating institutions through industry-
7 focused research; and

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

12 (2) The center shall be operated and administered as a multi-
13 institutional education and research center, conducting research and
14 development programs in various locations within Washington under the
15 joint authority of the University of Washington and Washington State
16 University. The initial administrative offices of the center shall be
17 west of the crest of the Cascade mountains. In order to meet aerospace
18 industry needs, the facilities and resources of the center must be made
19 available to all four-year institutions of higher education as defined
20 in RCW 28B.10.016. Resources include, but are not limited to,
21 internships, on-the-job training, and research opportunities for
22 undergraduate and graduate students and faculty.

23 (3) The powers of the center are vested in and shall be exercised
24 by a board of directors. The board shall consist of nine members
25 appointed by the governor. The governor shall appoint a nonvoting
26 chair. Of the eight voting members, one member shall represent small
27 aerospace firms, one member shall represent medium-sized firms, one
28 member shall represent large aerospace firms, one member shall
29 represent labor, two members shall represent aerospace industry
30 associations, and two members shall represent higher education. The
31 terms of the initial members shall be staggered.

32 (4) The board shall hire an executive director. The executive
33 director shall hire such staff as the board deems necessary to operate
34 the center. Staff support may be provided from among the cooperating
35 institutions through cooperative agreements to the extent funds are
36 available. The executive director may enter into cooperative
37 agreements for programs and research with public and private

1 organizations including state and nonstate agencies consistent with
2 policies of the participating institutions.

3 (5) The board must:

4 (a) Work with aerospace industry associations and aerospace firms
5 of all sizes to identify the research areas that will benefit the
6 intermediate and long-term economic vitality of the Washington
7 aerospace industry;

8 (b) Identify entrepreneurial researchers to join or lead research
9 teams in the research areas specified in (a) of this subsection and the
10 steps the University of Washington and Washington State University will
11 take to recruit such researchers;

12 (c) Assist firms to integrate existing technologies into their
13 operations and align the activities of the center with those of impact
14 Washington (~~(and innovate Washington)~~) to enhance services available to
15 aerospace firms;

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

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

22 (f) Develop and strengthen university-industry relationships
23 through promotion of faculty collaboration with industry, and
24 sponsor(~~(, in collaboration with innovate Washington,)~~) at least one
25 annual symposium focusing on aerospace research in the state of
26 Washington;

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

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

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

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

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

4 (1) Report biennially to the legislature and the governor about the
5 impact of the center's work on the state's economy and the aerospace
6 sector, with projections of future impact, providing indicators of its
7 impact, and outlining ideas for enhancing benefits to the state. The
8 report must be coordinated with the governor's office, (~~the Washington~~
9 ~~economic development commission,~~) and the department of commerce(~~,~~
10 ~~and innovate Washington~~)).

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

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

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

18 (2) Advocate for the state training system and for meeting the
19 needs of employers and the workforce for workforce education and
20 training;

21 (3) Establish and maintain an inventory of the programs of the
22 state training system, and related state programs, and perform a
23 biennial assessment of the vocational education, training, and adult
24 basic education and literacy needs of the state; identify ongoing and
25 strategic education needs; and assess the extent to which employment,
26 training, vocational and basic education, rehabilitation services, and
27 public assistance services represent a consistent, integrated approach
28 to meet such needs;

29 (4) Develop and maintain a state comprehensive plan for workforce
30 training and education, including but not limited to, goals,
31 objectives, and priorities for the state training system, and review
32 the state training system for consistency with the state comprehensive
33 plan. In developing the state comprehensive plan for workforce
34 training and education, the board shall use, but shall not be limited
35 to: Economic, labor market, and populations trends reports in office
36 of financial management forecasts; joint office of financial management
37 and employment security department labor force, industry employment,

1 and occupational forecasts; the results of scientifically based
2 outcome, net-impact and cost-benefit evaluations; the needs of
3 employers as evidenced in formal employer surveys and other employer
4 input; and the needs of program participants and workers as evidenced
5 in formal surveys and other input from program participants and the
6 labor community;

7 (5) In consultation with the student achievement council, review
8 and make recommendations to the office of financial management and the
9 legislature on operating and capital facilities budget requests for
10 operating agencies of the state training system for purposes of
11 consistency with the state comprehensive plan for workforce training
12 and education;

13 (6) Provide for coordination among the different operating agencies
14 and components of the state training system at the state level and at
15 the regional level;

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

19 (8)(a) Establish standards for data collection and maintenance for
20 the operating agencies of the state training system in a format that is
21 accessible to use by the board. The board shall require a minimum of
22 common core data to be collected by each operating agency of the state
23 training system;

24 (b) Develop requirements for minimum common core data in
25 consultation with the office of financial management and the operating
26 agencies of the training system;

27 (9) Establish minimum standards for program evaluation for the
28 operating agencies of the state training system, including, but not
29 limited to, the use of common survey instruments and procedures for
30 measuring perceptions of program participants and employers of program
31 participants, and monitor such program evaluation;

32 (10) Every two years administer scientifically based outcome
33 evaluations of the state training system, including, but not limited
34 to, surveys of program participants, surveys of employers of program
35 participants, and matches with employment security department payroll
36 and wage files. Every five years administer scientifically based net-
37 impact and cost-benefit evaluations of the state training system;

1 (11) In cooperation with the employment security department,
2 provide for the improvement and maintenance of quality and utility in
3 occupational information and forecasts for use in training system
4 planning and evaluation. Improvements shall include, but not be
5 limited to, development of state-based occupational change factors
6 involving input by employers and employees, and delineation of skill
7 and training requirements by education level associated with current
8 and forecasted occupations;

9 (12) Provide for the development of common course description
10 formats, common reporting requirements, and common definitions for
11 operating agencies of the training system;

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

14 (14) In cooperation with the student achievement council,
15 facilitate transfer of credit policies and agreements between
16 institutions of the state training system, and encourage articulation
17 agreements for programs encompassing two years of secondary workforce
18 education and two years of postsecondary workforce education;

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

22 (16) Develop policy objectives for the workforce investment act,
23 P.L. 105-220, or its successor; develop coordination criteria for
24 activities under the act with related programs and services provided by
25 state and local education and training agencies; and ensure that
26 entrepreneurial training opportunities are available through programs
27 of each local workforce investment board in the state;

28 (17) Make recommendations to the commission of student assessment,
29 the state board of education, and the superintendent of public
30 instruction, concerning basic skill competencies and essential core
31 competencies for K-12 education. Basic skills for this purpose shall
32 be reading, writing, computation, speaking, and critical thinking,
33 essential core competencies for this purpose shall be English, math,
34 science/technology, history, geography, and critical thinking. The
35 board shall monitor the development of and provide advice concerning
36 secondary curriculum which integrates vocational and academic
37 education;

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

3 (19) Facilitate the location of support services, including but not
4 limited to, child care, financial aid, career counseling, and job
5 placement services, for students and trainees at institutions in the
6 state training system, and advocate for support services for trainees
7 and students in the state training system;

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

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

15 (22) Include in the planning requirements for local workforce
16 investment boards a requirement that the local workforce investment
17 boards specify how entrepreneurial training is to be offered through
18 the one-stop system required under the workforce investment act, P.L.
19 105-220, or its successor;

20 (23) Encourage and assess progress for the equitable representation
21 of racial and ethnic minorities, women, and people with disabilities
22 among the students, teachers, and administrators of the state training
23 system. Equitable, for this purpose, shall mean substantially
24 proportional to their percentage of the state population in the
25 geographic area served. This function of the board shall in no way
26 lessen more stringent state or federal requirements for representation
27 of racial and ethnic minorities, women, and people with disabilities;

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

30 (25) Administer veterans' programs, licensure of private vocational
31 schools, the job skills program, and the Washington award for
32 vocational excellence;

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

34 (27) Work with the director of commerce (~~and the economic~~
35 ~~development commission~~) to ensure coordination among workforce
36 training priorities(~~(, the long-term economic development strategy of~~
37 ~~the economic development commission,~~) and economic development and

1 entrepreneurial development efforts, including but not limited to
2 assistance to industry clusters;

3 (28) Conduct research into workforce development programs designed
4 to reduce the high unemployment rate among young people between
5 approximately eighteen and twenty-four years of age. In consultation
6 with the operating agencies, the board shall advise the governor and
7 legislature on policies and programs to alleviate the high unemployment
8 rate among young people. The research shall include disaggregated
9 demographic information and, to the extent possible, income data for
10 adult youth. The research shall also include a comparison of the
11 effectiveness of programs examined as a part of the research conducted
12 in this subsection in relation to the public investment made in these
13 programs in reducing unemployment of young adults. The board shall
14 report to the appropriate committees of the legislature by November 15,
15 2008, and every two years thereafter. Where possible, the data
16 reported to the legislative committees should be reported in numbers
17 and in percentages;

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

19 The board may delegate to the director any of the functions of this
20 section.

21 **Sec. 104.** RCW 28C.18.080 and 2009 c 421 s 6, 2009 c 151 s 7, and
22 2009 c 92 s 1 are each reenacted and amended to read as follows:

23 (1) The board shall develop a state comprehensive plan for
24 workforce training and education for a ten-year time period. The board
25 shall submit the ten-year state comprehensive plan to the governor and
26 the appropriate legislative policy committees. Every four years by
27 December 1st, beginning December 1, 2012, the board shall submit an
28 update of the ten-year state comprehensive plan for workforce training
29 and education to the governor and the appropriate legislative policy
30 committees. Following public hearings, the legislature shall, by
31 concurrent resolution, approve or recommend changes to the initial plan
32 and the updates. The plan shall then become the state's workforce
33 training policy unless legislation is enacted to alter the policies set
34 forth in the plan.

35 (2) The comprehensive plan shall include workforce training role
36 and mission statements for the workforce development programs of

1 operating agencies represented on the board and sufficient specificity
2 regarding expected actions by the operating agencies to allow them to
3 carry out actions consistent with the comprehensive plan.

4 (3) Operating agencies represented on the board shall have
5 operating plans for their workforce development efforts that are
6 consistent with the comprehensive plan and that provide detail on
7 implementation steps they will take to carry out their responsibilities
8 under the plan. Each operating agency represented on the board shall
9 provide an annual progress report to the board.

10 (4) The comprehensive plan shall include recommendations to the
11 legislature and the governor on the modification, consolidation,
12 initiation, or elimination of workforce training and education programs
13 in the state.

14 (5) The comprehensive plan shall identify the strategic industry
15 clusters targeted by the workforce development system. In identifying
16 the strategic clusters, the board shall consult with the (~~economic
17 development commission~~) department of commerce to identify clusters
18 that meet the criteria identified by the working group convened by the
19 (~~economic development commission~~) department of commerce and the
20 workforce training and education coordinating board under RCW
21 43.330.280.

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

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

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

30 (a) Designate a revenue development area within the limitations in
31 RCW 39.102.060;

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

33 (c) Complete the process in RCW 39.102.080;

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

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

1 (2) Any local government that has created an increment area under
2 chapter 39.89 RCW and has not issued bonds to finance any public
3 improvement may apply to the board and have its increment area
4 considered for approval as a revenue development area under this
5 chapter without adopting a new revenue development area under RCW
6 39.102.090 and 39.102.100 if it amends its ordinance to comply with RCW
7 39.102.090(1) and otherwise meets the conditions and limitations under
8 this chapter.

9 (3) As a condition to imposing a sales and use tax under RCW
10 82.14.475, a sponsoring local government, including any cosponsoring
11 local government seeking authority to impose a sales and use tax under
12 RCW 82.14.475, must apply to the board and be approved for a project
13 award amount. The application shall be in a form and manner prescribed
14 by the board and include but not be limited to information establishing
15 that the applicant is an eligible candidate to impose the local sales
16 and use tax under RCW 82.14.475, the anticipated effective date for
17 imposing the tax, the estimated number of years that the tax will be
18 imposed, and the estimated amount of tax revenue to be received in each
19 fiscal year that the tax will be imposed. The board shall make
20 available forms to be used for this purpose. As part of the
21 application, each applicant must provide to the board a copy of the
22 ordinance or ordinances creating the revenue development area as
23 required in RCW 39.102.090. A notice of approval to use local
24 infrastructure financing shall contain a project award that represents
25 the maximum amount of state contribution that the applicant, including
26 any cosponsoring local governments, can earn each year that local
27 infrastructure financing is used. The total of all project awards
28 shall not exceed the annual state contribution limit. The
29 determination of a project award shall be made based on information
30 contained in the application and the remaining amount of annual state
31 contribution limit to be awarded. Determination of a project award by
32 the board is final.

33 (4)(a) Sponsoring local governments, and any cosponsoring local
34 governments, applying in calendar year 2007 for a competitive project
35 award, must submit completed applications to the board no later than
36 July 1, 2007. By September 15, 2007, in consultation with the
37 department of revenue and the department of (~~community, trade, and~~
38 ~~economic development~~) commerce, the board shall approve competitive

1 project awards from competitive applications submitted by the 2007
2 deadline. No more than two million five hundred thousand dollars in
3 competitive project awards shall be approved in 2007. For projects not
4 approved by the board in 2007, sponsoring and cosponsoring local
5 governments may apply again to the board in 2008 for approval of a
6 project.

7 (b) Sponsoring local governments, and any cosponsoring local
8 governments, applying in calendar year 2008 for a competitive project
9 award, must submit completed applications to the board no later than
10 July 1, 2008. By September 18, 2008, in consultation with the
11 department of revenue and the department of (~~community, trade, and~~
12 ~~economic development~~) commerce, the board shall approve competitive
13 project awards from competitive applications submitted by the 2008
14 deadline.

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

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

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

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

29 (iii) Achieving an overall distribution of projects statewide that
30 reflect geographic diversity;

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

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

35 (vi) The current economic health and vitality of the proposed
36 revenue development area and the contiguous community and the estimated
37 impact of the proposed project on the proposed revenue development area
38 and contiguous community;

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

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

5 (ix) An analysis that shows that, over the life of the project,
6 neither the local excise tax allocation revenues nor the local property
7 tax allocation revenues will constitute more than eighty percent of the
8 total local funds as described in RCW 39.102.020(~~((29)(e))~~) (28)(b);
9 and

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

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

17 (ii) In a county in which the board has approved the use of local
18 infrastructure financing, the use of such financing in additional
19 revenue development areas may be approved, subject to the following
20 conditions:

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

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

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

29 (5) Once the board has approved the sponsoring local government,
30 and any cosponsoring local governments, to use local infrastructure
31 financing, notification must be sent by the board to the sponsoring
32 local government, and any cosponsoring local governments, authorizing
33 the sponsoring local government, and any cosponsoring local
34 governments, to impose the local sales and use tax authorized under RCW
35 82.14.475, subject to the conditions in RCW 82.14.475.

36 **Sec. 106.** RCW 43.84.092 and 2012 c 198 s 2, 2012 c 196 s 7, 2012

1 c 187 s 14, and 2012 c 83 s 4 are each reenacted and amended to read as
2 follows:

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

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

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

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

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

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

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

1 combined plan 2 and 3 account, (~~the Washington state economic~~
2 ~~development commission account,~~) the Washington state health insurance
3 pool account, the Washington state patrol retirement account, the
4 Washington State University building account, the Washington State
5 University bond retirement fund, the water pollution control revolving
6 fund, and the Western Washington University capital projects account.
7 Earnings derived from investing balances of the agricultural permanent
8 fund, the normal school permanent fund, the permanent common school
9 fund, the scientific permanent fund, the state university permanent
10 fund, and the state reclamation revolving account shall be allocated to
11 their respective beneficiary accounts.

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

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

21 **Sec. 107.** RCW 43.84.092 and 2012 c 198 s 2, 2012 c 196 s 7, 2012
22 c 187 s 14, 2012 c 83 s 4, and 2012 c 36 s 5 are each reenacted and
23 amended to read as follows:

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

27 (2) The treasury income account shall be utilized to pay or receive
28 funds associated with federal programs as required by the federal cash
29 management improvement act of 1990. The treasury income account is
30 subject in all respects to chapter 43.88 RCW, but no appropriation is
31 required for refunds or allocations of interest earnings required by
32 the cash management improvement act. Refunds of interest to the
33 federal treasury required under the cash management improvement act
34 fall under RCW 43.88.180 and shall not require appropriation. The
35 office of financial management shall determine the amounts due to or
36 from the federal government pursuant to the cash management improvement
37 act. The office of financial management may direct transfers of funds

1 between accounts as deemed necessary to implement the provisions of the
2 cash management improvement act, and this subsection. Refunds or
3 allocations shall occur prior to the distributions of earnings set
4 forth in subsection (4) of this section.

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

13 (4) Monthly, the state treasurer shall distribute the earnings
14 credited to the treasury income account. The state treasurer shall
15 credit the general fund with all the earnings credited to the treasury
16 income account except:

17 (a) The following accounts and funds shall receive their
18 proportionate share of earnings based upon each account's and fund's
19 average daily balance for the period: The aeronautics account, the
20 aircraft search and rescue account, the Alaskan Way viaduct replacement
21 project account, the budget stabilization account, the capital vessel
22 replacement account, the capitol building construction account, the
23 Cedar River channel construction and operation account, the Central
24 Washington University capital projects account, the charitable,
25 educational, penal and reformatory institutions account, the cleanup
26 settlement account, the Columbia river basin water supply development
27 account, the Columbia river basin taxable bond water supply development
28 account, the Columbia river basin water supply revenue recovery
29 account, the Columbia river crossing project account, the common school
30 construction fund, the county arterial preservation account, the county
31 criminal justice assistance account, the deferred compensation
32 administrative account, the deferred compensation principal account,
33 the department of licensing services account, the department of
34 retirement systems expense account, the developmental disabilities
35 community trust account, the drinking water assistance account, the
36 drinking water assistance administrative account, the drinking water
37 assistance repayment account, the Eastern Washington University capital
38 projects account, the Interstate 405 express toll lanes operations

1 account, the education construction fund, the education legacy trust
2 account, the election account, the energy freedom account, the energy
3 recovery act account, the essential rail assistance account, The
4 Evergreen State College capital projects account, the federal forest
5 revolving account, the ferry bond retirement fund, the freight
6 congestion relief account, the freight mobility investment account, the
7 freight mobility multimodal account, the grade crossing protective
8 fund, the public health services account, the high capacity
9 transportation account, the state higher education construction
10 account, the higher education construction account, the highway bond
11 retirement fund, the highway infrastructure account, the highway safety
12 (~~account~~[~~fund~~]) fund, the high occupancy toll lanes operations
13 account, the hospital safety net assessment fund, the industrial
14 insurance premium refund account, the judges' retirement account, the
15 judicial retirement administrative account, the judicial retirement
16 principal account, the local leasehold excise tax account, the local
17 real estate excise tax account, the local sales and use tax account,
18 the marine resources stewardship trust account, the medical aid
19 account, the mobile home park relocation fund, the motor vehicle fund,
20 the motorcycle safety education account, the multimodal transportation
21 account, the municipal criminal justice assistance account, the natural
22 resources deposit account, the oyster reserve land account, the pension
23 funding stabilization account, the perpetual surveillance and
24 maintenance account, the public employees' retirement system plan 1
25 account, the public employees' retirement system combined plan 2 and
26 plan 3 account, the public facilities construction loan revolving
27 account beginning July 1, 2004, the public health supplemental account,
28 the public transportation systems account, the public works assistance
29 account, the Puget Sound capital construction account, the Puget Sound
30 ferry operations account, the Puyallup tribal settlement account, the
31 real estate appraiser commission account, the recreational vehicle
32 account, the regional mobility grant program account, the resource
33 management cost account, the rural arterial trust account, the rural
34 mobility grant program account, the rural Washington loan fund, the
35 site closure account, the skilled nursing facility safety net trust
36 fund, the small city pavement and sidewalk account, the special
37 category C account, the special wildlife account, the state employees'
38 insurance account, the state employees' insurance reserve account, the

1 state investment board expense account, the state investment board
2 commingled trust fund accounts, the state patrol highway account, the
3 state route number 520 civil penalties account, the state route number
4 520 corridor account, the state wildlife account, the supplemental
5 pension account, the Tacoma Narrows toll bridge account, the teachers'
6 retirement system plan 1 account, the teachers' retirement system
7 combined plan 2 and plan 3 account, the tobacco prevention and control
8 account, the tobacco settlement account, the toll facility bond
9 retirement account, the transportation 2003 account (nickel account),
10 the transportation equipment fund, the transportation fund, the
11 transportation improvement account, the transportation improvement
12 board bond retirement account, the transportation infrastructure
13 account, the transportation partnership account, the traumatic brain
14 injury account, the tuition recovery trust fund, the University of
15 Washington bond retirement fund, the University of Washington building
16 account, the volunteer firefighters' and reserve officers' relief and
17 pension principal fund, the volunteer firefighters' and reserve
18 officers' administrative fund, the Washington judicial retirement
19 system account, the Washington law enforcement officers' and
20 firefighters' system plan 1 retirement account, the Washington law
21 enforcement officers' and firefighters' system plan 2 retirement
22 account, the Washington public safety employees' plan 2 retirement
23 account, the Washington school employees' retirement system combined
24 plan 2 and 3 account, (~~the Washington state economic development~~
25 ~~commission account,~~) the Washington state health insurance pool
26 account, the Washington state patrol retirement account, the Washington
27 State University building account, the Washington State University bond
28 retirement fund, the water pollution control revolving fund, and the
29 Western Washington University capital projects account. Earnings
30 derived from investing balances of the agricultural permanent fund, the
31 normal school permanent fund, the permanent common school fund, the
32 scientific permanent fund, the state university permanent fund, and the
33 state reclamation revolving account shall be allocated to their
34 respective beneficiary accounts.

35 (b) Any state agency that has independent authority over accounts
36 or funds not statutorily required to be held in the state treasury that
37 deposits funds into a fund or account in the state treasury pursuant to

1 an agreement with the office of the state treasurer shall receive its
2 proportionate share of earnings based upon each account's or fund's
3 average daily balance for the period.

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

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

9 (1) The board is authorized to make direct loans to political
10 subdivisions of the state and to federally recognized Indian tribes for
11 the purposes of assisting the political subdivisions and federally
12 recognized Indian tribes in financing the cost of public facilities,
13 including development of land and improvements for public facilities,
14 project-specific environmental, capital facilities, land use,
15 permitting, feasibility, and marketing studies and plans; project
16 design, site planning, and analysis; project debt and revenue impact
17 analysis; as well as the construction, rehabilitation, alteration,
18 expansion, or improvement of the facilities. A grant may also be
19 authorized for purposes designated in this chapter, but only when, and
20 to the extent that, a loan is not reasonably possible, given the
21 limited resources of the political subdivision or the federally
22 recognized Indian tribe and the finding by the board that financial
23 circumstances require grant assistance to enable the project to move
24 forward. However, no more than twenty-five percent of all financial
25 assistance approved by the board in any biennium may consist of grants
26 to political subdivisions and federally recognized Indian tribes.

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

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

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

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

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

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

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

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

7 (A) Results in the creation of significant private sector jobs or
8 significant private sector capital investment as determined by the
9 board (~~and is consistent with the state comprehensive economic~~
10 ~~development plan developed by the Washington economic development~~
11 ~~commission pursuant to chapter 43.162 RCW, once the plan is adopted));~~
12 and

13 (B) Will improve the opportunities for the successful maintenance,
14 establishment, or expansion of industrial or commercial plants or will
15 otherwise assist in the creation or retention of long-term economic
16 opportunities;

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

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

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

26 (C) Can demonstrate project feasibility using standard economic
27 principles; and

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

30 (iii) For site-specific plans, studies, and analyses that address
31 environmental impacts, capital facilities, land use, permitting,
32 feasibility, marketing, project engineering, design, site planning, and
33 project debt and revenue impacts, as grants not to exceed fifty
34 thousand dollars.

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

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

1 (e) An application must be approved by the political subdivision
2 and supported by the local associate development organization or local
3 workforce development council or approved by the governing body of the
4 federally recognized Indian tribe.

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

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

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

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

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

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

22 (iv) Whether the public facility investment will increase existing
23 capacity necessary to accommodate projected population and employment
24 growth in a manner that supports infill and redevelopment of existing
25 urban or industrial areas that are served by adequate public
26 facilities. Projects should maximize the use of existing
27 infrastructure and provide for adequate funding of necessary
28 transportation improvements;

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

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

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

37 (3) Before any financial assistance application is approved, the
38 political subdivision or the federally recognized Indian tribe seeking

1 the assistance must demonstrate to the community economic
2 revitalization board that no other timely source of funding is
3 available to it at costs reasonably similar to financing available from
4 the community economic revitalization board.

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

7 (1) The community economic revitalization board shall conduct
8 biennial outcome-based evaluations of the financial assistance provided
9 under this chapter. The evaluations shall include information on the
10 number of applications for community economic revitalization board
11 assistance; the number and types of projects approved; the grant or
12 loan amount awarded each project; the projected number of jobs created
13 or retained by each project; the actual number and cost of jobs created
14 or retained by each project; the wages and health benefits associated
15 with the jobs; the amount of state funds and total capital invested in
16 projects; the number and types of businesses assisted by funded
17 projects; the location of funded projects; the transportation
18 infrastructure available for completed projects; the local match and
19 local participation obtained; the number of delinquent loans; and the
20 number of project terminations. The evaluations may also include
21 additional performance measures and recommendations for programmatic
22 changes.

23 ~~(2)((a) By September 1st of each even-numbered year, the board~~
24 ~~shall forward its draft evaluation to the Washington state economic~~
25 ~~development commission for review and comment, as required in section~~
26 ~~10 of this act. The board shall provide any additional information as~~
27 ~~may be requested by the commission for the purpose of its review.~~

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

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

36 The department shall be responsible for promoting community and

1 economic development within the state by assisting the state's
2 communities to increase the quality of life of their citizens and their
3 economic vitality, and by assisting the state's businesses to maintain
4 and increase their economic competitiveness, while maintaining a
5 healthy environment. Community and economic development efforts shall
6 include: Efforts to increase economic opportunity; local planning to
7 manage growth; the promotion and provision of affordable housing and
8 housing-related services; providing public infrastructure; business and
9 trade development; assisting firms and industrial sectors to increase
10 their competitiveness; fostering the development of minority and women-
11 owned businesses; facilitating technology development, transfer, and
12 diffusion; community services and advocacy for low-income persons; and
13 public safety efforts. The department shall have the following general
14 functions and responsibilities:

15 (1) Provide advisory assistance to the governor, other state
16 agencies, and the legislature on community and economic development
17 matters and issues;

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

20 (3) Cooperate with (~~the Washington state economic development~~
21 ~~commission,~~) the legislature(~~(7)~~) and the governor in the development
22 and implementation of strategic plans for the state's community and
23 economic development efforts;

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

28 (5) Cooperate with and provide technical and financial assistance
29 to local governments, businesses, and community-based organizations
30 serving the communities of the state for the purpose of aiding and
31 encouraging orderly, productive, and coordinated development of the
32 state, and, unless stipulated otherwise, give additional consideration
33 to local communities and individuals with the greatest relative need
34 and the fewest resources;

35 (6) Participate with other states or subdivisions thereof in
36 interstate programs and assist cities, counties, municipal
37 corporations, governmental conferences or councils, and regional

1 planning commissions to participate with other states and provinces or
2 their subdivisions;

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

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

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

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

13 (1)(a) The department must contract with county-designated
14 associate development organizations to increase the support for and
15 coordination of community and economic development services in
16 communities or regional areas. The contracting organizations in each
17 community or regional area must:

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

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

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

24 (iv) Work with and include local governments, local chambers of
25 commerce, workforce development councils, port districts, labor groups,
26 institutions of higher education, community action programs, and other
27 appropriate private, public, or nonprofit community and economic
28 development groups; and

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

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

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

1 (A) Working with the appropriate partners throughout the county
2 including, but not limited to, local governments, workforce development
3 councils, port districts, community and technical colleges and higher
4 education institutions, export assistance providers, impact Washington,
5 the Washington state quality award council, small business assistance
6 programs, innovation partnership zones, and other federal, state, and
7 local programs to facilitate the alignment of planning efforts and the
8 seamless delivery of business support services within the entire
9 county;

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

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

17 (D) Working with businesses on site location and selection
18 assistance;

19 (E) Providing business retention and expansion services throughout
20 the county. Such services must include, but are not limited to,
21 business outreach and monitoring efforts to identify and address
22 challenges and opportunities faced by businesses, assistance to trade
23 impacted businesses in applying for grants from the federal trade
24 adjustment assistance for firms program, and the provision of
25 information to businesses on:

26 (I) Resources available for microenterprise development;

27 (II) Resources available on the revitalization of commercial
28 districts; and

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

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

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

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

37 (ii) Support for regional economic research and regional planning
38 efforts to implement target industry sector strategies and other

1 economic development strategies, including cluster-based strategies.
2 Research and planning efforts should support increased living standards
3 and increased foreign direct investment, and be aligned with the
4 statewide economic development strategy. Regional associate
5 development organizations retain their independence to address local
6 concerns and goals. Activities include:

7 (A) Participating in regional planning efforts with workforce
8 development councils involving coordinated strategies around workforce
9 development and economic development policies and programs.
10 Coordinated planning efforts must include, but not be limited to,
11 assistance to industry clusters in the region;

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

16 (C) Collecting and reporting data as specified by the contract with
17 the department for statewide systemic analysis. (~~The department must
18 consult with the Washington state economic development commission in
19 the establishment of such uniform data as is needed to conduct a
20 statewide systemic analysis of the state's economic development
21 programs and expenditures.~~) In cooperation with other local,
22 regional, and state planning efforts, contracting organizations may
23 provide insight into the needs of target industry clusters, business
24 expansion plans, early detection of potential relocations or layoffs,
25 training needs, and other appropriate economic information;

26 (D) In conjunction with other governmental jurisdictions and
27 institutions, (~~participate~~ [participating]) participating in the
28 development of a countywide economic development plan(~~(, consistent
29 with the state comprehensive plan for economic development developed by
30 the Washington state economic development commission)~~).

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

33 (a) Training in the fundamentals of export assistance and the
34 services available from private and public export assistance providers
35 in the state; and

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

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

3 (1)(a) Contracting associate development organizations must provide
4 the department with measures of their performance and a summary of best
5 practices shared and implemented by the contracting organizations.
6 Annual reports must include the following information to show the
7 contracting organization's impact on employment and overall changes in
8 employment: Current employment and economic information for the
9 community or regional area produced by the employment security
10 department; the net change from the previous year's employment and
11 economic information using data produced by the employment security
12 department; other relevant information on the community or regional
13 area; the amount of funds received by the contracting organization
14 through its contract with the department; the amount of funds received
15 by the contracting organization(~~(s)~~) through all sources; and the
16 contracting organization's impact on employment through all funding
17 sources. Annual reports may include the impact of the contracting
18 organization on wages, exports, tax revenue, small business creation,
19 foreign direct investment, business relocations, expansions,
20 terminations, and capital investment. Data must be input into a common
21 web-based business information system managed by the department.
22 Specific measures, data standards, and data definitions must be
23 developed in the contracting process between the department(~~(, the~~
24 ~~economic development commission,~~) and the contracting organization
25 every two years. Except as provided in (b) of this subsection,
26 performance measures should be consistent across regions to allow for
27 statewide evaluation.

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

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

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

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

5 (b) Contracting organizations that fail to achieve the agreed
6 performance targets in more than one-half of the agreed measures must
7 develop remediation plans to address performance gaps. The remediation
8 plans must include revised performance thresholds specifically chosen
9 to provide evidence of progress in making the identified service
10 changes.

11 (c) Contracts and state funding must be terminated for one year for
12 organizations that fail to achieve the agreed upon progress toward
13 improved performance defined under (b) of this subsection. During the
14 year in which termination for nonperformance is in effect,
15 organizations must review alternative delivery strategies to include
16 reorganization of the contracting organization, merging of previous
17 efforts with existing regional partners, and other specific steps
18 toward improved performance. At the end of the period of termination,
19 the department may contract with the associate development organization
20 or its successor as it deems appropriate.

21 (3) The department must submit ~~((a preliminary report to the
22 Washington economic development commission by September 1st of each
23 even-numbered year, and))~~ a final report to the legislature ~~((and the
24 Washington economic development commission))~~ by December 31st of each
25 even-numbered year on the performance results of the contracts with
26 associate development organizations.

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

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

34 (1) The department shall work with private sector organizations,
35 industry and sector associations, federal agencies, state agencies that
36 use a sector-based approach to service delivery, local governments,
37 local associate development organizations, and higher education and

1 training institutions in the development of industry sector-based
2 strategies to diversify the economy, facilitate technology transfer and
3 diffusion, and increase value-added production. The industry sectors
4 targeted by the department may include, but are not limited to,
5 aerospace, agriculture, food processing, forest products, marine
6 services, health and biomedical, software, digital and interactive
7 media, transportation and distribution, and microelectronics. The
8 department shall, on a continuing basis, evaluate the potential return
9 to the state from devoting additional resources to an industry sector-
10 based approach to economic development and identifying and assisting
11 additional sectors.

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

17 (3)(a) The department shall promote, market, and encourage growth
18 in the production of films and videos, as well as television
19 commercials within the state; to this end the department is directed to
20 assist in the location of a film and video production studio within the
21 state.

22 (b) The department may, in carrying out its efforts to encourage
23 film and video production in the state, solicit and receive gifts,
24 grants, funds, fees, and endowments, in trust or otherwise, from
25 tribal, local, or other governmental entities, as well as private
26 sources, and may expend the same or any income therefrom for the
27 encouragement of film and video production. All revenue received for
28 such purposes shall be deposited into the general fund.

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

32 (a) Facilitating regional focus group discussions and conducting
33 studies to identify industry clusters, appraise the current information
34 linkages within a cluster, and identify issues of common concern within
35 a cluster;

36 (b) Supporting industry and cluster associations, publications of
37 association and cluster directories, and related efforts to create or
38 expand the activities of industry and cluster associations;

1 (c) Administering a competitive grant program to fund economic
2 development activities designed to further regional cluster growth. In
3 administering the program, the department shall work with ((the
4 ~~economic development commission,~~) the workforce training and education
5 coordinating board, the state board for community and technical
6 colleges, the employment security department, business, and labor.

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

11 (ii) Applicants must include organizations from at least two
12 counties and participants from the local business community. Eligible
13 organizations include, but are not limited to, local governments,
14 economic development councils, chambers of commerce, federally
15 recognized Indian tribes, workforce development councils, and
16 educational institutions.

17 (iii) Applications must evidence financial participation of the
18 partner organizations.

19 (iv) Eligible activities include the formation of cluster economic
20 development partnerships, research and analysis of economic development
21 needs of the cluster, the development of a plan to meet the economic
22 development needs of the cluster, and activities to implement the plan.

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

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

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

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

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

35 **Sec. 114.** RCW 43.330.250 and 2011 1st sp.s. c 50 s 956 are each
36 amended to read as follows:

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

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

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

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

12 ~~((+5))~~ (4) Expenditures from the account may be made to prevent
13 closure of a business or facility, to prevent relocation of a business
14 or facility in the state to a location outside the state, or to recruit
15 a business or facility to the state. Expenditures may be authorized
16 for:

17 (a) Workforce development;

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

20 (c) Other lawfully provided assistance, including, but not limited
21 to, technical assistance, environmental analysis, relocation
22 assistance, and planning assistance. Funding may be provided for such
23 assistance only when it is in the public interest and may only be
24 provided under a contractual arrangement ensuring that the state will
25 receive appropriate consideration, such as an assurance of job creation
26 or retention.

27 ~~((+6))~~ (5) The funds shall not be expended from the account
28 unless:

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

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

35 (c) The business or facility does not require continuing state
36 support;

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

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

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

3 ~~((+7))~~ (6) No more than three million dollars per year may be
4 expended from the account for the purpose of assisting an individual
5 business or facility pursuant to the authority specified in this
6 section.

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

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

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

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

20 (a) Innovation partnership zones must have three types of
21 institutions operating within their boundaries, or show evidence of
22 planning and local partnerships that will lead to dense concentrations
23 of these institutions:

24 (i) Research capacity in the form of a university or community
25 college fostering commercially valuable research, nonprofit
26 institutions creating commercially applicable innovations, or a
27 national laboratory;

28 (ii) An industry cluster as defined in RCW 43.330.090. The cluster
29 must include a dense proximity of globally competitive firms in a
30 research-based industry or industries or individual firms with
31 innovation strategies linked to (a)(i) of this subsection. A globally
32 competitive firm may be signified through international organization
33 for standardization 9000 or 1400 certification, or evidence of sales in
34 international markets; and

35 (iii) Training capacity either within the zone or readily
36 accessible to the zone. The training capacity requirement may be met

1 by the same institution as the research capacity requirement, to the
2 extent both are associated with an educational institution in the
3 proposed zone.

4 (b) The support of a local jurisdiction, a research institution, an
5 educational institution, an industry or cluster association, a
6 workforce development council, and an associate development
7 organization, port, or chamber of commerce;

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

13 (d) The innovation partnership zone administrator must be an
14 economic development council, port, workforce development council,
15 city, or county.

16 (3) With respect solely to the research capacity required in
17 subsection (2)(a)(i) of this section, the director may waive the
18 requirement that the research institution be located within the zone.
19 To be considered for such a waiver, an applicant must provide a
20 specific plan that demonstrates the research institution's unique
21 qualifications and suitability for the zone, and the types of jointly
22 executed activities that will be used to ensure ongoing, face-to-face
23 interaction and research collaboration among the zone's partners.

24 (4) On October 1st of each odd-numbered year, the director must
25 designate innovation partnership zones on the basis of applications
26 that meet the legislative criteria, estimated economic impact of the
27 zone, evidence of forward planning for the zone, and other criteria as
28 developed by the department (~~(in consultation with the Washington state
29 economic development commission)~~). Estimated economic impact must
30 include evidence of anticipated private investment, job creation,
31 innovation, and commercialization. The director must require evidence
32 that zone applicants will promote commercialization, innovation, and
33 collaboration among zone residents.

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

37 (6) If the innovation partnership zone meets the other requirements

1 of the fund sources, then the zone is eligible for the following funds
2 relating to:

- 3 (a) The local infrastructure financing tools program;
- 4 (b) The sales and use tax for public facilities in rural counties;
- 5 (c) Job skills;
- 6 (d) Local improvement districts; and
- 7 (e) Community economic revitalization board projects under chapter
8 43.160 RCW.

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

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

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

19 (b) Provide the applicant with the opportunity to appeal the
20 decision to the director; and

21 (c) Allow the applicant to reapply for innovation partnership
22 designation on October 1st of the following calendar year or during any
23 subsequent application cycle.

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

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

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

37 (12) The department must compile a biennial report on the
38 innovation partnership zone program by December 1st of every even-

1 numbered year. The report must provide information for each zone on
2 its: Objectives; funding, tax incentives, and other support obtained
3 from public sector sources; major activities; partnerships; performance
4 measures; and outcomes achieved since the inception of the zone or
5 since the previous biennial report. (~~The Washington state economic
6 development commission must review the department's draft report and
7 make recommendations on ways to increase the effectiveness of
8 individual zones and the program overall.~~) The department must submit
9 the report(~~, including the commission's recommendations,~~) to the
10 governor and legislature beginning December 1, 2010.

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

13 (1) The (~~Washington state economic development commission~~)
14 department shall(~~, with the advice of an innovation partnership
15 advisory group selected by the commission:~~ (a) Provide information and
16 advice to the department of commerce to assist in the implementation of
17 the innovation partnership zone program, including criteria to be used
18 in the selection of grant applicants for funding;

19 ~~(b))~~ document clusters of companies throughout the state that have
20 comparative competitive advantage or the potential for comparative
21 competitive advantage, using the process and criteria for identifying
22 strategic clusters developed by the working group specified in
23 subsection (2) of this section(~~(+~~

24 ~~(c)~~ Conduct an innovation opportunity analysis to identify (i) the
25 strongest current intellectual assets and research teams in the state
26 focused on emerging technologies and their commercialization, and (ii)
27 faculty and researchers that could increase their focus on
28 commercialization of technology if provided the appropriate technical
29 assistance and resources;

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

32 (i) Develop a plan to build on existing, and develop new,
33 intellectual assets and innovation research teams in the state in
34 research areas where there is a high potential to commercialize
35 technologies. The commission shall present the plan to the governor
36 and legislature by December 31, 2009. The publicly funded research

1 institutions in the state shall be responsible for implementing the
2 plan. The plan shall address the following elements and such other
3 elements as the commission deems important:

4 (A) Specific mechanisms to support, enhance, or develop innovation
5 research teams and strengthen their research and commercialization
6 capacity in areas identified as useful to strategic clusters and
7 innovative firms in the state;

8 (B) Identification of the funding necessary for laboratory
9 infrastructure needed to house innovation research teams;

10 (C) Specification of the most promising research areas meriting
11 enhanced resources and recruitment of significant entrepreneurial
12 researchers to join or lead innovation research teams;

13 (D) The most productive approaches to take in the recruitment, in
14 the identified promising research areas, of a minimum of ten
15 significant entrepreneurial researchers over the next ten years to join
16 or lead innovation research teams;

17 (E) Steps to take in solicitation of private sector support for the
18 recruitment of entrepreneurial researchers and the commercialization
19 activity of innovation research teams; and

20 (F) Mechanisms for ensuring the location of innovation research
21 teams in innovation partnership zones;

22 (ii) Provide direction for the development of comprehensive
23 entrepreneurial assistance programs at research institutions. The
24 programs may involve multidisciplinary students, faculty,
25 entrepreneurial researchers, entrepreneurs, and investors in building
26 business models and evolving business plans around innovative ideas.
27 The programs may provide technical assistance and the support of an
28 entrepreneur in residence to innovation research teams and offer
29 entrepreneurial training to faculty, researchers, undergraduates, and
30 graduate students. Curriculum leading to a certificate in
31 entrepreneurship may also be offered;

32 (e) Develop performance measures to be used in evaluating the
33 performance of innovation research teams, the implementation of the
34 plan and programs under (d)(i) and (ii) of this subsection, and the
35 performance of innovation partnership zone grant recipients, including
36 but not limited to private investment measures, business initiation
37 measures, job creation measures, and measures of innovation such as
38 licensing of ideas in research institutions, patents, or other

1 recognized measures of innovation. The performance measures developed
2 shall be consistent with the economic development commission's
3 comprehensive plan for economic development and its standards and
4 metrics for program evaluation. The commission shall report to the
5 legislature and the governor by June 30, 2009, on the measures
6 developed; and

7 (f) ~~Using the performance measures developed, perform a biennial~~
8 ~~assessment and report, the first of which shall be due December 31,~~
9 ~~2012, on:~~

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

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

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

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

22 (2) The ((economic development commission)) department and the
23 workforce training and education coordinating board shall jointly
24 convene a working group to:

25 (a) Specify the process and criteria for identification of substate
26 geographic concentrations of firms or employment in an industry and the
27 industry's customers, suppliers, supporting businesses, and
28 institutions, which process will include the use of labor market
29 information from the employment security department and local labor
30 markets; and

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

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

36 (1) The legislature establishes a comprehensive green economy jobs

1 growth initiative based on the goal of, by 2020, increasing the number
2 of green economy jobs to twenty-five thousand from the eight thousand
3 four hundred green economy jobs the state had in 2004.

4 (2) The department, in consultation with the employment security
5 department, the state workforce training and education coordinating
6 board, and the state board for community and technical colleges, shall
7 develop a defined list of terms, consistent with current workforce and
8 economic development terms, associated with green economy industries
9 and jobs.

10 (3)(a) The employment security department, in consultation with the
11 department, the state workforce training and education coordinating
12 board, the state board for community and technical colleges, Washington
13 State University small business development center, and the Washington
14 State University extension energy program, shall conduct labor market
15 research to analyze the current labor market and projected job growth
16 in the green economy, the current and projected recruitment and skill
17 requirement of green economy industry employers, the wage and benefits
18 ranges of jobs within green economy industries, and the education and
19 training requirements of entry-level and incumbent workers in those
20 industries.

21 (i) The employment security department shall conduct an analysis of
22 occupations in the forest products industry to: (A) Determine key
23 growth factors and employment projections in the industry; and (B)
24 define the education and skill standards required for current and
25 emerging green occupations in the industry.

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

30 (b) The University of Washington business and economic development
31 center shall: Analyze the current opportunities for and participation
32 in the green economy by minority and women-owned business enterprises
33 in Washington; identify existing barriers to their successful
34 participation in the green economy; and develop strategies with
35 specific policy recommendations to improve their successful
36 participation in the green economy. The research may be informed by
37 the research of the Puget Sound regional council prosperity
38 partnership, as well as other entities. The University of Washington

1 business and economic development center shall report to the
2 appropriate committees of the house of representatives and the senate
3 on their research, analysis, and recommendations by December 1, 2008.

4 (4) Based on the findings from subsection (3) of this section, the
5 employment security department, in consultation with the department and
6 taking into account the requirements and goals of chapter 14, Laws of
7 2008 and other state clean energy and energy efficiency policies, shall
8 propose which industries will be considered high-demand green
9 industries, based on current and projected job creation and their
10 strategic importance to the development of the state's green economy.
11 The employment security department and the department shall take into
12 account which jobs within green economy industries will be considered
13 high-wage occupations and occupations that are part of career pathways
14 to the same, based on family-sustaining wage and benefits ranges.
15 These designations, and the results of the employment security
16 department's broader labor market research, shall inform the planning
17 and strategic direction of the department, the state workforce training
18 and education coordinating board, and the state board for community and
19 technical colleges.

20 (5) The department shall identify emerging technologies and
21 innovations that are likely to contribute to advancements in the green
22 economy, including the activities in designated innovation partnership
23 zones established in RCW 43.330.270.

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

26 (a) Develop targeting criteria for existing investments, and make
27 recommendations for new or expanded financial incentives and
28 comprehensive strategies, to recruit, retain, and expand green economy
29 industries and small businesses; and

30 (b) Make recommendations for new or expanded financial incentives
31 and comprehensive strategies to stimulate research and development of
32 green technology and innovation, including designating innovation
33 partnership zones linked to the green economy.

34 (7) For the purposes of this section, "target populations" means

35 (a) entry-level or incumbent workers in high-demand green industries
36 who are in, or are preparing for, high-wage occupations; (b) dislocated
37 workers in declining industries who may be retrained for high-wage
38 occupations in high-demand green industries; (c) dislocated

1 agriculture, timber, or energy sector workers who may be retrained for
2 high-wage occupations in high-demand green industries; (d) eligible
3 veterans or national guard members; (e) disadvantaged populations; or
4 (f) anyone eligible to participate in the state opportunity grant
5 program under RCW 28B.50.271.

6 (8) The legislature directs the state workforce training and
7 education coordinating board to create and pilot green industry skill
8 panels. These panels shall consist of business representatives from:
9 Green industry sectors, including but not limited to forest product
10 companies, companies engaged in energy efficiency and renewable energy
11 production, companies engaged in pollution prevention, reduction, and
12 mitigation, and companies engaged in green building work and green
13 transportation; labor unions representing workers in those industries
14 or labor affiliates administering state-approved, joint apprenticeship
15 programs or labor-management partnership programs that train workers
16 for these industries; state and local veterans agencies; employer
17 associations; educational institutions; and local workforce development
18 councils within the region that the panels propose to operate; and
19 other key stakeholders as determined by the applicant. Any of these
20 stakeholder organizations are eligible to receive grants under this
21 section and serve as the intermediary that convenes and leads the
22 panel. Panel applicants must provide labor market and industry
23 analysis that demonstrates high demand, or demand of strategic
24 importance to the development of the state's clean energy economy as
25 identified in this section, for high-wage occupations, or occupations
26 that are part of career pathways to the same, within the relevant
27 industry sector. The panel shall:

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

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

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

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

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

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

5 (b) Accelerate and coordinate efforts by state and local
6 organizations to identify, apply for, and secure all sources of funds,
7 particularly those created by the 2009 American recovery and
8 reinvestment act, and to ensure that distributions of funding to local
9 organizations are allocated in a manner that is time-efficient and
10 user-friendly for the local organizations. Local organizations
11 eligible to receive support include but are not limited to:

12 (i) Associate development organizations;

13 (ii) Workforce development councils;

14 (iii) Public utility districts; and

15 (iv) Community action agencies;

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

18 (i) Administrative and technical assistance;

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

20 (iii) Priority consideration of opportunities leading to exportable
21 green economy goods and services, including renewable energy
22 technology;

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

26 (e) Emphasize through both support and outreach efforts, projects
27 that:

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

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

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

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

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

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

- 1 (vii) Ensure at least fifteen percent of labor hours are performed
2 by apprentices;
- 3 (f) Identify emerging technologies and innovations that are likely
4 to contribute to advancements in the green economy, including the
5 activities in designated innovation partnership zones established in
6 RCW 43.330.270;
- 7 (g) Identify barriers to the growth of green jobs in traditional
8 industries such as the forest products industry;
- 9 (h) Identify statewide performance metrics for projects receiving
10 agency assistance. Such metrics may include:
 - 11 (i) The number of new green jobs created each year, their wage
12 levels, and, to the extent determinable, the percentage of new green
13 jobs filled by veterans, members of the national guard, and low-income
14 and disadvantaged populations;
 - 15 (ii) The total amount of new federal funding secured, the
16 respective amounts allocated to the state and local levels, and the
17 timeliness of deployment of new funding by state agencies to the local
18 level;
 - 19 (iii) The timeliness of state deployment of funds and support to
20 local organizations; and
 - 21 (iv) If available, the completion rates, time to completion, and
22 training-related placement rates for green economy postsecondary
23 training programs;
 - 24 (i) Identify strategies to allocate existing and new funding
25 streams for green economy workforce training programs and education to
26 emphasize those leading to a credential, certificate, or degree in a
27 green economy field;
 - 28 (j) Identify and implement strategies to allocate existing and new
29 funding streams for workforce development councils and associate
30 development organizations to increase their effectiveness and
31 efficiency and increase local capacity to respond rapidly and
32 comprehensively to opportunities to attract green jobs to local
33 communities;
 - 34 (k) Develop targeting criteria for existing investments that are
35 consistent with (~~the economic development commission's economic~~
36 ~~development strategy and~~) the goals of this section and RCW
37 28C.18.170, 28B.50.281, and 49.04.200; and

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

5 (2) The department and the workforce board must provide semiannual
6 performance reports to the governor and appropriate committees of the
7 legislature on:

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

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

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

18 (d) Recommendations for new or expanded financial incentives and
19 comprehensive strategies to:

20 (i) Recruit, retain, and expand green economy industries and small
21 businesses; and

22 (ii) Stimulate research and development of green technology and
23 innovation, which may include designating innovation partnership zones
24 linked to the green economy;

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

30 (f) Any recommended statutory changes necessary to increase the
31 effectiveness of the evergreen jobs initiative and state responsiveness
32 to local agencies and organizations.

33 (3) The definitions, designations, and results of the employment
34 security department's broader labor market research under RCW
35 43.330.010 shall inform the planning and strategic direction of the
36 department, the state workforce training and education coordinating
37 board, the state board for community and technical colleges, and the
38 student achievement council.

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

3 The department shall have the following duties:

4 (1) Oversight and management of a statewide comprehensive labor
5 market and occupational supply and demand information system, including
6 development of a five-year employment forecast for state and labor
7 market areas;

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

13 (3) Coordinate with the office of financial management and the
14 office of the forecast council to improve employment estimates by
15 enhancing data on corporate officers, improving business establishment
16 listings, expanding sample for employment estimates, and developing
17 business entry/exit analysis relevant to the generation of occupational
18 and economic forecasts;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30 (vi) The New Castle downtown project (~~(award)~~) award may not
31 exceed forty thousand dollars.

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

37 (b) Sponsoring local government of demonstration projects under
38 subsection (1)(b) of this section must update and resubmit to the

1 department no later than September 1, 2010, the application already on
2 file with the department to substantiate that the project has met the
3 conditions, limitations, and requirements provided in chapter 270, Laws
4 of 2009 and chapter 164, Laws of 2010 and the project is substantially
5 the same as the project in the original application submitted to the
6 department in 2009.

7 (c) The department must not approve any resubmitted application
8 unless an economic analysis by a qualified researcher at the department
9 of economics at the University of Washington confirms that there is an
10 eighty-five percent probability that the application's assumptions and
11 estimates of jobs created and increased tax receipts will be achieved
12 by the project and determines that net state tax revenue will increase
13 as a result of the project by an amount that equals or exceeds the
14 award authorized in subsection (1)(b) of this section. ~~((Prior to
15 submitting the economic analysis to the department, the qualified
16 researcher must consult with the economic development commission
17 established in chapter 43.162 RCW regarding his or her preliminary
18 findings. The final economic analysis must include comments and
19 recommendations of the economic development commission.))~~

20 (3) Within ninety days of such submittal, the economic analysis in
21 subsection (2)(c) of this section must be completed and the department
22 must either approve demonstration projects that have met these
23 conditions, limitations, and requirements or deny resubmitted
24 applications that have not met these conditions, limitations, and
25 requirements.

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

30 (5) If a demonstration project listed in subsection (1)(b) of this
31 section does not update and resubmit its application to the department
32 by the deadline specified in subsection (2)(b) of this section or if
33 the demonstration project withdraws its application, the associated
34 dollar amounts may not be approved for another project and may not be
35 considered part of the annual state contribution limit under RCW
36 39.104.020(1).

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

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

4 (2) The council shall(~~(, in consultation with the Washington~~
5 ~~economic development commission,)~~) select a series of benchmarks that
6 characterize the competitive environment of the state. The benchmarks
7 should be indicators of the cost of doing business; the education and
8 skills of the workforce; a sound infrastructure; and the quality of
9 life. In selecting the appropriate benchmarks, the council shall use
10 the following criteria:

11 (a) The availability of comparative information for other states
12 and countries;

13 (b) The timeliness with which benchmark information can be
14 obtained; and

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

17 (3) Each year the council shall prepare an official state economic
18 climate report on the present status of benchmarks, changes in the
19 benchmarks since the previous report, and the reasons for the changes.
20 The reports shall include current benchmark comparisons with other
21 states and countries, and an analysis of factors related to the
22 benchmarks that may affect the ability of the state to compete
23 economically at the national and international level.

24 (4) All agencies of state government shall provide to the council
25 immediate access to all information relating to economic climate
26 reports.

27 **Sec. 122.** RCW 43.131.418 and 2012 c 242 s 4 are each amended to
28 read as follows:

29 The following acts or parts of acts, as now existing or hereafter
30 amended, are each repealed, effective July 1, 2016:

31 (1) RCW 28B.155.010 and 2013 c ... s 2 (section 102 of this act)
32 and 2012 c 242 s 1; and

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

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

1 (1) RCW 43.162.005 (Findings--Intent) and 2011 c 311 s 1, 2007 c
2 232 s 1, & 2003 c 235 s 1;

3 (2) RCW 43.162.010 (Washington state economic development
4 commission--Membership--Policies and procedures) and 2011 c 311 s 2,
5 2007 c 232 s 2, & 2003 c 235 s 2;

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

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

9 (5) RCW 43.162.020 (Duties--Biennial comprehensive statewide
10 economic development strategy--Report--Biennial budget request--
11 Memorandum of understanding--Performance evaluation--Gifts, grants,
12 donations) and 2012 c 195 s 3, 2011 c 311 s 5, 2009 c 151 s 9, 2007 c
13 232 s 4, & 2003 c 235 s 3;

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

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

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

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

23 **PART II**

24 **ELIMINATION OF INNOVATE WASHINGTON**

25 **Sec. 201.** RCW 28B.50.902 and 2011 1st sp.s. c 14 s 6 are each
26 amended to read as follows:

27 (1) The college board, in consultation with business, industry,
28 labor, the workforce training and education coordinating board, the
29 department of commerce, the employment security department, and
30 community and technical colleges, shall designate centers of excellence
31 and allocate funds to existing and new centers of excellence based on
32 a competitive basis.

33 (2) Eligible applicants for the program established under this
34 section include community and technical colleges. Priority shall be
35 given to applicants that have an established education and training

1 program serving the targeted industry and that have in their home
2 district or region an industry cluster with the same targeted industry
3 at its core.

4 (3) It is the role of centers of excellence to employ strategies
5 to:

6 (a) Create educational efficiencies;

7 (b) Build a diverse, competitive workforce for strategic
8 industries;

9 (c) Maintain an institutional reputation for innovation and
10 responsiveness;

11 (d) Develop innovative curriculum and means of delivering education
12 and training;

13 (e) Act as brokers of information and resources related to
14 community and technical college education and training and assistance
15 available for firms in a targeted industry(~~(, including working with
16 innovate Washington to develop methods to identify businesses within a
17 targeted industry that could benefit from the services offered by
18 innovate Washington under chapter 43.333 RCW))~~); and

19 (f) Serve as partners with workforce development councils,
20 associate development organizations, and other workforce and economic
21 development organizations.

22 (4) Examples of strategies under subsection (3) of this section
23 include but are not limited to: Sharing curriculum and other
24 instructional resources, to ensure cost savings to the system;
25 delivering collaborative certificate and degree programs; and holding
26 statewide summits, seminars, conferences, and workshops on industry
27 trends and best practices in community and technical college education
28 and training.

29 **Sec. 202.** RCW 42.30.110 and 2011 1st sp.s. c 14 s 14 are each
30 amended to read as follows:

31 (1) Nothing contained in this chapter may be construed to prevent
32 a governing body from holding an executive session during a regular or
33 special meeting:

34 (a) To consider matters affecting national security;

35 (b) To consider the selection of a site or the acquisition of real
36 estate by lease or purchase when public knowledge regarding such
37 consideration would cause a likelihood of increased price;

1 (c) To consider the minimum price at which real estate will be
2 offered for sale or lease when public knowledge regarding such
3 consideration would cause a likelihood of decreased price. However,
4 final action selling or leasing public property shall be taken in a
5 meeting open to the public;

6 (d) To review negotiations on the performance of publicly bid
7 contracts when public knowledge regarding such consideration would
8 cause a likelihood of increased costs;

9 (e) To consider, in the case of an export trading company,
10 financial and commercial information supplied by private persons to the
11 export trading company;

12 (f) To receive and evaluate complaints or charges brought against
13 a public officer or employee. However, upon the request of such
14 officer or employee, a public hearing or a meeting open to the public
15 shall be conducted upon such complaint or charge;

16 (g) To evaluate the qualifications of an applicant for public
17 employment or to review the performance of a public employee. However,
18 subject to RCW 42.30.140(4), discussion by a governing body of
19 salaries, wages, and other conditions of employment to be generally
20 applied within the agency shall occur in a meeting open to the public,
21 and when a governing body elects to take final action hiring, setting
22 the salary of an individual employee or class of employees, or
23 discharging or disciplining an employee, that action shall be taken in
24 a meeting open to the public;

25 (h) To evaluate the qualifications of a candidate for appointment
26 to elective office. However, any interview of such candidate and final
27 action appointing a candidate to elective office shall be in a meeting
28 open to the public;

29 (i) To discuss with legal counsel representing the agency matters
30 relating to agency enforcement actions, or to discuss with legal
31 counsel representing the agency litigation or potential litigation to
32 which the agency, the governing body, or a member acting in an official
33 capacity is, or is likely to become, a party, when public knowledge
34 regarding the discussion is likely to result in an adverse legal or
35 financial consequence to the agency.

36 This subsection (1)(i) does not permit a governing body to hold an
37 executive session solely because an attorney representing the agency is

1 present. For purposes of this subsection (1)(i), "potential
2 litigation" means matters protected by RPC 1.6 or RCW 5.60.060(2)(a)
3 concerning:

4 (i) Litigation that has been specifically threatened to which the
5 agency, the governing body, or a member acting in an official capacity
6 is, or is likely to become, a party;

7 (ii) Litigation that the agency reasonably believes may be
8 commenced by or against the agency, the governing body, or a member
9 acting in an official capacity; or

10 (iii) Litigation or legal risks of a proposed action or current
11 practice that the agency has identified when public discussion of the
12 litigation or legal risks is likely to result in an adverse legal or
13 financial consequence to the agency;

14 (j) To consider, in the case of the state library commission or its
15 advisory bodies, western library network prices, products, equipment,
16 and services, when such discussion would be likely to adversely affect
17 the network's ability to conduct business in a competitive economic
18 climate. However, final action on these matters shall be taken in a
19 meeting open to the public;

20 (k) To consider, in the case of the state investment board,
21 financial and commercial information when the information relates to
22 the investment of public trust or retirement funds and when public
23 knowledge regarding the discussion would result in loss to such funds
24 or in private loss to the providers of this information;

25 (l) To consider proprietary or confidential nonpublished
26 information related to the development, acquisition, or implementation
27 of state purchased health care services as provided in RCW 41.05.026;

28 (m) To consider in the case of the life sciences discovery fund
29 authority, the substance of grant applications and grant awards when
30 public knowledge regarding the discussion would reasonably be expected
31 to result in private loss to the providers of this information;

32 (n) To consider in the case of a health sciences and services
33 authority, the substance of grant applications and grant awards when
34 public knowledge regarding the discussion would reasonably be expected
35 to result in private loss to the providers of this information((÷

36 ~~(o) To consider in the case of innovate Washington, the substance~~
37 ~~of grant or loan applications and grant or loan awards if public~~

1 ~~knowledge regarding the discussion would reasonably be expected to~~
2 ~~result in private loss to the providers of this information)).~~

3 (2) Before convening in executive session, the presiding officer of
4 a governing body shall publicly announce the purpose for excluding the
5 public from the meeting place, and the time when the executive session
6 will be concluded. The executive session may be extended to a stated
7 later time by announcement of the presiding officer.

8 **Sec. 203.** RCW 42.56.270 and 2011 1st sp.s. c 14 s 15 are each
9 amended to read as follows:

10 The following financial, commercial, and proprietary information is
11 exempt from disclosure under this chapter:

12 (1) Valuable formulae, designs, drawings, computer source code or
13 object code, and research data obtained by any agency within five years
14 of the request for disclosure when disclosure would produce private
15 gain and public loss;

16 (2) Financial information supplied by or on behalf of a person,
17 firm, or corporation for the purpose of qualifying to submit a bid or
18 proposal for (a) a ferry system construction or repair contract as
19 required by RCW 47.60.680 through 47.60.750 or (b) highway construction
20 or improvement as required by RCW 47.28.070;

21 (3) Financial and commercial information and records supplied by
22 private persons pertaining to export services provided under chapters
23 43.163 and 53.31 RCW, and by persons pertaining to export projects
24 under RCW 43.23.035;

25 (4) Financial and commercial information and records supplied by
26 businesses or individuals during application for loans or program
27 services provided by chapters 43.325, 43.163, 43.160, 43.330, and
28 43.168 RCW, or during application for economic development loans or
29 program services provided by any local agency;

30 (5) Financial information, business plans, examination reports, and
31 any information produced or obtained in evaluating or examining a
32 business and industrial development corporation organized or seeking
33 certification under chapter 31.24 RCW;

34 (6) Financial and commercial information supplied to the state
35 investment board by any person when the information relates to the
36 investment of public trust or retirement funds and when disclosure

1 would result in loss to such funds or in private loss to the providers
2 of this information;

3 (7) Financial and valuable trade information under RCW 51.36.120;

4 (8) Financial, commercial, operations, and technical and research
5 information and data submitted to or obtained by the clean Washington
6 center in applications for, or delivery of, program services under
7 chapter 70.95H RCW;

8 (9) Financial and commercial information requested by the public
9 stadium authority from any person or organization that leases or uses
10 the stadium and exhibition center as defined in RCW 36.102.010;

11 (10)(a) Financial information, including but not limited to account
12 numbers and values, and other identification numbers supplied by or on
13 behalf of a person, firm, corporation, limited liability company,
14 partnership, or other entity related to an application for a horse
15 racing license submitted pursuant to RCW 67.16.260(1)(b), liquor
16 license, gambling license, or lottery retail license;

17 (b) Internal control documents, independent auditors' reports and
18 financial statements, and supporting documents: (i) Of house-banked
19 social card game licensees required by the gambling commission pursuant
20 to rules adopted under chapter 9.46 RCW; or (ii) submitted by tribes
21 with an approved tribal/state compact for class III gaming;

22 (11) Proprietary data, trade secrets, or other information that
23 relates to: (a) A vendor's unique methods of conducting business; (b)
24 data unique to the product or services of the vendor; or (c)
25 determining prices or rates to be charged for services, submitted by
26 any vendor to the department of social and health services for purposes
27 of the development, acquisition, or implementation of state purchased
28 health care as defined in RCW 41.05.011;

29 (12)(a) When supplied to and in the records of the department of
30 commerce:

31 (i) Financial and proprietary information collected from any person
32 and provided to the department of commerce pursuant to RCW
33 43.330.050(8); and

34 (ii) Financial or proprietary information collected from any person
35 and provided to the department of commerce or the office of the
36 governor in connection with the siting, recruitment, expansion,
37 retention, or relocation of that person's business and until a siting

1 decision is made, identifying information of any person supplying
2 information under this subsection and the locations being considered
3 for siting, relocation, or expansion of a business;

4 (b) When developed by the department of commerce based on
5 information as described in (a)(i) of this subsection, any work product
6 is not exempt from disclosure;

7 (c) For the purposes of this subsection, "siting decision" means
8 the decision to acquire or not to acquire a site;

9 (d) If there is no written contact for a period of sixty days to
10 the department of commerce from a person connected with siting,
11 recruitment, expansion, retention, or relocation of that person's
12 business, information described in (a)(ii) of this subsection will be
13 available to the public under this chapter;

14 (13) Financial and proprietary information submitted to or obtained
15 by the department of ecology or the authority created under chapter
16 70.95N RCW to implement chapter 70.95N RCW;

17 (14) Financial, commercial, operations, and technical and research
18 information and data submitted to or obtained by the life sciences
19 discovery fund authority in applications for, or delivery of, grants
20 under chapter 43.350 RCW, to the extent that such information, if
21 revealed, would reasonably be expected to result in private loss to the
22 providers of this information;

23 (15) Financial and commercial information provided as evidence to
24 the department of licensing as required by RCW 19.112.110 or
25 19.112.120, except information disclosed in aggregate form that does
26 not permit the identification of information related to individual fuel
27 licensees;

28 (16) Any production records, mineral assessments, and trade secrets
29 submitted by a permit holder, mine operator, or landowner to the
30 department of natural resources under RCW 78.44.085;

31 (17)(a) Farm plans developed by conservation districts, unless
32 permission to release the farm plan is granted by the landowner or
33 operator who requested the plan, or the farm plan is used for the
34 application or issuance of a permit;

35 (b) Farm plans developed under chapter 90.48 RCW and not under the
36 federal clean water act, 33 U.S.C. Sec. 1251 et seq., are subject to
37 RCW 42.56.610 and 90.64.190;

1 (18) Financial, commercial, operations, and technical and research
2 information and data submitted to or obtained by a health sciences and
3 services authority in applications for, or delivery of, grants under
4 RCW 35.104.010 through 35.104.060, to the extent that such information,
5 if revealed, would reasonably be expected to result in private loss to
6 providers of this information;

7 (19) Information gathered under chapter 19.85 RCW or RCW 34.05.328
8 that can be identified to a particular business; and

9 (20) Financial and commercial information submitted to or obtained
10 by the University of Washington, other than information the university
11 is required to disclose under RCW 28B.20.150, when the information
12 relates to investments in private funds, to the extent that such
13 information, if revealed, would reasonably be expected to result in
14 loss to the University of Washington consolidated endowment fund or to
15 result in private loss to the providers of this information(~~;~~and

16 ~~(21) Financial, commercial, operations, and technical and research
17 information and data submitted to or obtained by innovate Washington in
18 applications for, or delivery of, grants and loans under chapter 43.333
19 RCW, to the extent that such information, if revealed, would reasonably
20 be expected to result in private loss to the providers of this
21 information)).~~

22 **Sec. 204.** 2012 c 63 s 1 (uncodified) is amended to read as
23 follows:

24 The legislature finds that Washington is becoming a leader in the
25 development and commercialization of aviation biofuels due to its
26 strong tradition of market innovation, a concentrated demand for
27 sustainable aviation fuels, leading expertise and research capacity, an
28 established aviation manufacturing sector, and the availability of a
29 diverse range of feedstocks for the production of biofuels. The
30 legislature also finds that the development of aviation biofuels has
31 the potential to reduce dependence on foreign sources of fossil fuels,
32 reduce greenhouse gas emissions, and promote economic development and
33 jobs in Washington. The legislature intends to support the development
34 of commercial-scale aviation biofuels production facilities in
35 Washington by facilitating and streamlining the permitting process for
36 new facilities and the expansion of existing facilities and by

1 providing access to low-cost financing through the issuance of revenue
2 bonds.

3 The legislature finds that the 2012 Washington state energy
4 strategy calls for a targeted, strategic policy focus on sustainable
5 aviation biofuels to encourage the realization of Washington's
6 potential. The legislature also finds that a regional stakeholder
7 effort to explore the opportunities and challenges surrounding the
8 production of sustainable aviation fuels, known as sustainable aviation
9 biofuels northwest, urged policymakers in the Northwest to develop
10 supportive public policies that will jump start the industry, attract
11 investment, and accelerate industry growth. In order to provide focus
12 and develop policy recommendations to support the sustainable aviation
13 biofuels sector in Washington, the legislature intends to establish a
14 sustainable aviation biofuels work group. ((Additionally, the
15 legislature intends Innovate Washington, designated in 2011 as the lead
16 agency for coordinating clean energy related initiatives targeted at
17 growing the clean energy sector, to convene the appropriate
18 stakeholders and facilitate the opportunity for the state to realize
19 the full economic growth impact to the state's economy.))

20 NEW SECTION. **Sec. 205.** A new section is added to chapter 43.333
21 RCW to read as follows:

22 (1) The innovate Washington program is created in the department to
23 support business growth in the state's innovation and technology
24 sectors and facilitate statewide technology transfer and
25 commercialization activities, for the purpose of increasing the state's
26 economic vitality.

27 (2) The innovate Washington program shall:

28 (a) Support businesses in securing federal and private funds to
29 support product research and commercialization, developing and
30 integrating technology in new or enhanced products and services, and
31 launching those products and services in sustainable businesses in the
32 state;

33 (b) Establish public-private partnerships and programmatic
34 activities that increase the competitiveness of state industries;

35 (c) Work with utilities, district energy providers, the utilities
36 and transportation commission, and the state energy office to improve

1 the alignment of investments in clean energy technologies with existing
2 state policies;

3 (d) Administer technology and innovation grant and loan programs
4 including bridge funding programs for the state's technology sector;

5 (e) Work with impact Washington to ensure that customers have ready
6 access to each other's services;

7 (f) Develop and strengthen academic-industry relationships through
8 research and assistance that is primarily of interest to existing small
9 and medium-sized Washington-based companies; and

10 (g) Reach out to firms operating in the state's innovation
11 partnership zones.

12 (3) The innovate Washington program must be operated and the
13 services for the program must be delivered through a contract with a
14 501(c)(3) nonprofit organization with a principal office located in
15 Washington with experience facilitating interaction between the state's
16 higher education institutions and the state's technology-based
17 companies on commercialization and technology transfer activities. The
18 department must provide oversight for the program.

19 (4) The department must submit performance metrics for the innovate
20 Washington program to the governor and the economic development
21 committees of the legislature by January 1, 2014. The department must
22 report the outcomes of the program against these metrics to the
23 governor and the economic development committees of the legislature on
24 December 1, 2014.

25 NEW SECTION. **Sec. 206.** A new section is added to chapter 43.333
26 RCW to read as follows:

27 The definitions in this section apply throughout this chapter
28 unless the context clearly requires otherwise:

29 (1) "Department" means the department of commerce.

30 (2) "Innovate Washington program" or "program" means the program
31 created in section 205 of this act.

32 **Sec. 207.** RCW 43.333.030 and 2011 1st sp.s. c 14 s 4 are each
33 amended to read as follows:

34 (1) The investing in innovation account is created in the custody
35 of the state treasurer to receive state and federal funds, grants,
36 private gifts, or contributions to further the purpose of ((innovate

1 ~~Washington))~~ growing the technology and innovation-based sectors of the
2 state and supporting the commercialization of intellectual property and
3 the manufacturing of innovative products in the state.

4 (2) Expenditures from the account may be used only for the purposes
5 of the investing in innovation programs established in chapter 70.210
6 RCW and any other purpose consistent with the innovate Washington
7 program established in this chapter.

8 (3) Only the ((~~executive~~)) director of ((~~innovate Washington~~))
9 commerce or the ((~~executive~~)) director's designee may authorize
10 expenditures from the account. Funds may only be used for the
11 contractor to provide services consistent with the purposes described
12 in subsection (2) of this section. The account is subject to allotment
13 procedures under chapter 43.88 RCW, but an appropriation is not
14 required for expenditures.

15 **Sec. 208.** RCW 43.333.040 and 2011 1st sp.s. c 14 s 3 are each
16 amended to read as follows:

17 (1) To increase participation by Washington state small business
18 innovators in federal small business research programs, the innovate
19 Washington program shall provide ((~~or contract for the provision of~~))
20 a small business innovation assistance program. The assistance program
21 must include a proposal review process and must train and assist
22 Washington small business innovators to win awards from federal small
23 business research programs. The assistance program must collaborate
24 with small business development centers((~~, entrepreneur-in-residence~~
25 ~~programs,~~)) and other appropriate sources of technical assistance to
26 ensure that small business innovators also receive the planning,
27 counseling, and support services necessary to expand their businesses
28 and protect their intellectual property.

29 (2) ((~~In operating the program,~~)) The innovate Washington program
30 must give priority to first-time applicants to the federal small
31 business research programs, new businesses, and firms with fewer than
32 ten employees, and may charge a fee for its services.

33 (3) The definitions in this subsection apply throughout this
34 section unless the context clearly requires otherwise.

35 (a) "Federal small business research programs" means the programs,
36 operating pursuant to the small business innovation development act of

1 1982, P.L. 97-219, and the small business technology transfer act of
2 1992, P.L. 102-564, title II, that provide funds to small businesses to
3 conduct research having commercial application.

4 (b) "Small business" means a corporation, partnership, sole
5 proprietorship, or individual, operating a business for profit, with
6 two hundred fifty employees or fewer, including employees employed in
7 a subsidiary or affiliated corporation, that otherwise meets the
8 requirements of federal small business research programs.

9 **Sec. 209.** RCW 43.333.050 and 2011 1st sp.s. c 14 s 13 are each
10 amended to read as follows:

11 (1) The innovate Washington program shall administer the investing
12 in innovation program.

13 (2) Not more than one percent of the available funds from the
14 investing in innovation account may be used for administrative costs of
15 the program.

16 **Sec. 210.** RCW 43.333.800 and 2012 c 63 s 4 are each amended to
17 read as follows:

18 (1) The innovate Washington program shall convene a sustainable
19 aviation biofuels work group.

20 (2) The purpose of the work group is to:

21 (a) Further the development of sustainable aviation fuel as a
22 productive industry in Washington, using as a foundation the regional
23 assessment prepared by the collaborative known as the sustainable
24 aviation fuels northwest;

25 (b) Facilitate communication and coordination among aviation
26 biofuels stakeholders;

27 (c) Provide a forum for discussion and problem-solving regarding
28 potential and current barriers related to technology development,
29 production, distribution, supply chain development, and
30 commercialization of aviation biofuels; and

31 (d) Provide recommendations to the legislature on potential
32 legislation that will facilitate the technology development,
33 production, distribution, and commercialization of aviation biofuels.

34 (3) The innovate Washington program, in consultation with the
35 legislative members, shall designate work group members that represent

1 sectors involved in sustainable aviation biofuels research,
2 development, production, and utilization. The work group shall include
3 but not be limited to representatives from the following:

- 4 (a) The Washington state senate;
- 5 (b) The Washington state house of representatives;
- 6 (c) An agriculture advocacy organization;
- 7 (d) An airline operator;
- 8 (e) An airplane manufacturer;
- 9 (f) An airport operator located in western Washington and an
10 airport operator located in eastern Washington;
- 11 (g) Biofuels feedstock producers;
- 12 (h) Two biofuels producers;
- 13 (i) The department of agriculture;
- 14 (j) ~~((The department of commerce;~~
- 15 ~~(k)))~~ The department of natural resources;
- 16 ~~((l))~~ (k) A sustainable energy advocacy organization;
- 17 ~~((m))~~ (l) The United States department of defense;
- 18 ~~((n))~~ (m) The University of Washington;
- 19 ~~((o))~~ (n) Washington State University; and
- 20 ~~((p))~~ (o) The Pacific Northwest national laboratory(~~(; and~~
- 21 ~~(q) A member of the board of directors of Innovate Washington))~~.

22 (4) The work group shall choose its chair from among its
23 membership.

24 (5) The work group may not meet more than twice a year.

25 (6) The work group shall provide an annual update of its findings
26 and recommendations to the governor and the appropriate committees of
27 the legislature by December 1st of each year through 2014.

28 (7) This section expires June 30, 2015.

29 **Sec. 211.** RCW 70.210.020 and 2011 1st sp.s. c 14 s 8 are each
30 amended to read as follows:

31 The definitions in this section apply throughout this chapter
32 unless the context clearly requires otherwise.

33 ~~((1) "Board" means the innovate Washington board of directors.~~
34 ~~(3) [(2)] "Innovate Washington" means the agency created in RCW~~
35 ~~43.333.010.)~~

36 (1) "Department" means the department of commerce.

1 (2) "Innovate Washington program" means the program established at
2 the department of commerce under chapter 43.333 RCW.

3 **Sec. 212.** RCW 70.210.030 and 2011 1st sp.s. c 14 s 9 are each
4 amended to read as follows:

5 (1) The investing in innovation program is established.

6 (2) The innovate Washington program shall periodically make
7 strategic assessments of the types of investments in research,
8 technology, and industrial development in this state that would likely
9 create new products, jobs, and business opportunities and produce the
10 most beneficial long-term improvements to the lives and health of the
11 citizens of the state. The assessments shall be available to the
12 public and shall be used to guide decisions on awarding funds under
13 this chapter.

14 **Sec. 213.** RCW 70.210.040 and 2011 1st sp.s. c 14 s 10 are each
15 amended to read as follows:

16 The ((board)) innovate Washington program shall:

17 (1) Develop criteria for the awarding of loans or grants to
18 qualifying universities, institutions, businesses, or individuals;

19 (2) Make decisions regarding distribution of funds;

20 (3) In making funding decisions and to the extent that economic
21 impact is not diminished, provide priority to enterprises that:

22 (a) Were created through, and have existing intellectual property
23 agreements in place with, public and private research institutions in
24 the state; and

25 (b) Intend to produce new products or services, develop or expand
26 facilities, or manufacture in the state; and

27 (4) Specify in contracts awarding funds that recipients must
28 utilize funding received to support operations in the state of
29 Washington and must subsequently report on the impact of their
30 research, development, and any subsequent production activities within
31 Washington for a period of ten years following the award of funds, and
32 that a failure to comply with this requirement will obligate the
33 recipient to return the amount of the award plus interest as determined
34 by the ((board)) department.

1 **Sec. 214.** RCW 70.210.050 and 2011 1st sp.s. c 14 s 11 are each
2 amended to read as follows:

3 (1) The ((~~board~~)) innovate Washington program may accept grant and
4 loan proposals and establish a competitive process for the awarding of
5 grants and loans.

6 (2) The ((~~board~~)) innovate Washington program shall establish a
7 peer review committee to include ((~~board members,~~)) scientists,
8 engineers, and individuals with specific recognized expertise. The
9 peer review committee shall provide to the ((~~board~~)) innovate
10 Washington program an independent peer review of all proposals
11 determined to be competitive for a loan or grant award that are
12 submitted to the ((~~board~~)) innovate Washington program.

13 (3) In the awarding of grants and loans, priority shall be given to
14 proposals that leverage additional private and public funding
15 resources.

16 ((~~(4) Innovate Washington may not be a direct recipient of funding~~
17 ~~under this chapter.~~))

18 **Sec. 215.** RCW 70.210.060 and 2011 1st sp.s. c 14 s 12 are each
19 amended to read as follows:

20 The ((~~board~~)) department shall establish performance benchmarks
21 against which the program will be evaluated. The program shall be
22 reviewed periodically by the ((~~board~~)) department. The ((~~board~~))
23 department shall report annually to the appropriate standing committees
24 of the legislature on loans made and grants awarded and as appropriate
25 on program reviews conducted by the ((~~board~~)) department.

26 NEW SECTION. **Sec. 216.** The following acts or parts of acts are
27 each repealed:

28 (1) RCW 41.06.0711 (Innovate Washington--Certain personnel exempted
29 from chapter) and 2011 1st sp.s. c 14 s 5;

30 (2) RCW 43.333.010 (Innovate Washington--Created--Mission--Transfer
31 of administrative responsibilities for facilities located at the
32 Washington technology center and Spokane intercollegiate research and
33 technology institute--Five-year business plan requirements) and 2011
34 1st sp.s. c 14 s 1; and

35 (3) RCW 43.333.020 (Board of directors--Composition--Meetings--
36 Duties) and 2011 1st sp.s. c 14 s 2.

1 NEW SECTION. **Sec. 217.** A new section is added to chapter 43.333
2 RCW to read as follows:

3 (1) Innovate Washington is hereby abolished and its mission,
4 powers, duties, and functions are hereby transferred to the department
5 of commerce.

6 (2)(a) All property of Innovate Washington, including real
7 property, shall be assigned and transferred to the department of
8 commerce. All reports, documents, surveys, books, records, files,
9 papers, and written material, regardless of physical form or
10 characteristics, in the possession of Innovate Washington shall be
11 delivered to the department of commerce. All cabinets, furniture,
12 office equipment, motor vehicles, and other tangible property employed
13 by Innovate Washington shall be made available to the department of
14 commerce. Except as provided in (b) of this subsection, all funds,
15 credits, and other assets, tangible or intangible, held by Innovate
16 Washington shall be assigned and transferred to the department of
17 commerce.

18 (b) The department of commerce shall honor any donor-imposed
19 condition on the transfer of assets to Innovate Washington, consistent
20 with chapter 14, Laws of 2011 1st sp. sess., returning any unused funds
21 or other assets to the grantor or the grantor's successor in interest,
22 if return of such funds or other assets is required in the grant or
23 other instrument by which the asset was conveyed to Innovate
24 Washington. Any donated assets, the use of which is limited by a
25 donor-imposed restriction, shall be used only for the purposes
26 specified in the granting instrument, and where the instrument
27 restricts the use of such funds or other assets for the purposes of
28 Innovate Washington, they shall be used by the department of commerce
29 only for the purpose of growing the innovation-based economic sectors
30 of the state and responding to the technology transfer needs of
31 existing businesses in the state.

32 (c) If any question arises as to the transfer of any asset used or
33 held in the exercise of the powers and the performance of the duties
34 and functions transferred, the director of financial management shall
35 make a determination as to the proper allocation and certify the same
36 to the state agencies concerned.

37 (3) If apportionments of budgeted funds are required because of the
38 transfers directed by this section, the director of financial

1 management shall certify the apportionments to the agencies affected,
2 the state auditor, and the state treasurer. Each of these shall make
3 the appropriate transfer and adjustments in funds and appropriation
4 accounts and equipment records in accordance with the certification.

5 NEW SECTION. **Sec. 218.** A new section is added to chapter 43.333
6 RCW to read as follows:

7 This chapter expires June 30, 2015.

8 NEW SECTION. **Sec. 219.** A new section is added to chapter 70.210
9 RCW to read as follows:

10 This chapter expires June 30, 2015.

11 **PART III**
12 **ELIMINATION OF THE WASHINGTON GLOBAL HEALTH TECHNOLOGIES**
13 **AND PRODUCT DEVELOPMENT COMPETITIVENESS PROGRAM'S BOARD OF DIRECTORS**

14 **Sec. 301.** RCW 43.374.010 and 2010 1st sp.s. c 13 s 2 are each
15 amended to read as follows:

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

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

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

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

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

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

32 (b) The governor must appoint the chair of the board from among the
33 members. The governor must appoint the members to staggered terms and

1 each appointment may not last more than three years, but an appointee
2 may serve more than one term.

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

7 (4) The life sciences discovery fund authority and the board
8 (~~must~~) are empowered to solicit and receive gifts, grants, bequests,
9 royalty payments, licensing income, and other funds from businesses,
10 foundations, and the federal government to promote the development and
11 delivery of global health technologies and products. All federal funds
12 received must be deposited in the Washington global health technologies
13 and product development account created in RCW 43.374.020. All
14 remaining nonstate funds received must be deposited in an account that
15 the board creates and administers to carry out the purposes of this
16 section. Expenditures from the account created by the board may be
17 used only for funding activities of the program created in this
18 section. Of the total amounts deposited into these accounts, no more
19 than (~~three~~) four percent of the total funds may be used for the
20 (~~department of commerce's management services and~~) life sciences
21 discovery fund authority's administrative expenses related to the
22 program created in this section.

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

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

30 (a) The quality of the proposed research or the proposed technical
31 assistance in product development or production process design. Any
32 grant funds awarded for research activities must be awarded for
33 nonbasic research which will assist in commercialization or manufacture
34 of global health technologies;

35 (b) The potential for the grant recipient to improve global health
36 outcomes;

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

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

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

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

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

14 ~~(8) ((Upon the recommendation of the Washington economic
15 development commission, the board may provide funding for the
16 recruitment and employment by public research institutions and global
17 health nonprofit organizations in the state, of global health
18 researchers with a history of commercialization of global health
19 technologies.~~

20 (+9)) Each project receiving a grant under this section must report
21 information to the board in the format and at the intervals as the
22 board requires to provide accountability and to evaluate the
23 effectiveness of the program. The information reported must include
24 the amount of funding received; the funding, if any, leveraged by the
25 grant; the number and types of jobs created as a result of the grant;
26 and any other information that the board requires. The board must use
27 the information to prepare an annual evaluation of the program for a
28 report to the appropriate committees of the legislature and the
29 governor, beginning December 1, 2012.

30 **PART IV**

31 **ELIMINATION OF THE WASHINGTON TOURISM COMMISSION**

32 NEW SECTION. **Sec. 401.** The following acts or parts of acts are
33 each repealed:

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

- 1 (2) RCW 43.336.020 (Commission created--Composition--Terms--
2 Executive director--Rule-making authority) and 2011 1st sp.s. c 50 s
3 957, 2009 c 549 s 5178, & 2007 c 228 s 102;
- 4 (3) RCW 43.336.030 (Tourism industry expansion--Coordinated
5 program--Strategic plan--Tourism marketing plan) and 2007 c 228 s 103;
- 6 (4) RCW 43.336.040 (Tourism competitive grant program) and 2007 c
7 228 s 104;
- 8 (5) RCW 43.336.050 (Tourism enterprise account) and 2011 c 5 s 914
9 & 2007 c 228 s 105;
- 10 (6) RCW 43.336.060 (Tourism development program--Report to the
11 legislature) and 2009 c 518 s 13, 2007 c 228 s 107, & 1998 c 299 s 5;
12 and
- 13 (7) RCW 43.336.900 (Part headings not law--2007 c 228) and 2007 c
14 228 s 204.

15 **PART V**

16 **ELIMINATION OF THE MICROENTERPRISE DEVELOPMENT PROGRAM**

17 **Sec. 501.** RCW 43.330.010 and 2011 c 286 s 4 are each amended to
18 read as follows:

19 Unless the context clearly requires otherwise, the definitions in
20 this section apply throughout this chapter.

21 (1) "Associate development organization" means a local economic
22 development nonprofit corporation that is broadly representative of
23 community interests.

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

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

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

29 (5) (~~"Microenterprise development organization" means a community~~
30 ~~development corporation, a nonprofit development organization, a~~
31 ~~nonprofit social services organization or other locally operated~~
32 ~~nonprofit entity that provides services to low-income entrepreneurs.~~

33 ~~(6))~~ "Small business" has the same meaning as provided in RCW
34 ~~((39.29.006))~~ 39.26.010.

35 ~~((7))~~ "Statewide microenterprise association" means a nonprofit

1 ~~entity with microenterprise development organizations as members that~~
2 ~~serves as an intermediary between the department of commerce and local~~
3 ~~microenterprise development organizations.))~~

4 NEW SECTION. **Sec. 502.** RCW 43.330.290 (Microenterprise
5 development program) and 2009 c 565 s 15 & 2007 c 322 s 3 are each
6 repealed.

7 **PART VI**

8 **MISCELLANEOUS PROVISIONS**

9 NEW SECTION. **Sec. 601.** Section 105 of this act expires June 30,
10 2039.

11 NEW SECTION. **Sec. 602.** Section 106 of this act expires on the
12 date the requirements set out in section 7, chapter 36, Laws of 2012
13 are met.

14 NEW SECTION. **Sec. 603.** Section 107 of this act takes effect on
15 the date the requirements set out in section 7, chapter 36, Laws of
16 2012 are met.

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