



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~~  
16 ~~identifying the strategic clusters, the board shall consult with the~~  
17 ~~economic development commission to identify clusters that meet the~~  
18 ~~criteria identified by the working group convened by the economic~~  
19 ~~development commission and the workforce training and education~~  
20 ~~coordinating board under RCW 43.330.280.))~~

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

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

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

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

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

32 (c) Complete the process in RCW 39.102.080;

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

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

36 (2) Any local government that has created an increment area under  
37 chapter 39.89 RCW and has not issued bonds to finance any public

1 improvement may apply to the board and have its increment area  
2 considered for approval as a revenue development area under this  
3 chapter without adopting a new revenue development area under RCW  
4 39.102.090 and 39.102.100 if it amends its ordinance to comply with RCW  
5 39.102.090(1) and otherwise meets the conditions and limitations under  
6 this chapter.

7 (3) As a condition to imposing a sales and use tax under RCW  
8 82.14.475, a sponsoring local government, including any cosponsoring  
9 local government seeking authority to impose a sales and use tax under  
10 RCW 82.14.475, must apply to the board and be approved for a project  
11 award amount. The application shall be in a form and manner prescribed  
12 by the board and include but not be limited to information establishing  
13 that the applicant is an eligible candidate to impose the local sales  
14 and use tax under RCW 82.14.475, the anticipated effective date for  
15 imposing the tax, the estimated number of years that the tax will be  
16 imposed, and the estimated amount of tax revenue to be received in each  
17 fiscal year that the tax will be imposed. The board shall make  
18 available forms to be used for this purpose. As part of the  
19 application, each applicant must provide to the board a copy of the  
20 ordinance or ordinances creating the revenue development area as  
21 required in RCW 39.102.090. A notice of approval to use local  
22 infrastructure financing shall contain a project award that represents  
23 the maximum amount of state contribution that the applicant, including  
24 any cosponsoring local governments, can earn each year that local  
25 infrastructure financing is used. The total of all project awards  
26 shall not exceed the annual state contribution limit. The  
27 determination of a project award shall be made based on information  
28 contained in the application and the remaining amount of annual state  
29 contribution limit to be awarded. Determination of a project award by  
30 the board is final.

31 (4)(a) Sponsoring local governments, and any cosponsoring local  
32 governments, applying in calendar year 2007 for a competitive project  
33 award, must submit completed applications to the board no later than  
34 July 1, 2007. By September 15, 2007, in consultation with the  
35 department of revenue and the department of ((community, trade, and  
36 economic development)) commerce, the board shall approve competitive  
37 project awards from competitive applications submitted by the 2007  
38 deadline. No more than two million five hundred thousand dollars in

1 competitive project awards shall be approved in 2007. For projects not  
2 approved by the board in 2007, sponsoring and cosponsoring local  
3 governments may apply again to the board in 2008 for approval of a  
4 project.

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

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

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

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

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

27 (iii) Achieving an overall distribution of projects statewide that  
28 reflect geographic diversity;

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

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

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

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

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

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

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

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

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

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

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

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

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

34 **Sec. 106.** RCW 43.84.092 and 2012 c 198 s 2, 2012 c 196 s 7, 2012  
35 c 187 s 14, and 2012 c 83 s 4 are each reenacted and amended to read as  
36 follows:

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

34 (b) Any state agency that has independent authority over accounts  
35 or funds not statutorily required to be held in the state treasury that  
36 deposits funds into a fund or account in the state treasury pursuant to  
37 an agreement with the office of the state treasurer shall receive its

1 proportionate share of earnings based upon each account's or fund's  
2 average daily balance for the period.

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

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

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

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

- 29 (a) The board may not provide financial assistance:
  - 30 (i) For a project the primary purpose of which is to facilitate or  
31 promote a retail shopping development or expansion.
  - 32 (ii) For any project that evidence exists would result in a  
33 development or expansion that would displace existing jobs in any other  
34 community in the state.
  - 35 (iii) For a project the primary purpose of which is to facilitate  
36 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 advisory  
15 group selected by the ~~((commission))~~ director:

16 ~~((a) Provide information and advice to the department of commerce  
17 to assist in the implementation of the innovation partnership zone  
18 program, including criteria to be used in the selection of grant  
19 applicants for funding;~~

20 ~~(b))~~ (1) Document clusters of companies throughout the state that  
21 have comparative competitive advantage ~~((or the potential for  
22 comparative competitive advantage, using the process and criteria for  
23 identifying strategic clusters developed by the working group specified  
24 in subsection (2) of this section));~~

25 ~~((c))~~ (2) Conduct an innovation opportunity analysis to identify  
26 ~~((i))~~ (a) the strongest current intellectual assets and research  
27 teams in the state focused on emerging technologies and their  
28 commercialization, and ~~((ii))~~ (b) faculty and researchers that could  
29 increase their focus on commercialization of technology if provided the  
30 appropriate technical assistance and resources;

31 ~~((d))~~ (3) Based on its findings and analysis, and in conjunction  
32 with the research institutions:

33 ~~((i))~~ (a) Develop a plan to build on existing, and develop new,  
34 intellectual assets and innovation research teams in the state in  
35 research areas where there is a high potential to commercialize  
36 technologies. ~~((The commission shall present the plan to the governor  
37 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))~~ department deems important:

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

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

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

13 ~~((D))~~ (iv) The most productive approaches to take in the  
14 recruitment, in the identified promising research areas, of a minimum  
15 of ten ~~((significant))~~ entrepreneurial researchers over the next ten  
16 years to join or lead innovation research teams, with emphasis on  
17 recruiting rising entrepreneurial researchers holding a doctoral degree  
18 who founded or cofounded a company that has commercialized or is in the  
19 process of commercializing the individual's intellectual property, and  
20 worked under the direction of a significant entrepreneurial researcher;

21 ~~((E))~~ (v) Steps to take in solicitation of private sector support  
22 for the recruitment of entrepreneurial researchers and the  
23 commercialization activity of innovation research teams; and

24 ~~((F))~~ (vi) Mechanisms for ensuring the location of innovation  
25 research teams in innovation partnership zones;

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

36 ~~((e))~~ (4) Develop performance measures to be used in evaluating  
37 the performance of innovation research teams, the implementation of the  
38 plan and programs under ~~((d)(i) and (ii) of this))~~ subsection (3)(a)

1 and (b) of this section, and the performance of innovation partnership  
2 zone grant recipients, including but not limited to private investment  
3 measures, business initiation measures, job creation measures, and  
4 measures of innovation such as licensing of ideas in research  
5 institutions, patents, or other recognized measures of innovation.  
6 ~~((The performance measures developed shall be consistent with the  
7 economic development commission's comprehensive plan for economic  
8 development and its standards and metrics for program evaluation.))~~  
9 The ~~((commission))~~ department shall report to the legislature and the  
10 governor by ~~((June 30, 2009))~~ December 31, 2013, on the measures  
11 developed; and

12 ~~((+f))~~ (5) Using the performance measures developed, perform a  
13 biennial assessment and report~~((, the first of which shall be))~~ due  
14 December 31, ~~((2012))~~ 2014, and by December 31st in even-numbered years  
15 thereafter, on:

16 ~~((+i))~~ (a) Commercialization of technologies developed at state  
17 universities, found at other research institutions in the state, and  
18 facilitated with public assistance at existing companies;

19 ~~((+ii))~~ (b) Outcomes of the funding of innovation research teams  
20 and recruitment of significant and rising entrepreneurial researchers;

21 ~~((+iii))~~ (c) Comparison with other states of Washington's outcomes  
22 from the innovation research teams and efforts to recruit significant  
23 and rising entrepreneurial researchers; ~~((and~~

24 ~~((+iv))~~ (d) Outcomes of the grants for innovation partnership  
25 zones~~((-~~  
26 ~~The report shall include))~~; and

27 (e) Recommendations for modifications ~~((of chapter 227, Laws of~~  
28 ~~2007 and))~~ of innovation partnership zones, innovation research teams,  
29 and state commercialization efforts that would enhance the state's  
30 economic competitiveness.

31 ~~((2) The economic development commission and the workforce~~  
32 ~~training and education coordinating board shall jointly convene a~~  
33 ~~working group to:~~

34 ~~(a) Specify the process and criteria for identification of substate~~  
35 ~~geographic concentrations of firms or employment in an industry and the~~  
36 ~~industry's customers, suppliers, supporting businesses, and~~  
37 ~~institutions, which process will include the use of labor market~~



1 information from the employment security department and local labor  
2 markets; and

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

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

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

12 (2) The department, in consultation with the employment security  
13 department, the state workforce training and education coordinating  
14 board, and the state board for community and technical colleges, shall  
15 develop a defined list of terms, consistent with current workforce and  
16 economic development terms, associated with green economy industries  
17 and jobs.

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

29 (i) The employment security department shall conduct an analysis of  
30 occupations in the forest products industry to: (A) Determine key  
31 growth factors and employment projections in the industry; and (B)  
32 define the education and skill standards required for current and  
33 emerging green occupations in the industry.

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

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

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

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

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

35 (a) Develop targeting criteria for existing investments, and make  
36 recommendations for new or expanded financial incentives and  
37 comprehensive strategies, to recruit, retain, and expand green economy  
38 industries and small businesses; and

1 (b) Make recommendations for new or expanded financial incentives  
2 and comprehensive strategies to stimulate research and development of  
3 green technology and innovation, including designating innovation  
4 partnership zones linked to the green economy.

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

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

37 (a) Conduct labor market and industry analyses, in consultation

1 with the employment security department, and drawing on the findings of  
2 its research when available;

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

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

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

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

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

13 (b) Accelerate and coordinate efforts by state and local  
14 organizations to identify, apply for, and secure all sources of funds,  
15 particularly those created by the 2009 American recovery and  
16 reinvestment act, and to ensure that distributions of funding to local  
17 organizations are allocated in a manner that is time-efficient and  
18 user-friendly for the local organizations. Local organizations  
19 eligible to receive support include but are not limited to:

20 (i) Associate development organizations;

21 (ii) Workforce development councils;

22 (iii) Public utility districts; and

23 (iv) Community action agencies;

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

26 (i) Administrative and technical assistance;

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

28 (iii) Priority consideration of opportunities leading to exportable  
29 green economy goods and services, including renewable energy  
30 technology;

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

34 (e) Emphasize through both support and outreach efforts, projects  
35 that:

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

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

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

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

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

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

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

12 (f) Identify emerging technologies and innovations that are likely  
13 to contribute to advancements in the green economy, including the  
14 activities in designated innovation partnership zones established in  
15 RCW 43.330.270;

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

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

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

24 (ii) The total amount of new federal funding secured, the  
25 respective amounts allocated to the state and local levels, and the  
26 timeliness of deployment of new funding by state agencies to the local  
27 level;

28 (iii) The timeliness of state deployment of funds and support to  
29 local organizations; and

30 (iv) If available, the completion rates, time to completion, and  
31 training-related placement rates for green economy postsecondary  
32 training programs;

33 (i) Identify strategies to allocate existing and new funding  
34 streams for green economy workforce training programs and education to  
35 emphasize those leading to a credential, certificate, or degree in a  
36 green economy field;

37 (j) Identify and implement strategies to allocate existing and new  
38 funding streams for workforce development councils and associate

1 development organizations to increase their effectiveness and  
2 efficiency and increase local capacity to respond rapidly and  
3 comprehensively to opportunities to attract green jobs to local  
4 communities;

5 (k) Develop targeting criteria for existing investments that are  
6 consistent with (~~the economic development commission's economic~~  
7 ~~development strategy and~~) the goals of this section and RCW  
8 28C.18.170, 28B.50.281, and 49.04.200; and

9 (l) Make and support outreach efforts so that residents of  
10 Washington, particularly members of target populations, become aware of  
11 educational and employment opportunities identified and funded through  
12 the evergreen jobs act.

13 (2) The department and the workforce board must provide semiannual  
14 performance reports to the governor and appropriate committees of the  
15 legislature on:

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

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

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

26 (d) Recommendations for new or expanded financial incentives and  
27 comprehensive strategies to:

28 (i) Recruit, retain, and expand green economy industries and small  
29 businesses; and

30 (ii) Stimulate research and development of green technology and  
31 innovation, which may include designating innovation partnership zones  
32 linked to the green economy;

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

1 (f) Any recommended statutory changes necessary to increase the  
2 effectiveness of the evergreen jobs initiative and state responsiveness  
3 to local agencies and organizations.

4 (3) The definitions, designations, and results of the employment  
5 security department's broader labor market research under RCW  
6 43.330.010 shall inform the planning and strategic direction of the  
7 department, the state workforce training and education coordinating  
8 board, the state board for community and technical colleges, and the  
9 student achievement council.

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

12 The department shall have the following duties:

13 (1) Oversight and management of a statewide comprehensive labor  
14 market and occupational supply and demand information system, including  
15 development of a five-year employment forecast for state and labor  
16 market areas;

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

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

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

32 (5) Analyze labor market and economic data, including the use of  
33 input-output models, for the purpose of identifying industry clusters  
34 and strategic industry clusters (~~that meet the criteria identified by~~  
35 ~~the working group convened by the economic development commission and~~  
36 ~~the workforce training and education coordinating board under chapter~~  
37 ~~43.330 RCW~~)).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

8 (b) Sponsoring local government of demonstration projects under  
9 subsection (1)(b) of this section must update and resubmit to the  
10 department no later than September 1, 2010, the application already on  
11 file with the department to substantiate that the project has met the  
12 conditions, limitations, and requirements provided in chapter 270, Laws  
13 of 2009 and chapter 164, Laws of 2010 and the project is substantially  
14 the same as the project in the original application submitted to the  
15 department in 2009.

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

29 (3) Within ninety days of such submittal, the economic analysis in  
30 subsection (2)(c) of this section must be completed and the department  
31 must either approve demonstration projects that have met these  
32 conditions, limitations, and requirements or deny resubmitted  
33 applications that have not met these conditions, limitations, and  
34 requirements.

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

1 (5) If a demonstration project listed in subsection (1)(b) of this  
2 section does not update and resubmit its application to the department  
3 by the deadline specified in subsection (2)(b) of this section or if  
4 the demonstration project withdraws its application, the associated  
5 dollar amounts may not be approved for another project and may not be  
6 considered part of the annual state contribution limit under RCW  
7 39.104.020(1).

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

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

11 (2) The council shall(~~(, in consultation with the Washington~~  
12 ~~economic development commission,~~) select a series of benchmarks that  
13 characterize the competitive environment of the state. The benchmarks  
14 should be indicators of the cost of doing business; the education and  
15 skills of the workforce; a sound infrastructure; and the quality of  
16 life. In selecting the appropriate benchmarks, the council shall use  
17 the following criteria:

18 (a) The availability of comparative information for other states  
19 and countries;

20 (b) The timeliness with which benchmark information can be  
21 obtained; and

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

24 (3) Each year the council shall prepare an official state economic  
25 climate report on the present status of benchmarks, changes in the  
26 benchmarks since the previous report, and the reasons for the changes.  
27 The reports shall include current benchmark comparisons with other  
28 states and countries, and an analysis of factors related to the  
29 benchmarks that may affect the ability of the state to compete  
30 economically at the national and international level.

31 (4) All agencies of state government shall provide to the council  
32 immediate access to all information relating to economic climate  
33 reports.

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

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

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

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

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

8 (1) RCW 43.162.005 (Findings--Intent) and 2011 c 311 s 1, 2007 c  
9 232 s 1, & 2003 c 235 s 1;

10 (2) RCW 43.162.010 (Washington state economic development  
11 commission--Membership--Policies and procedures) and 2011 c 311 s 2,  
12 2007 c 232 s 2, & 2003 c 235 s 2;

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

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

16 (5) RCW 43.162.020 (Duties--Biennial comprehensive statewide  
17 economic development strategy--Report--Biennial budget request--  
18 Memorandum of understanding--Performance evaluation--Gifts, grants,  
19 donations) and 2012 c 195 s 3, 2011 c 311 s 5, 2009 c 151 s 9, 2007 c  
20 232 s 4, & 2003 c 235 s 3;

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

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

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

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

30 **PART II**

31 **ELIMINATION OF INNOVATE WASHINGTON**

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

34 (1) The college board, in consultation with business, industry,  
35 labor, the workforce training and education coordinating board, the

1 department of commerce, the employment security department, and  
2 community and technical colleges, shall designate centers of excellence  
3 and allocate funds to existing and new centers of excellence based on  
4 a competitive basis.

5 (2) Eligible applicants for the program established under this  
6 section include community and technical colleges. Priority shall be  
7 given to applicants that have an established education and training  
8 program serving the targeted industry and that have in their home  
9 district or region an industry cluster with the same targeted industry  
10 at its core.

11 (3) It is the role of centers of excellence to employ strategies  
12 to:

13 (a) Create educational efficiencies;

14 (b) Build a diverse, competitive workforce for strategic  
15 industries;

16 (c) Maintain an institutional reputation for innovation and  
17 responsiveness;

18 (d) Develop innovative curriculum and means of delivering education  
19 and training;

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

26 (f) Serve as partners with workforce development councils,  
27 associate development organizations, and other workforce and economic  
28 development organizations.

29 (4) Examples of strategies under subsection (3) of this section  
30 include but are not limited to: Sharing curriculum and other  
31 instructional resources, to ensure cost savings to the system;  
32 delivering collaborative certificate and degree programs; and holding  
33 statewide summits, seminars, conferences, and workshops on industry  
34 trends and best practices in community and technical college education  
35 and training.

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

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

4 (a) To consider matters affecting national security;

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

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

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

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

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

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

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

36 (i) To discuss with legal counsel representing the agency matters  
37 relating to agency enforcement actions, or to discuss with legal  
38 counsel representing the agency litigation or potential litigation to

1 which the agency, the governing body, or a member acting in an official  
2 capacity is, or is likely to become, a party, when public knowledge  
3 regarding the discussion is likely to result in an adverse legal or  
4 financial consequence to the agency.

5 This subsection (1)(i) does not permit a governing body to hold an  
6 executive session solely because an attorney representing the agency is  
7 present. For purposes of this subsection (1)(i), "potential  
8 litigation" means matters protected by RPC 1.6 or RCW 5.60.060(2)(a)  
9 concerning:

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

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

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

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

26 (k) To consider, in the case of the state investment board,  
27 financial and commercial information when the information relates to  
28 the investment of public trust or retirement funds and when public  
29 knowledge regarding the discussion would result in loss to such funds  
30 or in private loss to the providers of this information;

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

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

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

5 ~~(o) To consider in the case of innovate Washington, the substance~~  
6 ~~of grant or loan applications and grant or loan awards if public~~  
7 ~~knowledge regarding the discussion would reasonably be expected to~~  
8 ~~result in private loss to the providers of this information)).~~

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

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

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

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

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

27 (3) Financial and commercial information and records supplied by  
28 private persons pertaining to export services provided under chapters  
29 43.163 and 53.31 RCW, and by persons pertaining to export projects  
30 under RCW 43.23.035;

31 (4) Financial and commercial information and records supplied by  
32 businesses or individuals during application for loans or program  
33 services provided by chapters 43.325, 43.163, 43.160, 43.330, and  
34 43.168 RCW, or during application for economic development loans or  
35 program services provided by any local agency;

36 (5) Financial information, business plans, examination reports, and

1 any information produced or obtained in evaluating or examining a  
2 business and industrial development corporation organized or seeking  
3 certification under chapter 31.24 RCW;

4 (6) Financial and commercial information supplied to the state  
5 investment board by any person when the information relates to the  
6 investment of public trust or retirement funds and when disclosure  
7 would result in loss to such funds or in private loss to the providers  
8 of this information;

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

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

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

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

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

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

35 (12)(a) When supplied to and in the records of the department of  
36 commerce:

37 (i) Financial and proprietary information collected from any person



1 and provided to the department of commerce pursuant to RCW  
2 43.330.050(8); and

3 (ii) Financial or proprietary information collected from any person  
4 and provided to the department of commerce or the office of the  
5 governor in connection with the siting, recruitment, expansion,  
6 retention, or relocation of that person's business and until a siting  
7 decision is made, identifying information of any person supplying  
8 information under this subsection and the locations being considered  
9 for siting, relocation, or expansion of a business;

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

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

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

20 (13) Financial and proprietary information submitted to or obtained  
21 by the department of ecology or the authority created under chapter  
22 70.95N RCW to implement chapter 70.95N RCW;

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

29 (15) Financial and commercial information provided as evidence to  
30 the department of licensing as required by RCW 19.112.110 or  
31 19.112.120, except information disclosed in aggregate form that does  
32 not permit the identification of information related to individual fuel  
33 licensees;

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

37 (17)(a) Farm plans developed by conservation districts, unless

1 permission to release the farm plan is granted by the landowner or  
2 operator who requested the plan, or the farm plan is used for the  
3 application or issuance of a permit;

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

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

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

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

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

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

30 The legislature finds that Washington is becoming a leader in the  
31 development and commercialization of aviation biofuels due to its  
32 strong tradition of market innovation, a concentrated demand for  
33 sustainable aviation fuels, leading expertise and research capacity, an  
34 established aviation manufacturing sector, and the availability of a  
35 diverse range of feedstocks for the production of biofuels. The  
36 legislature also finds that the development of aviation biofuels has  
37 the potential to reduce dependence on foreign sources of fossil fuels,

1 reduce greenhouse gas emissions, and promote economic development and  
2 jobs in Washington. The legislature intends to support the development  
3 of commercial-scale aviation biofuels production facilities in  
4 Washington by facilitating and streamlining the permitting process for  
5 new facilities and the expansion of existing facilities and by  
6 providing access to low-cost financing through the issuance of revenue  
7 bonds.

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

25 **Sec. 205.** RCW 43.333.030 and 2011 1st sp.s. c 14 s 4 are each  
26 amended to read as follows:

27 The investing in innovation account is created in the custody of  
28 the state treasurer to receive state and federal funds, grants, private  
29 gifts, or contributions to further the purpose of ~~((innovate  
30 Washington))~~ growing the technology and innovation-based sectors of the  
31 state and supporting the commercialization of intellectual property and  
32 the manufacturing of innovative products in the state. Expenditures  
33 from the account may be used only for the purposes of the investing in  
34 innovation programs established in chapter 70.210 RCW ~~((and any other  
35 purpose consistent with this chapter))~~. Only the ~~((executive))~~  
36 director of ~~((innovate Washington))~~ commerce or the ~~((executive))~~

1 director's designee may authorize expenditures from the account. The  
2 account is subject to allotment procedures under chapter 43.88 RCW, but  
3 an appropriation is not required for expenditures.

4 **Sec. 206.** RCW 43.333.040 and 2011 1st sp.s. c 14 s 3 are each  
5 amended to read as follows:

6 (1) To increase participation by Washington state small business  
7 innovators in federal small business research programs, (~~innovate~~  
8 ~~Washington~~) the department of commerce shall provide or contract for  
9 the provision of a small business innovation assistance program. The  
10 program must include a proposal review process and must train and  
11 assist Washington small business innovators to win awards from federal  
12 small business research programs. The program must collaborate with  
13 small business development centers, entrepreneur-in-residence programs,  
14 and other appropriate sources of technical assistance to ensure that  
15 small business innovators also receive the planning, counseling, and  
16 support services necessary to expand their businesses and protect their  
17 intellectual property.

18 (2) In operating the program, (~~innovate—Washington~~) the  
19 department of commerce or its contractor must give priority to first-  
20 time applicants to the federal small business research programs, new  
21 businesses, and firms with fewer than ten employees, and may charge a  
22 fee for its services.

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

25 (a) "Federal small business research programs" means the programs,  
26 operating pursuant to the small business innovation development act of  
27 1982, P.L. 97-219, and the small business technology transfer act of  
28 1992, P.L. 102-564, title II, that provide funds to small businesses to  
29 conduct research having commercial application.

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

35 **Sec. 207.** RCW 43.333.050 and 2011 1st sp.s. c 14 s 13 are each  
36 amended to read as follows:

1           (1) (~~Innovate Washington shall~~) The department of commerce must  
2 contract with an entity with a principal office located in Washington  
3 with experience facilitating interaction between the state's higher  
4 education institutions and the state's technology-based companies on  
5 commercialization and technology transfer activities to administer the  
6 investing in innovation program.

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

10           **Sec. 208.** RCW 43.333.800 and 2012 c 63 s 4 are each amended to  
11 read as follows:

12           (1) (~~Innovate Washington~~) The department of commerce shall  
13 convene a sustainable aviation biofuels work group.

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

15           (a) Further the development of sustainable aviation fuel as a  
16 productive industry in Washington, using as a foundation the regional  
17 assessment prepared by the collaborative known as the sustainable  
18 aviation fuels northwest;

19           (b) Facilitate communication and coordination among aviation  
20 biofuels stakeholders;

21           (c) Provide a forum for discussion and problem-solving regarding  
22 potential and current barriers related to technology development,  
23 production, distribution, supply chain development, and  
24 commercialization of aviation biofuels; and

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

28           (3) (~~Innovate Washington~~) The department of commerce, in  
29 consultation with the legislative members, shall designate work group  
30 members that represent sectors involved in sustainable aviation  
31 biofuels research, development, production, and utilization. The work  
32 group shall include but not be limited to representatives from the  
33 following:

34           (a) The Washington state senate;

35           (b) The Washington state house of representatives;

36           (c) An agriculture advocacy organization;

37           (d) An airline operator;

- 1 (e) An airplane manufacturer;
- 2 (f) An airport operator located in western Washington and an
- 3 airport operator located in eastern Washington;
- 4 (g) Biofuels feedstock producers;
- 5 (h) Two biofuels producers;
- 6 (i) The department of agriculture;
- 7 (j) ~~((The department of commerce;~~
- 8 ~~(k)))~~ The department of natural resources;
- 9 ~~((l))~~ (k) A sustainable energy advocacy organization;
- 10 ~~((m))~~ (l) The United States department of defense;
- 11 ~~((n))~~ (m) The University of Washington;
- 12 ~~((o))~~ (n) Washington State University; and
- 13 ~~((p))~~ (o) The Pacific Northwest national laboratory~~((; and~~
- 14 ~~(q) A member of the board of directors of Innovate Washington))~~.
- 15 (4) The work group shall choose its chair from among its
- 16 membership.
- 17 (5) The work group may not meet more than twice a year.
- 18 (6) The work group shall provide an annual update of its findings
- 19 and recommendations to the governor and the appropriate committees of
- 20 the legislature by December 1st of each year through 2014.
- 21 (7) This section expires June 30, 2015.

22 **Sec. 209.** RCW 70.210.020 and 2011 1st sp.s. c 14 s 8 are each  
23 amended to read as follows:

24 ~~((The definitions in this section apply throughout))~~ As used in  
25 this chapter "department" means the department of commerce unless the  
26 context clearly requires otherwise.  
27 ~~((1) "Board" means the innovate Washington board of directors.~~  
28 ~~(3) [(2)] "Innovate Washington" means the agency created in RCW~~  
29 ~~43.333.010.)~~

30 **Sec. 210.** RCW 70.210.030 and 2011 1st sp.s. c 14 s 9 are each  
31 amended to read as follows:

- 32 (1) The investing in innovation program is established.
- 33 (2) ~~((Innovate Washington))~~ Through a competitive process, the  
34 department must contract with an entity with a principal office located  
35 in Washington with experience facilitating interaction between the

1 state's higher education institutions and the state's technology-based  
2 companies on commercialization and technology transfer activities to  
3 administer the investing in innovation program.

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

12 **Sec. 211.** RCW 70.210.040 and 2011 1st sp.s. c 14 s 10 are each  
13 amended to read as follows:

14 The ((~~board~~)) department or the contractor of the department shall:

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

17 (2) Make decisions regarding distribution of funds;

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

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

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

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

33 **Sec. 212.** RCW 70.210.050 and 2011 1st sp.s. c 14 s 11 are each  
34 amended to read as follows:

35 (1) The ((~~board~~)) department or the contractor of the department

1 may accept grant and loan proposals and establish a competitive process  
2 for the awarding of grants and loans.

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

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

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

16 **Sec. 213.** RCW 70.210.060 and 2011 1st sp.s. c 14 s 12 are each  
17 amended to read as follows:

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

24 NEW SECTION. **Sec. 214.** The following acts or parts of acts are  
25 each repealed:

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

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

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





1 ~~nonprofit, and private entities. The board consists of the following~~  
2 ~~members:~~

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

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

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

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

10 ~~(b) The governor must appoint the chair of the board from among the~~  
11 ~~members. The governor must appoint the members to staggered terms and~~  
12 ~~each appointment may not last more than three years, but an appointee~~  
13 ~~may serve more than one term.~~

14 ~~(3) The board must contract with the department of commerce for~~  
15 ~~management services to assist the board in implementing the program.~~

16 ~~(4)) In addition to powers and duties prescribed in chapter 43.350~~  
17 ~~RCW, the life sciences discovery fund authority shall administer or~~  
18 ~~contract with a qualified nonprofit organization to administer the~~  
19 ~~Washington global health technologies and product development~~  
20 ~~competitiveness program.~~

21 ~~(3) The ((board)) life sciences discovery fund authority or the~~  
22 ~~contractor of the authority must solicit and receive gifts, grants,~~  
23 ~~bequests, royalty payments, licensing income, and other funds from~~  
24 ~~businesses, foundations, and the federal government to promote the~~  
25 ~~development and delivery of global health technologies and products.~~  
26 ~~All federal funds received must be deposited in the Washington global~~  
27 ~~health technologies and product development account created in RCW~~  
28 ~~43.374.020. All remaining nonstate funds received must be deposited in~~  
29 ~~an account that the ((board)) authority creates and administers to~~  
30 ~~carry out the purposes of this section. Expenditures from the account~~  
31 ~~created by the ((board)) authority may be used only for funding~~  
32 ~~activities of the program created in this section. ((Of the total~~  
33 ~~amounts deposited into these accounts, no more than three percent of~~  
34 ~~the total funds may be used for the department of commerce's management~~  
35 ~~services and administrative expenses related to the program created in~~  
36 ~~this section.~~

37 ~~(5)) (4) The ((board)) life sciences discovery fund authority or~~  
38 ~~the contractor of the authority must establish eligibility criteria for~~

1 global health technologies and product development grants and adopt  
2 policies and procedures to facilitate the orderly process of grant  
3 application, review, and reward.

4 ~~((+6))~~ (5) In making grants to entities pursuant to contract for  
5 the development, production, promotion, and delivery of global health  
6 technologies and products, the ~~((board))~~ life sciences discovery fund  
7 authority or the contractor of the authority must consider the  
8 following:

9 (a) The quality of the proposed research or the proposed technical  
10 assistance in product development or production process design. Any  
11 grant funds awarded for research activities must be awarded for  
12 nonbasic research which will assist in commercialization or manufacture  
13 of global health technologies;

14 (b) The potential for the grant recipient to improve global health  
15 outcomes;

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

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

21 (e) The willingness of the grant recipient, when appropriate, to  
22 enter into royalty or licensing income agreements with the ~~((board))~~  
23 authority or the contractor of the authority; and

24 (f) Any other factors, as the ~~((board))~~ authority or the contractor  
25 of the authority determines.

26 ~~((+7))~~ (6) Grant contracts must specify that award recipients must  
27 conduct their research, development, and any subsequent production  
28 activities within Washington, with the exception of activities such as  
29 clinical trials that must be carried out in developing countries, and  
30 that a failure to comply with this requirement will obligate the  
31 recipient to return the amount of the award plus interest as determined  
32 by the ~~((board))~~ life sciences discovery fund authority or the  
33 contractor of the authority.

34 ~~((+8) Upon the recommendation of the Washington economic~~  
35 ~~development commission, the board))~~ (7) The life sciences discovery  
36 fund authority or the contractor of the authority may provide funding  
37 for the recruitment and employment by public research institutions and

1 global health nonprofit organizations in the state((7)) of global  
2 health researchers with a history of commercialization of global health  
3 technologies.

4 ((+9)) (8) Each project receiving a grant under this section must  
5 report information to the ((board)) life sciences discovery fund  
6 authority or the contractor of the authority in the format and at the  
7 intervals as the ((board)) authority or the contractor of the authority  
8 requires to provide accountability and to evaluate the effectiveness of  
9 the program. The information reported must include the amount of  
10 funding received; the funding, if any, leveraged by the grant; the  
11 number and types of jobs created as a result of the grant; and any  
12 other information that the ((board)) authority or the contractor of the  
13 authority requires. The ((board)) authority or the contractor of the  
14 authority must use the information to prepare an ((annual)) evaluation  
15 of the program for a report to the ((appropriate)) economic development  
16 committees of the legislature and the governor, due annually by  
17 December 31st beginning December 1, ((2012)) 2015.

18 **Sec. 302.** RCW 43.374.020 and 2010 1st sp.s. c 13 s 3 are each  
19 amended to read as follows:

20 The Washington global health technologies and product development  
21 account is created in the custody of the state treasurer. Only the  
22 ((~~board of directors of the Washington global health technologies and~~  
23 ~~product development competitiveness program~~)) life sciences discovery  
24 fund authority board as defined in RCW 43.350.010 or the board's  
25 designee may authorize expenditures from the account. All federal  
26 moneys received from the solicitations required in RCW 43.374.010 and  
27 all state funds appropriated for the specific purposes of the  
28 Washington global health technologies and product development  
29 competitiveness program must be deposited in the account. Expenditures  
30 from the account may be used only for funding activities of the  
31 Washington global health technologies and product development  
32 competitiveness program created in RCW 43.374.010. The account is  
33 subject to the allotment procedures under chapter 43.88 RCW, but an  
34 appropriation is not required for expenditures.

35 **PART IV**

1 **ELIMINATION OF THE WASHINGTON TOURISM COMMISSION**

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

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

6 (2) RCW 43.336.020 (Commission created--Composition--Terms--  
7 Executive director--Rule-making authority) and 2011 1st sp.s. c 50 s  
8 957, 2009 c 549 s 5178, & 2007 c 228 s 102;

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

11 (4) RCW 43.336.040 (Tourism competitive grant program) and 2007 c  
12 228 s 104;

13 (5) RCW 43.336.050 (Tourism enterprise account) and 2011 c 5 s 914  
14 & 2007 c 228 s 105;

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

18 (7) RCW 43.336.900 (Part headings not law--2007 c 228) and 2007 c  
19 228 s 204.

20 **PART V**

21 **MISCELLANEOUS PROVISIONS**

22 NEW SECTION. **Sec. 501.** Section 105 of this act expires June 30,  
23 2039.

24 NEW SECTION. **Sec. 502.** Section 106 of this act expires on the  
25 date the requirements set out in section 7, chapter 36, Laws of 2012  
26 are met.

27 NEW SECTION. **Sec. 503.** Section 107 of this act takes effect on  
28 the date the requirements set out in section 7, chapter 36, Laws of  
29 2012 are met.

--- END ---