

NEW SECTION. Sec. 11. Sections 3 and 5 through 8 of this act are added to chapter 21.20 RCW and shall be codified within the subchapter "ADDITIONAL PROVISIONS."

NEW SECTION. Sec. 12. Sections 1 through 8 of this act shall take effect January 1, 1988. The director of licensing may take whatever action is necessary to implement this act on its effective date. This act applies to any person, individual, corporation, partnership, or association, whether or not in existence on or prior to January 1, 1988.

Passed the House April 25, 1987.

Passed the Senate April 25, 1987.

Approved by the Governor May 18, 1987.

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CHAPTER 422

[Engrossed Substitute House Bill No. 743]

ECONOMIC DEVELOPMENT—PUBLIC WORKS IMPROVEMENTS

AN ACT Relating to state government; amending RCW 43.160.010, 43.160.035, 43.160.050, 43.160.060, 43.160.080, 43.160.115, 43.160.140, 43.160.180, and 43.160.900; reenacting and amending RCW 43.160.030; repealing RCW 43.160.073 and 43.160.110; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 1, chapter 40, Laws of 1982 1st ex. sess. as amended by section 1, chapter 257, Laws of 1984 and RCW 43.160.010 are each amended to read as follows:

(1) The legislature finds that it is the public policy of the state of Washington to direct financial resources toward the fostering of economic development through the stimulation of investment and job opportunities and the retention of sustainable existing employment for the general welfare of the inhabitants of the state. Reducing unemployment (~~as soon as possible~~) and reducing the time citizens remain jobless is important for the economic welfare of the state. A valuable means of fostering economic development (~~should be fostered through~~) is the construction of public facilities which contribute to the stability and growth of the state's economic base. Strengthening the economic base through issuance of industrial development bonds, whether single or umbrella, further serves to reduce unemployment. Consolidating issues of industrial development bonds when feasible to reduce costs additionally advances the state's purpose to improve economic vitality. Expenditures made for these purposes as authorized in this chapter are declared to be in the public interest, and constitute a proper use of public funds. A community economic revitalization board is needed which shall aid the development of economic opportunities. The general objectives of the board should include:

~~((1))~~ (a) Strengthening the economies of areas of the state which have experienced or are expected to experience chronically high unemployment rates or below average growth in their economies;

~~((2))~~ (b) Encouraging the diversification of the economies of the state and regions within the state in order to provide greater seasonal and cyclical stability of income and employment;

~~((3))~~ (c) Encouraging wider access to financial resources for both large and small industrial development projects;

~~((4))~~ (d) Encouraging new economic development or expansions to maximize employment;

(e) Encouraging the retention of viable existing firms and employment; and

~~((5))~~ (f) Providing incentives for expansion of employment opportunities for groups of state residents that have been less successful relative to other groups in efforts to gain permanent employment.

(2) The legislature also finds that the state's economic development efforts can be enhanced by, in certain instances, providing funds to improve state highways in the vicinity of new industries considering locating in this state or existing industries that are considering significant expansion.

(a) The legislature finds it desirable to provide a process whereby the need for diverse public works improvements necessitated by planned economic development can be addressed in a timely fashion and with coordination among all responsible governmental entities.

(b) It is the intent of the legislature to create an economic development account within the motor vehicle fund from which expenditures can be made by the department of transportation for state highway improvements necessitated by planned economic development. All such improvements must first be approved by the state transportation commission and the community economic revitalization board in accordance with the procedures established by RCW 43.160.074 and 47.01.280. It is further the intent of the legislature that such improvements not jeopardize any other planned highway construction projects. The improvements are intended to be of limited size and cost, and to include such items as additional turn lanes, signalization, illumination, and safety improvements.

Sec. 2. Section 13, chapter 6, Laws of 1985 and section 2, chapter 446, Laws of 1985 and RCW 43.160.030 are each reenacted and amended to read as follows:

(1) The community economic revitalization board is hereby created to exercise the powers granted under this chapter.

(2) The board shall consist of ~~((the director of trade and economic development, the director of community development, the director of revenue, the commissioner of employment security, the secretary of the department of transportation;))~~ the chairman of and one minority member appointed by the speaker of the house of representatives from the committee on trade and

economic development of the house of representatives, the chairman of and one minority member appointed by the president of the senate from the committee on commerce and labor of the senate, or the equivalent standing committees, (~~one member each from the committees on ways and means of the senate and house of representatives, or the equivalent standing committees, chosen by the president of the senate or the speaker of the house of representatives, as applicable;~~) and the following members appointed by the governor: A recognized private or public sector economist (~~selected from the governor's council of economic advisors~~); one port district official; one county official; one city official; one representative of the public; one representative of small businesses each from: (a) The area west of Puget Sound, (b) the area east of Puget Sound and west of the Cascade range, (c) the area east of the Cascade range and west of the Columbia river, and (d) the area east of the Columbia river; one executive from large businesses each from the area west of the Cascades and the area east of the Cascades. The appointive members shall initially be appointed to terms as follows: Three members for one-year terms, three members for two-year terms, and three members for three-year terms which shall include the (~~chairman~~) chair. Thereafter each succeeding term shall be for three years. The (~~representative from the governor's council of economic advisors shall serve as chairman~~) chair of the board shall be selected by the governor and should be a member of the governor's council of economic advisors. (~~The director of the department of commerce and economic development shall serve as vice chairman.~~) The members of the board shall elect one of their members to serve as vice-chair. The director of trade and economic development, the director of community development, the director of revenue, the commissioner of employment security, and the secretary of transportation shall serve as nonvoting advisory members of the board.

(3) Staff support shall be provided by the department of trade and economic development to assist the board in implementing this chapter and the allocation of private activity bonds.

(4) All appointive members of the board shall be compensated in accordance with RCW 43.03.240 and shall be reimbursed for travel expenses as provided in RCW 43.03.050 and 43.03.060.

(5) If a vacancy occurs by death, resignation, or otherwise of appointive members of the board, the governor shall fill the same for the unexpired term. Any members of the board, appointive or otherwise, may be removed for malfeasance or misfeasance in office, upon specific written charges by the governor, under chapter 34.04 RCW.

Sec. 3. Section 4, chapter 446, Laws of 1985 and RCW 43.160.035 are each amended to read as follows:

~~((Each agency head of an executive branch agency who is appointed to the community economic revitalization board under RCW 43.160.030 may designate an agency employee to take his or her place on the board for~~

~~meetings in which the agency head will be absent. The designee shall have all powers to vote and participate in board deliberations as have the other board members.))~~ Each member of the house of representatives who is appointed to the community economic revitalization board under RCW 43.160.030 may designate another member of the trade and economic development committee of the house of representatives to take his or her place on the board for meetings at which the member will be absent. The designee shall have all powers to vote and participate in board deliberations as have the other board members. Each member of the senate who is appointed to the community economic revitalization board under RCW 43.160.030 may designate another member of the commerce and labor committee of the senate to take his or her place on the board for meetings at which the member will be absent. The designee shall have all powers to vote and participate in board deliberations as have the other board members. Each agency head of an executive agency who is appointed to serve as a nonvoting advisory member of the community economic revitalization board under RCW 43.160.030 may designate an agency employee to take his or her place on the board for meetings at which the agency head will be absent. The designee will have all powers to participate in board deliberations as have the other board members but shall not have voting powers.

Sec. 4. Section 5, chapter 40, Laws of 1982 1st ex. sess. and RCW 43.160.050 are each amended to read as follows:

~~((In addition to powers and duties granted elsewhere in this chapter,))~~

The board may:

(1) Adopt bylaws for the regulation of its affairs and the conduct of its business~~((;))~~;

(2) Adopt an official seal and alter the seal at its pleasure~~((;))~~;

(3) Contract with any consultants as may be necessary or desirable for its purposes and to fix the compensation of the consultants~~((;))~~;

(4) Utilize the services of other governmental agencies~~((;))~~;

(5) Accept from any federal agency loans or grants for the planning or financing of any project and enter into an agreement with the agency respecting the loans or grants~~((;))~~;

(6) Conduct examinations and investigations and take testimony at public or private hearings of any matter material for its information that will assist in determinations related to the exercise of the board's lawful powers~~((;))~~;

(7) Accept any gifts, grants, or loans of funds, property, or financial or other aid in any form from any other source on any terms and conditions which are not in conflict with this chapter~~((;))~~;

(8) Exercise all the powers of a public corporation under chapter 39.84 RCW.

(9) Invest any funds received in connection with industrial development revenue bond financing not required for immediate use, as the board considers appropriate, subject to any agreements with owners of bonds.

(10) Arrange for lines of credit for industrial development revenue bonds from and enter into participation agreements with any financial institution.

(11) Issue industrial development revenue bonds in one or more series for the purpose of defraying the cost of acquiring or improving any industrial development facility or facilities and securing the payment of the bonds as provided in this chapter.

(12) Enter into agreements or other transactions with and accept grants and the cooperation of any governmental agency in furtherance of this chapter.

(13) Sell, purchase, or insure loans to finance the costs of industrial development facilities.

(14) Service, contract, and pay for the servicing of loans for industrial development facilities.

(15) Provide financial analysis and technical assistance for industrial development facilities when the board reasonably considers it appropriate.

(16) Collect, with respect to industrial development revenue bonds, reasonable interest, fees, and charges for making and servicing its lease agreements, loan agreements, mortgage loans, notes, bonds, commitments, and other evidences of indebtedness. Interest, fees, and charges are limited to the amounts required to pay the costs of the board, including operating and administrative expenses and reasonable allowances for losses that may be incurred.

(17) Procure insurance or guarantees from any party as allowable under law, including a governmental agency, against any loss in connection with its lease agreements, loan agreements, mortgage loans, and other assets or property.

(18) Adopt rules under chapter 34.04 RCW as necessary to carry out the purposes of this chapter((;)).

((9)) (19) Do all acts and things necessary or convenient to carry out the powers expressly granted or implied under this chapter.

Sec. 5. Section 6, chapter 40, Laws of 1982 1st ex. sess. as last amended by section 3, chapter 466, Laws of 1985 and RCW 43.160.060 are each amended to read as follows:

The board is authorized to make direct loans to political subdivisions of the state for the purposes of assisting the political subdivisions in financing the cost of public facilities, including development of land and improvements for public facilities, as well as the acquisition, construction, rehabilitation, alteration, expansion, or improvement of the facilities. A grant may also be authorized for purposes designated in this chapter, but only when,

and to the extent that, a loan is not reasonably possible, given the limited resources of the political subdivision.

Application for funds shall be made in the form and manner as the board may prescribe. In making grants or loans the board shall conform to the following requirements:

(1) ~~The board shall not make a grant or loan ((unless the application includes convincing evidence that a specific private development or expansion is ready to occur and will only occur if the grant or loan is made));~~

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

(b) For any project that probably would result in a development or expansion that would displace existing jobs in any other community in the state.

(c) For the acquisition of real property, including buildings and other fixtures which are a part of real property.

(2) The board shall only make grants or loans:

(a) For those projects which would result in specific private developments or expansions ((a)) (i) in manufacturing, production, food processing, assembly, warehousing, and industrial distribution, or ((b)) (ii) which substantially support the trading of goods or services outside of the state's borders. ((In no instance may the board make a grant or loan for a project where the primary purpose is to facilitate or promote a retail shopping development or expansion.))

(b) For projects which it finds will improve the opportunities for the successful maintenance, establishment, or expansion of industrial or commercial plants or will otherwise assist in the creation or retention of long-term economic opportunities.

(c) When the application includes convincing evidence that a specific private development or expansion is ready to occur and will occur only if the grant or loan is made.

(3) The board shall prioritize each proposed project according to the number of jobs it would create after the project is completed and according to the unemployment rate in the area in which the jobs would be located. As long as there is more demand for loans or grants than there are funds available for loans or grants, the board is instructed to fund projects in order of their priority.

~~(4) ((The board may not make a grant or loan for any project that probably would result in a development or expansion that would displace existing jobs in any other community in the state:~~

~~(5) The board may not make any grant or loan for the acquisition of real property, including buildings and other fixtures which are a part of real property:~~

~~(6)) A responsible official of the political subdivision shall be present during board deliberations and provide information that the board requests.~~

~~((7)) The board shall only make loans or grants for projects which it finds will improve the opportunities for the successful maintenance, establishment, or expansion of industrial or commercial plants or will otherwise assist in the creation or retention of long-term economic opportunities.~~

~~(8))~~ Before any loan or grant application is approved, the political subdivision seeking the loan or grant must demonstrate to the community economic revitalization board that no other timely source of funding is available to it at costs reasonably similar to financing available from the community economic revitalization board.

Sec. 6. Section 8, chapter 40, Laws of 1982 1st ex. sess. as last amended by section 12, chapter 257, Laws of 1984 and RCW 43.160.080 are each amended to read as follows:

There shall be a fund known as the public facilities construction loan revolving fund, which shall consist of all moneys collected under this chapter, except moneys of the board collected in connection with the issuance of industrial development revenue bonds (~~under RCW 43.160.110 through 43.160.170~~), and any moneys appropriated to it by law: PROVIDED, That seventy-five percent of all principal and interest payments on loans made with the proceeds deposited in the fund under section 901, chapter 57, Laws of 1983 1st ex. sess. shall be deposited in the general fund as reimbursement for debt service payments on the bonds authorized in RCW 43.83.184. The state treasurer shall be custodian of the revolving fund. Disbursements from the revolving fund shall be on authorization of the board. In order to maintain an effective expenditure and revenue control, the public facilities construction loan revolving fund shall be subject in all respects to chapter 43.88 RCW, but no appropriation is required to permit expenditures and payment of obligations from the fund.

Moneys in this fund not needed to meet the current expenses and obligations of the board shall be invested in the manner authorized for moneys in revolving funds. Any interest earned shall be deposited in this fund and shall be used for the purposes specified in this chapter. The state treasurer shall render reports to the board advising of the status of any funds invested, the market value of the assets as of the date the statement is rendered, and the income received from the investments during the period covered by the report.

Sec. 7. Section 14, chapter 164, Laws of 1985 and RCW 43.160.115 are each amended to read as follows:

In addition to its powers and duties under this chapter, the community economic revitalization board shall cooperate with the Washington state development loan fund committee in order to provide for coordination of their very similar programs. Under this chapter, it is the duty of the department of ~~((commerce))~~ trade and economic development and the board

to financially assist the committee to the extent required by law. Funds appropriated to the board or the department of ~~((commerce))~~ trade and economic development for the use of the board shall be transferred to the department of community development to the extent required by law.

Sec. 8. Section 7, chapter 257, Laws of 1984 and RCW 43.160.140 are each amended to read as follows:

The board may create and administer funds and accounts and establish such funds and accounts with financial institutions as are necessary to implement its duties under RCW 43.160.050 (8) through (17) and 43.160.100 through 43.160.170.

Sec. 9. Section 15, chapter 446, Laws of 1985 and RCW 43.160.180 are each amended to read as follows:

(1) There is hereby created the private activity bond subcommittee of the board.

(2) The subcommittee shall be primarily responsible for reviewing and making recommendations to the board on requests for certification and allocation pursuant to the provisions of chapter 39.86 RCW and as authorized by rules adopted by the board.

(3) The subcommittee shall consist of the following members: ~~((Five))~~ Six members of the board including: (a) The ~~((chairman))~~ chair; (b) the county official; (c) the city official; (d) the port district official; ~~((and))~~ (e) a legislator, appointed by the chair; and (f) the representative of the public. The members' terms shall coincide with their terms of appointment to the board.

(4) Staff support to the subcommittee shall be provided by the department of trade and economic development.

(5) Members of the subcommittee shall receive no compensation but shall be reimbursed for travel expenses under RCW 43.03.050 and 43.03.060.

(6) If a vacancy on the subcommittee occurs by death, resignation, failure to hold the office from which the member was appointed, or otherwise, the vacancy shall be filled through the procedures specified for filling the corresponding vacancy on the board.

Sec. 10. Section 25, chapter 446, Laws of 1985 and RCW 43.160.900 are each amended to read as follows:

The community economic revitalization board and its powers and duties shall be terminated on June 30, ~~((1987))~~ 1993, and shall be subject to the procedures required by chapter 43.131 RCW. This chapter expires June 30, ~~((1988))~~ 1994. Any remaining duties of the community economic revitalization board after June 30, ~~((1987,))~~ 1993, regarding repayment of loans made by the community economic revitalization board are transferred to the department of revenue on June 30, ~~((1987))~~ 1993.

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

- (1) Section 1, chapter 433, Laws of 1985 and RCW 43.160.073; and
- (2) Section 4, chapter 257, Laws of 1984 and RCW 43.160.110.

NEW SECTION. Sec. 12. This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House April 24, 1987.

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CHAPTER 423

[Substitute House Bill No. 782]

LOBBYIST REPORTING

AN ACT Relating to reporting by lobbyists; and amending RCW 42.17.170 and 42.17.180.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 17, chapter 1, Laws of 1973 as last amended by section 9, chapter 367, Laws of 1985 and RCW 42.17.170 are each amended to read as follows:

(1) Any lobbyist registered under RCW 42.17.150 and any person who lobbies shall file with the commission periodic reports of his activities signed by the lobbyist. The reports shall be made in the form and manner prescribed by the commission. They shall be due monthly and shall be filed within fifteen days after the last day of the calendar month covered by the report.

(2) Each such monthly periodic report shall contain:

(a) The totals of all expenditures for lobbying activities made or incurred by such lobbyist or on behalf of such lobbyist by the lobbyist's employer during the period covered by the report (~~(, which)~~). As used in this section, "lobbying activities" includes, but is not limited to, the development of legislation or rules, the development of support for or opposition to legislation or rules, and attempts to influence the development of legislation or rules. Such totals for lobbying activities shall be segregated according to financial category, including compensation; food and refreshments; living accommodations; advertising; travel; contributions; and other expenses or services. Each individual expenditure of more than twenty-five dollars for entertainment shall be identified by date, place, amount, and the names of all persons in the group partaking in or of such entertainment including any