

2 **SHB 2460** - S COMM AMD  
3 By Committee on Ways & Means

4 ADOPTED 3/8/00

5 Strike everything after the enacting clause and insert the  
6 following:

7 "NEW SECTION. **Sec. 1.** (1) The legislature finds that:

8 (a) There are geographic areas within communities that are  
9 characterized by a lack of employment opportunities, an average income  
10 level that is below the median income level for the surrounding  
11 community, a lack of affordable housing, deteriorating infrastructure,  
12 and a lack of facilities for community services, job training, and  
13 education;

14 (b) Strategies to encourage reinvestment in these areas by  
15 assisting local businesses to become stronger and area residents to  
16 gain economic power involve a variety of activities and partnerships;

17 (c) Reinvestment in these areas cannot be accomplished with only  
18 governmental resources and require a comprehensive approach that  
19 integrates various incentives, programs, and initiatives to meet the  
20 economic, physical, and social needs of the area;

21 (d) Successful reinvestment depends on a local government's ability  
22 to coordinate public resources in a cohesive, comprehensive strategy  
23 that is designed to leverage long-term private investment in an area;

24 (e) Reinvestment can strengthen the overall tax base through  
25 increased tax revenue from expanded and new business activities and  
26 physical property improvement;

27 (f) Local governments, in cooperation with area residents, can  
28 provide leadership as well as planning and coordination of resources  
29 and necessary supportive services to address reinvestment in the area;  
30 and

31 (g) It is in the public interest to adopt a targeted approach to  
32 revitalization and enlist the resources of all levels of government,  
33 the private sector, community-based organizations, and community  
34 residents to revitalize an area.

35 (2) The legislature declares that the purposes of the community  
36 empowerment zone act are to:

1 (a) Encourage reinvestment through strong partnerships and  
2 cooperation between all levels of government, community-based  
3 organizations, area residents, and the private sector;

4 (b) Involve the private sector and stimulate private reinvestment  
5 through the judicious use of public resources;

6 (c) Target governmental resources to those areas of greatest need;  
7 and

8 (d) Include all levels of government, community individuals,  
9 organizations, and the private sector in the policy-making process.

10 NEW SECTION. **Sec. 2.** The definitions in this section apply  
11 throughout this chapter unless the context clearly requires otherwise:

12 (1) "Area" means a geographic area within a local government that  
13 is described by a close perimeter boundary.

14 (2) "Community empowerment zone" means an area meeting the  
15 requirements of RCW 43.63A.700 (as recodified by this act) and  
16 officially designated by the director.

17 (3) "Department" means the department of community, trade, and  
18 economic development.

19 (4) "Director" means the director of the department of community,  
20 trade, and economic development.

21 (5) "Local government" means a city, code city, town, or county.

22 **Sec. 3.** RCW 43.63A.700 and 1994 sp.s. c 7 s 702 are each amended  
23 to read as follows:

24 (1) The department, in cooperation with the department of revenue,  
25 the employment security department, and the office of financial  
26 management, (~~shall~~) may approve applications submitted by local  
27 governments for an area's designation as a community empowerment zone  
28 under this (~~section~~) chapter. The application for designation shall  
29 be in the form and manner and contain such information as the  
30 department may prescribe, provided that the application (~~for~~  
31 ~~designation~~) shall:

32 (a) Contain information sufficient for the director to determine if  
33 the criteria established in RCW 43.63A.710 (as recodified by this act)  
34 have been met(~~(-)~~)i

35 (b) Be submitted on behalf of the local government by its chief  
36 elected official, or, if none, by the governing body of the local  
37 government(~~(-)~~)i

1 (c) Contain a five-year community empowerment plan that ((describes  
2 the proposed designated community empowerment zone's community  
3 development needs and present a strategy for meeting those needs. The  
4 plan shall address the following categories: Housing needs; public  
5 infrastructure needs, such as transportation, water, sanitation,  
6 energy, and drainage/flood control; other public facilities needs, such  
7 as neighborhood facilities or facilities for provision of health,  
8 education, recreation, public safety, or other services; community  
9 economic development needs, such as commercial/industrial  
10 revitalization, job creation and retention considering the unemployment  
11 and underemployment of area residents, accessibility to financial  
12 resources by area residents and businesses, investment within the area,  
13 or other related components of community economic development; and  
14 social service needs.

15 The local government is required to provide a description of its  
16 strategy for meeting the needs identified in this subsection (1)(c).  
17 As part of the strategy, the local government is required to identify  
18 the needs for which specific plans are currently in place and the  
19 source of funds expected to be used. For the balance of the area's  
20 needs, the local government must identify the source of funds expected  
21 to become available during the next two-year period and actions the  
22 local government will take to acquire those funds.)) meets the  
23 requirements of section 5 of this act; and

24 (d) Certify that ((neighborhood)) area residents were given the  
25 opportunity to participate in the development of the five-year  
26 community empowerment strategy required under ((c) of this  
27 subsection)) section 5 of this act.

28 (2) No local government shall submit more than two  
29 ((neighborhoods)) areas to the department for possible designation as  
30 a ((designated)) community empowerment zone under this ((section))  
31 chapter.

32 (3)(a) ((Within ninety days after January 1, 1994,)) The director  
33 may designate up to six ((designated)) community empowerment zones,  
34 state-wide, from among the applications ((eligible)) submitted for  
35 designation as a ((designated)) community empowerment zone.

36 (b) The director shall make determinations of designated community  
37 empowerment zones on the basis of the following factors:

1 (i) The strength and quality of the local government commitments to  
2 meet the needs identified in the five-year community empowerment plan  
3 required under ~~((this))~~ section 5 of this act.

4 (ii) The level of private ~~((commitments by private entities))~~  
5 sector commitment of additional resources and contribution to the  
6 ~~((designated))~~ community empowerment zone.

7 (iii) The potential for revitalization of the area as a result of  
8 designation as a ~~((designated))~~ community empowerment zone.

9 (iv) Other factors the director deems necessary.

10 (c) The determination of the director as to the areas designated as  
11 community empowerment zones shall be final.

12 (4) Except as provided in section 6 of this act, an area that was  
13 designated a community empowerment zone before January 1, 1996, under  
14 this section, automatically and without additional action by the local  
15 government continues its designation under this chapter.

16 (5) The department may not designate additional community  
17 empowerment zones after January 1, 2004, but may amend or rescind  
18 designation of community empowerment zones in accordance with section  
19 6 of this act.

20 **Sec. 4.** RCW 43.63A.710 and 1994 sp.s. c 7 s 703 are each amended  
21 to read as follows:

22 (1) The director may not designate an area as a ~~((designated))~~  
23 community empowerment zone unless that area meets the following  
24 requirements:

25 (a) The area must be designated by the legislative authority of the  
26 local government as an area to receive federal, state, and local  
27 assistance designed to increase economic, physical, or social activity  
28 in the area;

29 (b) The area must have at least fifty-one percent of the households  
30 in the area with incomes at or below eighty percent of the county's  
31 median income, adjusted for household size;

32 (c) The average unemployment rate for the area, for the most recent  
33 twelve-month period for which data is available must be at least one  
34 hundred twenty percent of the average unemployment rate of the county;  
35 and

36 (d) A five-year community empowerment plan for the area that meets  
37 the requirements of ~~((RCW 43.63A.700(1)(c) and as further defined by~~  
38 ~~the director))~~ section 5 of this act must be adopted.

1 (2) The director may establish, by rule, such other requirements as  
2 the director may reasonably determine necessary and appropriate to  
3 assure that the purposes of this (~~section~~) chapter are satisfied.

4 (3) In determining if an area meets the requirements of this  
5 section, the director may consider data provided by the United States  
6 bureau of the census from the most recent census or any other reliable  
7 data that the director determines to be acceptable for the purposes for  
8 which the data is used.

9 NEW SECTION. Sec. 5. (1) The five-year community empowerment plan  
10 required under RCW 43.63A.700 (as recodified by this act) shall contain  
11 information that describes the community development needs of the  
12 proposed community empowerment zone and present a strategy for meeting  
13 those needs. The plan shall address the following categories:

14 (a) Housing needs for all economic segments of the proposed  
15 community empowerment zone;

16 (b) Public infrastructure needs, such as transportation, water,  
17 sanitation, energy, and drainage and flood control;

18 (c) Other public facilities needs, such as neighborhood facilities  
19 or facilities for the provision of health, education, recreation,  
20 public safety, and other services;

21 (d) Community economic development needs, such as commercial and  
22 industrial revitalization, job creation and retention considering the  
23 unemployment and underemployment of area residents, accessibility to  
24 financial resources by area residents and businesses, investment within  
25 the area, and other related components of community economic  
26 development; and

27 (e) Social service needs of residents in the proposed community  
28 empowerment zone.

29 (2) The local government must provide a description of its strategy  
30 for meeting the needs identified in subsection (1) of this section. As  
31 part of the community empowerment zone strategy, the local government  
32 must identify the needs for which specific plans are currently in place  
33 and the source of funds expected to be used. For the balance of the  
34 area's needs, the local government must identify the source of funds  
35 expected to become available during the next two-year period and  
36 actions the local government will take to acquire those funds.

37 (3) The local government must submit an annual progress report to  
38 the department that details the extent to which the local government is

1 working to meet the needs identified in the five-year community  
2 empowerment plan. If applicable, the progress report must also contain  
3 a discussion on the impediments to meeting the needs outlined in the  
4 five-year community empowerment plan. The department must determine  
5 the date the annual progress reports are due from each local  
6 government.

7 NEW SECTION. **Sec. 6.** (1) The terms or conditions of a community  
8 empowerment zone approved under this chapter may be amended to:

9 (a) Alter the boundaries of the community empowerment zone; or

10 (b) Terminate the designation of a community empowerment zone.

11 (2)(a) A request for an amendment under subsection (1)(a) of this  
12 section may not be in effect until the department issues an amended  
13 designation for the community empowerment zone that approves the  
14 requested amendment. The local government must promptly file with the  
15 department a request for approval that contains information the  
16 department deems necessary to evaluate the proposed changes and its  
17 impact on the area's designation as a community empowerment zone under  
18 RCW 43.63A.710 (as recodified by this act). The local government must  
19 hold at least two public hearings on the proposed changes and include  
20 the information in its request for an amendment to its community  
21 empowerment zone.

22 (b) The department shall approve or disapprove a proposed amendment  
23 to a community empowerment zone within sixty days of its receipt of a  
24 request under subsection (1)(a) of this section. The department may  
25 not approve changes to a community empowerment zone that are not in  
26 conformity with this chapter.

27 (3)(a) The termination of an area's designation as a community  
28 empowerment zone under subsection (1)(b) of this section is not  
29 effective until the department issues a finding stating the reasons for  
30 the termination, which may include lack of commitment of resources to  
31 activities in the community empowerment zone by the public, private,  
32 and community-based sectors. The local government may file an appeal  
33 to the department's findings within sixty days of the notice to  
34 terminate the area's designation. The department must notify the local  
35 government of the results within thirty days of the filing of the  
36 appeal.

37 (b) A termination of an area's designation as a community  
38 empowerment zone has no effect on benefits previously extended to

1 individual businesses. The local government may not commit benefits to  
2 a business after the effective date of the termination of an area's  
3 designation as a community empowerment zone.

4 (4) The department may request applications from local governments  
5 for designation as community empowerment zones under this chapter as a  
6 result of a termination of an area's designation as a community  
7 empowerment zone under this section.

8 NEW SECTION. **Sec. 7.** The department must administer this chapter  
9 and has the following powers and duties:

10 (1) To monitor the implementation of chapter . . . , Laws of 2000  
11 (this act) and submit reports evaluating the effectiveness of the  
12 program and any suggestions for legislative changes to the governor and  
13 legislature by December 1, 2000;

14 (2) To develop evaluation and performance measures for local  
15 governments to measure the effectiveness of the program at the local  
16 level on meeting the objectives of this chapter;

17 (3) To provide information and appropriate assistance to persons  
18 desiring to locate and operate a business in a community empowerment  
19 zone;

20 (4) To work with appropriate state agencies to coordinate the  
21 delivery of programs, including but not limited to housing, community  
22 and economic development, small business assistance, social service,  
23 and employment and training programs which are carried on in a  
24 community empowerment zone; and

25 (5) To develop rules necessary for the administration of this  
26 chapter.

27 NEW SECTION. **Sec. 8.** The administration of a community  
28 empowerment zone is under the jurisdiction of the local government.  
29 Each local government must, by ordinance, designate a community  
30 empowerment zone administrator for the area designated as a community  
31 empowerment zone that is within its jurisdiction. A community  
32 empowerment zone administrator must be an officer or employee of the  
33 local government. The community empowerment zone administrator is the  
34 liaison between the local government, the department, the business  
35 community, and labor and community-based organizations within the  
36 community empowerment zone.

1        NEW SECTION.    **Sec. 9.**    This chapter may be known and cited as the  
2    Washington community empowerment zone act.

3        NEW SECTION.    **Sec. 10.**    Sections 1, 2, and 5 through 9 of this act  
4    constitute a new chapter in Title 43 RCW.

5        NEW SECTION.    **Sec. 11.**    RCW 43.63A.700 and 43.63A.710, as amended  
6    by this act, are each recodified as sections in chapter 43.-- RCW  
7    (sections 1, 2, and 5 through 9 of this act).

8        NEW SECTION.    **Sec. 12.**    If any part of this act is found to be in  
9    conflict with federal requirements that are a prescribed condition to  
10   the allocation of federal funds to the state, the conflicting part of  
11   this act is inoperative solely to the extent of the conflict and with  
12   respect to the agencies directly affected, and this finding does not  
13   affect the operation of the remainder of this act in its application to  
14   the agencies concerned. Rules adopted under this act must meet federal  
15   requirements that are a necessary condition to the receipt of federal  
16   funds by the state.

17        NEW SECTION.    **Sec. 13.**    (1) The legislature finds that establishing  
18   a clear state-wide strategy for successful economic development will  
19   best prepare the state of Washington to respond to the challenges and  
20   take advantage of future economic cycles. The legislature further  
21   finds that without a state-wide economic development plan the state's  
22   budget and election cycles make it difficult for government to adhere  
23   to consistent, long-term economic development priorities that are  
24   essential to successful, enhanced economic development. The  
25   legislature further finds that the purpose of economic development is  
26   to increase the standard of living and enhance the quality of life of  
27   the citizens of this state.

28        (2) It is the intent of the legislature that a strategic state-wide  
29   economic development plan be created that reflects the following goals  
30   and objectives:

31        (a) To create and maintain jobs and income that would not otherwise  
32   be created or maintained, and to increase wealth rather than to  
33   redistribute it;

34        (b) To add value to private sector economic activity; and



1 (c) To assist businesses in developing their business strategies,  
2 increasing the skills of their workers and managers, applying advanced  
3 technologies, developing infrastructure, accessing capital, and  
4 enhancing social capital.

5 NEW SECTION. **Sec. 14.** For the purposes of this chapter  
6 "department" means the department of community, trade, and economic  
7 development, or its successor agency or agencies. "The plan" or "state  
8 plan" means a state-wide economic development plan, as developed under  
9 sections 15 and 16 of this act.

10 NEW SECTION. **Sec. 15.** (1) The legislative committee on economic  
11 development shall take the lead responsibility for creating a  
12 state-wide strategic plan for economic development in conjunction with  
13 the department, and an advisory group of business, labor, and other  
14 interests. The advisory group shall be appointed by the lieutenant  
15 governor and shall consist of no more than twelve members.

16 (2) In preparing the state plan, the legislative committee on  
17 economic development and the department shall recognize:

18 (a) Regional economic, political, and cultural differences, and  
19 acknowledge the special challenges facing urban and rural communities;  
20 and

21 (b) Special contributions of, and challenges facing, women and  
22 minority-owned businesses.

23 (3) The plan should set priorities and concentrate resources on  
24 those priorities.

25 (4) The plan should include specific implementation steps and  
26 establish a process for institutionalizing economic development  
27 planning.

28 NEW SECTION. **Sec. 16.** The legislative committee on economic  
29 development and the department shall develop and include the following  
30 elements in the plan:

31 (1) New strategies that seek to improve the overall competitiveness  
32 of groups of similar businesses, usually termed clusters, and entire  
33 industries or sectors rather than traditional strategies that focus on  
34 individualized assistance. These strategies should foster interfirm  
35 cooperation and learning, technology adaptation, and work-based  
36 learning to improve work force skills. Under these strategies the

1 state acts as a broker of available private and public development  
2 resources, or contracts for such broker services;

3 (2) Direction to the department to develop programs consistent with  
4 the state plan, and that are characterized by outcome-based performance  
5 management systems and decentralized decision making;

6 (3) Direction to the department to assist local governments and  
7 other interested parties in the creation of regional economic  
8 development plans consistent with the state plan; and

9 (4) Direction to the department to develop a professional research  
10 capacity to keep the state's trade assistance operation regularly  
11 appraised of opportunities and updated on performance.

12 NEW SECTION. **Sec. 17.** The legislature recognizes the urgent need  
13 for having a plan in place as soon as is reasonably possible. The  
14 legislative committee on economic development and the department are  
15 directed to immediately develop a work plan and take other steps  
16 necessary to implement sections 13 through 16 of this act.

17 NEW SECTION. **Sec. 18.** Sections 13 through 16 of this act  
18 constitute a new chapter in Title 43 RCW.

19 **Sec. 19.** RCW 43.330.070 and 1993 c 280 s 10 are each amended to  
20 read as follows:

21 (1) The department shall work closely with local communities to  
22 increase their capacity to respond to economic, environmental, and  
23 social problems and challenges. The department shall coordinate the  
24 delivery of development services and technical assistance to local  
25 communities or regional areas. It shall promote partnerships between  
26 the public and private sectors and between state and local officials to  
27 encourage appropriate economic growth and opportunity in communities  
28 throughout the state, in particular strategies designed to encourage  
29 economic growth and opportunities in community empowerment zones  
30 designated under RCW 43.63A.700 (as recodified by this act). The  
31 department shall promote appropriate local development by: Supporting  
32 the ability of communities to develop and implement strategic  
33 development plans; assisting businesses to start up, maintain, or  
34 expand their operations; encouraging public infrastructure investment  
35 and private and public capital investment in local communities;  
36 supporting efforts to manage growth and provide affordable housing and

1 housing services; providing for the identification and preservation of  
2 the state's historical and cultural resources; and expanding employment  
3 opportunities.

4 (2) The department shall define a set of services including  
5 training and technical assistance that it will make available to local  
6 communities, community-based nonprofit organizations, regional areas,  
7 industry clusters, or businesses. The department shall simplify access  
8 to these programs by providing more centralized and user-friendly  
9 information and referral. The department shall coordinate community  
10 and economic development efforts to minimize program redundancy and  
11 maximize accessibility. The department shall develop a set of criteria  
12 for targeting services to local communities.

13 (3) The department shall develop a coordinated and systematic  
14 approach to providing training to community-based nonprofit  
15 organizations, local communities, industry clusters, and businesses.  
16 The approach shall be designed to increase the economic and community  
17 development skills available in local communities by providing training  
18 and funding for training for local citizens, nonprofit organizations,  
19 industry clusters, and businesses. The department shall emphasize  
20 providing training in those communities most in need of state  
21 assistance.

22 (4) As used in this section, "industry clusters" means a geographic  
23 concentration of interdependent competitive firms that do business with  
24 each other. Clusters also include firms that sell inside and outside  
25 of the geographic region as well as support firms that supply raw  
26 materials, components, and business services.

27 NEW SECTION. **Sec. 20.** The legislature finds that economic  
28 development, work force training, international trade, tourism  
29 development, housing assistance, assistance to local governments, and  
30 other programs and services provided by the department of community,  
31 trade, and economic development are vital to all regions of the state.  
32 The legislature further finds that program development and service  
33 delivery to the eastern region of the state could be significantly  
34 enhanced by a continuous, full-time physical staff presence in that  
35 region.

36 NEW SECTION. **Sec. 21.** For the purposes of sections 20 through 23  
37 of this act:

1 (1) "Department" means the department of community, trade, and  
2 economic development, or its successor agency or agencies.

3 (2) "Director" means the director of the department.

4 NEW SECTION. **Sec. 22.** In order to more effectively respond to the  
5 needs of eastern Washington communities, the department shall, as soon  
6 as practicable, establish a field office and a full-time staff presence  
7 in eastern Washington. If practicable, the office shall be colocated  
8 with one or more existing state agencies in the Tri-Cities area to  
9 facilitate the urgent economic development needs of southeastern  
10 Washington. This office shall be staffed by the director in the most  
11 efficient manner that is likely to provide improved service to eastern  
12 Washington communities.

13 NEW SECTION. **Sec. 23.** Program activities and priorities for this  
14 office serving eastern Washington shall be determined by the director,  
15 in consultation with local government officials, business, labor, and  
16 educational advisors from the region.

17 NEW SECTION. **Sec. 24.** (1) The legislature finds that Washington's  
18 quality of life, standard of living, and social and economic  
19 opportunity all depend on the vitality of the state's economy. The  
20 legislature further finds that economic development tries to reinforce  
21 the natural way by which strong foundations in the areas of human  
22 resources, capital resources, technology, tax and regulatory, advanced  
23 physical infrastructure, information and communication infrastructure,  
24 and quality of life strengthen the economy. The legislature further  
25 finds that the strength and vitality of the state's economy depends on  
26 the competitiveness of the state's industry clusters. The legislature  
27 further finds industry clusters can become a powerful magnet for  
28 businesses to locate in an area and create a spawning ground for start-  
29 up companies. The legislature further finds that industry clusters  
30 create large, diverse pools of experienced workers; attract suppliers  
31 who tend to congregate in their vicinity for increased efficiency; and  
32 foster a competitive spirit that stimulates growth and innovative  
33 strategic alliances. The legislature further finds that the state must  
34 first identify and understand the industry clusters before strategies  
35 can be developed to enhance their competitive position in the world.

1 (2) It is the intent of the legislature to establish an industry  
2 cluster-based approach to economic development as a component of a  
3 state-wide strategy to address economic growth and quality of life  
4 issues.

5 NEW SECTION. **Sec. 25.** A new section is added to chapter 43.330  
6 RCW to read as follows:

7 (1) The department of community, trade, and economic development,  
8 or its successor agency, shall work with industry associations and  
9 organizations to identify industry clusters on a regional and state-  
10 wide basis. The industry clusters may include, but not be limited to  
11 aerospace, agriculture, food processing, forest products, business  
12 services, financial services, health and biomedical, software,  
13 transportation and distribution, environmental technology, and  
14 microelectronics.

15 (2) In the identification of industry clusters, the department's  
16 activities may include, but are not limited to:

17 (a) Conducting focus group discussions, facilitating meetings, and  
18 conducting studies to identify industry clusters, members of an  
19 industry cluster, the current state of the industry cluster, and issues  
20 of common concern of the industry cluster;

21 (b) Supporting the formation of industry cluster associations,  
22 publication of cluster association directories, and related efforts to  
23 encourage the entry of new firms into the industry cluster; and

24 (c) Providing methods for electronic communication and information  
25 dissemination among firms within industry clusters.

26 (3) The department shall work with identified industry clusters,  
27 private sector organizations, local governments, local economic  
28 development organizations, and higher education and training  
29 institutions to assist in the development of strategies designed to  
30 strengthen the competitiveness of the state's industry clusters. The  
31 department shall, on a continuing basis, evaluate effectiveness of the  
32 services provided to industry clusters using information gathered at  
33 the regional and state-wide level.

34 (4) As used in this section, "industry cluster" means a geographic  
35 concentration of interdependent competitive firms that do business with  
36 each other. Clusters also include firms that sell inside and outside  
37 of the geographic region as well as support firms that supply raw  
38 materials, components, and business services.

1       **Sec. 26.** RCW 43.330.090 and 1998 c 245 s 85 are each amended to  
2 read as follows:

3       (1) The department shall work with private sector organizations,  
4 industry clusters, local governments, local economic development  
5 organizations, and higher education and training institutions to assist  
6 in the development of strategies to diversify the economy, facilitate  
7 technology transfer and diffusion, and increase value-added production  
8 by focusing on targeted sectors. The targeted sectors may include, but  
9 are not limited to, software, forest products, biotechnology,  
10 environmental industries, recycling markets and waste reduction,  
11 aerospace, food processing, tourism, film and video, microelectronics,  
12 new materials, robotics, and machine tools. The department shall, on  
13 a continuing basis, evaluate the potential return to the state from  
14 devoting additional resources to a targeted sector's approach to  
15 economic development and including additional sectors in its efforts.  
16 The department shall use information gathered in each service delivery  
17 region in formulating its sectoral strategies and in designating new  
18 targeted sectors.

19       (2) The department shall ensure that the state continues to pursue  
20 a coordinated program to expand the tourism industry throughout the  
21 state in cooperation with the public and private tourism development  
22 organizations. The department shall work to provide a balance of  
23 tourism activities throughout the state and during different seasons of  
24 the year. In addition, the department shall promote, market, and  
25 encourage growth in the production of films and videos, as well as  
26 television commercials within the state; to this end the department is  
27 directed to assist in the location of a film and video production  
28 studio within the state.

29       (3) In assisting in the development of a targeted sector, the  
30 department's activities may include, but are not limited to:

31       (a) Conducting focus group discussions, facilitating meetings, and  
32 conducting studies to identify members of the sector, appraise the  
33 current state of the sector, and identify issues of common concern  
34 within the sector;

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

38       (c) Assisting in the formation of flexible networks by providing  
39 (i) agency employees or private sector consultants trained to act as

1 flexible network brokers and (ii) funding for potential flexible  
2 network participants for the purpose of organizing or implementing a  
3 flexible network;

4 (d) Helping establish research consortia;

5 (e) Facilitating joint training and education programs;

6 (f) Promoting cooperative market development activities;

7 (g) Analyzing the need, feasibility, and cost of establishing  
8 product certification and testing facilities and services; and

9 (h) Providing for methods of electronic communication and  
10 information dissemination among firms and groups of firms to facilitate  
11 network or industry cluster activity.

12 (4) As used in this section, "industry cluster" has the same  
13 meaning as in section 25 of this act.

14 **Sec. 27.** RCW 82.60.049 and 1999 c 164 s 304 are each amended to  
15 read as follows:

16 (1) For the purposes of this section:

17 (a) "Eligible area" also means a designated community empowerment  
18 zone approved before January 1, 2000, under RCW 43.63A.700 or a county  
19 containing a community empowerment zone approved before January 1,  
20 2000.

21 (b) "Eligible investment project" also means an investment project  
22 in an eligible area as defined in this section.

23 (2) In addition to the provisions of RCW 82.60.040, the department  
24 shall issue a sales and use tax deferral certificate for state and  
25 local sales and use taxes due under chapters 82.08, 82.12, and 82.14  
26 RCW, on each eligible investment project that is located in an eligible  
27 area, if the applicant establishes that at the time the project is  
28 operationally complete:

29 (a) The applicant will hire at least one qualified employment  
30 position for each seven hundred fifty thousand dollars of investment on  
31 which a deferral is requested; and

32 (b) The positions will be filled by persons who at the time of hire  
33 are residents of the community empowerment zone in which the project is  
34 located. As used in this subsection, "resident" means the person makes  
35 his or her home in the community empowerment zone. A mailing address  
36 alone is insufficient to establish that a person is a resident for the  
37 purposes of this section. The persons must be hired after the date the  
38 application is filed with the department.

1 (3) All other provisions and eligibility requirements of this  
2 chapter apply to applicants eligible under this section.

3 (4) If a person does not meet the requirements of this section by  
4 the end of the calendar year following the year in which the project is  
5 certified as operationally complete, all deferred taxes are immediately  
6 due.

7 NEW SECTION. **Sec. 28.** A new section is added to chapter 82.14 RCW  
8 to read as follows:

9 (1) The county legislative authority of a county in which there is  
10 a community empowerment zone as defined in section 2 of this act may  
11 submit an authorizing proposition to the county voters and, if the  
12 proposition is approved by a majority of persons voting, fix and impose  
13 a sales and use tax in accordance with the terms of this chapter for  
14 the purposes designated in subsection (3) of this section.

15 (2) The tax authorized in this section shall be in addition to any  
16 other taxes authorized by law and shall be collected from those persons  
17 who are taxable by the state under chapters 82.08 and 82.12 RCW upon  
18 the occurrence of any taxable event within the county. The rate of tax  
19 shall equal one-tenth of one percent of the selling price in the case  
20 of sales tax, or value of the article used in the case of a use tax.

21 (3) Moneys received from any tax imposed under this section shall  
22 be used solely for the purpose of providing funds for costs associated  
23 with financing, design, acquisition, construction, equipping,  
24 operating, maintaining, remodeling, repairing, reequipping, and  
25 improvement of emergency communication systems and facilities.

26 (4) Counties in which there are community empowerment zones as  
27 defined in section 2 of this act are authorized to develop joint  
28 ventures to collocate emergency communication systems and facilities.

29 NEW SECTION. **Sec. 29.** If any provision of this act or its  
30 application to any person or circumstance is held invalid, the  
31 remainder of the act or the application of the provision to other  
32 persons or circumstances is not affected."



1 **SHB 2460** - S COMM AMD  
2 By Committee on Ways & Means

ADOPTED 3/8/00

3  
4 On page 1, line 1 of the title, after "zones;" strike the remainder  
5 of the title and insert "amending RCW 43.63A.700, 43.63A.710,  
6 43.330.070, 43.330.090, and 82.60.049; adding a new section to chapter  
7 43.330 RCW; adding a new section to chapter 82.14 RCW; adding new  
8 chapters to Title 43 RCW; creating new sections; and recodifying RCW  
9 43.63A.700 and 43.63A.710."

--- END ---