
SUBSTITUTE SENATE BILL 5387

State of Washington

56th Legislature

1999 Regular Session

By Senate Committee on Commerce, Trade, Housing & Financial Institutions (originally sponsored by Senators B. Sheldon, Roach, Kline, Bauer, Snyder and McAuliffe)

Read first time 02/18/1999.

1 AN ACT Relating to the Washington economic development finance
2 authority; reenacting and amending RCW 43.163.010; and declaring an
3 emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 43.163.010 and 1994 c 238 s 1 and 1994 c 92 s 498 are
6 each reenacted and amended to read as follows:

7 As used in this chapter, the following words and terms have the
8 following meanings, unless the context requires otherwise:

9 (1) "Authority" means the Washington economic development finance
10 authority created under RCW 43.163.020 or any board, body, commission,
11 department or officer succeeding to the principal functions of the
12 authority or to whom the powers conferred upon the authority shall be
13 given by law;

14 (2) "Bonds" means any bonds, notes, debentures, interim
15 certificates, conditional sales or lease financing agreements, lines of
16 credit, forward purchase agreements, investment agreements, and other
17 banking or financial arrangements, guaranties, or other obligations
18 issued by or entered into by the authority. Such bonds may be issued
19 on either a tax-exempt or taxable basis;

1 (3) "Borrower" means one or more public or private persons or
2 entities acting as lessee, purchaser, mortgagor, or borrower who has
3 obtained or is seeking to obtain financing either from the authority or
4 from an eligible banking organization that has obtained or is seeking
5 to obtain funds from the authority to finance a project. A borrower
6 may include a party who transfers the right of use and occupancy to
7 another party by lease, sublease or otherwise, or a party who is
8 seeking or has obtained a financial guaranty from the authority;

9 (4) "Eligible banking organization" means any organization subject
10 to regulation by the director of the department of financial
11 institutions, any national bank, federal savings and loan association,
12 and federal credit union located within this state;

13 (5) "Eligible export transaction" means any preexport or export
14 activity by a person or entity located in the state of Washington
15 involving a sale for export and product sale which, in the judgment of
16 the authority: (a) Will create or maintain employment in the state of
17 Washington, (b) will obtain a material percent of its value from
18 manufactured goods or services made, processed or occurring in
19 Washington, and (c) could not otherwise obtain financing on reasonable
20 terms from an eligible banking organization;

21 (6) "Eligible farmer" means any person who is a resident of the
22 state of Washington and whose specific acreage qualifying for receipts
23 from the federal department of agriculture under its conservation
24 reserve program is within the state of Washington;

25 (7) "Eligible person" means an individual, partnership,
26 corporation, or joint venture carrying on business, or proposing to
27 carry on business within the state and is seeking financial assistance
28 under RCW 43.163.210;

29 (8) "Financial assistance" means the infusion of capital to persons
30 for use in the development and exploitation of specific inventions and
31 products;

32 (9) "Financing document" means an instrument executed by the
33 authority and one or more persons or entities pertaining to the
34 issuance of or security for bonds, or the application of the proceeds
35 of bonds or other funds of, or payable to, the authority. A financing
36 document may include, but need not be limited to, a lease, installment
37 sale agreement, conditional sale agreement, mortgage, loan agreement,
38 trust agreement or indenture, security agreement, letter or line of
39 credit, reimbursement agreement, insurance policy, guaranty agreement,

1 or currency or interest rate swap agreement. A financing document also
2 may be an agreement between the authority and an eligible banking
3 organization which has agreed to make a loan to a borrower;

4 (10) "Plan" means the general plan of economic development finance
5 objectives developed and adopted by the authority, and updated from
6 time to time, as required under RCW 43.163.090;

7 (11) "Economic development activities" means activities related to:
8 Manufacturing, processing, research, production, assembly, tooling,
9 warehousing, airports, docks and wharves, mass commuting facilities,
10 high-speed intercity rail facilities, public broadcasting, pollution
11 control, solid waste disposal, federally qualified hazardous waste
12 facilities, energy generating, conservation, or transmission
13 facilities, and sports facilities and industrial parks, and activities
14 conducted within a federally designated enterprise or empowerment zone
15 or geographic area of similar nature; however, economic development
16 activities shall not include projects for public agencies or entities
17 commonly referred to as public/private partnerships;

18 (12) "Project costs" means costs of:

19 (a) Acquisition, lease, construction, reconstruction, remodeling,
20 refurbishing, rehabilitation, extension, and enlargement of land,
21 rights to land, buildings, structures, docks, wharves, fixtures,
22 machinery, equipment, excavations, paving, landscaping, utilities,
23 approaches, roadways and parking, handling and storage areas, and
24 similar ancillary facilities, and any other real or personal property
25 included in an economic development activity;

26 (b) Architectural, engineering, consulting, accounting, and legal
27 costs related directly to the development, financing, acquisition,
28 lease, construction, reconstruction, remodeling, refurbishing,
29 rehabilitation, extension, and enlargement of an activity included
30 under subsection (11) of this section, including costs of studies
31 assessing the feasibility of an economic development activity;

32 (c) Finance costs, including the costs of credit enhancement and
33 discounts, if any, the costs of issuing revenue bonds, and costs
34 incurred in carrying out any financing document;

35 (d) Start-up costs, working capital, capitalized research and
36 development costs, capitalized interest during construction and during
37 the eighteen months after estimated completion of construction, and
38 capitalized debt service or repair and replacement or other appropriate
39 reserves;

1 (e) The refunding of any outstanding obligations incurred for any
2 of the costs outlined in this subsection; and

3 (f) Other costs incidental to any of the costs listed in this
4 section;

5 (13) "Product" means a product, device, technique, or process that
6 is or may be exploitable commercially. "Product" does not refer to
7 pure research, but shall be construed to apply to products, devices,
8 techniques, or processes that have advanced beyond the theoretic stage
9 and are readily capable of being, or have been, reduced to practice;

10 (14) "Financing agreements" means, and includes without limitation,
11 a contractual arrangement with an eligible person whereby the authority
12 obtains rights from or in an invention or product or proceeds from an
13 invention or product in exchange for the granting of financial and
14 other assistance to the person.

15 NEW SECTION. **Sec. 2.** This act is necessary for the immediate
16 preservation of the public peace, health, or safety, or support of the
17 state government and its existing public institutions, and takes effect
18 immediately.

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