

registry, also affects the child support payments process. If both bills were signed into law, there would be conflicting interpretations of the law on support orders, wage assignments, and directions to the court. To eliminate this ambiguity, I believe Substitute House Bill No. 420, which is more thorough, should take precedence. Therefore, I have vetoed sections 32, 33 and 34 of Substitute House Bill No. 48.

Section 37 of Substitute House Bill No. 48 concerns modification of support orders and merely re-codifies RCW 26.09.170. Substitute House Bill No. 413 amends this section of law. The amended language is preferable and a veto of section 37 will eliminate ambiguity.

Sections 52, 53 and 54 amend statutes having to do with custodial interference. These sections are very similar to Substitute Senate Bill No. 5088, which I have vetoed. While I agree that non-custodial parents deserve fair treatment when their visitation rights are abused, I am concerned that involving the police in settling non-violent visitation disputes where harm to the child is not evident is an improper approach.

I have been asked to veto section 3(3)(f) because of concerns that it would give an unfair advantage to those more financially well-off in parenting/custodial decisions. However, as this is only one factor in a non-exclusive list of factors describing parenting functions, I am confident that the courts will not use this to discriminate against less well-off parents, usually women, in custody cases. However, if after experience it appears that discrimination is occurring, I will support a change to the law.

With the exceptions of sections 32, 33, 34, 37, 52, 53 and 54, Substitute House Bill No. 48 is approved."

CHAPTER 461

[Substitute House Bill No. 1156]

COMMUNITY REVITALIZATION PROGRAM—WASHINGTON STATE DEVELOPMENT LOAN FUND COMMITTEE—DISTRESSED AREAS—LOAN ELIGIBILITY—PERFORMANCE STANDARDS

AN ACT Relating to distressed area requirements in the community revitalization team program and the development loan fund program; amending RCW 43.165.010, 43.168.020, 43.168.040, 43.168.050, and 43.168.070; adding new sections to chapter 43.168 RCW; and declaring an emergency.

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

Sec. 1. Section 1, chapter 229, Laws of 1985 and RCW 43.165.010 are each amended to read as follows:

Unless the context clearly requires to the contrary, the definitions in this section apply throughout this chapter.

- (1) "Department" means the department of community development.
- (2) "Director" means the director of the department.
- (3) "Distressed area" means: (a) A county that has an unemployment rate that is twenty percent above the state-wide average for the previous three years; or (b) a community or area that has experienced sudden and severe or long-term and severe loss of employment, or erosion of its economic base due to decline of its dominant industries; or (c) an area within a county which area: (i) Is composed of contiguous census tracts; (ii) has a

minimum population of five thousand persons; (iii) has at least seventy percent of its families and unrelated individuals with incomes below eighty percent of the county's median income for families and unrelated individuals; and (iv) has an unemployment rate which is at least forty percent higher than the county's unemployment rate. For purposes of this definition, "families and unrelated individuals" has the same meaning that is ascribed to that term by the federal department of housing and urban development in its regulations authorizing action grants for economic development and neighborhood revitalization projects.

(4) "Economic development revolving loan funds" means a local, not-for-profit or governmentally sponsored business loan program.

(5) "Team" means the community revitalization team.

~~((5))~~ (6) "Technical assistance" includes, but is not limited to, assistance with strategic planning, market research, business plan development review, organization and management development, accounting and legal services, grant and loan packaging, and other assistance which may be expected to contribute to the redevelopment and economic well-being of a distressed area.

Sec. 2. Section 2, chapter 164, Laws of 1985 and RCW 43.168.020 are each amended to read as follows:

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

(1) "Committee" means the Washington state development loan fund committee.

(2) "Department" means the department of community development.

(3) "Director" means the director of the department of community development.

(4) "Distressed area" means: (a) A county which has an unemployment rate which is twenty percent above the state average for the immediately previous three years; or (b) ~~((a community which has experienced sudden and severe loss of employment; or (c))~~ an area within a county, which area: (i) Is composed of contiguous census tracts; (ii) has a minimum population of five thousand persons; (iii) has at least seventy percent of its families and unrelated individuals with incomes below eighty percent of the county's median income for families and unrelated individuals; and (iv) has an unemployment rate which is at least forty percent higher than the county's unemployment rate. For purposes of this definition, "families and unrelated individuals" has the same meaning that is ascribed to that term by the federal department of housing and urban development in its regulations authorizing action grants for economic development and neighborhood revitalization projects.

(5) "Fund" means the Washington state development loan fund.

(6) "Local development organization" means a nonprofit organization which is organized to operate within ~~((a distressed))~~ an area, demonstrates

a commitment to a long-standing effort for an economic development program, and makes a demonstrable effort to assist in the employment of unemployed or underemployed residents in ~~((a-distressed))~~ an area.

(7) "Project" means the establishment of a new or expanded business in ~~((a-distressed))~~ an area which when completed will provide employment opportunities. "Project" also means the retention of an existing business in ~~((a-distressed))~~ an area which when completed will provide employment opportunities.

Sec. 3. Section 4, chapter 164, Laws of 1985 and RCW 43.168.040 are each amended to read as follows:

Subject to the restrictions contained in this chapter, the committee is authorized to approve applications of local governments for federal community development block grant funds which the local governments would use to make loans to finance business projects within ~~((distressed-areas))~~ their jurisdictions. Applications approved by the committee under this chapter shall conform to applicable federal requirements.

Sec. 4. Section 5, chapter 164, Laws of 1985 as amended by section 2, chapter 204, Laws of 1986 and RCW 43.168.050 are each amended to read as follows:

(1) The committee may only approve an application providing a loan for a project which the committee finds:

(a) ~~((Is located within a distressed area and may reasonably be expected to increase employment or maintain))~~ Will result in the creation of employment opportunities or the maintenance of threatened employment;

(b) Has been approved by the director as conforming to federal rules and regulations governing the spending of federal community development block grant funds;

(c) Will be of public benefit and for a public purpose, and that the benefits, including increased or maintained employment, improved standard of living, and the employment of disadvantaged workers, will primarily accrue to residents of the ~~((distressed))~~ area;

(d) Will probably be successful;

(e) Would probably not be completed without the loan because other capital or financing at feasible terms is unavailable or the return on investment is inadequate.

(2) The committee may not approve an application if it fails to provide for adequate reporting or disclosure of financial data to the committee. The committee may require an annual or other periodic audit of the project books.

(3) The committee may require that the project be managed in whole or in part by a local development organization and may prescribe a management fee to be paid to such organization by the recipient of the loan or grant.

(4) (a) Except as provided in (b) of this subsection, the committee shall not approve any application which would result in a loan or grant in excess of three hundred fifty thousand dollars.

(b) The committee may approve an application which results in a loan or grant of up to seven hundred thousand dollars if the application has been approved by the director.

(5) The committee shall fix the terms and rates pertaining to its loans.

(6) Should there be more demand for loans than funds available for lending, the committee shall provide loans for those projects which will lead to the greatest amount of employment or benefit to a community. In determining the "greatest amount of employment or benefit" the committee shall also consider the employment which would be saved by its loan.

(7) To the extent permitted under federal law the committee shall require applicants to provide for the transfer of all payments of principal and interest on loans to the Washington state development loan fund created under this chapter. Under circumstances where the federal law does not permit the committee to require such transfer, the committee shall give priority to applications where the applicants on their own volition make commitments to provide for the transfer.

(8) The committee shall not approve any application to finance or help finance a shopping mall.

(9) The committee shall make at least eighty percent of the appropriated funds available to projects located in distressed areas, and may make up to twenty percent available to projects located in areas not designated as distressed. The committee shall not make funds available to projects located in areas not designated as distressed if the fund's net worth is less than seven million one hundred thousand dollars.

(10) If an objection is raised to a project on the basis of unfair business competition, the committee shall evaluate the potential impact of a project on similar businesses located in the local market area. A grant may be denied by the committee if a project is not likely to result in a net increase in employment within a local market area.

Sec. 5. Section 7, chapter 164, Laws of 1985 and RCW 43.168.070 are each amended to read as follows:

The committee shall receive and approve applications on a quarterly basis for each fiscal year. Department staff shall process and assist in the preparation of applications. Each application shall show in detail the nature of the project, the types and numbers of jobs to be created, wages to be paid to new employees, and methods to hire unemployed persons from the ((distressed)) area. Each application shall contain a credit analysis of the business to receive the loan. The chairperson of the committee may convene the committee on short notice to respond to applications of a serious or immediate nature.

NEW SECTION. Sec. 6. A new section is added to chapter 43.168 RCW to read as follows:

(1) The committee shall develop guidelines for development loan funds to be used to fund existing economic development revolving loan funds. Consideration shall be given to the selection process for grantees, loan quality criteria, legal and regulatory issues, and ways to minimize duplication between development loan funds and local economic development revolving loan funds.

(2) If it appears that all of the funds appropriated to the development loan fund for a biennium will not be fully granted to local governments within that biennium, the committee may make available up to twenty percent of the eighty percent of the funds available to projects in distressed areas under RCW 43.168.050(9) for grants to local governments to assist existing economic development revolving loan funds in distressed areas. The grants to local governments shall be utilized to make loans to businesses that meet the specifications for loans under this chapter. The local governments shall, to the extent permitted under federal law, agree to convey to the development loan fund the principal and interest payments from existing loans that the local governments have made through their revolving loan funds. Under circumstances where the federal law does not permit the committee to require such transfer, the committee shall give priority to applications where the applicants on their own volition make commitments to provide for the transfer.

NEW SECTION. Sec. 7. A new section is added to chapter 43.168 RCW to read as follows:

(1) The committee shall develop performance standards for judging the effectiveness of the program. Such standards shall include, to the extent possible, examining the effectiveness of grants in regard to:

- (a) Job creation for individuals of low and moderate income;
- (b) Retention of existing employment;
- (c) The creation of new employment opportunities;
- (d) The diversification of the economic base of local communities;
- (e) The establishment of employee cooperatives;
- (f) The provision of assistance in cases of employee buy-outs of firms to prevent the loss of existing employment;
- (g) The degree of risk assumed by the development loan fund, with emphasis on loans which did not receive financing from commercial lenders, but which are considered financially sound.

(2) The committee shall report to the appropriate standing committees of the legislature on the development of performance standards by January 1, 1988.

NEW SECTION. Sec. 8. 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 22, 1987.

Passed the Senate April 15, 1987.

Approved by the Governor May 18, 1987.

Filed in Office of Secretary of State May 18, 1987.

CHAPTER 462

[Substitute House Bill No. 738]

CORRECTIONS STANDARDS BOARD—TRANSFER OF POWERS, DUTIES, AND FUNCTIONS

AN ACT Relating to the transfer of corrections standards board to other state agencies; amending RCW 13.04.116, 10.98.110, 10.98.130, 10.98.140, 10.98.160, 70.48.020, 70.48.090, 70.48.120, 70.48.160, 70.48.280, 70.48.400, 19.27.060, 70.48A.020, 70.48A.040, and 72.09.180; adding a new section to chapter 72.09 RCW; adding new sections to chapter 70.48 RCW; creating new sections; repealing RCW 72.09.140, 72.09.150, 72.09.160, 72.09.170, 10.98.120, 70.48.035, 70.48.080, 70.48.082, 70.48.250, 70.48.260, 70.48.290, 70.48.300, 70.48.330, 70.48.370, 70.48.010, 70.48.050, 70.48.060, 70.48.070, 70.48.110, and 70.48.200; providing an effective date; and declaring an emergency.

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

Sec. 1. Section 1, chapter 50, Laws of 1985 and RCW 13.04.116 are each amended to read as follows:

(1) A juvenile shall not be confined in a jail or holding facility for adults, except:

(a) For a period not exceeding twenty-four hours excluding weekends and holidays and only for the purpose of an initial court appearance in a county where no juvenile detention facility is available, a juvenile may be held in an adult facility provided that the confinement is separate from the sight and sound of adult inmates; or

(b) For not more than six hours and pursuant to a lawful detention in the course of an investigation, a juvenile may be held in an adult facility provided that the confinement is separate from the sight and sound of adult inmates.

(2) For purposes of this section a juvenile is an individual under the chronological age of eighteen years who has not been transferred previously to adult courts.

(3) The ~~((corrections standards board, in exercise of the powers of the state jail commission;))~~ department of social and health services shall monitor and enforce compliance with this section.

(4) This section shall not be construed to expand or limit the authority to lawfully detain juveniles.

Sec. 2. Section 11, chapter 17, Laws of 1984 and RCW 10.98.110 are each amended to read as follows: