

(14) Section 15, chapter 5, Laws of 1973 1st ex. sess., section 1, chapter 163, Laws of 1974 ex. sess., section 14, chapter 288, Laws of 1984, section 1, chapter 118, Laws of 1988 and RCW 70.39.140;

(15) Section 16, chapter 5, Laws of 1973 1st ex. sess., section 1, chapter 154, Laws of 1977 ex. sess., section 18, chapter 288, Laws of 1984 and RCW 70.39.150;

(16) Section 17, chapter 5, Laws of 1973 1st ex. sess., section 19, chapter 288, Laws of 1984 and RCW 70.39.160;

(17) Section 18, chapter 5, Laws of 1973 1st ex. sess., section 67, chapter 57, Laws of 1985 and RCW 70.39.170;

(18) Section 19, chapter 5, Laws of 1973 1st ex. sess. and RCW 70.39.180;

(19) Section 20, chapter 5, Laws of 1973 1st ex. sess. and RCW 70.39.190;

(20) Section 21, chapter 5, Laws of 1973 1st ex. sess., section 20, chapter 288, Laws of 1984 and RCW 70.39.200;

(21) Section 22, chapter 5, Laws of 1973 1st ex. sess. and RCW 70.39.900;

(22) Section 23, chapter 5, Laws of 1973 1st ex. sess. and RCW 70.39.910;

(23) Section 15, chapter 288, Laws of 1984 and RCW 70.39.165;

(24) Section 23, chapter 288, Laws of 1984 and RCW 70.39.195;

((and))

(25) Section 24, chapter 288, Laws of 1984 and RCW 70.39.125; and

(26) Section 1, chapter 262, Laws of 1988 and RCW 70.39.144.

Passed the House February 6, 1990.

Passed the Senate February 28, 1990.

Approved by the Governor March 14, 1990.

Filed in Office of Secretary of State March 14, 1990.

CHAPTER 53

[House Bill No. 2850]

ECONOMIC DEVELOPMENT FINANCE AUTHORITY

AN ACT Relating to the Washington economic development finance authority; and amending RCW 43.163.005, 43.163.020, 43.163.050, 43.163.070, 43.163.080, and 43.163.100.

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

Sec. 1. Section 1, chapter 279, Laws of 1989 and RCW 43.163.005 are each amended to read as follows:

Economic development is essential to the health, safety, and welfare of all Washington citizens by broadening and strengthening state and local tax bases, providing meaningful employment opportunities and thereby enhancing the quality of life. Economic development increasingly is dependent

upon the ability of small-sized and medium-sized businesses and farms to finance growth and trade activities. Many of these businesses face an unmet need for capital that limits their growth. These unmet capital needs are a problem in both urban and rural areas which cannot be solved by the private sector alone. There presently exist some federal programs, private credit enhancements and other financial tools to complement the private banking industry in providing this needed capital. More research is needed to develop effective strategies to enhance access to capital and thereby stimulate economic development.

It is the purpose of this chapter to establish a state economic development finance authority to act as a financial conduit that, without using ((public)) state funds or lending the credit of the state or local governments, can issue nonrecourse revenue bonds, and participate in federal, state, and local economic development programs to help facilitate access to needed capital by Washington businesses that cannot otherwise readily obtain needed capital on terms and rates comparable to large corporations, and can help local governments obtain capital more efficiently. It is also a primary purpose of this chapter to encourage the employment and retention of Washington workers at meaningful wages and to develop innovative approaches to the problem of unmet capital needs. This chapter is enacted to accomplish these and related purposes and shall be construed liberally to carry out its purposes and objectives.

Sec. 2. Section 3, chapter 279, Laws of 1989 and RCW 43.163.020 are each amended to read as follows:

The Washington economic development finance authority is established as a public body corporate and politic, with perpetual corporate succession, constituting an instrumentality of the state of Washington exercising essential governmental functions. The authority is a public body within the meaning of RCW 39.53.010.

The authority shall consist of ((fifteen)) eighteen members as follows: The director of the department of trade and economic development, the director of the department of community development, the director of the department of agriculture, the state treasurer, one member from each caucus in the house of representatives appointed by the speaker of the house, one member from each caucus in the senate appointed by the president of the senate, and ((eight)) ten public members with one representative of women-owned businesses and one representative of minority-owned businesses and with at least three of the members residing east of the Cascades. The public members shall be residents of the state appointed by the governor on the basis of their interest or expertise in trade, agriculture or business finance or jobs creation and development. One of the public members shall be appointed by the governor as chair of the authority and shall serve as chair of the authority at the pleasure of the governor. The authority may select from its membership such other officers as it deems appropriate.

The term of the persons appointed by the governor as public members of the authority, including the public member appointed as chair, shall be four years from the date of appointment, except that the term of three of the initial appointees shall be for two years from the date of appointment and the term of ~~((two))~~ four of the initial appointees shall be for three years from the date of appointment. The governor shall designate the appointees who will serve the two-year and three-year terms.

In the event of a vacancy on the authority due to death, resignation or removal of one of the public members, or upon the expiration of the term of one of the public members, the governor shall appoint a successor for the remainder of the unexpired term. If either of the state offices is abolished, the resulting vacancy on the authority shall be filled by the state officer who shall succeed substantially to the power and duties of the abolished office.

Any public member of the authority may be removed by the governor for misfeasance, malfeasance or willful neglect of duty after notice and a public hearing, unless such notice and hearing shall be expressly waived in writing by the affected public member.

The state officials serving in ex officio capacity may each designate an employee of their respective departments to act on their behalf in all respects with regard to any matter to come before the authority. Such designations shall be made in writing in such manner as is specified by the rules of the authority.

The members of the authority shall serve without compensation but shall be entitled to reimbursement, solely from the funds of the authority, for expenses incurred in the discharge of their duties under this chapter. The authority may borrow funds from the department ~~((for the first year of the authority's operations))~~ for the purpose of reimbursing members for expenses; however, the authority shall repay the department as soon as practicable.

A majority of the authority shall constitute a quorum.

Sec. 3. Section 6, chapter 279, Laws of 1989 and RCW 43.163.050 are each amended to read as follows:

The authority is authorized to develop and conduct a program or programs to promote small business and agricultural financing in the state through the pooling of loans or portions of loans made or guaranteed through programs administered by ~~((the))~~ federal agencies including the small business or farmers home administrations. For such purpose, the authority may acquire from eligible banking organizations and other financial intermediaries who make or hold loans made or guaranteed through programs administered by the federal small business or farmers home administrations all or portions of such loans, and the authority may contract or coordinate with parties authorized to acquire or pool loans made or guaranteed by a federal agency or with parties authorized to administer such loan or guarantee programs.

Sec. 4. Section 8, chapter 279, Laws of 1989 and RCW 43.163.070 are each amended to read as follows:

The authority may use any funds legally available to it for any purpose specifically authorized by this chapter, or for otherwise improving economic development in this state by assisting businesses and farm enterprises that do not have access to capital at terms and rates comparable to large corporations due to the location of the business, the size of the business, the lack of financial expertise, or other appropriate reasons: PROVIDED, That no funds of the state shall be used for such purposes.

Sec. 5. Section 9, chapter 279, Laws of 1989 and RCW 43.163.080 are each amended to read as follows:

~~(1) ((The authority is authorized to provide assistance and advice to persons forming corporations under chapter 31.24 RCW:~~

~~(2) The authority may contract with corporations organized under this chapter. Each contract shall specify that the money received under the contract shall be used to provide management assistance, which may include management and technical advice and services and other technical support, to businesses receiving financing from the contracting corporation. No more than five corporations may contract with the authority under this section at any time. No corporation may receive more than a total of two hundred fifty thousand dollars under this section:~~

~~(3) To qualify for a contract under this section, a corporation shall agree that at least one-half of the corporation's loans and investments will be to businesses operating in distressed areas as defined in RCW 43.165.010(3)(a) and that the corporation's loans and investments will be to businesses that have agreed to enter first-source hiring agreements with the employment security department, local private industry councils, local labor unions, or other employment or placement agencies. These agreements shall require the businesses to interview prospective employees from a list of the unemployed supplied by the employment or placement agencies and hire any qualified candidates on the list before hiring any candidates not on the list. The first-source hiring agreements shall require the business to:~~

~~(a) Provide a job description for each position;~~

~~(b) Provide a description of the skills each position requires; and~~

~~(c) Provide a salary range for each position:~~

~~The first-source hiring agreements shall require the employment or placement agency to provide a list of candidates who have expressed interest in each available position and who meet the skill requirements of each position. No fees may be charged of the unemployed candidates on the list supplied by the employment or placement agency:~~

~~(4) The authority shall adopt rules to carry out this section:~~

~~(5)) The authority shall adopt general operating procedures for the authority. The authority shall also adopt operating procedures for individual programs as they are developed for obtaining funds and for providing funds~~

to borrowers. These operating procedures shall be adopted by resolution prior to the authority operating the applicable programs.

~~((6))~~ (2) The operating procedures shall include, but are not limited to: (a) Appropriate minimum reserve requirements to secure the authority's bonds and other obligations; (b) appropriate standards for securing loans and other financing the authority provides to borrowers, such as guarantees or collateral; and (c) appropriate standards for providing financing to borrowers, such as (i) the borrower is a responsible party with a high probability of being able to repay the financing provided by the authority, (ii) the financing is reasonably expected to provide economic growth or stability in the state by enabling a borrower to increase or maintain jobs or capital in the state, (iii) the borrowers with the greatest needs or that provide the most public benefit are given higher priority by the authority, and (iv) the financing is consistent with any plan adopted by the authority under RCW 43.163.090.

Sec. 6. Section 11, chapter 279, Laws of 1989 and RCW 43.163.100 are each amended to read as follows:

In addition to accomplishing the economic development finance programs specifically authorized in this chapter, the authority may:

- (1) Maintain an office or offices;
- (2) Sue and be sued in its own name, and plead and be impleaded;
- (3) Engage consultants, agents, attorneys, and advisers, contract with federal, state, and local governmental entities for services, and hire such employees, agents and other personnel as the authority deems necessary, useful, or convenient to accomplish its purposes;
- (4) Make and execute all manner of contracts, agreements and instruments and financing documents with public and private parties as the authority deems necessary, useful, or convenient to accomplish its purposes;
- (5) Acquire and hold real or personal property, or any interest therein, in the name of the authority, and to sell, assign, lease, encumber, mortgage, or otherwise dispose of the same in such manner as the authority deems necessary, useful, or convenient to accomplish its purposes;
- (6) Open and maintain accounts in qualified public depositories and otherwise provide for the investment of any funds not required for immediate disbursement, and provide for the selection of investments;
- (7) Appear in its own behalf before boards, commissions, departments, or agencies of federal, state, or local government;
- (8) Procure such insurance in such amounts and from such insurers as the authority deems desirable, including, but not limited to, insurance against any loss or damage to its property or other assets, public liability insurance for injuries to persons or property, and directors and officers liability insurance;
- (9) Apply for and accept subventions, grants, loans, advances, and contributions from any source of money, property, labor, or other things of

value, to be held, used and applied as the authority deems necessary, useful, or convenient to accomplish its purposes;

(10) Establish guidelines for the participation by eligible banking organizations in programs conducted by the authority under this chapter;

(11) Act as an agent, by agreement, for federal, state, or local governmental entities to carry out the programs authorized in this chapter;

(12) Establish, revise, and collect such fees and charges as the authority deems necessary, useful, or convenient to accomplish its purposes;

(13) Make such expenditures as are appropriate for paying the administrative costs and expenses of the authority in carrying out the provisions of this chapter: PROVIDED, That expenditures with respect to the economic development financing programs of the authority shall not be made from funds of the state(~~(- PROVIDED FURTHER, That after the first year of operation, administrative expenses shall not exceed five percent of total funds received by the authority in a fiscal year))~~);

(14) Establish such reserves and special funds, and controls on deposits to and disbursements from them, as the authority deems necessary, useful, or convenient to accomplish its purposes;

(15) Give assistance to public bodies by providing information, guidelines, forms, and procedures for implementing their financing programs;

(16) Prepare, publish and distribute, with or without charge, such studies, reports, bulletins, and other material as the authority deems necessary, useful, or convenient to accomplish its purposes;

(17) Delegate any of its powers and duties if consistent with the purposes of this chapter;

(18) Adopt rules concerning its exercise of the powers authorized by this chapter; and

(19) Exercise any other power the authority deems necessary, useful, or convenient to accomplish its purposes and exercise the powers expressly granted in this chapter.

Passed the House February 12, 1990.

Passed the Senate February 27, 1990.

Approved by the Governor March 14, 1990.

Filed in Office of Secretary of State March 14, 1990.

CHAPTER 54

[Senate Bill No. 6180]

BASIC HEALTH PLAN RECORDS—CONFIDENTIALITY

AN ACT Relating to confidentiality of basic health plan records; and adding a new section to chapter 70.47 RCW.

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