
BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: S-1949.3/17 3rd draft

ATTY/TYPIST: JA:amh

BRIEF DESCRIPTION: Creating the Washington rural jobs act.

1 AN ACT Relating to creating the Washington rural jobs act; adding
2 a new section to chapter 48.14 RCW; adding a new section to chapter
3 82.04 RCW; adding a new chapter to Title 43 RCW; and providing a
4 contingent expiration date.

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

6 NEW SECTION. **Sec. 1.** TAX PREFERENCE PERFORMANCE STATEMENT. (1)
7 This section is the tax preference performance statement for the tax
8 preferences created in sections 6 and 11, chapter . . . , Laws of 2017
9 (sections 6 and 11 of this act). This performance statement is only
10 intended to be used for subsequent evaluation of the tax preferences.

11 (2) The legislature categorizes these tax preferences as ones
12 intended to create or retain jobs, as indicated in RCW
13 82.32.808(2)(c).

14 (3) It is the legislature's specific public policy objective to
15 create and retain jobs in rural areas of Washington. It is the
16 legislature's intent to provide a vested tax credit that may be used
17 to offset certain business and occupation taxes under chapter 82.04
18 RCW and insurance premium taxes under chapter 48.14 RCW owed by
19 Washington taxpayers, in order to induce such taxpayers to invest in
20 rural growth funds whose management teams:

1 (a) Have experience investing in companies located in rural
2 areas;

3 (b) Have been vetted by the United States small business
4 administration or the United States department of agriculture; and

5 (c) Have submitted a business plan that:

6 (i) Projects the number of jobs that will be created or retained
7 as a result of such investment fund's investments in rural companies
8 and includes the assumptions used to determine the projection; and

9 (ii) Includes a revenue impact assessment that demonstrates that
10 the business plan will result in a positive economic impact on
11 Washington state over a ten-year period that exceeds the cumulative
12 amount of tax credits that would be issued to the investment fund's
13 investors, thereby:

14 (A) Enabling the capitalization of rural growth funds;

15 (B) Incentivizing and requiring rural growth funds to invest in
16 companies located in rural areas of Washington; and

17 (C) Enabling the creation or retention of jobs in rural areas of
18 Washington.

19 (4) If the joint legislative audit and review committee finds
20 that the aggregate number of jobs created or retained matches or
21 exceeds the aggregate number of jobs set forth in the business plans
22 of approved rural growth funds, pro rata based upon the amount of
23 investment authority awarded to each rural growth fund pursuant to
24 each application, in the six years following enactment of these tax
25 preferences, then the legislature intends to continue the tax
26 preferences created in sections 6 and 11, chapter . . . , Laws of 2017
27 (sections 6 and 11 of this act).

28 (5) In order to obtain the data necessary to perform the review
29 in subsection (4) of this section, the joint legislative audit and
30 review committee may refer to:

31 (a) The annual survey that a taxpayer claiming the tax credit in
32 section 11 of this act must file with the department of revenue under
33 RCW 82.32.585; and

34 (b) The annual reports required under section 9 of this act.

35 NEW SECTION. **Sec. 2.** SHORT TITLE. This chapter may be known and
36 cited as the Washington rural jobs act.

1 NEW SECTION. **Sec. 3.** DEFINITIONS. The definitions in this
2 section apply throughout this chapter unless the context clearly
3 requires otherwise.

4 (1) "Affiliate" means an entity that directly or indirectly,
5 through one or more intermediaries, controls, is controlled by, or is
6 under common control with another entity. For the purposes of this
7 chapter, "control" means the possession, directly or indirectly, of
8 more than fifty percent of the power to direct or cause the direction
9 of the management and policies of a person, whether through the
10 ownership of voting shares, by contract, or otherwise.

11 (2) "Closing date" means the date on which a rural growth fund
12 has collected all of the amounts specified by section 4 of this act.

13 (3) "Credit-eligible capital contribution" means an investment of
14 cash by a person subject to (a) business and occupation taxes under
15 chapter 82.04 RCW or (b) insurance premium taxes under chapter 48.14
16 RCW in a rural growth fund that equals the amount specified on a tax
17 credit certificate issued by the department under section 4 of this
18 act. The investment must purchase an equity interest in the rural
19 growth fund or purchase, at par value or premium, a debt instrument
20 that has a maturity date at least five years from the closing date.

21 (4) "Department" means the department of commerce.

22 (5) "Investment authority" means the amount stated on the written
23 approval issued under section 4(5) of this act certifying the rural
24 growth fund. At least sixty percent of a rural growth fund's
25 investment authority must be comprised of credit-eligible capital
26 contributions.

27 (6) "NAICS code" means the North American industry classification
28 system code used by federal statistical agencies and the state in
29 classifying business establishments for the purpose of collecting,
30 analyzing, and publishing statistical data related to the business
31 economy.

32 (7) "Principal business operations" means a business located at
33 the place or places where at least sixty percent of its employees
34 work or where employees that are paid at least sixty percent of its
35 payroll work. An out-of-state business that has agreed to relocate
36 employees using the proceeds of a rural growth investment to
37 establish its principal business operations in a rural area in the
38 state is deemed to have its principal business operations in this new
39 location provided it satisfies this definition within one hundred

1 eighty days after receiving the rural growth investment, unless the
2 department agrees to a later date.

3 (8) "Rural area" means either of the following:

4 (a) All areas outside of census places identified in the 2010
5 decennial census by the United States census bureau as having more
6 than fifty thousand people; or

7 (b) Any area determined to be "rural in character" by the
8 undersecretary of agriculture for rural development within the United
9 States department of agriculture.

10 (9) "Rural business concern" means a business that, at the time
11 of the initial investment in the company by a rural growth fund:

12 (a) Has less than two hundred fifty employees and not more than
13 ten million dollars in net income for the preceding taxable year;

14 (b) Has its principal business operations in one or more rural
15 areas in the state; and

16 (c) Is engaged in industries related to manufacturing, plant
17 sciences, services, or technology or, if not engaged in such
18 industries, the department makes a determination that the investment
19 will be highly beneficial to the economic growth of the state.

20 (10) "Rural growth fund" means an entity certified by the
21 department under section 4 of this act.

22 (11) "Rural growth investment" means any capital or equity
23 investment in a rural business concern or any loan to a rural
24 business concern with a stated maturity at least one year after the
25 date of issuance.

26 NEW SECTION. **Sec. 4.** TAX CREDIT APPLICATION, APPROVAL, AND
27 ALLOCATIONS. (1) Beginning November 1, 2017, the department must
28 accept applications for approval as a rural growth fund. The
29 application must include all of the following:

30 (a) The total investment authority sought by the applicant under
31 the business plan;

32 (b) A copy of the applicant's or an affiliate of the applicant's
33 license as a rural business investment company under Title 7 U.S.C.
34 Sec. 2009cc, as amended, as of January 1, 2017, or as a small
35 business investment company under Title 15 U.S.C. Sec. 681, as
36 amended, as of January 1, 2017;

37 (c) Evidence that, as of the date the application is submitted,
38 the applicant or affiliates of the applicant have invested at least
39 one hundred million dollars in nonpublic companies located in

1 nonmetropolitan counties as defined by the office of management and
2 budget on the basis of counties or county-equivalent units;

3 (d) An estimate of the number of jobs that will be created or
4 retained in this state as a result of the applicant's rural growth
5 investments and the assumptions used to determine the estimate;

6 (e) A business plan that includes a revenue impact assessment
7 projecting state and local tax revenue to be generated by the
8 applicant's proposed rural growth investments prepared by a
9 nationally recognized third-party independent economic forecasting
10 firm using a dynamic economic forecasting model that analyzes the
11 applicant's business plan over the ten years following the date the
12 application is submitted to the department;

13 (f) A signed affidavit from each investor stating the amount of
14 credit-eligible capital contributions each taxpayer commits to make
15 and against which of the two tax types the investor plans to apply
16 the credit: (i) Business and occupation taxes under chapter 82.04
17 RCW; or (ii) insurance premium taxes under chapter 48.14 RCW; and

18 (g) A nonrefundable application fee of five thousand dollars.

19 (2) The department must make an application determination within
20 thirty days of receipt in the order in which the applications are
21 received. The department must deem applications received on the same
22 day to have been received simultaneously. The department may not
23 approve more than one hundred million dollars in investment authority
24 and not more than sixty million dollars in credit-eligible capital
25 contributions under this section. If requests for investment
26 authority exceed this limitation, the department must proportionally
27 reduce the investment authority and the credit-eligible capital
28 contributions for each approved application as necessary to avoid
29 exceeding the limit.

30 (3) The department must deny an application submitted under this
31 section if any of the following are true:

32 (a) The application is incomplete or the application fee is not
33 paid in full;

34 (b) The applicant does not satisfy all the criteria described in
35 subsection (1)(b) of this section;

36 (c) The revenue impact assessment submitted under subsection
37 (1)(e) of this section does not demonstrate that the applicant's
38 business plan will result in a positive economic impact on the state
39 over a ten-year period that exceeds the cumulative amount of tax

1 credits that would be issued to the applicant's investors under
2 section 6 or 11 of this act if the application were approved;

3 (d) The credit-eligible capital contributions described in
4 affidavits submitted under subsection (1)(f) of this section do not
5 equal at least sixty percent of the total amount of investment
6 authority sought under the applicant's business plan; or

7 (e) The department has already approved the maximum amount of
8 investment authority and credit-eligible capital contributions
9 allowed under subsection (2) of this section.

10 (4) If the department denies an application, the applicant may
11 provide additional information to the department to complete,
12 clarify, or cure defects in the application identified by the
13 department within fifteen days of the notice of denial for
14 reconsideration and determination. The department must review and
15 reconsider such applications within thirty days before any pending
16 application submitted after the original submission date of the
17 reconsidered application.

18 (5) The department may not deny a rural growth fund application
19 or reduce the requested investment authority for reasons other than
20 those described in subsections (2) and (3) of this section. Upon
21 approval of an application, the department must provide a written
22 approval to the applicant as a rural growth fund specifying the
23 amount of the applicant's investment authority.

24 (6) After receiving the approval issued under subsection (5) of
25 this section, a rural growth fund must:

26 (a) Within sixty days:

27 (i) Collect the credit-eligible capital contributions from each
28 taxpayer issued a tax credit certificate under subsection (7) of this
29 section; and

30 (ii) Collect one or more investments of cash that, when added to
31 the contributions collected under (a)(i) of this subsection, equal
32 the rural growth fund's investment authority.

33 (b) Within sixty-five days, send to the department documentation
34 sufficient to prove that the amounts described in (a)(i) and (ii) of
35 this subsection have been collected.

36 (7) Upon receiving documentation from the rural growth fund that
37 it is fully funded, the department must issue a tax credit
38 certificate to each investor whose affidavit was included in the
39 application specifying the amount of the investor's credit-eligible
40 capital contribution. The department must provide a copy of the tax

1 credit certificates to the office of the insurance commissioner for
2 investors earning tax credits eligible for use against insurance
3 premium taxes, including the retaliatory provision, imposed under
4 chapter 48.14 RCW and to the department of revenue for investors
5 earning tax credits eligible for use against business and occupation
6 taxes imposed under chapter 82.04 RCW. The tax credit certificate
7 must include the credit-eligible capital contribution amount, the
8 name of the rural growth fund, the unified business identifier number
9 of the investor (taxpayer), and the closing date of the rural growth
10 fund.

11 (8) Tax credits may be transferred or allocated to an affiliate
12 of the taxpayer. Taxpayers must notify the department if they wish to
13 transfer or allocate a credit to an affiliate. The department will
14 verify the transfer is to an affiliate and then issue an amended tax
15 credit certificate to the taxpayer (transferor) and a new tax credit
16 certificate to the affiliate (transferee). The department must
17 provide the department of revenue and the office of the insurance
18 commissioner with a copy of the amended tax credit certificate of the
19 transferor and the new tax credit certificate of the transferee.

20 (9) If the rural growth fund fails to fully comply with
21 subsection (6) of this section, the rural growth fund's approval
22 lapses and the corresponding investment authority and credit-eligible
23 capital contributions under this subsection do not count toward the
24 limits on the program size prescribed by subsection (2) of this
25 section. The department must first award lapsed investment authority
26 pro rata to each rural growth fund that was awarded less than the
27 requested investment authority under subsection (2) of this section,
28 which a rural growth fund may allocate to its investors in its
29 discretion. Any remaining investment authority may be awarded by the
30 department to new applicants.

31 (10) Application fees submitted to the department under
32 subsection (1)(g) of this section must be deposited in the rural job
33 creation account created in section 5 of this act.

34 NEW SECTION. **Sec. 5.** RURAL JOB CREATION ACCOUNT. The rural job
35 creation account is created in the state treasury. All receipts from
36 application fees submitted to the department under section 4 of this
37 act must be deposited into the account. Moneys in the account may be
38 spent only after appropriation. Expenditures from the account may be
39 used by the department only for administering this chapter.

1 NEW SECTION. **Sec. 6.** A new section is added to chapter 48.14
2 RCW to read as follows:

3 INSURANCE PREMIUM TAX CREDIT ESTABLISHED. (1) A tax credit is
4 authorized against tax otherwise due under this chapter for persons
5 that made a credit-eligible capital contribution to a rural growth
6 fund and were issued a tax credit certificate under section 4 of this
7 act.

8 (2) A taxpayer earns a credit on the closing date noted on the
9 taxpayer's tax credit certificate issued under section 4 of this act.
10 The credit is equal to the amount of the taxpayer's credit-eligible
11 capital contribution to the rural growth fund as specified on the tax
12 credit certificate.

13 (3) The taxpayer may claim up to one-third of the credit
14 authorized under this section for each of the calendar years that
15 includes the fourth through sixth anniversaries of the closing date
16 noted on the tax credit certificate, exclusive of amounts carried
17 forward from prior years.

18 (4) The amount claimed for a tax reporting period may not exceed
19 the amount of tax otherwise due under this chapter for that reporting
20 period. Unused credits may be carried forward until used, even if
21 claimed after the expiration date of this act. No refunds may be
22 granted for credits under this section.

23 (5) All persons claiming a credit under this section must file
24 electronically with the office of the insurance commissioner all
25 returns, other forms, or any other information as may be required by
26 the office of the insurance commissioner.

27 (6) The credit may not be transferred or allocated to any other
28 entity other than an affiliate subject to the insurance premium taxes
29 imposed under this chapter. The department must provide the office of
30 the insurance commissioner with a copy of the amended tax credit
31 certificate of the transferor and the new tax credit certificate of
32 the transferee. The office of the insurance commissioner must
33 disallow tax credits claimed by any transferee other than an
34 affiliate of the transferor.

35 (7) The department must notify the office of the insurance
36 commissioner if a tax credit certificate was revoked as provided in
37 section 7 of this act. Upon such notice, the office of the insurance
38 commissioner must:

1 (a) Provide written notice to the taxpayer or any affiliate to
2 which the credit was transferred that the credit was revoked by the
3 department;

4 (b) Include in the notice the amount of all credits previously
5 claimed and that such amount be paid in full within thirty days of
6 the date of the notice. If the taxpayer or the affiliate fails to pay
7 the amount in full by the due date in the notice or any extension
8 granted by the office of the insurance commissioner, the office of
9 the insurance commissioner must impose penalties and interest as
10 provided in this chapter; and

11 (c) Deny any further use of the tax credit certificate by the
12 taxpayer or any affiliate to which the credit was transferred.

13 (8) The definitions in section 3 of this act apply to this
14 section.

15 NEW SECTION. **Sec. 7.** REVOCATION OF TAX CREDIT CERTIFICATES AND
16 EXIT. (1) The department must revoke a tax credit certificate issued
17 under section 4 of this act if any of the following occur with
18 respect to a rural growth fund before it exits the program in
19 accordance with subsection (4) of this section:

20 (a) The rural growth fund in which the credit-eligible capital
21 contribution was made does not invest one hundred percent of its
22 investment authority in rural growth investments in this state within
23 two years of the closing date;

24 (b) The rural growth fund, after satisfying (a) of this
25 subsection, fails to maintain rural growth investments equal to one
26 hundred percent of its investment authority until the sixth
27 anniversary of the closing date. For the purposes of this subsection,
28 an investment is "maintained" even if the investment is sold or
29 repaid so long as the rural growth fund reinvests an amount equal to
30 the capital returned or recovered by the fund from the original
31 investment, exclusive of any profits realized, in other rural growth
32 investments in this state within twelve months of the receipt of such
33 capital. Amounts received periodically by a rural growth fund must be
34 treated as continually invested in rural growth investments if the
35 amounts are reinvested in one or more rural growth investments by the
36 end of the following calendar year. A rural growth fund is not
37 required to reinvest capital returned from rural growth investments
38 after the fifth anniversary of the closing date, and such rural

1 growth investments must be considered held continuously by the rural
2 growth fund through the sixth anniversary of the closing date;

3 (c) The rural growth fund, before exiting the program in
4 accordance with subsection (4) of this section, makes a distribution
5 or payment that results in the rural growth fund having less than one
6 hundred percent of its investment authority invested in rural growth
7 investments in this state or available for investment in rural growth
8 investments and held in cash and other marketable securities;

9 (d) The rural growth fund invests more than the greater of five
10 million dollars or twenty percent of its investment authority in the
11 same rural business concern, including amounts invested in affiliates
12 of the rural business concern; or

13 (e) The rural growth fund makes a rural growth investment in a
14 rural business concern that directly or indirectly through an
15 affiliate owns, has the right to acquire an ownership interest, makes
16 a loan to, or makes an investment in the rural growth fund, an
17 affiliate of the rural growth fund, or an investor in the rural
18 growth fund. This subsection does not apply to investments in
19 publicly traded securities by a rural business concern or an owner or
20 affiliate of such concern. For purposes of this subsection, a rural
21 growth fund will not be considered an affiliate of a rural business
22 concern solely as a result of its rural growth investment.

23 (2) Before revoking one or more tax credit certificates under
24 this subsection, the department must notify the rural growth fund of
25 the reasons for the pending revocation. The rural growth fund has
26 ninety days from the date the notice was dispatched to correct any
27 violation outlined in the notice to the satisfaction of the
28 department and avoid revocation of the tax credit certificate.

29 (3) If tax credit certificates are revoked under this section,
30 the associated investment authority and credit-eligible capital
31 contributions do not count toward the limit on total investment
32 authority and credit-eligible capital contributions described by
33 section 4(2) of this act. The department must first award reverted
34 authority pro rata to each rural growth fund that was awarded less
35 than the requested investment authority under section 4(5) of this
36 act. The department may award any remaining investment authority to
37 new applicants.

38 (4) On or after the sixth anniversary of the closing date, a
39 rural growth fund may apply to the department to exit the program and
40 no longer be subject to regulation under this chapter. The department

1 must respond to the application within thirty days of receipt. In
2 evaluating the application, the fact that no tax credit certificates
3 have been revoked and that the rural growth fund has not received a
4 notice of revocation that has not been cured under subsection (2) of
5 this section is sufficient evidence to prove that the rural growth
6 fund is eligible for exit. The department may not unreasonably deny
7 an application submitted under this subsection. If the application is
8 denied, the notice must include the reasons for the determination.
9 The department must notify the office of the insurance commissioner
10 or the department of revenue when a rural growth fund exits the
11 program.

12 (5) The department may not revoke a tax credit certificate after
13 a rural growth fund exits the program.

14 (6)(a) The state must share in all distributions and payments to
15 equity holders in the rural growth fund in excess of the sum of the
16 amount of equity capital invested in the fund by such equity holder
17 and an amount equal to any projected increase in the equity holder's
18 federal or state tax liability, including penalties and interest,
19 related to the equity holder's ownership, management, or operation of
20 the fund in the following amounts:

21 (i) If the number of jobs created or retained as a result of the
22 rural growth fund's rural growth investments is less than sixty
23 percent of the amount filed as part of the rural growth fund's
24 application, sixty percent; and

25 (ii) If the number of jobs created or retained as a result of the
26 rural growth fund's rural growth investments is less than eighty
27 percent but more than sixty percent of the amount filed as part of
28 the rural growth fund's application, thirty percent.

29 (b) In measuring jobs created and retained as a result of the
30 rural growth fund's rural growth investments, the department must
31 prorate the number of jobs set forth in the rural growth fund's
32 business plan based upon the amount of investment authority requested
33 in the rural growth fund's application.

34 NEW SECTION. **Sec. 8.** REQUEST FOR DETERMINATION. A rural growth
35 fund, before making a rural growth investment, may request from the
36 department a written opinion as to whether the business in which it
37 proposed to invest is a rural business concern. The department, not
38 later than the fifteenth business day after the date of receipt of
39 the request, must notify the rural growth fund of its determination.

1 If the department fails to notify the rural growth fund by the
2 fifteenth business day of its determination, the business in which
3 the rural growth fund proposes to invest must be considered a rural
4 business concern.

5 NEW SECTION. **Sec. 9.** REPORTING OBLIGATIONS. (1) Each rural
6 growth fund must submit a report to the department on or before the
7 fifth business day after the second anniversary of the closing date
8 and thereafter within forty-five days of the end of the calendar year
9 including any year that the rural growth fund has not exited the
10 program in accordance with section 7(4) of this act. The report must
11 provide documentation as to the rural growth fund's rural growth
12 investments and include:

- 13 (a) A bank statement evidencing each rural growth investment;
- 14 (b) The name, location of principal business operations, and
15 industry NAICS code of each business receiving a rural growth
16 investment, including either the determination letter set forth in
17 section 8 of this act or evidence that the business qualified as a
18 rural business concern at the time the investment was made;
- 19 (c) The number of employment positions created or retained as a
20 result of the rural growth fund's rural growth investments as of the
21 last day of the preceding calendar year and the assumptions used to
22 determine the number of employment positions;
- 23 (d) The average annual salary of the positions described in (c)
24 of this subsection; and
- 25 (e) Any other information required by the department.

26 (2) The department must consult with staff of the joint
27 legislative audit and review committee when developing the specific
28 format and questions included in the accountability report to ensure
29 it provides the information needed for performance evaluations under
30 chapter 43.136 RCW.

31 NEW SECTION. **Sec. 10.** RULE-MAKING AUTHORITY. The department may
32 adopt rules as necessary to implement this chapter.

33 NEW SECTION. **Sec. 11.** A new section is added to chapter 82.04
34 RCW to read as follows:

35 BUSINESS AND OCCUPATION TAX CREDIT ESTABLISHED. (1) A tax credit
36 is authorized against tax otherwise due under this chapter for
37 persons that made a credit-eligible capital contribution to a rural

1 growth fund and were issued a tax credit certificate under section 4
2 of this act.

3 (2) A taxpayer earns a credit on the closing date noted on the
4 taxpayer's tax credit certificate issued under section 4 of this act.
5 The credit is equal to the amount of the taxpayer's credit-eligible
6 capital contribution to the rural growth fund as specified on the tax
7 credit certificate.

8 (3) The taxpayer may claim up to one-third of the credit
9 authorized under this section for each of the calendar years that
10 includes the fourth through sixth anniversaries of the closing date
11 noted on the tax credit certificate, exclusive of amounts carried
12 forward from prior years.

13 (4) The amount claimed for a tax reporting period may not exceed
14 the amount of tax otherwise due under this chapter for that reporting
15 period. Unused credits may be carried forward until used, even if
16 claimed after the expiration date of this act. No refunds may be
17 granted for credits under this section.

18 (5) All persons claiming a credit under this section must file
19 electronically with the department all returns, other forms, or any
20 other information as may be required by the department.

21 (6) The credit may not be transferred or allocated to any other
22 entity other than an affiliate subject to the business and occupation
23 taxes imposed under this chapter. The department of commerce must
24 provide the department with a copy of the amended tax credit
25 certificate of the transferor and the new tax credit certificate of
26 the transferee. The department must disallow tax credits claimed by
27 any transferee other than an affiliate of the transferor.

28 (7) The department of commerce must notify the department if a
29 tax credit certificate was revoked as provided in section 7 of this
30 act. Upon such notice, the department must:

31 (a) Provide written notice to the taxpayer or any affiliate to
32 which the credit was transferred that the credit was revoked by the
33 department;

34 (b) Include in the notice the amount of all credits previously
35 claimed and that such amount be paid in full within thirty days of
36 the date of the notice. If the taxpayer or the affiliate fails to pay
37 the amount in full by the due date in the notice or any extension
38 granted by the department, the department must impose penalties and
39 interest as provided under chapter 82.32 RCW; and

1 (c) Deny any further use of the tax credit certificate by the
2 taxpayer or any affiliate to which the credit was transferred.

3 (8) A taxpayer claiming the tax credit against taxes due under
4 this chapter must file a complete annual survey with the department
5 under RCW 82.32.585.

6 NEW SECTION. **Sec. 12.** Sections 1 through 5 and 7 through 10 of
7 this act constitute a new chapter in Title 43 RCW.

8 NEW SECTION. **Sec. 13.** (1) This act expires July 1, 2024, unless
9 the joint legislative audit and review committee finds under section
10 1 of this act that the aggregate number of jobs created or retained,
11 as a result of the new tax preferences established in sections 6 and
12 11, chapter . . ., Laws of 2017 (sections 6 and 11 of this act),
13 matches or exceeds the aggregate number of jobs set forth in the
14 business plans of approved rural growth funds, pro rata based upon
15 the amount of investment authority awarded to each rural growth fund
16 pursuant to each application, in the six years following enactment of
17 the tax preferences in sections 6 and 11, chapter . . ., Laws of 2017
18 (sections 6 and 11 of this act).

19 (2) The joint legislative audit and review committee must provide
20 notice of the expiration date of this section to affected parties,
21 the chief clerk of the house of representatives, the secretary of the
22 senate, the office of the code reviser, and others as deemed
23 appropriate by the department.

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