(3) In the event of failure, for any reason, of an employer other than a political subdivision of the state to have remitted amounts due for membership service of any of the employer's members rendered during a prior biennium, the ((retirement board)) department shall bill such employer through the ((budget)) director of the office of program planning and fiscal management for such employer's contribution. Such billing shall be paid by the employer as, and the same shall be, a proper charge against any moneys available or appropriated to such employer for payment of current biennial payrolls. If any such employer shall fail or refuse to honor such a billing, the ((budget)) director of the office of program planning and fiscal management shall cause the same to be paid from any funds appropriated to the ((budget)) director of the office of program planning and fiscal management for such employers.

<u>NEW SECTION.</u> Sec. 21. There is added to chapter 41.40 RCW a new section to read as follows:

The provisions of the following sections of this chapter shall apply only to persons who establish membership in the retirement system on or before September 30, 1977: RCW 41.40.150, 41.40.160, 41.40.170, 41.40.180, 41.40.185, 41.40.190, 41.40.193, 41.40.195, 41.40.200, 41.40.210, 41.40.220, 41.40.230, 41.40.235, 41-.40.250, 41.40.260, 41.40.280, 41.40.300, 41.40.310, 41.40.320, and 41.40.330.

<u>NEW SECTION.</u> Sec. 22. Section headings used in this 1977 amendatory act shall not constitute any part of the law.

<u>NEW SECTION.</u> Sec. 23. Sections 1 through 15 of this 1977 amendatory act shall be added to chapter 41.40 RCW and shall be codified as consecutive sections of the Revised Code of Washington within such chapter.

<u>NEW SECTION.</u> Sec. 24. If any provision of this 1977 amendatory act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected.

<u>NEW SECTION.</u> Sec. 25. This 1977 amendatory 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 October 1, 1977.

Passed the House June 17, 1977. Passed the Senate June 17, 1977. Approved by the Governor June 18, 1977. Filed in Office of Secretary of State June 18, 1977.

CHAPTER 296

[Substitute House Bill No. 105]

ECONOMIC ASSISTANCE ACT---- 'ELIGIBLE INVESTMENT PROJECT'; CRITERIA

AN ACT Relating to economic development; and amending section 13, chapter 117, Laws of 1972 ex. sess. and RCW 43.31A.130.

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

Section 1. Section 13, chapter 117, Laws of 1972 ex. sess. and RCW 43.31A-.130 are each amended to read as follows: As used in RCW 43.31A.140 through 43.31A.180:

(1) "Eligible investment project" shall mean construction of new buildings or major improvements to existing buildings and the machinery installed in such buildings in the course of such construction or major improvements, when said buildings and machinery are used or are to be used for activities defined in RCW 82.04.120 (the definition of the term "to manufacture"): PROVIDED, That an investment project undertaken by a business as defined in RCW 82.16.010(5) (an electrical utility) shall not be eligible: PROVIDED FURTHER, That one or more (([of])) of the following criteria must be met:

(a) The investment project is or will be located in an economic assistance area or special impact area;

(b) A minimum of twenty percent of the employees at the plant complex for which the deferral is requested shall be of a minority race;

(c) The plant complex shall be within an industry classification which is not currently a major employing industry in the county in which the plant complex is located. The industry classification of the plant complex shall be determined by the standard industrial classification as assigned by the department of employment security. The major employing industries in a county shall be the two manufacturing ((sectors, as defined by the two-digit standard industrial classification,)) industries which employed the greatest number of persons on an annual average basis in the most recent calendar year for which such information is available from the department of employment security.

(2) "Buildings" shall mean and include only those structures used or to be used to house or shelter manufacturing activities. The term shall include plant offices and warehouses or other facilities for the storage of raw material or finished goods when such facilities are an essential or an integral part of a factory, mill, or manufacturing plant and such factory, mill, or manufacturing plant is used or to be used in the business of manufacture for sale or commercial or industrial use of an article, substance, or commodity. Where a building is used partly for manufacturing and partly for other purposes the applicable tax deferral shall be determined by apportionment of the costs of construction under such rules as the department of revenue shall provide;

(3) "Machinery" shall mean all industrial fixtures, equipment, and support facilities that are an integral and necessary part of a manufacturing operation;

(4) "Major improvement" shall mean the expansion, modernization, or renovation of existing buildings wherein the costs are in excess of twenty-five percent of the true and fair value of the plant complex prior to the improvement;

(5) "Plant complex" shall mean land, machinery, and buildings adapted to industrial use as a single functional or operational unit for the assembling, processing, or manufacturing of finished or partially finished products from raw materials or fabricated parts.

Passed the House April 14, 1977. Passed the Senate June 10, 1977. Approved by the Governor June 21, 1977. Filed in Office of Secretary of State June 21, 1977.