

thereof as may be necessary, to carry out the purposes of chapter 49.04 RCW.

NEW SECTION. Sec. 4. 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 10, 1982.

Passed the Senate March 25, 1982.

Approved by the Governor April 20, 1982.

Filed in Office of Secretary of State April 20, 1982.

CHAPTER 40

[Second Substitute House Bill No. 906]

COMMUNITY ECONOMIC REVITALIZATION BOARD—PUBLIC FACILITIES LOANS

AN ACT Relating to economic development; adding a new chapter to Title 43 RCW; and providing an expiration date.

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

NEW SECTION. Section 1. The legislature finds that it is the public policy of the state of Washington to direct financial resources toward the fostering of economic development through the stimulation of investment and job opportunities for the general welfare of the inhabitants of the state. Reducing unemployment as soon as possible is important for the economic welfare of the state. Economic development should be fostered through the construction of public facilities. Expenditures made for these purposes as authorized in this chapter are declared to be in the public interest, and constitute a proper use of public funds. A community economic revitalization board is needed which shall aid the development of economic opportunities. The general objectives of the board should include: (1) Strengthening the economies of areas of the state which have experienced or are expected to experience chronically high unemployment rates or below average growth in their economies; (2) encouraging the diversification of the economies of the state and regions within the state in order to provide greater seasonal and cyclical stability of income and employment; and (3) providing incentives for expansion of employment opportunities for groups of state residents that have been less successful relative to other groups in efforts to gain permanent employment.

NEW SECTION. Sec. 2. Unless the context clearly requires otherwise, the definition in this section applies throughout this chapter.

"Board" means the community economic revitalization board.

NEW SECTION. Sec. 3. (1) The community economic revitalization board is hereby created to exercise the powers granted under this chapter.

(2) The board shall consist of nine persons appointed by the governor and the director of commerce and economic development, the director of planning and community affairs, the director of revenue, the commissioner of employment security, and the chairmen of the committee on labor and economic development of the house of representatives and the committee on commerce and labor of the senate, or the equivalent standing committees, for a total of fifteen members. The appointive members shall be as follows: A recognized private or public sector economist selected from the governor's council of economic advisors; one port district official; one county official; one city official; one representative of small businesses each from: (a) The area west of Puget Sound or the Interstate 5 corridor, (b) the area east of the Cascade range and west of the Columbia river; and (c) the area east of the Columbia river; one executive from large businesses each from the area west of the Cascades and the area east of the Cascades. The appointive members shall initially be appointed to terms as follows: Three members for one-year terms, three members for two-year terms, and three members for three-year terms which shall include the chairman. Thereafter each succeeding term shall be for three years. The representative from the governor's council of economic advisors shall serve as chairman of the board. The director of the department of commerce and economic development shall serve as vice chairman.

(3) Staff support shall be provided by the department of commerce and economic development.

(4) All appointive members of the board shall be reimbursed for travel expenses as provided in RCW 43.03.050 and 43.03.060 as now or hereafter amended.

(5) If a vacancy occurs by death, resignation, or otherwise of appointive members of the board, the governor shall fill the same for the unexpired term. Any members of the board, appointive or otherwise, may be removed for malfeasance or misfeasance in office, upon specific written charges by the governor, under chapter 34.04 RCW.

NEW SECTION. Sec. 4. In addition to other applicable provisions of law pertaining to conflicts of interest of public officials, no board member, appointive or otherwise, may participate in any decision on any board contract in which the board member has any interests, direct or indirect, with any firm, partnership, corporation, or association which would be the recipient of any aid under this chapter. In any instance where the participation occurs, the board shall void the transaction, and the involved member shall be subject to whatever further sanctions may be provided by law. The board shall frame and adopt a code of ethics for its members, which shall be designed to protect the state and its citizens from any unethical conduct by the board.

NEW SECTION. Sec. 5. In addition to powers and duties granted elsewhere in this chapter, the board may:

- (1) Adopt bylaws for the regulation of its affairs and the conduct of its business;
- (2) Adopt an official seal and alter the seal at its pleasure;
- (3) Contract with any consultants as may be necessary or desirable for its purposes and to fix the compensation of the consultants;
- (4) Utilize the services of other governmental agencies;
- (5) Accept from any federal agency loans or grants for the planning or financing of any project and enter into an agreement with the agency respecting the loans or grants;
- (6) Conduct examinations and investigations and take testimony at public or private hearings of any matter material for its information that will assist in determinations related to the exercise of the board's lawful powers;
- (7) Accept any gifts, grants, or loans of funds, property, or financial or other aid in any form from any other source on any terms and conditions which are not in conflict with this chapter;
- (8) Adopt rules under chapter 34.04 RCW as necessary to carry out the purposes of this chapter;
- (9) Do all acts and things necessary or convenient to carry out the powers expressly granted or implied under this chapter.

NEW SECTION. Sec. 6. The board is authorized to make direct loans to political subdivisions of the state for the purposes of assisting the political subdivisions in financing the cost of public facilities, including the cost of acquisition and development of land and improvements for public facilities, as well as the acquisition, construction, rehabilitation, alteration, expansion, or improvement of the facilities. Grants may also be authorized for purposes designated in this chapter, but only when grants are uniquely required.

Application for funds shall be made in the form and manner as the board may prescribe. A responsible official of the political subdivision shall be present during board deliberations and provide information that the board requests.

Public facilities funds shall be used for projects to improve the opportunities for the successful maintenance, establishment, or expansion of industrial or commercial plants or will otherwise assist in the creation or retention of long-term economic opportunities. The board shall determine whether or not the projects will assist in alleviating unemployment.

NEW SECTION. Sec. 7. (1) Public facilities loans and grants, when authorized by the board, are subject to the following conditions:

- (a) The moneys in the public facilities construction loan revolving account shall be used solely to fulfill commitments arising from loans or grants authorized in this chapter. The total outstanding amount which the board shall dispense at any time pursuant to this section shall not exceed the moneys available from the account.

(b) Financial assistance through the loans or grants may be used directly or indirectly for any facility for public purposes, including, but not limited to, sewer or other waste disposal facilities, arterials, bridges, access roads, port facilities, or water distribution and purification facilities.

(c) On contracts made for public facilities loans the board shall determine the interest rate which loans shall bear. The interest rate shall not exceed ten percent per annum. The board may provide reasonable terms and conditions for repayment for loans as the board determines. The loans shall not exceed twenty years in duration.

(d) Repayments of loans made under the contracts for public facilities construction loans shall be paid into the public facilities construction loan revolving account.

(2) When every feasible effort has been made to provide loans and loans are not possible, the board may provide grants upon finding that unique circumstances exist.

NEW SECTION. Sec. 8. There shall be a fund known as the public facilities construction loan revolving fund, which shall consist of all moneys collected under this chapter and any moneys appropriated to it by law. Funds remaining in any accounts created under RCW 43.31A.320 shall be automatically transferred to the public facilities construction loan revolving fund when the economic assistance authority is terminated. The state treasurer shall be custodian of the revolving fund. Disbursements from the revolving fund shall be on authorization of the board. In order to maintain an effective expenditure and revenue control, the public facilities construction loan revolving fund shall be subject in all respects to chapter 43.88 RCW, but no appropriation is required to permit expenditures and payment of obligations from the fund.

Moneys in this fund not needed to meet the current expenses and obligations of the board shall be invested in the manner authorized for moneys in revolving funds. Any interest earned shall be deposited in this fund and shall be used for the purposes specified in this chapter. The state treasurer shall render reports to the board advising of the status of any funds invested, the market value of the assets as of the date the statement is rendered, and the income received from the investments during the period covered by the report.

NEW SECTION. Sec. 9. The board shall keep proper records of accounts and shall be subject to audit by the state auditor. Biennial reports on the activities of the board shall be made by the chairman to the governor and the legislature.

NEW SECTION. Sec. 10. This chapter expires June 30, 1987. Any remaining duties of the community economic revitalization board after June 30, 1987, are transferred to the department of revenue on June 30, 1987.

NEW SECTION. Sec. 11. If any provision of this 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.

NEW SECTION. Sec. 12. Sections 1 through 10 of this act shall constitute a new chapter in Title 43 RCW.

Passed the House April 9, 1982.

Passed the Senate April 8, 1982.

Approved by the Governor April 20, 1982.

Filed in Office of Secretary of State April 20, 1982.

CHAPTER 41

[Engrossed Senate Bill No. 4992]

TAX ADVISORY COUNCIL—LEGISLATIVE MEMBERS—DUTIES

AN ACT Relating to the tax advisory council; amending section 43.38.010, chapter 8, Laws of 1965 as amended by section 113, chapter 34, Laws of 1975-'76 2nd ex. sess. and RCW 43.38.010; amending section 43.38.020, chapter 8, Laws of 1965 and RCW 43.38.020; amending section 5, chapter 58, Laws of 1971 and RCW 19.10.240; and repealing section 43.38.050, chapter 8, Laws of 1965 and RCW 43.38.050.

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

Section 1. Section 43.38.010, chapter 8, Laws of 1965 as amended by section 113, chapter 34, Laws of 1975-'76 2nd ex. sess. and RCW 43.38.010 are each amended to read as follows:

There is hereby created a tax advisory council to consist of ~~((fifteen))~~ twelve members to be appointed by the governor. Members shall be chosen who represent the major segments of the state's economy, and at least one member shall be chosen from each congressional district of the state. In addition, the president of the senate and the speaker of the house of representatives shall each appoint two members, one from each caucus of the respective house. Members shall serve without pay at the pleasure of the governor but shall be paid travel expenses in accordance with RCW 43.03.050 and 43.03.060 as now existing or hereafter amended incurred in their travel to and from meetings of the council and while attending all meetings of the council. Legislative members shall be reimbursed for travel expenses as provided in RCW 44.04.120.

Sec. 2. Section 43.38.020, chapter 8, Laws of 1965 and RCW 43.38.020 are each amended to read as follows:

~~The council shall survey and analyze all aspects of ((existing tax statutes and evaluate the administration, yield and effect thereof and shall make such recommendations to the governor relating to changes in administrative practices and existing laws concerning such taxes as the council shall agree upon))~~ state tax statutes and policies, including but not limited to: Improved efficiency in the administration and collection of state taxes,