

government and its existing public institutions, and shall take effect immediately.

Passed the House April 23, 1985.

Passed the Senate April 18, 1985.

Approved by the Governor May 10, 1985, with the exception of certain items which are vetoed.

Filed in Office of Secretary of State May 10, 1985.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith without my approval as to one section Engrossed Substitute House Bill No. 760, entitled:

"AN ACT Relating to youth employment."

Section 8 of the bill repeats the text of the existing statute on the expiration date of the Washington Conservation Corps with no changes. Since Section 8 contains no amendatory language it is an unnecessary part of the bill.

With the exception of Section 8 which I have vetoed, the remainder of Engrossed Substitute House Bill No. 760 is approved."

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## CHAPTER 231

[Substitute House Bill No. 1061]

### SMALL BUSINESS EXPORT FINANCE ASSISTANCE CENTER

AN ACT Relating to international trade assistance; amending RCW 43.210.010, 43.210.020, 43.210.030, 43.210.040, and 43.210.050; amending section 7, chapter 20, Laws of 1983 1st ex. sess. (uncodified); adding new sections to chapter 43.131 RCW; creating new sections; repealing RCW 43.210.010, 43.210.020, 43.210.030, 43.210.040, 43.210.050, and 43.210.060; repealing section 7, chapter 20, Laws of 1983 1st ex. sess. and section 6 of this 1985 act (uncodified); repealing section 7 of this 1985 act (uncodified); repealing section 8 of this 1985 act (uncodified); repealing section 9 of this 1985 act (uncodified); and declaring an emergency.

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

Sec. 1. Section 1, chapter 20, Laws of 1983 1st ex. sess. and RCW 43.210.010 are each amended to read as follows:

The legislature finds:

(1) The exporting of goods and services from Washington to international markets is an important economic stimulus to the growth ~~((and))~~, development, and stability of ((many)) the state's businesses, and ~~((the economic activities associated with exporting make an important contribution to the economic well-being of the state))~~ that these economic activities create needed jobs for Washingtonians.

(2) Impediments to the entry of many small and medium-sized businesses into export markets have restricted growth in exports from the state.

(3) Particularly significant impediments for many small and medium-sized businesses are the lack of easily accessible information about export opportunities and ~~((export))~~ financing alternatives ~~((, and the limited availability of export financing at reasonable costs from conventional financing sources for many small and medium-sized businesses)).~~

(4) There is a need for ~~((an))~~ a small business export finance assistance center which will specialize in providing export assistance to small and medium-sized businesses throughout the state ~~((in the financing of export transactions and))~~ in acquiring information about export opportunities and financial alternatives for exporting.

Sec. 2. Section 2, chapter 20, Laws of 1983 1st ex. sess. and RCW 43-210.020 are each amended to read as follows:

A nonprofit corporation, to be known as the small business export finance assistance center, and branches subject to its authority, may be formed under chapter 24.03 RCW for the following public purposes:

(1) To assist small and medium-sized businesses in the financing of export transactions.

(2) To provide, singly or in conjunction with other organizations, information and assistance to these businesses about export opportunities and ~~((export))~~ financing alternatives.

(3) To provide information to and assist those businesses interested in exporting products, including the opportunities available to them in organizing export trading companies under the United States export trading company act of 1982, for the purpose of increasing their comparative sales volume and ability to export their products to foreign markets.

Sec. 3. Section 3, chapter 20, Laws of 1983 1st ex. sess. and RCW 43-210.030 are each amended to read as follows:

The small business export finance assistance center and its branches shall be governed and managed by a board of ~~((eleven))~~ seventeen directors appointed by the governor and confirmed by the senate. The directors shall serve terms of six years except that two of the original directors shall serve for two years and two of the original directors shall serve for four years. The directors may provide for the payment of their expenses. The directors shall include a representative of a not-for-profit corporation formed for the purpose of facilitating economic development, ~~((a))~~ at least two representatives of ~~((a))~~ state financial institutions engaged in the financing of export transactions, a representative of a port district, and a representative of organized labor. Of the remaining board members, there shall be a representative of the governor, ~~((and four representatives of businesses: (a)))~~ one representative of business from the area west of Puget Sound, ~~((b))~~ one representative of business from the area east of Puget Sound and west of the Cascade range, ~~((c))~~ one representative of business from the area east of the Cascade range and west of the Columbia river, and ~~((d))~~ one representative of business from the area east of the Columbia river. One of the directors shall be a representative of the public selected from the area in the state west of the Cascade mountain range and one director shall be a representative of the public selected from that area of the state east of the

Cascade mountain range. One director shall be a representative of the public at large. The directors shall be broadly representative of geographic areas of the state, and the ~~((three))~~ representatives of businesses shall represent at least four different industries in different sized businesses as follows: (a) One representative of a company employing fewer than one hundred persons; (b) one representative of a company employing between one hundred and five hundred persons; and (c) two representatives of companies employing more than five hundred persons. Any vacancies on the board due to the expiration of a term or for any other reason shall be filled by appointment by the governor for the unexpired term. ~~((Upon expiration of the terms of each of the original directors, the governor shall appoint directors for six-year terms.))~~

Sec. 4. Section 4, chapter 20, Laws of 1983 1st ex. sess. and RCW 43.210.040 are each amended to read as follows:

(1) The small business export finance assistance center formed under RCW 43.210.020 and 43.210.030 shall have the powers granted under chapter 24.03 RCW. In exercising such powers, the center may:

(a) Solicit and accept grants, contributions, and any other financial assistance from the federal government, federal agencies, and any other sources to carry out its purposes;

(b) Make loans to Washington businesses with annual sales of twenty-five million dollars or less for the purpose of financing exports of goods or services by those businesses to buyers in foreign countries. Loans by ~~((an))~~ the small business export finance assistance center under this chapter shall not compete with nor be a substitute for available loans by a bank or other financial institution and shall only be considered upon a financial institution's assurance that such loan is not available;

(c) Provide loan guarantees on loans made by financial institutions to businesses with annual sales of one hundred million dollars or less for the purpose of financing exports of goods or services by those businesses to buyers in foreign countries;

(d) Establish and regulate the terms and conditions of any such loans and loan guarantees and charges for interest and services connected therewith; ~~((and))~~

(e) Provide export financial counseling to Washington exporters with annual sales of one hundred million dollars or less, provided that such counseling is not available from a Washington for-profit business. For such counseling, the center may charge such fees as it determines are necessary.

(f) Contract with the federal government and its agencies to become a program administrator for federally provided country risk insurance programs and for the purposes of this chapter; and

(g) Take whatever action may be necessary to accomplish the purposes set forth in this chapter.

(2) The center may not use any Washington state funds or funds which come from the public treasury of the state of Washington to make loans or to make any payment under a loan guarantee agreement. Under no circumstances may the center use any funds received under RCW 43.210.050 to make or assist in making any loan or to pay or assist in paying any amount under a loan guarantee agreement. Debts of the center shall be center debts only and may be satisfied only from the resources of the center. The state of Washington shall not in any way be liable for such debts.

(3) The small business export finance assistance center shall make every effort to seek nonstate funds for its continued operation and shall report to the governor and legislature each January 1st on the amounts it has secured from nonstate funding sources.

(4) The small business export finance assistance center may receive such gifts, grants, and endowments from public or private sources as may be made from time to time, in trust or otherwise, for the use and benefit of the purposes of the small business export finance assistance center and expend the same or any income therefrom according to the terms of the gifts, grants, or endowments.

Sec. 5. Section 5, chapter 20, Laws of 1983 1st ex. sess. and RCW 43.210.050 are each amended to read as follows:

The small business export finance assistance center formed under RCW 43.210.020 and 43.210.030 is eligible to receive consideration for a contract under this chapter from the department of commerce and economic development or its statutory successor. The contract shall require the center to provide export assistance services ~~((and))~~<sub>2</sub> may not have a duration of longer than two years, and shall require the center to aggressively seek to fund its continued operation from nonstate funds. The contract shall also require the center to report at least twice annually to the department on its success in obtaining nonstate funding. ~~((The center, including its branch, for the biennium ending June 30, 1985, may not have more than one contract with the department of commerce and economic development or its statutory successor:))~~

Sec. 6. Section 7, chapter 20, Laws of 1983 1st ex. sess. (uncodified) is amended to read as follows:

The director of commerce and economic development or its statutory successor shall: (a) Report to the governor and the legislature before ~~((October 1, 1985))~~ December 1, 1985, concerning the contract made with the small business export finance assistance center under this chapter during the ~~((1983-85))~~ 1985 biennium, and the operations and activities of the small business export finance assistance center during that period; and (b) make a report to the small business export finance assistance center by September 1, ~~((1983))~~ 1985, and at least annually thereafter as to products and services the department or its statutory successor has been able to identify and has targeted as those products and services which are sought by foreign

markets. Upon request the department or its statutory successor shall furnish a copy of its report to the small business export finance assistance center to any interested party.

**NEW SECTION.** Sec. 7. All reports, documents, surveys, books, records, files, papers, or written material in the possession of the export assistance center shall be delivered to the custody of the small business export finance assistance center. All cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the export assistance center shall be made available to the small business export finance assistance center. All funds, credits, or other assets held by the export assistance center shall be assigned to the small business export finance assistance center.

Whenever any question arises as to the transfer of any funds, books, documents, records, papers, files, equipment, or other tangible property used or held in the exercise of the powers and the performance of the duties and functions transferred, the director of financial management shall make a determination as to the proper allocation and certify the same to the state agencies concerned.

**NEW SECTION.** Sec. 8. All existing contracts and obligations shall remain in full force and shall be performed by the small business export finance assistance center.

**NEW SECTION.** Sec. 9. The transfer of the powers, duties, and functions of the export assistance center shall not affect the validity of any act performed prior to the effective date of this act.

**NEW SECTION.** Sec. 10. A new section is added to chapter 43.131 RCW to read as follows:

The small business export finance assistance center and its powers and duties shall be terminated on June 30, 1990, as provided in section 11 of this 1985 act.

**NEW SECTION.** Sec. 11. A new section is added to chapter 43.131 RCW to read as follows:

The following acts, or parts of acts, as now existing or hereafter amended are each repealed, effective June 30, 1991:

(1) Section 1, chapter 20, Laws of 1983 1st ex. sess., section 1 of this 1985 act and RCW 43.210.010;

(2) Section 2, chapter 20, Laws of 1983 1st ex. sess., section 2 of this 1985 act and RCW 43.210.020;

(3) Section 3, chapter 20, Laws of 1983 1st ex. sess., section 3 of this 1985 act and RCW 43.210.030;

(4) Section 4, chapter 20, Laws of 1983 1st ex. sess., section 4 of this 1985 act and RCW 43.210.040;

(5) Section 5, chapter 20, Laws of 1983 1st ex. sess., section 5 of this 1985 act and RCW 43.210.050;

(6) Section 6, chapter 20, Laws of 1983 1st ex. sess. and RCW 43.210.060;

(7) Section 7, chapter 20, Laws of 1983 1st ex. sess. and section 6 of this 1985 act (uncodified);

(8) Section 7 of this 1985 act (uncodified);

(9) Section 8 of this 1985 act (uncodified); and

(10) Section 9 of this 1985 act (uncodified).

**NEW SECTION.** Sec. 12. 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, 1985.

Passed the Senate April 18, 1985.

Approved by the Governor May 10, 1985.

Filed in Office of Secretary of State May 10, 1985.

## CHAPTER 232

[Substitute House Bill No. 1079]

### SALES AND USE TAX DEFERRALS FOR SPECIFIED INVESTMENTS IN DISTRESSED AREAS

AN ACT Relating to sales and use tax deferral; adding a new chapter to Title 82 RCW; creating a new section; providing an expiration date; providing an effective date; and declaring an emergency.

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

**NEW SECTION.** Sec. 1. The legislature finds that there are several areas in the state that are characterized by very high levels of unemployment and poverty. The legislative [legislature] further finds that economic stagnation is the primary cause of this high unemployment rate and poverty; that new state policies are necessary in order to promote economic stimulation and new employment opportunities in these distressed areas; and that policies providing incentives for economic growth in these distressed areas are essential. For these reasons, the legislature hereby establishes a tax deferral program to be effective solely in distressed areas and under circumstances where the deferred tax payments are for investments or costs that result in the creation of a specified number of jobs. The legislature declares that this limited program serves the vital public purpose of creating employment opportunities and reducing poverty in the distressed areas of the state.

**NEW SECTION.** Sec. 2. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Applicant" means a person applying for a tax deferral under this chapter.