
ENGROSSED SUBSTITUTE HOUSE BILL 1131

State of Washington

61st Legislature

2009 Regular Session

By House Community & Economic Development & Trade (originally sponsored by Representatives Kenney, Pettigrew, Haler, Ericks, Bailey, Lias, Hasegawa, Hudgins, Darneille, Chase, Dunshee, Kelley, Sullivan, and Nelson)

READ FIRST TIME 02/17/09.

1 AN ACT Relating to the Washington state economic development
2 commission; amending RCW 43.162.010 and 43.162.020; and adding a new
3 section to chapter 43.162 RCW.

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

5 **Sec. 1.** RCW 43.162.010 and 2007 c 232 s 2 are each amended to read
6 as follows:

7 (1) The Washington state economic development commission is
8 established (~~((to oversee the economic development strategies and~~
9 ~~policies of the department of community, trade, and economic~~
10 ~~development))~~ as an agency of the state within the executive branch to
11 provide the governor and legislature with policy analysis, strategic
12 planning, program evaluation, and monitoring of the state's economic
13 development system.

14 (2)(a) The Washington state economic development commission shall
15 consist of (~~(eleven)~~) thirteen voting members appointed by the governor
16 as follows: (~~(Six)~~) Eight representatives of the private sector, all
17 of whom must have experience as an employer in this state, one
18 representative of labor, one representative of port districts, one
19 representative of four-year state public higher education, one

1 representative for state community or technical colleges, and one
2 representative of associate development organizations. The director of
3 the department of community, trade, and economic development, the
4 director of the workforce training and education coordinating board,
5 the commissioner of the employment security department, and the chairs
6 and ranking minority members of the standing committees of the house of
7 representatives and the senate overseeing economic development policies
8 shall serve as nonvoting ex officio members.

9 The chair of the commission shall be a voting member selected by
10 the governor with the consent of the senate, and shall serve at the
11 pleasure of the governor. In selecting the chair, the governor shall
12 seek a person who understands the future economic needs of the state
13 and nation and the role the state's economic development system has in
14 meeting those needs.

15 (b) In making the appointments, the governor shall consult with
16 organizations that have an interest in economic development, including,
17 but not limited to, industry associations, labor organizations,
18 minority business associations, economic development councils, chambers
19 of commerce, port associations, tribes, and the chairs of the
20 legislative committees with jurisdiction over economic development.

21 (c) The members shall be representative of the geographic regions
22 of the state, including eastern and central Washington, as well as
23 represent the ethnic diversity of the state. Private sector members
24 shall represent existing and emerging industries, small businesses,
25 women-owned businesses, and minority-owned businesses. Members of the
26 commission shall serve statewide interests while preserving their
27 diverse perspectives, and shall be recognized leaders in their fields
28 with demonstrated experience in economic development or disciplines
29 related to economic development.

30 (3) Members appointed by the governor shall serve at the pleasure
31 of the governor for not more than two consecutive three-year terms,
32 except that, as determined by the governor, the terms of four of the
33 appointees on the commission on the effective date of this section will
34 expire in 2010, the terms of four of the appointees on the commission
35 on the effective date of this section will expire in 2011, and the
36 terms of three of the appointees on the commission on the effective
37 date of this section will expire in 2012. Thereafter all terms shall

1 be for three years. Vacancies shall be filled in the same manner as
2 the original appointments.

3 (4) The commission may establish committees as it desires, and may
4 invite nonmembers of the commission to serve as committee members.

5 (5) The executive director of the commission shall be appointed by
6 the governor with the consent of the voting members of the commission.
7 The salary of the executive director shall be set by the governor with
8 the consent of the commission. The governor may dismiss the executive
9 director only with the approval of a majority vote of the commission.
10 The commission, by a majority vote, may dismiss the executive director
11 with the approval of the governor.

12 (6) The commission may adopt rules for its own governance.

13 (7) Members are eligible to receive reimbursement for travel
14 expenses incurred in the performance of their duties in accordance with
15 RCW 43.03.050 and 43.03.060.

16 (8) A majority of members currently appointed constitutes a quorum
17 for the purpose of conducting business.

18 **Sec. 2.** RCW 43.162.020 and 2007 c 232 s 4 are each amended to read
19 as follows:

20 (1) The Washington state economic development commission shall:

21 ~~((+1))~~ (a) Concentrate its major efforts on planning,
22 coordination, evaluation, policy analysis, and recommending
23 improvements to the state's economic development system using, but not
24 limited to, the "Next Washington" plan and the global competitiveness
25 council recommendations;

26 ~~((+2))~~ (b) Develop and maintain on a biennial basis a state
27 comprehensive plan for economic development, including but not limited
28 to goals, objectives, and priorities for the state economic development
29 system; identify the elements local associate development organizations
30 must include in their countywide economic development plans; and review
31 the state system for consistency with the state comprehensive plan. In
32 developing the state comprehensive plan for economic development, the
33 commission shall use, but may not be limited to: Economic, labor
34 market, and populations trend reports in office of financial management
35 forecasts; the annual state economic climate report prepared by the
36 economic climate council; joint office of financial management and
37 employment security department labor force, industry employment, and

1 occupational forecasts; the results of scientifically based outcome
2 evaluations; the needs of industry associations, industry clusters,
3 businesses, and employees as evidenced in formal surveys and other
4 input;

5 ~~((3))~~ (c) Establish and maintain an inventory of the programs of
6 the state economic development system and related state programs;
7 perform a biennial assessment of the ongoing and strategic economic
8 development needs of the state; and assess the extent to which the
9 economic development system and related programs represent a
10 consistent, coordinated, efficient, and integrated approach to meet
11 such needs; ~~((and~~

12 ~~(4))~~ (d) Produce a biennial report to the governor and the
13 legislature on progress by the commission in coordinating the state's
14 economic development system and meeting the other obligations of this
15 chapter, as well as include recommendations for any statutory changes
16 necessary to enhance operational efficiencies or improve coordination;

17 (e) Consult, collaborate, and coordinate with other state agencies
18 and local organizations when developing plans, inventories, and
19 assessments so as to avoid duplication of effort; and

20 (f) Have the authority to accept gifts, grants, donations,
21 sponsorships, or contributions from any federal, state, or local
22 governmental agency or program or any private source and expend the
23 same for any purpose consistent with the provisions of this chapter.

24 (2) The commission may delegate to the executive director any of
25 the functions of this section.

26 (3) The executive director must present a fiscal report to the
27 commission quarterly for its review and approval.

28 (4) To maintain its leadership and concentration on strategic
29 planning, coordination, and assessment of the economic development
30 system as a whole, the commission shall not take an administrative role
31 in the delivery of services.

32 NEW SECTION. Sec. 3. A new section is added to chapter 43.162 RCW
33 to read as follows:

34 (1) The Washington state economic development commission fund is
35 created in the state treasury. All receipts from gifts, grants,
36 donations, sponsorships, or contributions under RCW 43.162.020 must be
37 deposited into the account. Moneys in the account may be spent only

1 after appropriation. Expenditures from the account may be used by the
2 Washington state economic development commission only for purposes
3 related to carrying out the mission, roles, and responsibilities of the
4 commission.

5 (2) Whenever any money, from the federal government or from other
6 sources, that was not anticipated in the budget approved by the
7 legislature, has actually been received and is designated to be spent
8 for a specific purpose, the executive director shall use the
9 unanticipated receipts process as provided in RCW 43.79.270 to request
10 authority to spend the money.

11 (3) The commission shall use the small agency client services
12 within the office of financial management for accounting, budgeting,
13 and payroll services.

14 (4) The commission is subject to audits by the state auditor as
15 provided under chapter 43.09 RCW.

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