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**HOUSE BILL 1870**

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**State of Washington**

**68th Legislature**

**2024 Regular Session**

**By** Representatives Barnard, Ryu, Leavitt, Connors, Couture, Schmidt, Duerr, Slatter, Reed, Chapman, Graham, Ormsby, Timmons, Donaghy, Paul, Doglio, Reeves, Hackney, and Griffey

Prefiled 12/05/23. Read first time 01/08/24. Referred to Committee on Innovation, Community & Economic Development, & Veterans.

1 AN ACT Relating to promoting economic development by increasing  
2 opportunities for local communities to secure federal funding;  
3 amending RCW 43.330.070, 43.330.088, and 43.330.260; and creating a  
4 new section.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that Washington  
7 ranks poorly among all states in the amount of federal grants  
8 received relative to income taxes collected from its residents.

9 The legislature also finds that many of Washington's communities,  
10 particularly in slow-growing rural areas, face an economic  
11 development "chicken and egg" dilemma in which they need to secure  
12 matching dollars in order to obtain federal economic development  
13 dollars that would increase the local tax base, local revenue, and  
14 local employment and incomes.

15 The legislature further finds that recent federal legislation  
16 provides funding for economic development clusters that Washington  
17 state has invested in as part of its economic development strategy,  
18 including broadband and clean energy, buildings, and transportation.  
19 The federal legislation includes the infrastructure investment and  
20 jobs act, P.L. 117-58, the creating helpful incentives to produce

1 semiconductors and science act, P.L. 117-167, and the inflation  
2 reduction act, P.L. 117-169.

3 The legislature further finds that increasing the availability of  
4 federal grant dollars in local communities provides a benefit of a  
5 reasonably general character to a significant part of the public.

6 Therefore, the legislature intends to continue its efforts to  
7 increase the capacity of the department of commerce to assist local  
8 communities in successfully applying for federal grant dollars by  
9 creating the moving assets towards community health (MATCH) program  
10 based on a successful program started in other states that allows  
11 local communities to access matching funds that are needed to secure  
12 federal grants from a state funding pool.

13 **Sec. 2.** RCW 43.330.070 and 1993 c 280 s 10 are each amended to  
14 read as follows:

15 (1) The department shall work closely with local communities to  
16 increase their capacity to respond to economic, environmental, and  
17 social problems and challenges. The department shall coordinate the  
18 delivery of development services and technical assistance to local  
19 communities or regional areas. It shall promote partnerships between  
20 the public and private sectors and between state and local officials  
21 to encourage appropriate economic growth and opportunity in  
22 communities throughout the state. The department shall promote  
23 appropriate local development by: Supporting the ability of  
24 communities to develop and implement strategic development plans;  
25 assisting businesses to start up, maintain, or expand their  
26 operations; encouraging public infrastructure investment and private  
27 and public capital investment in local communities; supporting  
28 efforts to manage growth and provide affordable housing and housing  
29 services; providing for the identification and preservation of the  
30 state's historical and cultural resources; and expanding employment  
31 opportunities.

32 (2) The department shall define a set of services including  
33 training and technical assistance that it will make available to  
34 local communities, community-based nonprofit organizations, regional  
35 areas, or businesses. The department shall simplify access to these  
36 programs by providing more centralized and user-friendly information  
37 and referral. The department shall coordinate community and economic  
38 development efforts to minimize program redundancy and maximize  
39 accessibility. The department shall develop a set of criteria for

1 targeting services to local communities. To the extent funding is  
2 made available for this specific purpose, the department shall  
3 provide technical assistance or enter into contracts to provide  
4 technical assistance to assist local communities in developing  
5 competitive applications for federal funding.

6 (3) The department shall develop a coordinated and systematic  
7 approach to providing training to community-based nonprofit  
8 organizations, local communities, and businesses. The approach shall  
9 be designed to increase the economic and community development skills  
10 available in local communities by providing training and funding for  
11 training for local citizens, nonprofit organizations, and businesses.  
12 The department shall emphasize providing training in those  
13 communities most in need of state assistance.

14 **Sec. 3.** RCW 43.330.088 and 2023 c 311 s 2 are each amended to  
15 read as follows:

16 (1) Subject to the availability of amounts appropriated for this  
17 specific purpose, by July 1, 2024, the department shall establish a  
18 grant program to support associate development organizations in the  
19 recruiting, hiring, and retention of grant writers. The department  
20 must award grants on an annual basis and must prioritize grants for  
21 distressed areas as defined under RCW 43.168.020 and grants for  
22 applications for federal funds.

23 (2) Associate development organizations must apply for the grant  
24 program in a manner to be determined by the department.

25 (3) Associate development organizations that receive awards under  
26 this section must provide information on the use of the funds,  
27 including a description of the associate development organization's  
28 recruiting and hiring efforts and, if applicable, the number and  
29 types of grants applied for by the grant writers funded by the state,  
30 in their annual reports to the department required under RCW  
31 43.330.082.

32 (4) Beginning December 31, 2026, the department must include  
33 information on grant award funding and use in its reports to the  
34 legislature on associate development organizations contracts required  
35 under RCW 43.330.082.

36 (5) The department shall adopt rules to implement this section.

37 **Sec. 4.** RCW 43.330.260 and 2006 c 314 s 2 are each amended to  
38 read as follows:

1 (1) The department shall make available, within existing  
2 resources, an inventory of grant opportunities for state agencies,  
3 local governments, and other community organizations engaged in  
4 economic development activities.

5 (2) In developing the inventory of economic development grant  
6 opportunities, the department may:

7 (a) Regularly review the federal register for opportunities to  
8 apply for grants, research projects, and demonstration projects;

9 (b) Maintain an inventory of grant opportunities with private  
10 foundations and businesses; ~~((and))~~

11 (c) Provide a resource guide for applicants for federal grants,  
12 including links to federal applications and relevant resources, and  
13 contact information for department assistance; and

14 (d) Consult with federal officials, including but not limited to  
15 those in the small business administration, the department of labor,  
16 the department of commerce, the department of agriculture, the  
17 department of ecology, as well as private foundations and businesses,  
18 on the prospects for obtaining federal and private funds for economic  
19 development purposes in Washington state.

20 (3) The department may also facilitate joint efforts between  
21 agencies and between local organizations and state agencies that will  
22 increase the likelihood of success in grant seeking and the  
23 attraction of major events.

24 (4) The department shall establish and administer a moving assets  
25 towards community health program. The purpose of the program is to  
26 increase opportunities for local communities to compete for federal  
27 grants by providing a state pool of matching funds that eligible  
28 entities can access in the application process.

29 (a) The department may adopt rules to create and implement the  
30 program.

31 (b) Beginning December 31, 2027, the department must report on  
32 the program. The report shall be updated every two years and posted  
33 on the department's website and transmitted to the governor and the  
34 legislature. The report must identify the federal funds awarded to  
35 entities in receipt of moving assets towards community health program  
36 funds, describe efforts made to assist local communities with  
37 obtaining federal economic development funds, identify all federally  
38 awarded applicants and projects for the preceding two years, and  
39 contain an analysis of program effectiveness based on performance

1 measurement requirements, including the amount of federal dollars  
2 obtained relative to the amount of state dollars expended.

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