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HOUSE BILL 1173

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State of Washington

55th Legislature

1997 Regular Session

By Representatives Van Luven, Veloria, Mason, Gombosky, Cody, Murray, Conway and Wolfe

Read first time 01/16/97. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to economic development; adding a new chapter to  
2 Title 43 RCW; and making an appropriation.

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

4 NEW SECTION. **Sec. 1.** The legislature finds a state's economic  
5 development efforts can be characterized as going through waves. The  
6 first wave of economic development efforts were designed to attract  
7 businesses to the state. The second wave of economic development  
8 efforts were designed to encourage the retention and expansion of  
9 existing businesses within the state. The third wave of economic  
10 development efforts are designed to leverage limited state and local  
11 resources to facilitate business growth.

12 The state of Washington does not have a long-term economic  
13 development policy to guide state and local efforts in the allocation  
14 of limited resources for economic development. An essential first step  
15 is to establish a public and private consensus on a long-term economic  
16 development strategy which recognizes both the competitive position and  
17 needs of key businesses and industries and the need to establish new  
18 businesses and industries. A unique partnership between the public and

1 private sectors can attract new businesses and encourage greater  
2 investment in Washington state.

3 NEW SECTION. **Sec. 2.** There is established the Washington state  
4 economic development board, referred to in this chapter as the board.  
5 The board is charged with the responsibility for creating a long-term  
6 economic development strategy for the state.

7 NEW SECTION. **Sec. 3.** (1) The board is comprised of  
8 representatives from both the private and public sectors who are  
9 actively engaged in organizations and businesses which support economic  
10 expansion and job creation. The board consists of twenty-seven members  
11 composed of as follows:

12 (a) The governor;

13 (b) Two members of the house of representatives, one member from  
14 each caucus, appointed by the speaker of the house of representatives;

15 (c) Two members of the senate, one member from each caucus,  
16 appointed by the president of the senate;

17 (d) Three representatives of manufacturing companies, one  
18 representative shall be from a manufacturing company that employs less  
19 than one hundred people;

20 (e) One representative from organized labor;

21 (f) One representative from a financial institution;

22 (g) One representative from the agricultural industry;

23 (h) Three representatives from education, one representative each  
24 from institutions of higher education, vocational-technical education,  
25 and common schools;

26 (i) One representative from the tourism industry;

27 (j) One representative from the high-technology industry;

28 (k) One representative from a local associate development  
29 organization;

30 (l) One owner of a women-owned business enterprise certified under  
31 chapter 39.19 RCW;

32 (m) One owner of a minority-owned business enterprise certified  
33 under chapter 39.19 RCW;

34 (n) Five representatives at large;

35 (o) The director of the department of community, trade, and  
36 economic development serves as an ex officio member of the board;

1 (p) The director of the department of revenue serves as an ex  
2 officio member of the board;

3 (q) The director of the office of financial management serves as an  
4 ex officio member of the board.

5 (2) The governor shall, within thirty days of the effective date of  
6 this act, appoint all members of the board except those in subsections  
7 (1)(b) and (c) of this section. The first meeting of the board will  
8 occur within sixty days of the effective date of this act.

9 (3) The governor shall serve as the chairperson and shall designate  
10 the vice-chairperson of the board. Members serve four-year terms. Of  
11 the initial members, two are appointed for a one-year term, two are  
12 appointed for a two-year term, four are appointed for a three-year  
13 term, and the remainder are appointed for a four-year term.  
14 Thereafter, members are appointed for four-year terms.

15 (4) The board shall meet regularly and shall create subcommittees  
16 needed to address specific issues and concerns. Members of the board  
17 will be reimbursed for travel expenses as provided in RCW 43.03.050 and  
18 43.03.060, except legislative members will be reimbursed under RCW  
19 44.04.120.

20 NEW SECTION. **Sec. 4.** (1) The board shall develop a long-term  
21 economic development plan based on a strategic analysis. The  
22 objectives of the plan are to spur new job creation and investment that  
23 is consistent with the preservation of the state's quality of life and  
24 environment. The board shall submit an initial plan to the governor  
25 and legislature by January 1, 1999, and shall submit revisions to the  
26 plan based on continuing analysis and oversight by January 1 of each  
27 year thereafter.

28 (2) The board shall produce a report by January 1, 1998, submitting  
29 the report to the governor and legislature, addressing the following  
30 issues:

31 (a) Methods of increasing the effectiveness and coordination of  
32 existing economic development and tax incentive programs administered  
33 by state and local agencies; and

34 (b) Methods of facilitating economic activity in distressed urban  
35 and rural areas of the state.

36 NEW SECTION. **Sec. 5.** The board has the following responsibilities  
37 and powers:

1 (1) To secure and encourage substantial private sector, nonprofit  
2 sector, and community support in the analysis of economic development  
3 opportunities and development of specific recommendations for economic  
4 growth;

5 (2) To identify and analyze key targeted businesses and industries  
6 to determine their potential for expansion, diversification, and  
7 production of high-value goods and services;

8 (3) To propose an appropriate state role in technology transfer,  
9 new product development, industrial marketing, venture capital  
10 formation, workforce training and education, and research and  
11 development;

12 (4) To evaluate the performance of existing state economic  
13 development programs and tax incentives for consistency and  
14 coordination, as well as for their effect on job creation, and to  
15 evaluate the long-term benefits to the state of these efforts;

16 (5) To propose, along with other state, local, and private groups,  
17 new methods to increase public and private partnerships to foster  
18 economic development efforts;

19 (6) To develop a long-term economic development strategy based on  
20 consensus goals and principals, an in-depth analysis of market  
21 opportunities, private sector support and investment, and specific  
22 private and public economic development measures which have a  
23 substantial potential to increase or retain employment;

24 (7) To study the key components of the state's business climate as  
25 they relate to the long-term development strategy;

26 (8) To review the various economic development policy  
27 recommendations made by other agencies or organizations and recommend  
28 to the governor and legislature those strategies, policies, and  
29 programs it deems to be in the best interest of the state;

30 (9) To make specific recommendations for the establishment of  
31 public-private cooperative efforts in economic development and state-  
32 local cooperative efforts including but not limited to the need for  
33 establishing formal working relationships, by either contract or  
34 otherwise, for purposes of engaging in joint, cooperative economic  
35 development activities;

36 (10) To cooperate with and secure the cooperation of any  
37 department, agency, or instrumentality in state and local government,  
38 and other associations affected by or concerned with the business of  
39 the board; and

1           (11) To accept gifts and grants upon such terms as the board may  
2 deem proper.

3           NEW SECTION.   **Sec. 6.**   The board may employ such staff as it  
4 requires and may contract for services as it deems necessary in order  
5 to carry out its duties and responsibilities.  The governor and the  
6 legislature may provide additional staff and facilities as may be  
7 reasonably required to assist the board in carrying out its duties and  
8 responsibilities.

9           NEW SECTION.   **Sec. 7.**   Sections 1 through 6 of this act constitute  
10 a new chapter in Title 43 RCW.

11          NEW SECTION.   **Sec. 8.**   The sum of two hundred fifty thousand  
12 dollars, or as much thereof as may be necessary, is appropriated for  
13 the biennium ending June 30, 1999, from the general fund to the office  
14 of the governor for the purposes of sections 1 through 6 of this act.

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