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**SUBSTITUTE SENATE BILL 5321**

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**State of Washington**

**62nd Legislature**

**2011 Regular Session**

**By** Senate Economic Development, Trade & Innovation (originally sponsored by Senators Chase, Kastama, and Shin)

READ FIRST TIME 02/07/11.

1 AN ACT Relating to the responsibilities of the department of  
2 commerce and associate development organizations; amending RCW  
3 43.330.080; and adding a new section to chapter 43.330 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.330 RCW  
6 to read as follows:

7 In carrying out its responsibilities under RCW 43.330.060 and  
8 43.330.080, the department shall establish protocols to be followed by  
9 associate development organizations and department staff for the  
10 recruitment and retention of businesses. The protocols must specify  
11 the circumstances under which an associate development organization is  
12 required to notify the department of its business recruitment and  
13 retention efforts and when the department must notify the associate  
14 development organization of its business recruitment and retention  
15 efforts. The protocols established may not require the release of  
16 proprietary information or the disclosure of information that a client  
17 company has requested remain confidential. Compliance with the  
18 protocols must be required of associate development organizations by  
19 the department in its contracts with them.

1       **Sec. 2.** RCW 43.330.080 and 2009 c 151 s 10 are each amended to  
2 read as follows:

3       The department (~~shall~~) must contract with county-designated  
4 associate development organizations to increase the support for and  
5 coordination of community and economic development services in  
6 communities or regional areas. The organizations contracted within  
7 each community or regional area (~~shall~~) must work closely with the  
8 department to carry out state-identified economic development  
9 priorities and be broadly representative of community and economic  
10 interests. The organization (~~shall~~) must be capable of identifying  
11 key economic and community development problems, developing appropriate  
12 solutions, and mobilizing broad support for recommended initiatives.  
13 The contracting organization shall work with and include local  
14 governments, local chambers of commerce, workforce development  
15 councils, port districts, labor groups, institutions of higher  
16 education, community action programs, and other appropriate private,  
17 public, or nonprofit community and economic development groups. The  
18 scope of services delivered under these contracts (~~shall~~) must  
19 include two broad areas of work:

20       (1) Direct assistance, including business planning, to companies  
21 who need support to stay in business, expand, or relocate to Washington  
22 from out of state or other countries. Assistance includes:

23       (a) Working with the appropriate partners, including but not  
24 limited to, local governments, workforce development councils, port  
25 districts, community and technical colleges and higher education  
26 institutions, export assistance providers, the Washington manufacturing  
27 services, the Washington state quality award council, small business  
28 assistance programs, and other federal, state, and local programs to  
29 facilitate the alignment of planning efforts and the seamless delivery  
30 of business support services in the county;

31       (b) Providing information on state and local permitting processes,  
32 tax issues, and other essential information for operating, expanding,  
33 or locating a business in Washington;

34       (c) Marketing Washington and local areas as excellent locations to  
35 expand or relocate a business and positioning Washington as a globally  
36 competitive place to grow business, which may include developing and  
37 executing regional plans to attract companies from out of state;

1 (d) Working with businesses on site location and selection  
2 assistance;

3 (e) Providing business retention and expansion services, including  
4 business outreach and monitoring efforts to identify and address  
5 challenges and opportunities faced by businesses; and

6 (f) Participating in economic development system-wide discussions  
7 regarding gaps in business start-up assistance in Washington; and

8 (2) Support for regional economic research and regional planning  
9 efforts to implement target industry sector strategies and other  
10 economic development strategies, including cluster-based strategies,  
11 that support increased living standards and increase foreign direct  
12 investment throughout Washington. Activities include:

13 (a) Participation in regional planning efforts with workforce  
14 development councils involving coordinated strategies around workforce  
15 development and economic development policies and programs.  
16 Coordinated planning efforts (~~shall~~) must include, but not be limited  
17 to, assistance to industry clusters in the region;

18 (b) Participation between the contracting organization and the  
19 state board for community and technical colleges as created in RCW  
20 28B.50.050, and any community and technical colleges in providing for  
21 the coordination of the job skills training program and the customized  
22 training program within its region;

23 (c) Collecting and reporting data as specified by the contract with  
24 the department for statewide systemic analysis. The department  
25 (~~shall~~) must consult with the Washington state economic development  
26 commission in the establishment of such uniform data as is needed to  
27 conduct a statewide systemic analysis of the state's economic  
28 development programs and expenditures. In cooperation with other  
29 local, regional, and state planning efforts, contracting organizations  
30 may provide insight into the needs of target industry clusters,  
31 business expansion plans, early detection of potential relocations or  
32 layoffs, training needs, and other appropriate economic information;

33 (d) In conjunction with other governmental jurisdictions and  
34 institutions, participate in the development of a countywide economic  
35 development plan, consistent with the state comprehensive plan for  
36 economic development developed by the Washington state economic  
37 development commission.

1       In carrying out the provisions of subsection (1)(d) and (e) of this  
2 section, the contracting organizations must comply with the business  
3 recruitment and retention protocols established by the department under  
4 section 1 of this act.

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