

# FINAL BILL REPORT

## 2SSB 5370

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Synopsis as Enacted

**Brief Description:** Creating the economic development strategic reserve account.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Brown, Benson, Shin, Sheldon, Eide, Kohl-Welles and McAuliffe).

**Senate Committee on International Trade & Economic Development**

**Senate Committee on Ways & Means**

**House Committee on Economic Development, Agriculture & Trade**

**House Committee on Capital Budget**

**Background:** The legislature established the Economic Development Commission in 2003 to develop the state's economic development strategy, provide advice on policy and programs, and make recommendations. The commission is directed to provide advice about strategies to make funds available for economic development purposes more flexible to meet emergent needs and maximize opportunities. The commission has recommended that the state establish an economic development strategic reserve account.

**Summary:** The Economic Development Strategic Reserve Account is created. The Governor may authorize expenditures from the account with the recommendation of the Director of Community Trade and Economic Development and the Economic Development Commission.

Funds are to be used to support the Economic Development Commission. Funds may also be used to attract businesses and prevent business closure or relocation. Authorized uses include funding workforce development, public infrastructure, and other assistance provided contractually with an assurance of job creation or retention.

Funds may not be expended unless the timely procurement of funding from other state sources is not possible and funding is accompanied by, and will not supplant, private investment. Any businesses assisted must produce significant economic benefits, including jobs or higher income, and may not require a continuing state subsidy.

One-third of unclaimed prize money from the state lottery is to be deposited in the Economic Development Strategic Reserve Account. A maximum of \$15 million may be in the account at any time, with any excess being transferred to the Education Construction Account.

**Votes on Final Passage:**

Senate	47	0	
House	60	36	(House amended)
Senate			(Senate refused to concur)

Conference Committee

House 58 40  
Senate 41 4

**Effective:** July 24, 2005