

SENATE BILL REPORT

SB 6656

As Reported by Senate Committee On:
Financial Institutions, Economic Development & Trade, February 4, 2020
Ways & Means, February 11, 2020

Title: An act relating to engaging with key international markets.

Brief Description: Concerning engagement with key international markets.

Sponsors: Senators Hasegawa, Mullet and Frockt.

Brief History:

Committee Activity: Financial Institutions, Economic Development & Trade: 2/04/20 [DPS-WM].
Ways & Means: 2/10/20, 2/11/20 [DP2S, DNP, w/oRec].

Brief Summary of Second Substitute Bill

- Creates an international market program at the Department of Commerce to increase trade and investment opportunities.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, ECONOMIC DEVELOPMENT & TRADE

Majority Report: That Substitute Senate Bill No. 6656 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Mullet, Chair; Hasegawa, Vice Chair; Wilson, L., Ranking Member; Das, Ericksen and Hobbs.

Staff: Clint McCarthy (786-7319)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 6656 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Operating, Capital Lead; Mullet, Capital Budget Cabinet; Brown, Assistant Ranking Member, Operating; Billig, Carlyle,

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Conway, Darneille, Dhingra, Hasegawa, Hunt, Keiser, Lias, Pedersen, Rivers, Schoesler, Van De Wege and Wilson, L..

Minority Report: Do not pass.

Signed by Senators Braun, Ranking Member; Honeyford, Assistant Ranking Member, Capital; Becker, Muzzall and Warnick.

Minority Report: That it be referred without recommendation.

Signed by Senator Wagoner.

Staff: Corban Nemeth (786-7736)

Background: Forty states maintain 200 offices or contracted representatives in overseas markets to promote trade to and from their respective states. The Department of Commerce (Commerce) has one overseas contract covering four European countries for export activity. Overseas offices typically perform the following functions:

- identify inbound investment to the state;
- identify new businesses creating capital investment and jobs;
- direct investment for industrial property development; and
- identify buyers for state made products.

Summary of Bill (Second Substitute): Subject to appropriation, Commerce must engage with international markets to increase trade and investment opportunities for Washington companies and regions. Commerce must focus on three deliverables:

- increased international business opportunities for Washington businesses;
- increased investment in Washington by multinational companies; and
- maintaining and developing new partnerships in a variety of fields.

By December 1st of each even-numbered year, Commerce is required to provide a report on outcomes with various metrics to the Legislature.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Second Substitute):

- Removes appropriation and makes program subject to appropriation.
- Removes list of specific countries to establish representation.
- Provides a framework for Commerce to determine countries for representation based on small business impact.
- Requires Commerce to notify the Legislature prior to entering a contract for representation.

EFFECT OF CHANGES MADE BY FINANCIAL INSTITUTIONS, ECONOMIC DEVELOPMENT & TRADE COMMITTEE (First Substitute):

- Establishes an annual reporting requirement for the Department of Commerce's engagement with international markets.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill (Financial Institutions, Economic Development & Trade): *The committee recommended a different version of the bill than what was heard.* PRO: We are the most trade dependent state, but we have no offices promoting our state in foreign markets. This appropriation would help get the state back to where it was prior to the Great Recession. Exports are a cornerstone of our state economy. Billions of dollars in foreign investment has been invested in our state. This will level the playing field with other states that are competing in the international market place.

OTHER: Commerce once had these offices, but they were cut during the Great Recession.

Persons Testifying (Financial Institutions, Economic Development & Trade): PRO: Senator Bob Hasegawa, Prime Sponsor; Maddie Merton, Tacoma Pierce County Economic Development Board; Christie Skoorsmith, SPIO, Inc..

OTHER: Isabelle De Wulf, Department of Commerce.

Persons Signed In To Testify But Not Testifying (Financial Institutions, Economic Development & Trade): No one.

Staff Summary of Public Testimony on First Substitute (Ways & Means): *The committee recommended a different version of the bill than what was heard.* PRO: We refer to this approach as Global Washington. Washington has enjoyed a booming economy, but many areas and businesses are still struggling. Many other states have overseas offices to promote trade and investment. Global competition is evolving rapidly, and we believe this program could be a game-changer.

Persons Testifying (Ways & Means): PRO: Suzanne Dale Estey, Washington Economic Development Association.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.