

HOUSE BILL REPORT

HB 1623

As Reported by House Committee On:

Innovation, Community & Economic Development, & Veterans

Title: An act relating to regional economic development visions and action plans.

Brief Description: Concerning regional economic development visions and action plans.

Sponsors: Representatives Volz, Chapman, Walsh, Maycumber, Paul, Graham, Ryu, Chambers, Ybarra, Barnard, Christian, Walen, Tharinger and Shavers.

Brief History:

Committee Activity:

Innovation, Community & Economic Development, & Veterans: 2/1/23, 2/3/23 [DP].

Brief Summary of Bill

- Requires the Department of Commerce to lead and facilitate the development of a regional economic development vision and action plan for each region of the state that includes a county that is eligible to be categorized as a distressed area based on its employment rate.

HOUSE COMMITTEE ON INNOVATION, COMMUNITY & ECONOMIC DEVELOPMENT, & VETERANS

Majority Report: Do pass. Signed by 15 members: Representatives Ryu, Chair; Donaghy, Vice Chair; Rule, Vice Chair; Volz, Ranking Minority Member; Barnard, Assistant Ranking Minority Member; Chambers, Christian, Corry, Cortes, Paul, Senn, Shavers, Street, Waters and Ybarra.

Staff: Cassie Jones (786-7303).

Background:

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

The Department of Commerce (Commerce) is responsible for promoting community and economic development within the state by assisting the state's communities to increase the quality of life of their citizens and their economic vitality, and by assisting the state's businesses to maintain and increase their economic competitiveness, while maintaining a healthy environment. Commerce's community and economic development responsibilities include:

- providing advisory assistance to the Governor, other state agencies, and the Legislature on community and economic development matters;
- assisting the Governor in coordinating the activities of state agencies that have an impact on local government and communities;
- cooperating with the Legislature and the Governor in the development and implementation of strategic plans for the state's community and economic development efforts;
- soliciting private and federal grants for economic and community development programs and administering such programs;
- cooperating with and providing technical and financial assistance to local governments, businesses, and community-based organizations for the purpose of aiding and encouraging orderly, productive, and coordinated development of the state; and
- conducting research and analysis in furtherance of the state's economic and community development efforts, including maintaining current information on market, demographic, and economic trends as they affect different industrial sectors, geographic regions, and communities with special economic and social problems in the state.

Summary of Bill:

By December 1, 2024, and every 10 years thereafter, Commerce is required to lead and facilitate the development of a regional economic development vision and action plan for each region of the state that includes a county that is eligible to be categorized as a distressed area due to its unemployment rate. There must be at least five regional vision and action plans completed, with the boundaries of the regions to be determined at the discretion of Commerce after outreach to affected communities.

The purpose of each regional economic development vision and action plan is to assist with synchronizing local government policies and actions, and to guide and inform state funding and policies connected to the economic development objectives. The action plans do not have the force of law and may not compel any local or state action. In developing the vision and action plans, Commerce must coordinate with local associate development organizations, local government officials, the private sector business community, nonprofit organizations, and local labor organizations. Commerce shall survey the local community with respect to their goals for the future of the local economy. Commerce must request the cooperation of other state agencies for research and analysis that may be required to

complete the vision and action plans.

Appropriation: None.

Fiscal Note: Requested on January 30, 2023.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Data going back to 2005 on distressed counties in the state show that things have mostly stayed the same. In 2005 there were 16 distressed counties and today there are 15. From 2005 to 2021, some counties have been added to the list of distressed counties while others have dropped off, but eight counties have never dropped off and have remained distressed counties. These counties are geographically located in all regions of the state. A plan is needed to address this problem. This bill empowers Commerce to draw regional borders to account for the different needs of different regions and coordinate with local governments, businesses, and labor to come up with a vision and plan to bring more economic vitality to traditionally distressed areas of the state.

(Opposed) None.

(Other) The goals and intent of this bill are consistent with the work of the Commerce that focuses on regional economic development strategies and supports economic growth and prosperity in the distressed areas of the state. It is important to create regional plans and convene local leaders to find areas of agreement and collectively execute plans regarding entrepreneurship and job growth. There have been recent global economic shifts from international trade disputes, a global pandemic, and supply chain issues. There have also been historic investments in economic development from the federal government in recently enacted legislation. The time is right for local jurisdictions to engage in planning efforts to secure these federal funds. There is value in the regional planning efforts that are addressed in this bill; the efforts will help pursue local goals and federal investments.

Persons Testifying: (In support) Representative Mike Volz, prime sponsor.

(Other) Jaclyn Perez, Washington State Department Of Commerce.

Persons Signed In To Testify But Not Testifying: None.