

HOUSE BILL REPORT

HB 1778

As Reported by House Committee On:

Innovation, Community & Economic Development, & Veterans

Title: An act relating to economic resilience planning.

Brief Description: Concerning economic resilience planning.

Sponsors: Representatives Volz and Ryu.

Brief History:

Committee Activity:

Innovation, Community & Economic Development, & Veterans: 2/8/23, 2/17/23
[DPS].

Brief Summary of Substitute Bill

- Requires the Department of Commerce (Department) to include in reports to the Legislature certain information regarding Washington's trade economy, including the anticipated impact of a major disruption to trade with any of Washington's top trading partners.
- Requires the Department to prioritize diversifying foreign export destinations and to eliminate economic dependence on any particular foreign market as part of its trade-related responsibilities.
- Requires the Department to establish a minimum of three foreign offices by July 1, 2027.

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

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives Ryu, Chair; Donaghy, Vice Chair; Rule, Vice Chair; Volz, Ranking Minority Member; Barnard, Assistant Ranking Minority Member;

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.

Chambers, Christian, Cortes, Senn, Shavers, Street, Waters and Ybarra.

Staff: Emily Poole (786-7106).

Background:

The Department of Commerce (Department) is responsible for growing and improving jobs in Washington, facilitating innovation, and streamlining access to business assistance and economic development services by providing them through sector-based, cluster-based, and regional partners. The Department's duties also include assisting in expanding the state's role as an international center of trade, promoting the state's products and services both nationally and internationally, and working in close cooperation with private and public international trade efforts. In connection with these efforts, the Department is required to identify and work with Washington businesses that can use assistance to increase domestic and foreign exports of goods and services.

Summary of Substitute Bill:

The Department is required to include in existing reports to the Legislature by July 1, 2024, information on the anticipated economic impacts in Washington in the event of a major disruption to trade with any of Washington's top trading partners; the present trade balance of Washington relative to both global trade volume and trade with individual nations or regions; and a description of current efforts to develop diverse foreign export destinations and domestic industries. In carrying out the Department's responsibilities with regard to trade, the Department is required to consult with Washington's international marine cargo ports, establish a minimum of three foreign offices by July 1, 2027, prioritize diversifying foreign export destinations, and eliminate economic dependence on any particular foreign market.

Substitute Bill Compared to Original Bill:

The substitute bill specifies the Legislature's intent that Washington's trade focus be responsive to international market conditions and adequately equipped to address opportunities and disruptions alike.

The substitute bill also specifies that the Department shall include in existing reports to the Legislature information regarding the present trade balance of Washington relative to both global trade volume and trade with individual nations or geographic regions, and a description of current efforts to develop diverse foreign export destinations as well as domestic industries. The substitute bill removes the requirement that the Department make policy recommendations on how the Department could be equipped to provide business assistance to impacted exporters and their employees.

The substitute bill also requires the Department, in carrying out its responsibilities with respect to trade, to consult with Washington's international marine cargo ports and establish a minimum of three foreign offices by July 1, 2027.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on February 19, 2023.

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

Staff Summary of Public Testimony:

(In support) Washington's economy is dependent on trade. There are a variety of events that could disrupt trade in Washington, including both natural and man-made events. Supply chain issues, geopolitical circumstances, and market developments have changed how Washington businesses operate. This bill will help build economic resiliency. It is important for Washington to protect businesses and the ports that enable trade and create jobs. Washington should increase its presence in international markets and encourage international investment in Washington.

(Opposed) None.

(Other) Supply chains have shifted, and it is important for Washington to protect businesses and the ports that enable trade and create jobs. Washington should increase its presence in international markets and encourage international investment in Washington.

Persons Testifying: (In support) Representative Mike Volz, prime sponsor; and Chris Herman, Washington Public Ports Association.

(Other) Chris Green, Department of Commerce.

Persons Signed In To Testify But Not Testifying: None.