

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 1870**

68th Legislature  
2024 Regular Session

Passed by the House March 5, 2024  
Yeas 93 Nays 0

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**Speaker of the House of  
Representatives**

Passed by the Senate March 1, 2024  
Yeas 49 Nays 0

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**President of the Senate**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1870** as passed by the House of Representatives and the Senate on the dates hereon set forth.

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**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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**SUBSTITUTE HOUSE BILL 1870**

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AS AMENDED BY THE SENATE

Passed Legislature - 2024 Regular Session

**State of Washington                      68th Legislature                      2024 Regular Session**

**By** House Appropriations (originally sponsored by Representatives Barnard, Ryu, Leavitt, Connors, Couture, Schmidt, Duerr, Slatter, Reed, Chapman, Graham, Ormsby, Timmons, Donaghy, Paul, Doglio, Reeves, Hackney, and Griffey)

READ FIRST TIME 02/05/24.

1            AN ACT Relating to promoting economic development by increasing  
2 opportunities for local communities to secure federal funding;  
3 amending RCW 43.330.070, 43.330.088, and 43.330.260; and creating new  
4 sections.

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

6            NEW SECTION.    **Sec. 1.**    The legislature finds that Washington  
7 ranks poorly among all states in the amount of federal grants  
8 received relative to income taxes collected from its residents.

9            The legislature also finds that many of Washington's communities,  
10 particularly in slow-growing rural areas, face an economic  
11 development "chicken and egg" dilemma in which they need to secure  
12 matching dollars in order to obtain federal economic development  
13 dollars that would increase the local tax base, local revenue, and  
14 local employment and incomes.

15            The legislature further finds that recent federal legislation  
16 provides funding for economic development clusters that Washington  
17 state has invested in as part of its economic development strategy,  
18 including broadband and clean energy, buildings, and transportation.  
19 The federal legislation includes the infrastructure investment and  
20 jobs act, P.L. 117-58, the creating helpful incentives to produce

1 semiconductors and science act, P.L. 117-167, and the inflation  
2 reduction act, P.L. 117-169.

3 The legislature further finds that increasing the availability of  
4 federal grant dollars in local communities provides a benefit of a  
5 reasonably general character to a significant part of the public.

6 Therefore, the legislature intends to continue and expand its  
7 efforts to increase the capacity of the department of commerce to  
8 assist local communities in successfully applying for federal grant  
9 dollars including through providing local communities with state  
10 matching funds for securing federal grants.

11 **Sec. 2.** RCW 43.330.070 and 1993 c 280 s 10 are each amended to  
12 read as follows:

13 (1) The department shall work closely with local communities to  
14 increase their capacity to respond to economic, environmental, and  
15 social problems and challenges. The department shall coordinate the  
16 delivery of development services and technical assistance to local  
17 communities or regional areas. It shall promote partnerships between  
18 the public and private sectors and between state and local officials  
19 to encourage appropriate economic growth and opportunity in  
20 communities throughout the state. The department shall promote  
21 appropriate local development by: Supporting the ability of  
22 communities to develop and implement strategic development plans;  
23 assisting businesses to start up, maintain, or expand their  
24 operations; encouraging public infrastructure investment and private  
25 and public capital investment in local communities; supporting  
26 efforts to manage growth and provide affordable housing and housing  
27 services; providing for the identification and preservation of the  
28 state's historical and cultural resources; and expanding employment  
29 opportunities.

30 (2) The department shall define a set of services including  
31 training and technical assistance that it will make available to  
32 local communities, community-based nonprofit organizations, regional  
33 areas, or businesses. The department shall simplify access to these  
34 programs by providing more centralized and user-friendly information  
35 and referral. The department shall coordinate community and economic  
36 development efforts to minimize program redundancy and maximize  
37 accessibility. The department shall develop a set of criteria for  
38 targeting services to local communities. To the extent funding is  
39 made available for this purpose, the department shall provide

1 technical assistance or enter into contracts to provide technical  
2 assistance to assist local communities in developing competitive  
3 applications for federal funding.

4 (3) The department shall develop a coordinated and systematic  
5 approach to providing training to community-based nonprofit  
6 organizations, local communities, and businesses. The approach shall  
7 be designed to increase the economic and community development skills  
8 available in local communities by providing training and funding for  
9 training for local citizens, nonprofit organizations, and businesses.  
10 The department shall emphasize providing training in those  
11 communities most in need of state assistance.

12 **Sec. 3.** RCW 43.330.088 and 2023 c 311 s 2 are each amended to  
13 read as follows:

14 (1) Subject to the availability of amounts appropriated for this  
15 specific purpose, by July 1, 2024, the department shall establish a  
16 grant program to support associate development organizations in the  
17 recruiting, hiring, and retention of grant writers. The department  
18 must award grants on an annual basis and must prioritize grants for  
19 distressed areas as defined under RCW 43.168.020 and grants for  
20 applications for federal funds.

21 (2) Associate development organizations must apply for the grant  
22 program in a manner to be determined by the department.

23 (3) Associate development organizations that receive awards under  
24 this section must provide information on the use of the funds,  
25 including a description of the associate development organization's  
26 recruiting and hiring efforts and, if applicable, the number and  
27 types of grants applied for by the grant writers funded by the state,  
28 in their annual reports to the department required under RCW  
29 43.330.082.

30 (4) Beginning December 31, 2026, the department must include  
31 information on grant award funding and use in its reports to the  
32 legislature on associate development organizations contracts required  
33 under RCW 43.330.082.

34 (5) The department shall adopt rules to implement this section.

35 **Sec. 4.** RCW 43.330.260 and 2006 c 314 s 2 are each amended to  
36 read as follows:

37 (1) The department shall make available, within existing  
38 resources, an inventory of grant opportunities for state agencies,

1 local governments, and other community organizations engaged in  
2 economic development activities.

3 (2) In developing the inventory of economic development grant  
4 opportunities, the department may:

5 (a) Regularly review the federal register for opportunities to  
6 apply for grants, research projects, and demonstration projects;

7 (b) Maintain an inventory of grant opportunities with private  
8 foundations and businesses; ~~((and))~~

9 (c) Provide a resource guide for applicants for federal grants,  
10 including links to federal applications and relevant resources, and  
11 contact information for department assistance; and

12 (d) Consult with federal officials, including but not limited to  
13 those in the small business administration, the department of labor,  
14 the department of commerce, the department of agriculture, the  
15 department of ecology, as well as private foundations and businesses,  
16 on the prospects for obtaining federal and private funds for economic  
17 development purposes in Washington state.

18 (3) The department may also facilitate joint efforts between  
19 agencies and between local organizations and state agencies that will  
20 increase the likelihood of success in grant seeking and the  
21 attraction of major events.

22 NEW SECTION. **Sec. 5.** If specific funding for the purposes of  
23 this act, referencing this act by bill or chapter number, is not  
24 provided by June 30, 2024, in the omnibus appropriations act, this  
25 act is null and void.

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