

ESHB 1509 - S COMM AMD

By Committee on Economic Development

NOT ADOPTED 04/09/2003

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that Washington's
4 innovation and trade-driven economy has provided tremendous
5 opportunities for citizens of the state, but that there is no guarantee
6 that globally competitive firms will continue to grow and locate in the
7 state. The legislature also finds that developing an effective
8 economic development strategy for the state and operating effective
9 economic development programs, including work force training, small
10 business assistance, technology transfer, and export assistance, are
11 vital to the state's efforts to encourage employment growth, increase
12 state revenues, and generate economic well-being. In addition, the
13 legislature finds that there is a need for responsive and consistent
14 involvement of the private sector in the state's economic development
15 efforts. It is the intent of the legislature to create an economic
16 development commission that will develop and update the state's
17 economic development strategy and performance measures and provide
18 advice to and oversight of the department of community, trade, and
19 economic development.

20 NEW SECTION. **Sec. 2.** (1) The Washington state economic
21 development commission is established to oversee the economic
22 development strategies and policies of the department of community,
23 trade, and economic development.

24 (2) The Washington state economic development commission shall
25 consist of at least seven and no more than nine members appointed by
26 the governor. There must also be four ex officio members appointed
27 pursuant to subsection (3) of this section.

28 (a) In making the appointments, the governor shall consult with
29 organizations that have an interest in economic development, including,

1 but not limited to, industry associations, labor organizations,
2 minority business associations, economic development councils, chambers
3 of commerce, port associations, tribes, and the chairs of the
4 legislative committees with jurisdiction over economic development.

5 (b) The members shall be representative of the geographic regions
6 of the state, including eastern and central Washington, as well as
7 represent the ethnic diversity of the state, embody the importance of
8 businesswomen, reflect the state's various business sectors, including
9 small businesses and private businesses, and reflect the labor sectors.
10 Members of the commission shall serve statewide interests while
11 preserving their diverse perspectives, and shall be recognized leaders
12 in their fields with demonstrated experience in disciplines related to
13 economic development.

14 (3) The four ex officio members must include two senators and two
15 representatives from the legislature. The president of the senate
16 shall appoint the senate members of the commission, and the speaker of
17 the house of representatives shall appoint the house of representatives
18 members of the commission. There should be representation from each of
19 the two largest political parties in the senate and the house of
20 representatives. Vacancies will be filled from the same political
21 party and the same house as the member whose seat was vacated. The
22 appointment process for the vacancy will be accomplished in the same
23 manner as the initial appointment.

24 (4) Members, except for the ex officio members, shall serve at the
25 pleasure of the governor for three-year terms, except that through June
26 30, 2004, members currently serving on the economic development
27 commission created by executive order may continue to serve at the
28 pleasure of the governor. Of the initial members appointed to serve
29 after June 30, 2004, two members shall serve one-year terms, three
30 members shall serve two-year terms, and the remainder of the commission
31 members shall serve three-year terms.

32 (5) The commission chair shall be selected from among the appointed
33 members by the majority vote of the members.

34 (6) The commission may establish committees as it desires,
35 including a committee to identify policies and programs to assist small
36 businesses. Nonmembers can be invited by the commission to serve as
37 committee members.

1 (7) The commission may adopt rules for their own governance.

2 NEW SECTION. **Sec. 3.** The Washington state economic development
3 commission shall perform the following duties:

4 (1) Review and periodically update the state's economic development
5 strategy and performance measures, and perform an annual evaluation of
6 the strategy;

7 (2) Provide policy, strategic, and programmatic direction to the
8 department of community, trade, and economic development, with specific
9 emphasis on the following:

10 (a) Development of strategies that promote business retention,
11 expansion, and creation within the state;

12 (b) Development of strategies that promote the growth and success
13 of Washington's small businesses;

14 (c) Development of marketing strategies for the global marketplace
15 that promote products and services of the state;

16 (d) Development of strategies to enhance relationships and
17 cooperation between local governments, economic development councils,
18 federal agencies, state agencies, and the legislature.

19 (e) Development of strategies that integrate economic development
20 programs, including work force training, technology transfer, and
21 export assistance; and

22 (f) Development of strategies to make the funds available for
23 economic development purposes more flexible to meet emergent needs and
24 maximize opportunities;

25 (3) Identify policies and programs to assist Washington's small
26 businesses;

27 (4) Assist the department of community, trade, and economic
28 development with procurement and deployment of private funds for
29 business development, retention, expansion, and recruitment as well as
30 other economic development efforts;

31 (5) Meet with the chairs and ranking minority members of the
32 legislative committees from both the house of representatives and the
33 senate overseeing economic development policies; and

34 (6) Make a biennial report to the appropriate committees of the
35 legislature regarding the commission's review of the state's economic

1 development policy and the commission's recommendations. The first
2 report is due by December 31, 2004.

3 NEW SECTION. **Sec. 4.** (1) The Washington state economic
4 development commission shall receive the necessary staff support from
5 the staff resources of the governor, the department of community,
6 trade, and economic development, and other state agencies as
7 appropriate, and within existing resources and operations.

8 (2) Creation of the Washington state economic development
9 commission shall not be construed to modify any authority or budgetary
10 responsibility of the governor or the department of community, trade,
11 and economic development.

12 **Sec. 5.** RCW 43.330.040 and 1993 c 280 s 6 are each amended to read
13 as follows:

14 (1) The director shall supervise and administer the activities of
15 the department and shall advise the governor and the legislature with
16 respect to community and economic development matters affecting the
17 state.

18 (2) In addition to other powers and duties granted to the director,
19 the director shall have the following powers and duties:

20 (a) Work with the Washington state economic development commission
21 established in section 2 of this act to develop and implement economic
22 development policies consistent with the advice of the commission;

23 (b) Enter into contracts on behalf of the state to carry out the
24 purposes of this chapter;

25 (~~(b)~~) (c) Act for the state in the initiation of or participation
26 in any multigovernmental program relative to the purpose of this
27 chapter;

28 (~~(c)~~) (d) Accept and expend gifts and grants, whether such grants
29 be of federal or other funds;

30 (~~(d)~~) (e) Appoint such deputy directors, assistant directors, and
31 up to seven special assistants as may be needed to administer the
32 department. These employees are exempt from the provisions of chapter
33 41.06 RCW;

34 (~~(e)~~) (f) Prepare and submit budgets for the department for
35 executive and legislative action;

1 ~~((f))~~ (g) Submit recommendations for legislative actions as are
2 deemed necessary to further the purposes of this chapter;

3 ~~((g))~~ (h) Adopt rules in accordance with chapter 34.05 RCW and
4 perform all other functions necessary and proper to carry out the
5 purposes of this chapter;

6 ~~((h))~~ (i) Delegate powers, duties, and functions as the director
7 deems necessary for efficient administration, but the director shall be
8 responsible for the official acts of the officers and employees of the
9 department; and

10 ~~((i))~~ (j) Perform other duties as are necessary and consistent
11 with law.

12 (3) When federal or other funds are received by the department,
13 they shall be promptly transferred to the state treasurer and
14 thereafter expended only upon the approval of the director.

15 (4) The director may request information and assistance from all
16 other agencies, departments, and officials of the state, and may
17 reimburse such agencies, departments, or officials if such a request
18 imposes any additional expenses upon any such agency, department, or
19 official.

20 (5) The director shall, in carrying out the responsibilities of
21 office, consult with governmental officials, private groups, and
22 individuals and with officials of other states. All state agencies and
23 their officials and the officials of any political subdivision of the
24 state shall cooperate with and give such assistance to the department,
25 including the submission of requested information, to allow the
26 department to carry out its purposes under this chapter.

27 (6) The director may establish additional advisory or coordinating
28 groups with the legislature, within state government, with state and
29 other governmental units, with the private sector and nonprofit
30 entities or in specialized subject areas as may be necessary to carry
31 out the purposes of this chapter.

32 (7) The internal affairs of the department shall be under the
33 control of the director in order that the director may manage the
34 department in a flexible and intelligent manner as dictated by changing
35 contemporary circumstances. Unless specifically limited by law, the
36 director shall have complete charge and supervisory powers over the
37 department. The director may create such administrative structures as

1 the director deems appropriate, except as otherwise specified by law,
2 and the director may employ such personnel as may be necessary in
3 accordance with chapter 41.06 RCW, except as otherwise provided by law.

4 NEW SECTION. **Sec. 6.** Sections 1 through 4 of this act constitute
5 a new chapter in Title 43 RCW."

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6 On page 1, line 3 of the title, after "council;" strike the
7 remainder of the title and insert "amending RCW 43.330.040; and adding
8 a new chapter to Title 43 RCW."

EFFECT: (1) Changes the number of commissioners from only 7 in the underlying bill to a range of 7 to 9 members in the substitute. (2) Directs the Governor to consider broad geographic representation (including central and eastern Washington), ethnic diversity, the importance of businesswomen and small businesses in making appointments to the Commission. (3) Staggers the terms of the first appointed Commission. (4) Clarifies that the creation of the Commission shall not be construed to modify any authority or budgetary responsibility of the Governor or the Department of Community, Trade & Economic Development (DCTED). (5) Provides for legislators to serve as ex officio members of the Commission. (6) Does not provide for travel reimbursement of the Commission members. (7) Directs the Commission to identify policies and programs to assist Washington's small businesses. (8) Requires the Commission to periodically consult with the chairs and the ranking minority members of the legislative committees dealing with economic development. (9) Requires the Commission to deliver a biennial report, beginning December 31, 2004, on the Commission's policy reviews and recommendations. (10) Clarifies the Director of DCTED's rule making authority.

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