

ESHB 1509 - S AMD 314

By Senator T. Sheldon

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)(a) The Washington state economic development commission shall
25 consist of at least seven and no more than nine members appointed by
26 the governor.

27 (b) In making the appointments, the governor shall consult with
28 organizations that have an interest in economic development, including,
29 but not limited to, industry associations, labor organizations,

1 minority business associations, economic development councils, chambers
2 of commerce, port associations, tribes, and the chairs of the
3 legislative committees with jurisdiction over economic development.

4 (c) The members shall be representative of the geographic regions
5 of the state, including eastern and central Washington, as well as
6 represent the ethnic diversity of the state. Representation shall
7 derive primarily from the private sector, including, but not limited
8 to, existing and emerging industries, small businesses, women-owned
9 businesses, and minority-owned businesses, but other sectors of the
10 economy that have experience in economic development, including labor
11 organizations and nonprofit organizations, shall be represented as
12 well. A minimum of seventy-five percent of the members shall represent
13 the private sector. Members of the commission shall serve statewide
14 interests while preserving their diverse perspectives, and shall be
15 recognized leaders in their fields with demonstrated experience in
16 disciplines related to economic development.

17 (3) Members appointed by the governor shall serve at the pleasure
18 of the governor for three-year terms, except that through June 30,
19 2004, members currently serving on the economic development commission
20 created by executive order may continue to serve at the pleasure of the
21 governor. Of the initial members appointed to serve after June 30,
22 2004, two members shall serve one-year terms, three members shall serve
23 two-year terms, and the remainder of the commission members shall serve
24 three-year terms.

25 (4) The commission chair shall be selected from among the appointed
26 members by the majority vote of the members.

27 (5) The commission may establish committees as it desires, and may
28 invite nonmembers of the commission to serve as committee members.

29 (6) The commission may adopt rules for its own governance.

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

32 (1) Review and periodically update the state's economic development
33 strategy, including implementation steps, and performance measures, and
34 perform an annual evaluation of the strategy and the effectiveness of
35 the state's laws, policies, and programs which target economic
36 development;

1 (2) Provide policy, strategic, and programmatic direction to the
2 department of community, trade, and economic development regarding
3 strategies to:

4 (a) Promote business retention, expansion, and creation within the
5 state;

6 (b) Promote the business climate of the state and stimulate
7 increased national and international investment in the state;

8 (c) Promote products and services of the state;

9 (d) Enhance relationships and cooperation between local
10 governments, economic development councils, federal agencies, state
11 agencies, and the legislature;

12 (e) Integrate economic development programs, including work force
13 training, technology transfer, and export assistance; and

14 (f) Make the funds available for economic development purposes more
15 flexible to meet emergent needs and maximize opportunities;

16 (3) Identify policies and programs to assist Washington's small
17 businesses;

18 (4) Assist the department of community, trade, and economic
19 development with procurement and deployment of private funds for
20 business development, retention, expansion, and recruitment as well as
21 other economic development efforts;

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

25 (6) Make a biennial report to the appropriate committees of the
26 legislature regarding the commission's review of the state's economic
27 development policy, the commission's recommendations, and steps taken
28 by the department of community, trade, and economic development to
29 implement the recommendations. The first report is due by December 31,
30 2004.

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

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

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

7 (1) The director shall supervise and administer the activities of
8 the department and shall advise the governor and the legislature with
9 respect to community and economic development matters affecting the
10 state.

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

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

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

18 ~~((b))~~ (c) Act for the state in the initiation of or participation
19 in any multigovernmental program relative to the purpose of this
20 chapter;

21 ~~((e))~~ (d) Accept and expend gifts and grants, whether such grants
22 be of federal or other funds;

23 ~~((d))~~ (e) Appoint such deputy directors, assistant directors, and
24 up to seven special assistants as may be needed to administer the
25 department. These employees are exempt from the provisions of chapter
26 41.06 RCW;

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

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

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

34 ~~((h))~~ (i) Delegate powers, duties, and functions as the director
35 deems necessary for efficient administration, but the director shall be

1 responsible for the official acts of the officers and employees of the
2 department; and

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

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

8 (4) The director may request information and assistance from all
9 other agencies, departments, and officials of the state, and may
10 reimburse such agencies, departments, or officials if such a request
11 imposes any additional expenses upon any such agency, department, or
12 official.

13 (5) The director shall, in carrying out the responsibilities of
14 office, consult with governmental officials, private groups, and
15 individuals and with officials of other states. All state agencies and
16 their officials and the officials of any political subdivision of the
17 state shall cooperate with and give such assistance to the department,
18 including the submission of requested information, to allow the
19 department to carry out its purposes under this chapter.

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

25 (7) The internal affairs of the department shall be under the
26 control of the director in order that the director may manage the
27 department in a flexible and intelligent manner as dictated by changing
28 contemporary circumstances. Unless specifically limited by law, the
29 director shall have complete charge and supervisory powers over the
30 department. The director may create such administrative structures as
31 the director deems appropriate, except as otherwise specified by law,
32 and the director may employ such personnel as may be necessary in
33 accordance with chapter 41.06 RCW, except as otherwise provided by law.

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

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

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