

# SENATE BILL REPORT

## ESHB 1509

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As Reported By Senate Committee On:  
Economic Development, April 2, 2003

**Title:** An act relating to establishing the Washington state economic development commission to replace the governor's small business improvement council.

**Brief Description:** Establishing the economic development commission.

**Sponsors:** House Committee on Trade & Economic Development (originally sponsored by Representatives Skinner, Veloria, Sehlin, Pettigrew, McDonald, Schual-Berke, McCoy, McDermott, Linville, Upthegrove and Conway).

**Brief History:**

**Committee Activity:** Economic Development: 3/21/03, 4/2/03 [DPA].

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### SENATE COMMITTEE ON ECONOMIC DEVELOPMENT

**Majority Report:** Do pass as amended.

Signed by Senators T. Sheldon, Chair; Zarelli, Vice Chair; Hale, Kohl-Welles, Rossi, Schmidt, B. Sheldon and Shin.

**Staff:** Jack Brummel (786-7428)

**Background:** The Washington Competitiveness Council's Task Force on Economic Development investigated the capabilities of the state's economic development infrastructure last year and developed recommendations on how it can be strengthened. The task force recommended that the Legislature create an Economic Development Commission to provide a new governance structure to assist in the development and evaluation of economic development priorities. The Governor, via executive order, appointed a commission in September of 2002 with 15 members.

The Governor's Small Business Improvement Council was created in 1984 and directed to identify regulatory, administrative and legislative proposals that will improve the entrepreneurial environment for small businesses as well as advise and comment on state business programs.

**Summary of Amended Bill:** The Washington State Economic Development Commission is established to oversee the economic development strategies and policies of the Department of Community, Trade, and Economic Development (CTED). The commission is to consist of seven to nine members, appointed by the Governor, after consulting with organizations that have an interest in economic development. There are also four ex-officio members from the Legislature. Commission members are to represent various geographic regions, represent the ethnic diversity of the state, embody the importance of businesswomen, and reflect the state's various business and labor sectors.

The commission must: review and update the state's economic development strategy and performance measures; perform an annual evaluation of the strategy; provide policy direction to CTED; identify policies and programs to assist small businesses; assist CTED with procurement and deployment of private funds; provide planning, strategic and programmatic direction to CTED; and make a biennial report to the Legislature.

The staff work of the commission must be carried out by the department or other state agencies as appropriate within existing resources and operations. The director of CTED must work with the commission to develop economic development policies.

**Amended Bill Compared to Substitute Bill:** The amendment reduced the number of members and provided for legislators to serve as ex-officio rather than regular members. The substitute bill did not require a biennial report and did not require the CTED director to work with the commission to develop economic development policies.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** The bill provides recognition of the importance of small businesses. The commission should be a stakeholder group although it will be important to have regular interactions with the Legislature. The Governor supports putting the commission in statute. Focus has not been a problem with a larger commission.

**Testimony Against:** None.

**Testified:** Rep. Velma Veloria, sponsor; Colins Sprague, Avista; Wendy Holden, CTED; Sheila Martin, Governor's Executive Policy Office.