H-1045.1

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**HOUSE BILL 1767**

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**State of Washington 68th Legislature 2023 Regular Session**

**By** Representatives Barnard, Stearns, Chapman, and Volz

AN ACT Relating to promoting economic development by strengthening the role of the department of commerce in monitoring and providing technical assistance related to federal funding opportunities; amending RCW 43.330.040; and creating a new section.

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

NEW SECTION. **Sec.**  The legislature finds that recent federal legislation has significantly increased federal grant opportunities. Several federal laws provide funding for economic development clusters that Washington state has invested in as part of an economic development strategy, including broadband, clean energy, clean buildings, and clean transportation. This legislation includes, but is not limited to, the infrastructure investment and jobs act, P.L. 117-58, the creating helpful incentives to produce semiconductors (chips) and science act, P.L. 117-167, and the inflation reduction act, P.L. 117-169. Therefore, the legislature intends to increase the capacity of the department of commerce to help the state, local governments, tribes, and small businesses compete for federal grant dollars, and to appropriately increase the scope of reporting from the department to the legislature.

**Sec.**  RCW 43.330.040 and 2016 sp.s. c 12 s 1 are each amended to read as follows:

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

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

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

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

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

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

(e) Prepare and submit budgets for the department for executive and legislative action;

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

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

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

(i) Perform other duties as are necessary and consistent with law.

(3) When federal or other funds are received by the department, they shall be promptly transferred to the state treasurer and thereafter expended only upon the approval of the director. The department must track the amount of federal economic development funding received and disbursed along with any required state, local, or other matching requirements and annually provide the information to the economic development committees of the house of representatives and the senate. The department's reports to the legislature must include a description of efforts made to obtain for Washington state federal economic development dollars to support clean energy, clean transportation, clean buildings, and broadband. The reports should also advise the legislature on the scope of need for technical assistance capacity in the department to serve local governments, tribes, and small businesses in applying for federal grants and loans.

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

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

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

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

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