H-1299.1

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**SUBSTITUTE HOUSE BILL 1778**

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

**By** House Innovation, Community & Economic Development, & Veterans (originally sponsored by Representatives Volz and Ryu)

AN ACT Relating to economic resilience planning; amending RCW 43.330.060; adding a new section to chapter 43.330 RCW; and creating a new section.

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

NEW SECTION. **Sec.**  The legislature finds that Washington state is the most trade focused state in the nation. International trade and investment is responsible for one-fifth of private sector jobs in Washington. Washington is the fourth largest exporter in the United States, and the Seattle-Tacoma-Bellevue metropolitan area is the third largest exporting metropolitan area. Almost 90 percent of the 12,000 companies that export from Washington were small and medium-sized businesses.

The legislature further finds that Washington's trade focus has advantages and disadvantages. Washington's trade focus provides job and income growth opportunities during times of peace, but also great economic risk in the event of geopolitical disruption. Therefore, it is the intent of the legislature that Washington's trade focus be responsive to international market conditions and adequately equipped to address opportunities and disruptions alike. The legislature intends to direct the department of commerce to increase its planning and assistance for diversifying export markets for Washington businesses, subject to the availability of funding provided for this purpose.

NEW SECTION. **Sec.**  A new section is added to chapter 43.330 RCW to read as follows:

The department shall include in existing reports to the legislature by July 1, 2024, the anticipated economic impacts in Washington state in the event of a major disruption to trade with any of Washington's historic top trading partners, the present trade balance of Washington relative to both global trade volume and trade with individual nations or geographic regions, and a description of current efforts to develop diverse foreign export destinations as well as domestic industries of importance to Washington, in order to decrease reliance on any one particular trading partner.

**Sec.**  RCW 43.330.060 and 2010 c 165 s 2 are each amended to read as follows:

(1) The department shall (a) assist in expanding the state's role as an international center of trade, culture, and finance; (b) promote and market the state's products and services both nationally and internationally; (c) work in close cooperation with other private and public international trade efforts; (d) act as a centralized location for the assimilation and distribution of trade information; and (e) establish and operate foreign offices promoting overseas trade and commerce. In carrying out these responsibilities, the department shall consult with Washington's international marine cargo ports, and establish a minimum of three foreign offices by July 1, 2027, in order to prioritize diversifying foreign export destinations and eliminate economic dependence on any particular foreign market.

(2) The department shall identify and work with Washington businesses that can use local, state, and federal assistance to increase domestic and foreign exports of goods and services. In carrying out this responsibility, the department shall prioritize diversifying foreign export destinations and eliminate economic dependency on any particular foreign market.

(3) The department shall work generally with small businesses and other employers to facilitate resolution of siting, regulatory, expansion, and retention problems. This assistance shall include but not be limited to assisting in workforce training and infrastructure needs, identifying and locating suitable business sites, and resolving problems with government licensing and regulatory requirements. The department shall identify gaps in needed services and develop steps to address them including private sector support and purchase of these services.

(4) The department shall work to increase the availability of capital to small businesses by developing new and flexible investment tools; by assisting in targeting and improving the efficiency of existing investment mechanisms; and by assisting in the procurement of managerial and technical assistance necessary to attract potential investors.

(5) The department shall assist women and minority-owned businesses in overcoming barriers to entrepreneurial success. The department shall contract with public and private agencies, institutions, and organizations to conduct entrepreneurial training courses for minority and women-owned businesses. The instruction shall be intensive, practical training courses in financing, marketing, managing, accounting, and recordkeeping for a small business, with an emphasis on federal, state, local, or private programs available to assist small businesses. Instruction shall be offered in major population centers throughout the state at times and locations that are convenient for minority and women small business owners.

(6)(a) Subject to the availability of amounts appropriated for this specific purpose, by December 1, 2010, the department, in conjunction with the small business development center, must prepare and present to the governor and appropriate legislative committees a specific, actionable plan to increase access to capital and technical assistance to small businesses and entrepreneurs beginning with the 2011‑2013 biennium. In developing the plan, the department and the center may consult with the Washington state microenterprise association, and with other government, nonprofit, and private organizations as necessary. The plan must identify:

(i) Existing sources of capital and technical assistance for small businesses and entrepreneurs;

(ii) Critical gaps and barriers to availability of capital and delivery of technical assistance to small businesses and entrepreneurs;

(iii) Workable solutions to filling the gaps and removing barriers identified in (a)(ii) of this subsection; and

(iv) The financial resources and statutory changes necessary to put the plan into effect beginning with the 2011‑2013 biennium.

(b) With respect to increasing access to capital, the plan must identify specific, feasible sources of capital and practical mechanisms for expanding access to it.

(c) The department and the center must include, within the analysis and recommendations in (a) of this subsection, any specific gaps, barriers, and solutions related to rural and low‑income communities and small manufacturers interested in exporting.

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