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**SENATE BILL 5379**

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

**By** Senators Frame, Dozier, Boehnke, Hasegawa, Saldaña, Shewmake, and C. Wilson

AN ACT Relating to supporting innovation at associate development organizations; adding new sections 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 associate development organizations are critical to Washington state's economic success. Associate development organizations consist of 34 regional organizations servicing all of Washington's 39 counties, underpinning Washington state's economic development programs and initiatives across the state. With a mission of confidential and client-based economic development, associate development organizations enhance economic development service delivery and results statewide through public-private and state-local partnerships.

Therefore, the legislature intends by this act to establish a competitive grant program to support innovation, sustainability, partnerships, and equity at associate development organizations with the goal of growing jobs, expanding existing firms, recruiting new businesses, and supporting an equitable economy and inclusive economic development.

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

(1) Subject to the availability of funds appropriated for this specific purpose, the department shall establish an annual competitive grant program to support and catalyze initiatives to foster innovation, sustainability, partnerships, and equity at associate development organizations. The department shall develop grant award criteria with relevant stakeholders and award funding based on initiatives that are aligned with its work and priorities. Awards must be given equitably across the state.

(2) Grant recipients must provide information on the use of the funds in their annual reports to the department required under RCW 43.330.082.

(3) Beginning December 31, 2026, the department must include information on grant award funding and use in its report to the legislature on associate development organizations contracts.

(4) The department shall adopt rules to implement this section.

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

The associate development organization innovation, sustainability, partnerships, and equity grant account is created in the custody of the state treasurer. Revenues to the account consist of appropriations by the legislature, private contributions, and all other sources deposited in the account. Expenditures from the account may be used only for an annual grant to associate development organizations to support and catalyze initiatives to foster innovation, sustainability, partnerships, and equity. Only the director of commerce or the director's designee may authorize expenditures from the account. The account is subject to the allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

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