

SHB 1717 - S COMM AMD

By Committee on Business, Financial Services, Gaming & Trade

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. 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. 2. A new section is added to chapter 43.330 RCW to read as follows:

(1) Subject to the availability of amounts 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 the following information in their annual reports to the department, as required under RCW 43.330.082:

(a) Data on the use of the grant funds;

1 (b) Information on how the associate development organization
2 fosters equity, delivers inclusive economic development, and
3 addresses equity gaps in their communities; and

4 (c) Certain demographic data of the businesses and entrepreneurs
5 served including, but not limited to, the number of businesses and
6 entrepreneurs served that are certified by the office of minority and
7 women's business enterprises under chapter 39.19 RCW and businesses
8 and entrepreneurs not yet certified but that self-report as meeting
9 the requirements of certification.

10 (3) In order to receive grant funds, the governing boards of
11 associate development organizations must perform direct and
12 meaningful oversight and monitoring of the organizations' financial
13 activities to safeguard public resources.

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

17 (5) No matching funds shall be required for participation in the
18 grant program.

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

20 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.330
21 RCW to read as follows:

22 The associate development organization innovation,
23 sustainability, partnerships, and equity grant account is created in
24 the state treasury. Moneys in the account may be spent only after
25 appropriation. Revenues to the account consist of appropriations by
26 the legislature, private contributions, and all other sources
27 deposited in the account. Expenditures from the account may be used
28 only for an annual grant to associate development organizations to
29 support and catalyze initiatives to foster innovation,
30 sustainability, partnerships, and equity."

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31 On page 1, line 2 of the title, after "organizations;" strike the
32 remainder of the title and insert "adding new sections to chapter
33 43.330 RCW; and creating a new section."

EFFECT:

- Requires grant recipients to report on the use of grant funds to Commerce;
- Requires governing boards of ADOs to perform direct and meaningful oversight of the organizations' financial activities;
- Requires information on grant award funding and use to be included in Commerce's annual report to the legislature beginning December 31, 2026;
- Establishes that no matching funds shall be required to participate in the grant program; and
- Provides that Commerce has the ability to adopt rules relating to the program.

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