

SENATE BILL REPORT

SB 5817

As of January 16, 2024

Title: An act relating to requiring state agencies to share information to encourage rural economic development.

Brief Description: Requiring state agencies to share information to encourage economic development.

Sponsors: Senators Van De Wege, Boehnke, Dozier and Stanford.

Brief History:

Committee Activity: Business, Financial Services, Gaming & Trade: 1/16/24.

Brief Summary of Bill

- Directs the Department of Commerce to collect information on individual businesses from various state agencies.
- Provides Associate Development Organizations with access to the data collected by the Department of Commerce.

SENATE COMMITTEE ON BUSINESS, FINANCIAL SERVICES, GAMING & TRADE

Staff: Clint McCarthy (786-7319)

Background: The Department of Commerce and Rural Economic Development. The Department of Commerce (Commerce) provides a variety of programs to encourage economic development in rural areas of Washington. Examples of services provided by Commerce include:

- technical assistance on accessing capital;
- networking opportunities;
- mentorship programs; and
- education and training.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Associate Development Organizations. Associate Development Organizations (ADOs) are under contract with the state to provide economic development services in the communities they represent. As part of their contracts, ADOs are required to submit annual performance reports to Commerce, which Commerce compiles as a report and submits to the Legislature biennially.

Business Data Collections at State Agencies. The Department of Revenue is responsible for the collection and reporting on various taxes in Washington. Examples include the sales tax, business & occupation tax, and the capital gains tax.

The Employment Security Department is responsible for managing unemployment benefits, providing job placement services, and collecting employment related data.

The Department of Labor & Industries is responsible for workplace safety, workers' compensation, and labor standards in the state.

The Department of Licensing oversees professional licenses and ensures compliance with regulations for certain industries.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (Proposed Substitute): Commerce is directed to collect the following information about each business in the state of Washington:

- the business's annual revenue;
- the number of employees the business employs and the occupations;
- the business's aggregated payroll; and
- The North American Industry Classification System code assigned to that business.

Commerce is directed to collect this information from the Department of Revenue, the Department of Labor & Industries, the Employment Security Department, and the Department of Licensing. The information collected by Commerce from other agencies is exempt from the Public Records Act. This statutory change does not compel any agency to provide information if it is prohibited from doing so elsewhere in statute.

Commerce is directed to allow associate development organizations to have access to the data that Commerce collects.

Appropriation: None.

Fiscal Note: Requested on January 8, 2024

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony On Proposed Substitute: PRO: Improving economics for impoverished people is an important goal. We cannot do the work to be done without having better access to data. This bill will protect proprietary data. This bill is about economic development and the data necessary to drive economic development. Without this granular level of data, we cannot craft good economic development strategies.

CON: There are confidentiality and privacy concerns around the data how this data will be stored and used. There needs to be significant care for the privacy of this data.

OTHER: Commerce has an important partnership with ADO's across the state. As lead implementer, there would be some startup costs to obtain and secure this data. How the information is collected and shared needs some additional thought.

Persons Testifying: PRO: Mark Ozias, North Olympic Legislative Alliance/Clallam County; Colleen McAleer, North Olympic Legislative Alliance - Clallam EDC.

CON: Emily Wittman, AWB.

OTHER: Dave Pringle, Dept. of Commerce.

Persons Signed In To Testify But Not Testifying: No one.