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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

Read first time 02/06/23. Referred to Committee on Innovation, Community & Economic Development, & Veterans.

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

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

6 NEW SECTION. **Sec. 1.** The legislature finds that recent federal  
7 legislation has significantly increased federal grant opportunities.  
8 Several federal laws provide funding for economic development  
9 clusters that Washington state has invested in as part of an economic  
10 development strategy, including broadband, clean energy, clean  
11 buildings, and clean transportation. This legislation includes, but  
12 is not limited to, the infrastructure investment and jobs act, P.L.  
13 117-58, the creating helpful incentives to produce semiconductors  
14 (chips) and science act, P.L. 117-167, and the inflation reduction  
15 act, P.L. 117-169. Therefore, the legislature intends to increase the  
16 capacity of the department of commerce to help the state, local  
17 governments, tribes, and small businesses compete for federal grant  
18 dollars, and to appropriately increase the scope of reporting from  
19 the department to the legislature.

1       **Sec. 2.** RCW 43.330.040 and 2016 sp.s. c 12 s 1 are each amended  
2 to read as follows:

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

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

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

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

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

16       (d) Appoint such deputy directors, assistant directors, and up to  
17 seven special assistants as may be needed to administer the  
18 department. These employees are exempt from the provisions of chapter  
19 41.06 RCW;

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

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

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

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

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

33       (3) When federal or other funds are received by the department,  
34 they shall be promptly transferred to the state treasurer and  
35 thereafter expended only upon the approval of the director. The  
36 department must track the amount of federal economic development  
37 funding received and disbursed along with any required state, local,  
38 or other matching requirements and annually provide the information  
39 to the economic development committees of the house of  
40 representatives and the senate. The department's reports to the

1 legislature must include a description of efforts made to obtain for  
2 Washington state federal economic development dollars to support  
3 clean energy, clean transportation, clean buildings, and broadband.  
4 The reports should also advise the legislature on the scope of need  
5 for technical assistance capacity in the department to serve local  
6 governments, tribes, and small businesses in applying for federal  
7 grants and loans.

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

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

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

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

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