

SENATE BILL REPORT

SB 6289

As Reported by Senate Committee On:
Business, Trade & Economic Development, February 4, 2026

Title: An act relating to the creation of a statewide economic development and competitiveness strategic plan.

Brief Description: Creating a statewide economic development and competitiveness strategic plan.

Sponsors: Senators Kauffman, Cortes, Wilson, C., Hasegawa, Lovick, Nobles, Shewmake and Valdez.

Brief History:

Committee Activity: Business, Trade & Economic Development: 1/29/26, 2/04/26 [DPS].

Brief Summary of First Substitute Bill

- Requires the Department of Commerce to create an economic development and competitiveness strategic plan.

SENATE COMMITTEE ON BUSINESS, TRADE & ECONOMIC DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 6289 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kauffman, Chair; Cortes, Vice Chair; Dozier, Ranking Member; Fortunato, Hasegawa, Lovick, McCune, Stanford and Wilson, J..

Staff: William Bridges (786-7312)

Background: The Washington State Department of Commerce (Commerce) is the lead state agency charged with enhancing and promoting sustainable community and economic vitality in Washington. Among its legislatively stated responsibilities is to cooperate with the Legislature and the Governor in the development and implementation of strategic plans

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.

for the state's community and economic development efforts.

The Governor's Supplemental Operating Budget Appropriations for 2025-2027. The Governor's supplemental 2025-27 budget provisos from \$150,000 of Commerce's base budget, to initiate a statewide economic development and competitiveness strategic plan. At a minimum, the plan must establish goals and strategies for state-supported economic development activities in the state, utilizing analysis of economic and industry data. Commerce must inform the Governor and Legislature of its progress by November 1, 2026.

Summary of Bill (First Substitute): Requiring the Development of an Economic Development Strategy. Commerce is required to develop a statewide economic development and competitiveness strategic plan. At a minimum, the plan must include the following:

- goals and strategies for state-supported economic development activities in the state, utilizing analysis of economic and industry data;
- a state economic profile, examining such factors as demographics, workforce characteristics, industry landscape, and regional and tribal economics, infrastructure, and assets;
- economic challenges and opportunities;
- updates on the small business resiliency program and other programs addressing the overall needs of businesses;
- equity and community wealth building efforts;
- metrics for measuring outcomes; and
- an implementation plan.

The plan must be completed by June 30, 2027, and updated every two years thereafter. Completed plans must be delivered to the appropriate committees of the Legislature.

EFFECT OF CHANGES MADE BY BUSINESS, TRADE & ECONOMIC DEVELOPMENT COMMITTEE (First Substitute):

Adds factors to be included in the statewide economic development strategy:

- a state economic profile, examining such factors as demographics, workforce characteristics, industry landscape, and regional and Tribal economics, infrastructure and assets;
- economic challenges and opportunities;
- updates on the small business resiliency program and other programs addressing the overall needs of businesses;
- equity and community wealth building efforts;
- metrics for measuring outcomes; and
- an implementation plan.

Changes the due date of the plan from November 1, 2026, to June 30, 2027.

Appropriation: None.

Fiscal Note: Requested on January 22, 2026.

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 Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: This bill is about giving Washington a clear, shared direction for how we grow our economy. We have many strong economic development efforts across the state, but too often they seem disconnected. This bill helps to bring those efforts together under one strategic statewide plan so we can be more intentional, more coordinated and much more effective. It directs the state to provide statewide data-driven economic development and competitive plan. It says clear goals and is updated regularly. And all of this matters because our economy is changing and our approach needs to be thoughtful, forward-looking and grounded in real information and data. At its heart, this legislation is about accountability and opportunity, making sure our investments support our workers, our small business, and our large business. It will connect communities across the state, so that all Washingtonians can help grow the economy.

Port districts are economic drivers in their communities, and ports have identified areas where state leadership could improve the current economic development mission of ports. Lack of available power, limited tools like tax incentives that we use to recruit companies, and a challenging regulatory climate are all issues we've identified. Ports look forward to working with growers, labor organizations, community members on a state trade strategy.

It's absolutely critical that the state establishes an economic development strategic plan and that the Department of Commerce has sufficient resources to implement a thoughtfully crafted, collaboratively developed plan, aligned with regional and local strategies. The bill requires the plan to be completed by November 1st of this year, which is too soon. OFM has informed the Department that it needs to use existing resources, but considering reductions last session, there needs to be a more significant investment in this effort.

For many employers, this bill offers a glimmer of hope in the current dismal economic climate right. This bill will allow Washington to take a more focused and coordinated approach to strengthening our economic competitiveness. Employers hope this strategic plan will address some of the key competitiveness issues the state is facing, especially with taxes.

OTHER: The full cost of developing an economic development strategy as delineated in the bill is not in the Governor's budget. The Department of Commerce works as a convener across economic sectors, assists small and under-resourced businesses, and attracts new companies and investments to Washington. It is critical that Washington keeps its

competitive edge to allow for inclusive economic growth and development through a strategic intentional plan at the state level.

Persons Testifying: PRO: Senator Claudia Kauffman, Prime Sponsor; Suzanne Dale Estey, Washington Economic Development Association; Amber Carter, Identity Clark County; Eric ffitich, Washington Public Ports Association.

OTHER: Andrea Chartock, Washington State Department of Commerce.

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