

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE HOUSE BILL 1509

58th Legislature
2003 Regular Session

Passed by the House April 22, 2003
Yeas 97 Nays 0

Speaker of the House of Representatives

Passed by the Senate April 9, 2003
Yeas 49 Nays 0

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Cynthia Zehnder, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 1509** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE HOUSE BILL 1509

AS AMENDED BY THE SENATE

Passed Legislature - 2003 Regular Session

State of Washington 58th Legislature 2003 Regular Session

By House Committee on Trade & Economic Development (originally sponsored by Representatives Skinner, Voloria, Sehlin, Pettigrew, McDonald, Schual-Berke, McCoy, McDermott, Linville, Upthegrove and Conway)

READ FIRST TIME 02/28/03.

1 AN ACT Relating to establishing the Washington state economic
2 development commission to replace the governor's small business
3 improvement council; amending RCW 43.330.040; and adding a new chapter
4 to Title 43 RCW.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that Washington's
7 innovation and trade-driven economy has provided tremendous
8 opportunities for citizens of the state, but that there is no guarantee
9 that globally competitive firms will continue to grow and locate in the
10 state. The legislature also finds that developing an effective
11 economic development strategy for the state and operating effective
12 economic development programs, including work force training, small
13 business assistance, technology transfer, and export assistance, are
14 vital to the state's efforts to encourage employment growth, increase
15 state revenues, and generate economic well-being. In addition, the
16 legislature finds that there is a need for responsive and consistent
17 involvement of the private sector in the state's economic development
18 efforts. It is the intent of the legislature to create an economic
19 development commission that will develop and update the state's

1 economic development strategy and performance measures and provide
2 advice to and oversight of the department of community, trade, and
3 economic development.

4 NEW SECTION. **Sec. 2.** (1) The Washington state economic
5 development commission is established to oversee the economic
6 development strategies and policies of the department of community,
7 trade, and economic development.

8 (2)(a) The Washington state economic development commission shall
9 consist of at least seven and no more than nine members appointed by
10 the governor.

11 (b) In making the appointments, the governor shall consult with
12 organizations that have an interest in economic development, including,
13 but not limited to, industry associations, labor organizations,
14 minority business associations, economic development councils, chambers
15 of commerce, port associations, tribes, and the chairs of the
16 legislative committees with jurisdiction over economic development.

17 (c) The members shall be representative of the geographic regions
18 of the state, including eastern and central Washington, as well as
19 represent the ethnic diversity of the state. Representation shall
20 derive primarily from the private sector, including, but not limited
21 to, existing and emerging industries, small businesses, women-owned
22 businesses, and minority-owned businesses, but other sectors of the
23 economy that have experience in economic development, including labor
24 organizations and nonprofit organizations, shall be represented as
25 well. A minimum of seventy-five percent of the members shall represent
26 the private sector. Members of the commission shall serve statewide
27 interests while preserving their diverse perspectives, and shall be
28 recognized leaders in their fields with demonstrated experience in
29 disciplines related to economic development.

30 (3) Members appointed by the governor shall serve at the pleasure
31 of the governor for three-year terms, except that through June 30,
32 2004, members currently serving on the economic development commission
33 created by executive order may continue to serve at the pleasure of the
34 governor. Of the initial members appointed to serve after June 30,
35 2004, two members shall serve one-year terms, three members shall serve
36 two-year terms, and the remainder of the commission members shall serve
37 three-year terms.

1 (4) The commission chair shall be selected from among the appointed
2 members by the majority vote of the members.

3 (5) The commission may establish committees as it desires, and may
4 invite nonmembers of the commission to serve as committee members.

5 (6) The commission may adopt rules for its own governance.

6 NEW SECTION. **Sec. 3.** The Washington state economic development
7 commission shall perform the following duties:

8 (1) Review and periodically update the state's economic development
9 strategy, including implementation steps, and performance measures, and
10 perform an annual evaluation of the strategy and the effectiveness of
11 the state's laws, policies, and programs which target economic
12 development;

13 (2) Provide policy, strategic, and programmatic direction to the
14 department of community, trade, and economic development regarding
15 strategies to:

16 (a) Promote business retention, expansion, and creation within the
17 state;

18 (b) Promote the business climate of the state and stimulate
19 increased national and international investment in the state;

20 (c) Promote products and services of the state;

21 (d) Enhance relationships and cooperation between local
22 governments, economic development councils, federal agencies, state
23 agencies, and the legislature;

24 (e) Integrate economic development programs, including work force
25 training, technology transfer, and export assistance; and

26 (f) Make the funds available for economic development purposes more
27 flexible to meet emergent needs and maximize opportunities;

28 (3) Identify policies and programs to assist Washington's small
29 businesses;

30 (4) Assist the department of community, trade, and economic
31 development with procurement and deployment of private funds for
32 business development, retention, expansion, and recruitment as well as
33 other economic development efforts;

34 (5) Meet with the chairs and ranking minority members of the
35 legislative committees from both the house of representatives and the
36 senate overseeing economic development policies; and

1 (6) Make a biennial report to the appropriate committees of the
2 legislature regarding the commission's review of the state's economic
3 development policy, the commission's recommendations, and steps taken
4 by the department of community, trade, and economic development to
5 implement the recommendations. The first report is due by December 31,
6 2004.

7 NEW SECTION. **Sec. 4.** (1) The Washington state economic
8 development commission shall receive the necessary staff support from
9 the staff resources of the governor, the department of community,
10 trade, and economic development, and other state agencies as
11 appropriate, and within existing resources and operations.

12 (2) Creation of the Washington state economic development
13 commission shall not be construed to modify any authority or budgetary
14 responsibility of the governor or the department of community, trade,
15 and economic development.

16 **Sec. 5.** RCW 43.330.040 and 1993 c 280 s 6 are each amended to read
17 as follows:

18 (1) The director shall supervise and administer the activities of
19 the department and shall advise the governor and the legislature with
20 respect to community and economic development matters affecting the
21 state.

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

24 (a) Work with the Washington state economic development commission
25 established in section 2 of this act to develop and implement economic
26 development policies consistent with the advice of the commission;

27 (b) Enter into contracts on behalf of the state to carry out the
28 purposes of this chapter;

29 ~~((b))~~ (c) Act for the state in the initiation of or participation
30 in any multigovernmental program relative to the purpose of this
31 chapter;

32 ~~((e))~~ (d) Accept and expend gifts and grants, whether such grants
33 be of federal or other funds;

34 ~~((d))~~ (e) Appoint such deputy directors, assistant directors, and
35 up to seven special assistants as may be needed to administer the

1 department. These employees are exempt from the provisions of chapter
2 41.06 RCW;

3 ~~((e))~~ (f) Prepare and submit budgets for the department for
4 executive and legislative action;

5 ~~((f))~~ (g) Submit recommendations for legislative actions as are
6 deemed necessary to further the purposes of this chapter;

7 ~~((g))~~ (h) Adopt rules in accordance with chapter 34.05 RCW and
8 perform all other functions necessary and proper to carry out the
9 purposes of this chapter;

10 ~~((h))~~ (i) Delegate powers, duties, and functions as the director
11 deems necessary for efficient administration, but the director shall be
12 responsible for the official acts of the officers and employees of the
13 department; and

14 ~~((i))~~ (j) Perform other duties as are necessary and consistent
15 with law.

16 (3) When federal or other funds are received by the department,
17 they shall be promptly transferred to the state treasurer and
18 thereafter expended only upon the approval of the director.

19 (4) The director may request information and assistance from all
20 other agencies, departments, and officials of the state, and may
21 reimburse such agencies, departments, or officials if such a request
22 imposes any additional expenses upon any such agency, department, or
23 official.

24 (5) The director shall, in carrying out the responsibilities of
25 office, consult with governmental officials, private groups, and
26 individuals and with officials of other states. All state agencies and
27 their officials and the officials of any political subdivision of the
28 state shall cooperate with and give such assistance to the department,
29 including the submission of requested information, to allow the
30 department to carry out its purposes under this chapter.

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

36 (7) The internal affairs of the department shall be under the
37 control of the director in order that the director may manage the
38 department in a flexible and intelligent manner as dictated by changing

1 contemporary circumstances. Unless specifically limited by law, the
2 director shall have complete charge and supervisory powers over the
3 department. The director may create such administrative structures as
4 the director deems appropriate, except as otherwise specified by law,
5 and the director may employ such personnel as may be necessary in
6 accordance with chapter 41.06 RCW, except as otherwise provided by law.

7 NEW SECTION. **Sec. 6.** Sections 1 through 4 of this act constitute
8 a new chapter in Title 43 RCW.

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