

HOUSE BILL REPORT

HB 2194

As Reported By House Committee On:

Trade & Economic Development

Title: An act relating to the department of community, trade, and economic development.

Brief Description: Creating the department of community development and the department of trade and economic development.

Sponsors: Representatives Van Luven, Veloria, Dunn, Sheldon, Ballasiotes, Morris, McDonald, Mason, Ogden, Cooke and Reams.

Brief History:

Committee Activity:

Trade & Economic Development: 3/3/97, 3/5/97 [DP].

HOUSE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

Majority Report: Do pass. Signed by 8 members: Representatives Van Luven, Chairman; Dunn, Vice Chairman; Veloria, Ranking Minority Member; Sheldon, Assistant Ranking Minority Member; Ballasiotes; Mason; McDonald and Morris.

Minority Report: Do not pass. Signed by 1 member: Representative Alexander.

Staff: Kenny Pittman (786-7392).

Background: The Department of Community, Trade and Economic Development (CTED) was created by merging the Department of Community Development and Department of Trade and Economic Development in 1993. The CTED is responsible for assisting in community and economic development in the state; providing technical and financial assistance to local governments, businesses, and community-based organizations; soliciting private and federal grants for economic and community development programs; and conducting the necessary research and analysis to support economic and community development efforts.

The key service areas of the CTED are local development assistance; trade and economic sectors that include tourism, film and video, business development and forest products; community services that support local efforts to develop self-reliant individuals and families through prevention, intervention, technical assistance and

advocacy programs; housing and housing-related services; growth management; and archaeology and historic preservation.

Summary of Bill: Effective March 1, 1998, the Department of Community, Trade and Economic Development (CTED) is renamed the Department of Community Development (DCD) and the Department of Trade and Economic Development (TED) is created.

On or before November 15, 1997, the director of the CTED must submit a plan to the Governor for transferring the CTED's trade, business development, tourism, and economic development responsibilities and authorities to the TED. The plan must include strategies for transferring responsibilities and authorities to the newly created TED, division of staff and equipment, and recommendations for statutory changes for a more appropriate division of responsibilities and authorities.

The CTED's transfer plan must be developed with input from an advisory committee that consists of the CTED staff and representatives of groups or organizations using the services and programs of the CTED, and any other organizations the director determines should have input into the plan. The director of the CTED must implement the plan as approved by the Governor.

The (DCD) is responsible for promoting community development within the state by assisting communities to increase their economic vitality, while maintaining a healthy environment. The DCD's community development efforts include local planning to manage growth, the promotion and provision of affordable housing and housing-related services, providing public infrastructure, providing community services and advocacy for low-income persons, and public safety efforts.

The (TED) is responsible for working with local communities and businesses to respond to economic problems and challenges. The TED's efforts include promoting partnerships between the public/private sectors and between state/local officials to encourage appropriate economic growth; promoting local economic development by supporting local strategic development plans; assisting businesses to start up, maintain, or expand their operations; promoting international trade and trade opportunities of Washington businesses; and expanding employment opportunities.

All references to the Department of Community, Trade and Economic Development are changed to either the Department of Community Development or the Department of Trade and Economic Development.

Appropriation: None.

Fiscal Note: Requested on February 25, 1997.

Effective Date: Sections 1 and 2 take effect immediately. Sections 101 through 129, 201 through 226, 301 through 352, 401 through 412, 501 through 511, and 601 through 603 take effect March 1, 1998.

Testimony For: There are many unique opportunities facing the state. The integration of community and economic development efforts is vital. Any process that involves creating new agencies should include a strategic plan with measurable benchmarks. This time we need to think about what we want the new agencies to accomplish before we split up the existing agency. The real key is that there should be more resources for state economic development programs and activities. Without money for economic development we have not accomplished anything. The Legislature should not rush into this effort again.

Testimony Against: None.

Testified: Tim Douglas, Department of Community, Trade and Economic Development (no position stated); Pat Jones, Washington Public Ports Association (pro); and Stan Finkelstein, Association of Washington Cities (pro to bill intent).