
SUBSTITUTE HOUSE BILL 1173

State of Washington

55th Legislature

1997 Regular Session

By House Committee on Trade & Economic Development (originally sponsored by Representatives Van Luven, Veloria, Mason, Gombosky, Cody, Murray, Conway and Wolfe)

Read first time 02/20/97.

1 AN ACT Relating to economic development; adding a new chapter to
2 Title 43 RCW; and making an appropriation.

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

4 NEW SECTION. **Sec. 1.** The legislature finds a state's economic
5 development efforts can be characterized as going through waves. The
6 first wave of economic development efforts were designed to attract
7 businesses to the state. The second wave of economic development
8 efforts were designed to encourage the retention and expansion of
9 existing businesses within the state. The third wave of economic
10 development efforts are designed to leverage limited state and local
11 resources to facilitate business growth.

12 The state of Washington does not have a long-term economic
13 development policy to guide state and local efforts in the allocation
14 of limited resources for economic development. An essential first step
15 is to establish a public and private consensus on a long-term economic
16 development strategy which recognizes both the competitive position and
17 needs of key businesses and industries and the need to establish new
18 businesses and industries. A unique partnership between the public and

1 private sectors can attract new businesses and encourage greater
2 investment in Washington state.

3 NEW SECTION. **Sec. 2.** There is established the Washington state
4 economic development board, referred to in this chapter as the board.
5 The board is charged with the responsibility for creating a long-term
6 economic development strategy for the state.

7 NEW SECTION. **Sec. 3.** (1) The board is comprised of
8 representatives from both the private and public sectors who are
9 actively engaged in organizations and businesses which support economic
10 expansion and job creation. The board consists of twenty-seven members
11 composed of as follows:

12 (a) The governor;

13 (b) Two members of the house of representatives, one member from
14 each caucus, appointed by the speaker of the house of representatives;

15 (c) Two members of the senate, one member from each caucus,
16 appointed by the president of the senate;

17 (d) Three representatives of manufacturing companies, one
18 representative shall be from a manufacturing company that employs less
19 than one hundred people;

20 (e) One representative from organized labor;

21 (f) One representative from a financial institution;

22 (g) One representative from the agricultural industry;

23 (h) Three representatives from education, one representative each
24 from institutions of higher education, vocational-technical education,
25 and common schools;

26 (i) One representative from the tourism industry;

27 (j) One representative from the high-technology industry;

28 (k) One representative from a local associate development
29 organization;

30 (l) One owner of a women-owned business enterprise certified under
31 chapter 39.19 RCW;

32 (m) One owner of a minority-owned business enterprise certified
33 under chapter 39.19 RCW;

34 (n) One representative from the service industry;

35 (o) One representative from the retail industry;

36 (p) Three representatives at large;

1 (q) The director of the department of community, trade, and
2 economic development serves as an ex officio member of the board;

3 (r) The director of the department of revenue serves as an ex
4 officio member of the board;

5 (s) The director of the office of financial management serves as an
6 ex officio member of the board.

7 (2) The governor shall, within thirty days of the effective date of
8 this act, appoint all members of the board except those in subsections
9 (1)(b) and (c) of this section. The first meeting of the board will
10 occur within sixty days of the effective date of this act.

11 (3) The governor shall serve as the chairperson and shall designate
12 the vice-chairperson of the board. Members serve four-year terms. Of
13 the initial members, two are appointed for a one-year term, two are
14 appointed for a two-year term, four are appointed for a three-year
15 term, and the remainder are appointed for a four-year term.
16 Thereafter, members are appointed for four-year terms.

17 (4) The board shall meet regularly and shall create subcommittees
18 needed to address specific issues and concerns. Members of the board
19 will be reimbursed for travel expenses as provided in RCW 43.03.050 and
20 43.03.060, except legislative members will be reimbursed under RCW
21 44.04.120.

22 NEW SECTION. **Sec. 4.** (1) The board shall develop a long-term
23 economic development plan based on a strategic analysis. The
24 objectives of the plan are to spur new job creation and investment that
25 is consistent with the preservation of the state's quality of life and
26 environment. The board shall submit an initial plan to the governor
27 and legislature by January 1, 1999, and shall submit revisions to the
28 plan based on continuing analysis and oversight by January 1 of each
29 year thereafter.

30 (2) The board shall produce a report by January 1, 1998, submitting
31 the report to the governor and legislature, addressing the following
32 issues:

33 (a) Methods of increasing the effectiveness and coordination of
34 existing economic development and tax incentive programs administered
35 by state and local agencies; and

36 (b) Methods of facilitating economic activity in distressed urban
37 and rural areas of the state.

1 NEW SECTION. **Sec. 5.** The board has the following responsibilities
2 and powers:

3 (1) To secure and encourage substantial private sector, nonprofit
4 sector, and community support in the analysis of economic development
5 opportunities and development of specific recommendations for economic
6 growth;

7 (2) To identify and analyze key targeted businesses and industries
8 to determine their potential for expansion, diversification, and
9 production of high-value goods and services;

10 (3) To propose an appropriate state role in technology transfer,
11 new product development, industrial marketing, venture capital
12 formation, workforce training and education, and research and
13 development;

14 (4) To evaluate the performance of existing state economic
15 development programs and tax incentives for consistency and
16 coordination, as well as for their effect on job creation, and to
17 evaluate the long-term benefits to the state of these efforts;

18 (5) To propose, along with other state, local, and private groups,
19 new methods to increase public and private partnerships to foster
20 economic development efforts;

21 (6) To develop a long-term economic development strategy based on
22 consensus goals and principals, an in-depth analysis of market
23 opportunities, private sector support and investment, and specific
24 private and public economic development measures which have a
25 substantial potential to increase or retain employment;

26 (7) To study the key components of the state's business climate as
27 they relate to the long-term development strategy;

28 (8) To review the various economic development policy
29 recommendations made by other agencies or organizations and recommend
30 to the governor and legislature those strategies, policies, and
31 programs it deems to be in the best interest of the state;

32 (9) To make specific recommendations for the establishment of
33 public-private cooperative efforts in economic development and state-
34 local cooperative efforts including but not limited to the need for
35 establishing formal working relationships, by either contract or
36 otherwise, for purposes of engaging in joint, cooperative economic
37 development activities;

38 (10) To cooperate with and secure the cooperation of any
39 department, agency, or instrumentality in state and local government,

1 and other associations affected by or concerned with the business of
2 the board; and

3 (11) To accept gifts and grants upon such terms as the board may
4 deem proper.

5 NEW SECTION. **Sec. 6.** The board may employ such staff as it
6 requires and may contract for services as it deems necessary in order
7 to carry out its duties and responsibilities. The governor and the
8 legislature may provide additional staff and facilities as may be
9 reasonably required to assist the board in carrying out its duties and
10 responsibilities.

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

13 NEW SECTION. **Sec. 8.** The sum of two hundred fifty thousand
14 dollars, or as much thereof as may be necessary, is appropriated for
15 the biennium ending June 30, 1999, from the general fund to the office
16 of the governor for the purposes of sections 1 through 6 of this act.

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