

# HOUSE BILL REPORT

## HB 2382

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**As Reported By House Committee On:**  
Economic Development, Housing & Trade

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

**Brief Description:** Splitting the department of community, trade, and economic development and reestablishing the department of community development and the department of trade and economic development.

**Sponsors:** Representatives Van Luven, Veloria, O'Brien, Mitchell, Kenney, Edwards, D. Schmidt, Talcott, Dunn, Haigh, McDonald, Ogden, H. Sommers and D. Sommers; by request of Governor Locke.

**Brief History:**

**Committee Activity:**

Economic Development, Housing & Trade: 1/25/00, 2/3/00 [DPS].

**Brief Summary of Substitute Bill**

- Renames the Department of Community, Trade, and Economic Development the Department of Community Development and reestablishes the Department of Trade and Economic Development on July 1, 2000.
- Revises appropriate statutory references to the Department of Community, Trade, and Economic Development for programs, boards, or commissions to either the Department of Community Development or the Department of Trade and Economic Development, or in some cases to reference both departments.

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**HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT, HOUSING & TRADE**

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 10 members: Representatives Van Luven, Republican Co-Chair; Veloria, Democratic Co-Chair; Dunn, Republican Vice Chair; Eickmeyer, Democratic Vice Chair; Ballasiotes; Gombosky; Miloscia; Skinner; D. Sommers and Wolfe.

**Staff:** Kenny Pittman (786-7392).

**Background:**

The Department of Community, Trade, and Economic Development was created by merging the Department of Community Development and Department of Trade and Economic Development in 1993. The Department of Community, Trade, and Economic Development 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 department are: (1) local government assistance that support development through growth management and infrastructure financing, and archaeology and historic preservation; (2) economic development that includes tourism promotion, film and video, business assistance, and rural development; (3) community services that support local efforts to develop self-reliant individuals and families through prevention, intervention, technical assistance and advocacy programs; (4) housing and housing-related services that include emergency shelter assistance, manufacturing housing, and the housing trust fund; (5) international trade assistance that includes export/import development; and (6) energy policy.

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**Summary of Substitute Bill:**

Effective July 1, 2000, the Department of Community, Trade, and Economic Development (DCTED) is renamed the Department of Community Development (DCD) and the Department of Trade and Economic Development (DTED) is reestablished.

*Department of Community Development*

The Department of Community Development (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 are focused on: (1) local government services that include

growth management, community development assistance, and public works financing; (2) housing services that include emergency shelter, manufactured housing, farmworker housing, and the housing trust fund; (3) community services that include early childhood education and assistance, public safety, and victims rights advocacy; and (4) energy services that are limited to energy facility siting.

#### *Department of Trade and Economic Development*

The Department of Trade and Economic Development (DTED) is responsible for working with local communities and businesses to respond to economic problems and challenges. The DTED's trade and economic development efforts are focused on: (1) economic development services that include business assistance, community development financing and lending, downtown revitalization, film and video, tourism, rural development, and technology development; (2) energy policy services that are limited to energy policy, and energy emergencies and contingency planning; (3) international trade services that include target and market sectors, foreign trade offices, and local export development; and (4) workfirst services that include business outreach, community jobs, employer assistance, and local area planning.

#### *Miscellaneous Provisions*

The director of the DTED may enter into an interagency agreement to appoint a representative of the DCD to represent the DTED on the Forest Practices Board. The interagency agreement expires June 30, 2001. The DTED cannot enter into an interagency agreement regarding the appointment to the Forest Practices Board after June 30, 2001.

Where appropriate, statutory references to the Department of Community, Trade, and Economic Development (DCTED) are changed to either the Department of Community Development (DCD) or the Department of Trade and Economic Development (DTED). Statutory references to several boards and programs are revised to include both the DCD and the DTED.

#### **Substitute Bill Compared to Original Bill:**

The substitute bill puts an expiration date of June 30, 2001, on the interagency agreement that allows the director of the DTED to appoint a representative from the DCD to represent the DTED on the Forest Practices Board. The director of the DTED cannot enter into an interagency agreement regarding the Forest Practices Board after June 30, 2001.

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**Appropriation:** The sum of \$1.3 million from the General Fund-State for fiscal year 2001.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill contains several effective dates. Please refer to the bill.

**Testimony For:** The original merger of the two agencies was a good idea that did not work out as planned. The combined agency lacked a clear focus in its mission by trying to be all things to all people. This diffused the state's efforts in trade, economic development, housing, and community development. Splitting the agency back into two separate agencies will bring the mission back into focus. The greater clarity of the agencies' missions will allow each of them to work in a more efficient manner and to provide services to all areas of the state. Having a streamlined agency will result in a more efficient agency that is able to improve its delivery of services to both communities and businesses.

**Testimony Against:** None.

**Testified:** Bob Edie, Office of the Governor; Martha Choe and Busse Nutley, Department of Community, Trade, and Economic Development; Neal Seinbeck, Washington State Association of Community Action Agencies; Michael Kasser, Global Connection; Rod Fleck, city of Forks; Pat Jones, Washington Public Ports Association; David Lamb; Bill Lotto, Washington Association of Economic Development Councils; Danielle Dixon, NorthWest Energy Coalition; Bev Hermanson, Washington Federation of State Employees; Chris Lowell, Housing Congress; Dave Williams, Association of Washington Cities; Paul Parker, Washington State Association of Counties; Tim Boyd, Washington Forest Protection Association; Josh Baldi, Washington Environmental Council; and Virgil Staiger, Highline Community College.