

SENATE BILL REPORT

SB 5800

As Reported By Senate Committee On:
Economic Development, February 21, 2003

Title: An act relating to establishing the economic development commission.

Brief Description: Establishing the economic development commission.

Sponsors: Senators Brown, Sheahan, B. Sheldon, Finkbeiner, Doumit, Reardon, McCaslin, Keiser, Kohl-Welles, McAuliffe, Rasmussen, Schmidt, Shin, Thibaudeau and Winsley.

Brief History:

Committee Activity: Economic Development: 2/19/03, 2/21/03 [DPS].

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 5800 be substituted therefor, and the substitute bill do pass.

Signed by Senators T. Sheldon, Chair; Zarelli, Vice Chair; Benton, Hale, Kohl-Welles; Schmidt, B. Sheldon and Shin.

Staff: Jack Brummel (786-7428)

Background: The Washington Competitiveness Council's Task Force on Economic Development investigated the capabilities of the state's economic development infrastructure last year and developed recommendations on how it can be strengthened. The task force recommended that the Legislature create an Economic Development Commission to provide a new governance structure to assist in the development and evaluation of economic development priorities. The Governor, via executive order, appointed a commission in September of 2002 with 15 members.

Summary of Substitute Bill: The Washington State Economic Development Commission is established to oversee and direct the economic development strategies and policies of the Department of Community, Trade, and Economic Development (CTED). The commission consists of seven members, appointed for three-year terms. The Governor appoints the members after consulting with organizations that have an interest in economic development. Those members currently serving per executive order may continue to serve through June 30, 2004. The members select the chair. The members must represent various geographic regions of the state and at least two must be from eastern Washington.

The commission is to: (1) review and update the state's economic development strategy, implementation steps, and performance measures; (2) perform an annual evaluation of the strategy, state laws, policies, and programs and make recommendations to the Governor and the Legislature; (3) provide policy direction to the department in the development of a number of economic development strategies; (4) assist it in getting and using private funds

for development, recruitment and promotion; and (5) review legislative and administrative economic development proposals.

The strategies to be addressed are: strategies for retention, expansion and creation of businesses; strategies for marketing the state's products and services; strategies that promote the business climate of the state and stimulate increased investment; strategies to enhance cooperation between local and state entities; strategies to integrate workforce training, technology transfer and export assistance programs; and strategies to make available funds more flexible.

The staff work of the commission must be carried out by the department or other state agencies as appropriate within existing resources and operations. The Director of CTED must administer the department consistent with the commission's policy direction.

Substitute Bill Compared to Original Bill: The substitute provides that the chair is selected by the commission members rather than by the Governor, and that current members may continue to serve through June 30, 2004.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: We need more permanence in our economic development efforts. We need a more integrated process. Our state economic development programs are fragmented. It is important when there are limited resources to be more focused and integrated. This bill would not diminish the authority of the agency but would give it guidance.

Testimony Against: None.

Testified: Senator Brown, prime sponsor; Colins Sprague, Avista Corp; Bryon Webb, Washington Association of Realtors.