FINAL BILL REPORT
HB 1916

C 286 L 11
Synopsis as Enacted

Brief Description: Concerning business services delivered by associate development organizations.

Sponsors: Representatives Ryu, Kagi, Maxwell, Kenney and Santos.

House Committee on Community Development & Housing
Senate Committee on Economic Development, Trade & Innovation

Background:

One of the responsibilities of the Department of Commerce (Department) is to work with businesses to facilitate resolution of siting, regulatory, expansion, and retention problems. This includes assisting businesses with workforce training and infrastructure needs, identifying and locating suitable business sites, and resolving problems with government licensing and regulatory requirements.

Associate development organizations (ADOs) are local organizations designated by each county to serve as the Department's primary partner in local economic development activities in their county. The ADO's role is broad and is defined by statute and the needs of each community. Broadly, an ADO provides advocacy and leadership, building relationships with its partners in state and local governments, community groups, and local businesses. Specifically, ADOs are an integral part of the state's economic development plan that provides direct technical assistance and funding for economic activities in every county. An ADO's economic development activities can be organized into the following categories:
- recruitment of new businesses into Washington;
- retention and expansion of existing businesses;
- business start-up assistance;
- community asset building; and
- regional planning and collaboration.

The Department maintains a contracted partnership with 34 ADOs, serving 39 counties. As part of the contract, the ADOs are required to submit annual performance reports to the Department.

Summary:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The Department is required to establish protocols to be followed by the ADOs and Department staff for the recruitment and retention of businesses, including protocols relating to the sharing of information between the ADOs and the Department. The protocols established may not require the release of proprietary information or the disclosure of information that a client company has requested remain confidential. The Department must require compliance with the protocols in its contracts with ADOs.

The Department is required to provide ADOs with business services training that includes the fundamentals of export assistance and the services available from private and public export assistance providers in the state. The ADOs must provide or facilitate the provision of export assistance to businesses through workshops or one-on-one support.

Additional specificity directing the ADOs to provide business-related assistance and work with partners throughout the county in which they deliver these services is added.

The ADOs serving counties with a population greater than 1.5 million (King County) must include the following additional information in performance reports:
- the number of small businesses that received retention and expansion services, and the outcome of those services; and
- the number of businesses located outside the boundaries of the largest city in its region that received recruitment, retention, and expansion services, and the outcome of those services.

"Small business" is defined as an in-state business, including a sole proprietorship, corporation, partnership, or other legal entity that is owned and operated independently from all other businesses and has either: (1) 50 or fewer employees, or (2) a gross revenue of less than $7 million annually as reported on its federal income tax return or its return filed with the Department of Revenue over the previous three consecutive years.

Votes on Final Passage:

House   98   0
Senate   46   0   (Senate amended)
House   96   0   (House concurred)

Effective: July 22, 2011