

SENATE BILL REPORT

HB 1916

As Reported by Senate Committee On:
Economic Development, Trade & Innovation, March 17, 2011

Title: An act relating to business services delivered by associate development organizations.

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

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

Brief History: Passed House: 3/01/11, 98-0.

Committee Activity: Economic Development, Trade & Innovation: 3/09/11, 3/17/11 [DPA, DNP].

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

Majority Report: Do pass as amended.

Signed by Senators Kastama, Chair; Chase, Vice Chair; Baumgartner, Ranking Minority Member; Holmquist Newbry, Kilmer and Shin.

Minority Report: Do not pass.

Signed by Senators Ericksen and Hatfield.

Staff: Jack Brummel (786-7428)

Background: The Department of Commerce (department) works with businesses to facilitate resolution of siting, regulatory, expansion, and retention problems.

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. ADOs deliver direct assistance to companies, and support research, planning, and implementation of regional and local economic development strategies.

The department currently contracts with 34 ADOs serving the 39 counties in Washington. ADOs are required to work with businesses on site location and selection assistance and provide business retention and expansion services. The ADOs are required to submit annual performance reports to the department.

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.

Summary of Bill (Recommended Amendments): The department must establish protocols to be followed by ADOs and department staff for the recruitment and retention of businesses, including protocols relating to the sharing of information between ADOs and the department. The protocols may not require the release of proprietary or confidential information. The department is to train ADOs in export assistance and ADOs are to provide or facilitate export assistance through workshops or one-on-one assistance.

The ADOs must provide business-related assistance and work with partners throughout the county in which they operate.

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 of 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.

EFFECT OF CHANGES MADE BY ECONOMIC DEVELOPMENT, TRADE & INNOVATION COMMITTEE (Recommended Amendments): The department is to train ADOs in export assistance and ADOs are to provide or facilitate export assistance through workshops or one-on-one assistance.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Original Bill: PRO: This establishes timely and relevant information. This will help businesses. It encourages broadening and sharing of expertise with local businesses.

Persons Testifying: PRO: Representative Ryu, prime sponsor.