

HOUSE BILL REPORT

E2SHB 2029

As Passed Legislature

Title: An act relating to eliminating the economic development-related agencies, boards, and commissions.

Brief Description: Eliminating the economic development-related agencies, boards, and commissions.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Morris and Hudgins).

Brief History:

Committee Activity:

Appropriations: 4/22/13, 4/23/13 [DPS], 1/21/14 [DP2S].

Floor Activity:

Passed House: 2/13/14, 88-9.

Senate Amended.

Passed Senate: 3/7/14, 49-0.

House Concurred.

Passed House: 3/13/14, 97-1.

Passed Legislature.

Brief Summary of Engrossed Second Substitute Bill

- Eliminates the Washington Economic Development Commission.
- Eliminates the Washington Global Health Technologies and Product Development Competitiveness Program.
- Eliminates the Innovation Research Teams, Innovation Partnership Advisory Group, and the entrepreneur-in-residence programs from the Department of Commerce.
- Eliminates the Washington Tourism Commission from statute.
- Eliminates the Microenterprise Development Program.

HOUSE COMMITTEE ON APPROPRIATIONS

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.

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass. Signed by 27 members: Representatives Hunter, Chair; Ormsby, Vice Chair; Chandler, Ranking Minority Member; Ross, Assistant Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Buys, Carlyle, Christian, Cody, Dahlquist, Dunshee, Green, Haigh, Harris, Hudgins, G. Hunt, S. Hunt, Jinkins, Kagi, Lytton, Morrell, Pettigrew, Schmick, Seaquist, Springer, Sullivan and Tharinger.

Minority Report: Do not pass. Signed by 3 members: Representatives Fagan, Parker and Taylor.

Staff: David Pringle (786-7310).

Background:

Economic Development Commission.

In 2002 Governor Locke created the Washington Economic Development Commission (Commission) through executive order as a means for business and labor leaders to assist in the improvement and development of the state's economy. The following year, the Legislature established the Commission in statute as an advisory body to the Department of Community, Trade, and Economic Development, now the Department of Commerce (Department).

The purpose of the Commission is to assist the Governor and Legislature by providing leadership, direction, and guidance on a long-term and systematic approach to economic development that will result in enduring global competitiveness, prosperity, and economic opportunity for all the state's citizens. In 2011 the Legislature directed the Commission to concentrate its major efforts on strategic planning, policy research and analysis, advocacy, evaluation, and promoting coordination and collaboration.

The 24-member Commission consists of 15 voting members appointed by the Governor, plus five agency directors and four legislators who serve as nonvoting ex-officio members.

Global Health Technologies.

In 2010 the Legislature created the Washington Global Health Technologies and Product Development Competitiveness Program, to be administered by a nonprofit 501(c)(6) organization with a 10-member board of directors appointed by the Governor. This entity is required to contract with the Department for management services. The board's duties include soliciting funds from businesses, foundations, and the federal government, and making grants for development of global health technologies and products.

Grant award recipients must conduct their research, development, and production activities within Washington, except for clinical trials that must be carried out in developing countries.

The Legislature also created the Washington Global Health Technologies and Product Development Account as a nonappropriated account in the custody of the State Treasurer to be funded with federal and state monies and used to support the grants for global health commercialization efforts.

The board submitted its first required annual report in 2012.

Washington Tourism Commission.

The Legislature created the Washington Tourism Commission (WTC) in 2007, as the successor to the Tourism Development Advisory Committee.

The WTC and its activities and responsibilities were eliminated during the 2011-2013 fiscal biennium in the Omnibus Appropriations Act. The WTC accordingly ceased activity, but their responsibilities remain in statute. Among its statutory requirements are quarterly meeting requirements and a biennial report to the Legislature on tourism-related activities.

Microenterprise Development Program.

In 2007 the Legislature created the Microenterprise Development Program in the Department of Community, Trade, and Economic Development, now the Department, to assist microenterprises in job creation by increasing the training, technical assistance, and financial resources available to them. The Department provides organizational support to a statewide microenterprise association and contracts with the association for the delivery of services and distribution of grants.

Summary of Engrossed Second Substitute Bill:

Economic Development Commission.

The statutes providing for the creation of the Washington Economic Development Commission (Commission), the Legislature's intent for the creation of the Commission, and the duties and authorities of the Commission are repealed. All statutory references to the Commission and the statewide economic development strategy are removed.

Innovation Research Teams, Innovation Partnership Advisory Group, and the Entrepreneur-in-Residence Program.

The Innovation Research Teams, Innovation Partnership Advisory Group, and the Entrepreneur-in-Residence program from the Department are eliminated.

Global Health Technologies.

The statute creating the Global Health Technologies and Product Competitiveness Program is repealed.

Washington Tourism Commission.

The statutes creating the Washington Tourism Commission (WTC) and providing for the WTC's duties and responsibilities are repealed.

Microenterprise Development Program.

The statute authorizing the Microenterprise Development Program is repealed. Definitions of "microenterprise development organization" and "statewide microenterprise association" are removed. A technical correction is made to the definition of small business.

Appropriation: None.

Fiscal Note: Available.

Effective Date: This bill takes effect 90 days after adjournment of the session in which the bill is passed, except for sections 106 and 107 which contain a contingent effective date.

Staff Summary of Public Testimony:

See House Bill Report for the 2013 Regular Session.

Persons Testifying: See House Bill Report for the 2013 Regular Session.

Persons Signed In To Testify But Not Testifying: See House Bill Report for the 2013 Regular Session.