

SENATE BILL REPORT

SB 5934

As Reported by Senate Committee On:
Trade & Economic Development, February 18, 2015

Title: An act relating to creating a joint legislative task force on fostering innovation and retaining and creating jobs in Washington.

Brief Description: Creating a joint legislative task force on fostering innovation and retaining and creating jobs in Washington.

Sponsors: Senators Brown, Warnick and Chase.

Brief History:

Committee Activity: Trade & Economic Development: 2/18/15 [DPS, DNP].

SENATE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 5934 be substituted therefor, and the substitute bill do pass.

Signed by Senators Brown, Chair; Chase, Ranking Minority Member; Angel, Ericksen, Frockt and McCoy.

Minority Report: Do not pass.

Signed by Senator Braun, Vice Chair.

Staff: Jeff Olsen (786-7428)

Background: Economic development policies are designed to improve the economic wellbeing of a community through efforts that include job creation, job retention, workforce training, tax base enhancements, and improvements to quality of life. Washington competes with other states and regions for economic development opportunities. State and local governments may utilize a variety of tools to attract economic investment in their communities. In Washington there are a variety of tax polices including preferential tax rates, credits, exemptions, deductions, and deferrals that are designed to enhance economic activity, create or retain jobs, and attract business investments.

Middle market businesses have annual revenues ranging from \$10 million to \$1 billion, and while they represent just 3 percent of domestic companies, they account for one-third of United States gross domestic product and jobs, according to the National Center for the

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Middle Market. As the term implies, a middle market firm is one that straddles the middle market between smaller companies and multibillion-dollar companies.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (Recommended Substitute): The Joint Legislative Task Force on Middle Market Business (Task Force) is created. The Task Force is composed of 11 members as follows:

- two members from the House of Representatives, including one from each caucus appointed by the Speaker of the House;
- two members from the Senate, including one from each caucus appointed by the President of the Senate;
- the director of the Department of Commerce or the director's designee;
- one member from an organization specializing in middle market growth, appointed by the chair or co-chairs;
- one member from an organization representing Washington manufacturers, appointed by the chair or co-chairs;
- one member from an organization representing workforce development, appointed by the chair or co-chairs;
- one member from an organization representing a local economic development organization, appointed by the chair or co-chairs;
- one member representing the business community, appointed by the chair or co-chairs; and
- one member from an organization representing labor, appointed by the chair or co-chairs.

The Task Force must choose a chair or co-chairs from among its legislative membership at its initial meeting. The Task Force must review current efforts to promote business expansion and job retention and creation, and compare those programs to other states and regions to identify best practices. The Task Force must provide any recommendations for statutory changes or funding recommendations to the Legislature by November 1, 2015.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: Yes.

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

Staff Summary of Public Testimony: PRO: Washington needs to examine its economic development strategy and examine best practices and learn from other states to see where we can be more competitive.

Persons Testifying: PRO: Senator Brown, prime sponsor; Noah Reandeau, WA Economic Development Assn.