
SENATE BILL 6221

State of Washington

64th Legislature

2016 Regular Session

By Senators Brown, Angel, Braun, Hewitt, and Roach

Read first time 01/13/16. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to promoting economic development through
2 improving regulatory processes and providing technical assistance to
3 businesses; and amending RCW 43.330.060, 43.330.090, and 43.330.440.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 43.330.060 and 2010 c 165 s 2 are each amended to
6 read as follows:

7 (1) The department shall (a) assist in expanding the state's role
8 as an international center of trade, culture, and finance; (b)
9 promote and market the state's products and services both nationally
10 and internationally; (c) work in close cooperation with other private
11 and public international trade efforts; (d) act as a centralized
12 location for the assimilation and distribution of trade information;
13 and (e) establish and operate foreign offices promoting overseas
14 trade and commerce.

15 (2) The department shall identify and work with Washington
16 businesses that can use local, state, and federal assistance to
17 increase domestic and foreign exports of goods and services.

18 (3) The department shall work generally with small businesses and
19 other employers to facilitate resolution of siting, regulatory,
20 expansion, and retention problems. This assistance shall include but
21 not be limited to assisting in workforce training and infrastructure

1 needs, identifying and locating suitable business sites, and
2 resolving problems with government licensing and regulatory
3 requirements. The department shall identify gaps in needed services
4 and develop steps to address them including private sector support
5 and purchase of these services.

6 (4) The department shall work to increase the availability of
7 capital to small businesses by developing new and flexible investment
8 tools; by assisting in targeting and improving the efficiency of
9 existing investment mechanisms; and by assisting in the procurement
10 of managerial and technical assistance necessary to attract potential
11 investors.

12 (5) The department shall assist women and minority-owned
13 businesses in overcoming barriers to entrepreneurial success. The
14 department shall contract with public and private agencies,
15 institutions, and organizations to conduct entrepreneurial training
16 courses for minority and women-owned businesses. The instruction
17 shall be intensive, practical training courses in financing,
18 marketing, managing, accounting, and recordkeeping for a small
19 business, with an emphasis on federal, state, local, or private
20 programs available to assist small businesses. Instruction shall be
21 offered in major population centers throughout the state at times and
22 locations that are convenient for minority and women small business
23 owners.

24 (6)(a) Subject to the availability of amounts appropriated for
25 this specific purpose, by December 1, 2010, the department, in
26 conjunction with the small business development center, must prepare
27 and present to the governor and appropriate legislative committees a
28 specific, actionable plan to increase access to capital and technical
29 assistance to small businesses and entrepreneurs beginning with the
30 2011-2013 biennium. In developing the plan, the department and the
31 center may consult with the Washington state microenterprise
32 association, and with other government, nonprofit, and private
33 organizations as necessary. The plan must identify:

34 (i) Existing sources of capital and technical assistance for
35 small businesses and entrepreneurs;

36 (ii) Critical gaps and barriers to availability of capital and
37 delivery of technical assistance to small businesses and
38 entrepreneurs;

39 (iii) Workable solutions to filling the gaps and removing
40 barriers identified in (a)(ii) of this subsection; and

1 (iv) The financial resources and statutory changes necessary to
2 put the plan into effect beginning with the 2011-2013 biennium.

3 (b) With respect to increasing access to capital, the plan must
4 identify specific, feasible sources of capital and practical
5 mechanisms for expanding access to it.

6 (c) The department and the center must include, within the
7 analysis and recommendations in (a) of this subsection, any specific
8 gaps, barriers, and solutions related to rural and low-income
9 communities and small manufacturers interested in exporting.

10 (7) The department must develop business assistance materials to
11 maintain and grow businesses in Washington. The business assistance
12 materials must include information about Washington's business and
13 regulatory requirements and efforts to streamline and improve
14 government regulation of businesses. The department must prioritize
15 their efforts by collaborating with businesses in key economic
16 sectors identified in targeted industry sectors in RCW 43.330.090,
17 and businesses in industry sectors identified through successful
18 pilot projects conducted under RCW 43.330.440.

19 **Sec. 2.** RCW 43.330.090 and 2014 c 112 s 113 are each amended to
20 read as follows:

21 (1) The department shall work with private sector organizations,
22 industry and sector associations, federal agencies, state agencies
23 that use a sector-based approach to service delivery, local
24 governments, local associate development organizations, and higher
25 education and training institutions in the development of industry
26 sector-based strategies to diversify the economy, facilitate
27 technology transfer and diffusion, and increase value-added
28 production. The industry sectors targeted by the department may
29 include, but are not limited to, aerospace, agriculture, food
30 processing, forest products, marine services, health and biomedical,
31 software, digital and interactive media, transportation and
32 distribution, and microelectronics. The department shall, on a
33 continuing basis, evaluate the potential return to the state from
34 devoting additional resources to an industry sector-based approach to
35 economic development and identifying and assisting additional
36 sectors.

37 (2) The department's sector-based strategies shall include, but
38 not be limited to, cluster-based strategies that focus on assisting
39 regional industry sectors and related firms and institutions that

1 meet the definition of an industry cluster in this section and based
2 on criteria identified by the working group established in this
3 chapter.

4 (3)(a) The department shall promote, market, and encourage growth
5 in the production of films and videos, as well as television
6 commercials within the state; to this end the department is directed
7 to assist in the location of a film and video production studio
8 within the state.

9 (b) The department may, in carrying out its efforts to encourage
10 film and video production in the state, solicit and receive gifts,
11 grants, funds, fees, and endowments, in trust or otherwise, from
12 tribal, local, or other governmental entities, as well as private
13 sources, and may expend the same or any income therefrom for the
14 encouragement of film and video production. All revenue received for
15 such purposes shall be deposited into the general fund.

16 (4) In assisting in the development of regional and statewide
17 industry cluster-based strategies, the department's activities shall
18 include, but are not limited to:

19 (a) Facilitating regional focus group discussions and conducting
20 studies to identify industry clusters, appraise the current
21 information linkages within a cluster, and identify issues of common
22 concern within a cluster;

23 (b) Supporting industry and cluster associations, publications of
24 association and cluster directories, development of business
25 assistance materials, and related efforts to create or expand the
26 activities of industry and cluster associations;

27 (c) Administering a competitive grant program to fund economic
28 development activities designed to further regional cluster growth.
29 In administering the program, the department shall work with the
30 workforce training and education coordinating board, the state board
31 for community and technical colleges, the employment security
32 department, business, and labor.

33 (i) The department shall seek recommendations on criteria for
34 evaluating applications for grant funds and recommend applicants for
35 receipt of grant funds. Criteria shall include not duplicating the
36 purpose or efforts of industry skill panels.

37 (ii) Applicants must include organizations from at least two
38 counties and participants from the local business community. Eligible
39 organizations include, but are not limited to, local governments,
40 economic development councils, chambers of commerce, federally

1 recognized Indian tribes, workforce development councils, and
2 educational institutions.

3 (iii) Applications must evidence financial participation of the
4 partner organizations.

5 (iv) Eligible activities include the formation of cluster
6 economic development partnerships, research and analysis of economic
7 development needs of the cluster, the development of a plan to meet
8 the economic development needs of the cluster, and activities to
9 implement the plan.

10 (v) Priority shall be given to applicants that complement
11 industry skill panels and will use the grant funds to build linkages
12 and joint projects.

13 (vi) The maximum amount of a grant is one hundred thousand
14 dollars.

15 (vii) A maximum of one hundred thousand dollars total can go to
16 King, Pierce, Kitsap, and Snohomish counties combined.

17 (viii) No more than ten percent of funds received for the grant
18 program may be used by the department for administrative costs.

19 (5) As used in this chapter, "industry cluster" means a
20 geographic concentration of interconnected companies in a single
21 industry, related businesses in other industries, including suppliers
22 and customers, and associated institutions, including government and
23 education.

24 **Sec. 3.** RCW 43.330.440 and 2013 c 324 s 2 are each amended to
25 read as follows:

26 (1) The department, in collaboration with the office of
27 regulatory assistance and the office of accountability and
28 performance, must conduct multijurisdictional regulatory streamlining
29 projects that each impact a specific industry sector or subsector
30 within a specific geographical location. Planning for an initial
31 pilot project must begin by September 1, 2013, and the initial pilot
32 project must be underway by December 31, 2013. One or more projects
33 must be implemented in each subsequent calendar year through 2019.

34 (2) The department must establish and implement a competitive
35 process and select a minimum of one applicant comprised of a public-
36 private partnership for participation in each project. The initial
37 pilot project must focus on the manufacturing sector. The department,
38 in consultation with the economic development commission, must

1 determine the sectors for subsequent projects. The criteria to be
2 used to select projects must include:

3 (a) Evidence of strong business commitment to the project;

4 (b) Evidence of strong commitment by the local government
5 jurisdictions where the project is located to allocate necessary
6 staff to the project and to streamline laws, rules, and
7 administrative process requirements both within their jurisdictions
8 and collaboratively across jurisdictions;

9 (c) Willingness to apply lean principles and tools to streamline
10 the business regulatory experience;

11 (d) Identification of a lead partner capable of providing project
12 management and coordination of partners;

13 (e) Support of the stakeholders necessary to implement the
14 project;

15 (f) A plan and capacity to complete the project within the time
16 frame; and

17 (g) A minimum of fifty percent match must be provided from
18 project partners. The match may be cash, in-kind, or a combination of
19 cash and in-kind.

20 (3) The department is encouraged to collaborate with nonprofit
21 industry organizations, the private sector, foundations, and other
22 interested entities to successfully complete each project.

23 (4) The department must pursue opportunities for nonstate funding
24 as the match to the fifty percent or more provided by project
25 partners. A maximum of fifty thousand dollars of state funds may be
26 used for a project.

27 (5) The department may contract with a third party for expertise
28 and facilitation.

29 (6) All state agencies with regulatory requirements that impact
30 the project's industry sector must participate.

31 (7) The state agencies, local jurisdictions, business partners,
32 and other participants must jointly:

33 (a) Develop a project plan to conduct a cross-jurisdictional
34 review process;

35 (b) Identify and review all laws, rules, and administrative
36 processes and requirements pertaining to the selected sector;

37 (c) Apply specific criteria to evaluate the extent to which the
38 laws, rules, and administrative processes and requirements provide
39 for consistent, clear, and efficient customer experiences while

1 continuing to maintain public health, safety, and environmental
2 standards;

3 (d) Develop an implementation plan and schedule that identifies
4 priority streamlining actions;

5 (e) Present their recommendations to the department for comment
6 and endorsement; and

7 (f) Present their recommendations to the Washington state
8 economic development commission for comment, endorsement, and
9 evaluation.

10 (8) The department must document and distribute the streamlined
11 laws, rules, processes, and other potentially replicable information,
12 derived from the projects to the association of Washington cities and
13 Washington state association of counties for distribution to their
14 membership.

15 (9) The department must develop business assistance materials
16 that incorporate best practices learned from pilot projects conducted
17 under this section.

18 (10) The department must brief the economic development
19 committees of the legislature by January 15, 2014, on the status of
20 the initial pilot project, and must submit a report on the outcomes
21 of the projects to the economic development committees of the
22 legislature by January 15th of each calendar year, from 2015 through
23 2020. The department must include in the reports any streamlining
24 recommendations identified in the projects that require statutory
25 changes for implementation and any potentially replicable models,
26 approaches, and tools that could be applied to other sectors and
27 geographical areas.

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