
**Innovation, Community & Economic
Development, & Veterans Committee**

HB 1717

Brief Description: Supporting innovation at associate development organizations.

Sponsors: Representatives Rule, Corry, Paul, Stonier, Chapman, Duerr and Timmons.

Brief Summary of Bill

- Requires the Department of Commerce to establish an annual competitive grant program to support and catalyze initiatives to foster innovation, sustainability, partnerships, and equity at associate development organizations.

Hearing Date: 2/7/23

Staff: Cassie Jones (786-7303).

Background:

Washington State is composed of 39 counties, each one represented by an associate development organization (ADO) that furthers the county's or region's economic development goals. The Department of Commerce (Commerce) contracts with ADOs in order to increase the support for and coordination of community and economic development services in communities or regional areas. The ADOs coordinate businesses recruitment, retention, and expansion activities and support research, planning, and implementation of regional and local economic development strategies. The contracting ADOs must:

- be broadly representative of community and economic interests;
- be capable of identifying key economic and community development problems, developing appropriate solutions, and mobilizing broad support for recommended initiatives;

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- work closely with Commerce to carry out state-identified economic development priorities;
- work with and include local governments, local chambers of commerce, workforce development councils, port districts, labor groups, institutions of higher education, community action programs, and other appropriate private, public, or nonprofit community and economic development groups; and
- meet and share best practices with other ADOs at least two times each year.

Contracting ADOs must provide Commerce with an annual report including measures of their performance and a summary of best practices shared and implemented. The reports must include certain employment data and financial information. Commerce must submit a report to the Legislature in each even-numbered year on the performance results of the contracts with ADOs.

Summary of Bill:

Commerce must establish an annual competitive grant program to support and catalyze initiatives to foster innovation, sustainability, partnerships, and equity at ADOs. Commerce must develop grant award criteria with relevant stakeholders and award funding based on initiatives that are aligned with its work and priorities. Awards must be given equitably across the state.

Grant recipients must provide information on the use of the funds in their annual reports. Beginning December 31, 2026, Commerce must include information on grant award funding and use in its report to the Legislature on ADO contracts.

The Associate Development Organization Innovation, Sustainability, Partnerships, and Equity Grant Account is created in the custody of the state treasurer. Revenues to the account consist of appropriations by the Legislature, private contributions, and all other sources deposited in the account. Expenditures from the account may be used only for an annual grant to ADOs to support and catalyze initiatives to foster innovation, sustainability, partnerships, and equity. An appropriation is not required for expenditures.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.