

HOUSE BILL REPORT

HB 1767

As Reported by House Committee On:

Innovation, Community & Economic Development, & Veterans

Title: An act relating to promoting economic development by strengthening the role of the department of commerce in monitoring and providing technical assistance related to federal funding opportunities.

Brief Description: Concerning the role of the department of commerce in monitoring and providing technical assistance related to federal funding opportunities.

Sponsors: Representatives Barnard, Stearns, Chapman and Volz.

Brief History:

Committee Activity:

Innovation, Community & Economic Development, & Veterans: 2/8/23, 2/17/23 [DPS].

Brief Summary of Substitute Bill

- Requires the Department of Commerce to provide technical assistance to tribes, local governments, small businesses, and underserved communities in developing competitive applications for federal funding.

HOUSE COMMITTEE ON INNOVATION, COMMUNITY & ECONOMIC DEVELOPMENT, & VETERANS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives Ryu, Chair; Donaghy, Vice Chair; Rule, Vice Chair; Volz, Ranking Minority Member; Barnard, Assistant Ranking Minority Member; Chambers, Christian, Cortes, Senn, Shavers, Street, Waters and Ybarra.

Staff: Cassie Jones (786-7303).

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Background:

The Department of Commerce (Commerce) is responsible for promoting community and economic development within the state by assisting the state's communities to increase the quality of life of their citizens and their economic vitality, and by assisting the state's businesses to maintain and increase their economic competitiveness, while maintaining a healthy environment. Commerce's community and economic development responsibilities include:

- providing advisory assistance to the Governor, other state agencies, and the Legislature on community and economic development matters;
- assisting the Governor in coordinating the activities of state agencies that have an impact on local government and communities;
- cooperating with the Legislature and the Governor in the development and implementation of strategic plans for the state's community and economic development efforts;
- soliciting private and federal grants for economic and community development programs and administering such programs;
- cooperating with and providing technical and financial assistance to local governments, businesses, and community-based organizations for the purpose of aiding and encouraging orderly, productive, and coordinated development of the state; and
- conducting research and analysis in furtherance of the state's economic and community development efforts, including maintaining current information on market, demographic, and economic trends as they affect different industrial sectors, geographic regions, and communities with special economic and social problems in the state.

Commerce must track the amount of federal economic development funding received and disbursed along with any required state, local, or other matching requirements and annually provide the information to the economic development committees of the House of Representatives and the Senate.

Summary of Substitute Bill:

To the extent that funding is made available for this purpose, Commerce must provide technical assistance to tribes, local governments, small businesses, and underserved communities in developing applications for federal funding.

Substitute Bill Compared to Original Bill:

As compared to the original bill, the substitute bill:

- removes the requirement that Commerce include in its annual federal economic development funding report a description of its efforts to obtain federal funding for

- clean energy, clean transportation, clean buildings, and broadband; and
- adds a requirement that Commerce, to the extent funding is made available for this purpose, provide technical assistance to tribes, local governments, small businesses, and underserved communities in developing competitive applications for federal funding.

Appropriation: None.

Fiscal Note: Requested on February 19, 2023.

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

Staff Summary of Public Testimony:

(In support) This bill brings federal dollars to Washington without raising taxes. This bill will strengthen Commerce's reporting on federal dollars received. Recent reporting has been thin and not to scale. Recent passage of federal legislation means opportunities for clean technology and buildings for broadband. Grant funds have significantly increased. Commerce should report on the dollars received but should also create a process to find grants for businesses, the state, and local governments. The state has a huge role to play in maximizing federal dollars and supporting communities with those dollars. There is a recommendation to expand the scope of the technical assistance capacity to community-based organizations that serve overburdened communities.

(Opposed) None.

(Other) There are several new economic development and industrial growth opportunities as a result of recently enacted federal legislation. It is an exciting opportunity, and the state wants to get as much of that federal money as possible. This bill is interesting because it is a good thing to have a strategy for going after these funds. More important is a strategy for supporting communities and regions to seek these funds. Commerce currently does some federal economic development funding reporting. There are a number of bills this session that address federal funding reporting and tracking so there may need to be an effort to avoid duplication of efforts.

Persons Testifying: (In support) Representative Stephanie Barnard, prime sponsor; Emily Shay, Association of Washington Business; and Skippy Shaw, The Nature Conservancy.

(Other) Chris Green, Department of Commerce.

Persons Signed In To Testify But Not Testifying: None.