

# SENATE BILL REPORT

## SHB 1717

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As of March 12, 2023

**Title:** An act relating to supporting innovation at associate development organizations.

**Brief Description:** Supporting innovation at associate development organizations.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Rule, Corry, Paul, Stonier, Chapman, Duerr and Timmons).

**Brief History:** Passed House: 3/4/23, 90-6.

**Committee Activity:** Business, Financial Services, Gaming & Trade: 3/14/23.

### 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.

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### SENATE COMMITTEE ON BUSINESS, FINANCIAL SERVICES, GAMING & TRADE

**Staff:** Kellee Gunn (786-7429)

**Background:** Associate Development Organizations. Associate Development Organizations (ADOs) are under contract with the state to provide economic development services in the communities that they represent. As part of their contracts, ADOs are required to submit annual performance reports to the Department of Commerce (Commerce), which Commerce compiles as a report and submits to the Legislature biennially.

The annual base funding an ADO receives from the state is dependent on local matching funds as well as whether the county served is a rural county. Funding is provided on a per capita basis. Commerce may consider an ADO's total resources when making contracting

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and fund allocation decisions.

**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 shall develop grant criteria with relevant stakeholders and award funding based on initiatives aligned with its work and priorities. Awards must be given equitably across the state.

Grant recipients must provide information on the use of their award funding to Commerce, and Commerce must provide that information in its report to the Legislature beginning with its December 31, 2026, report.

The Associate Development Organization Innovation, Sustainability, Partnerships, and Equity Grant Account is created in the custody of the state treasurer. Moneys in the account may be spent only after an appropriation. The account may consist of state appropriations, private contributions, and other sources, to fund the grant program. Expenditures may only be used for the grant program.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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