
SUBSTITUTE HOUSE BILL 1778

State of Washington

68th Legislature

2023 Regular Session

By House Innovation, Community & Economic Development, & Veterans
(originally sponsored by Representatives Volz and Ryu)

READ FIRST TIME 02/17/23.

1 AN ACT Relating to economic resilience planning; amending RCW
2 43.330.060; adding a new section to chapter 43.330 RCW; and creating
3 a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that Washington
6 state is the most trade focused state in the nation. International
7 trade and investment is responsible for one-fifth of private sector
8 jobs in Washington. Washington is the fourth largest exporter in the
9 United States, and the Seattle-Tacoma-Bellevue metropolitan area is
10 the third largest exporting metropolitan area. Almost 90 percent of
11 the 12,000 companies that export from Washington were small and
12 medium-sized businesses.

13 The legislature further finds that Washington's trade focus has
14 advantages and disadvantages. Washington's trade focus provides job
15 and income growth opportunities during times of peace, but also great
16 economic risk in the event of geopolitical disruption. Therefore, it
17 is the intent of the legislature that Washington's trade focus be
18 responsive to international market conditions and adequately equipped
19 to address opportunities and disruptions alike. The legislature
20 intends to direct the department of commerce to increase its planning
21 and assistance for diversifying export markets for Washington

1 businesses, subject to the availability of funding provided for this
2 purpose.

3 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.330
4 RCW to read as follows:

5 The department shall include in existing reports to the
6 legislature by July 1, 2024, the anticipated economic impacts in
7 Washington state in the event of a major disruption to trade with any
8 of Washington's historic top trading partners, the present trade
9 balance of Washington relative to both global trade volume and trade
10 with individual nations or geographic regions, and a description of
11 current efforts to develop diverse foreign export destinations as
12 well as domestic industries of importance to Washington, in order to
13 decrease reliance on any one particular trading partner.

14 **Sec. 3.** RCW 43.330.060 and 2010 c 165 s 2 are each amended to
15 read as follows:

16 (1) The department shall (a) assist in expanding the state's role
17 as an international center of trade, culture, and finance; (b)
18 promote and market the state's products and services both nationally
19 and internationally; (c) work in close cooperation with other private
20 and public international trade efforts; (d) act as a centralized
21 location for the assimilation and distribution of trade information;
22 and (e) establish and operate foreign offices promoting overseas
23 trade and commerce. In carrying out these responsibilities, the
24 department shall consult with Washington's international marine cargo
25 ports, and establish a minimum of three foreign offices by July 1,
26 2027, in order to prioritize diversifying foreign export destinations
27 and eliminate economic dependence on any particular foreign market.

28 (2) The department shall identify and work with Washington
29 businesses that can use local, state, and federal assistance to
30 increase domestic and foreign exports of goods and services. In
31 carrying out this responsibility, the department shall prioritize
32 diversifying foreign export destinations and eliminate economic
33 dependency on any particular foreign market.

34 (3) The department shall work generally with small businesses and
35 other employers to facilitate resolution of siting, regulatory,
36 expansion, and retention problems. This assistance shall include but
37 not be limited to assisting in workforce training and infrastructure
38 needs, identifying and locating suitable business sites, and

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

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

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

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

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

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

38 (iii) Workable solutions to filling the gaps and removing
39 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.

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