

HOUSE BILL REPORT

EHB 2242

As Passed Legislature

Title: An act relating to creating a department of commerce.

Brief Description: Creating a department of commerce.

Sponsors: Representatives Kenney, Probst, Maxwell, Hunt, Liias, Ormsby, Kelley, Sullivan, Hasegawa, Quall, White and Chase; by request of Governor Gregoire.

Brief History:

Committee Activity:

Community & Economic Development & Trade: 2/18/09, 2/19/09 [DP].

Floor Activity:

Passed House: 3/12/09, 96-1.

Senate Amended.

Passed Senate: 4/22/09, 47-0.

House Concurred.

Passed House: 4/24/09, 93-1.

Passed Legislature.

Brief Summary of Engrossed Bill

- Creates a Department of Commerce (Department) and changes a number of statutory references from "The Department of Community, Trade and Economic Development" to "the Department of Commerce."
- Sets a November 1, 2009 deadline for the Director (Director) of the Department to develop a report with recommendations to the Governor and legislative committees that ensure the Department will feature a concise core mission, accountability, transparency, leverage of resources, focus, flexibility, and local capacity building.
- Requires that the Director collaborate with executive and legislative branch officials, and solicit input from key stakeholders.
- Requires that the recommendations include creating or consolidating programs important to the Department's core mission, as well as terminating or transferring programs that are inconsistent with it.

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

HOUSE COMMITTEE ON COMMUNITY & ECONOMIC DEVELOPMENT & TRADE

Majority Report: Do pass. Signed by 6 members: Representatives Kenney, Chair; Maxwell, Vice Chair; Chase, Liias, Probst and Sullivan.

Minority Report: Do not pass. Signed by 3 members: Representatives Smith, Ranking Minority Member; Orcutt and Parker.

Staff: Meg Van Schoorl (786-7105)

Background:

The Department of Community, Trade and Economic Development (DCTED) is an executive branch agency that was created in 1994 through the consolidation of the Department of Community Development and the Department of Trade and Economic Development. The DCTED is responsible for promoting community and economic development statewide by (1) assisting communities to increase their economic vitality and the quality of their citizen's lives, and (2) assisting the state's businesses to maintain and increase their economic competitiveness while maintaining a healthy environment.

Summary of Engrossed Bill:

A Department of Commerce (Department) is created. By November 1, 2009, its director must develop a report for the Governor and legislative committees. This report must include analysis and recommendations for statutory changes that ensure the Department will feature: a concise core mission; alignment with the state's comprehensive economic development plan; accountability; transparency; leverage of state resources and procurement of private or federal resources; maximized partnerships and use of intermediaries; focused and flexible responses to changing conditions; and increased local capacity building to respond to opportunities and needs.

The report must include recommendations for creating or consolidating programs important to meeting the Department's core mission, as well as recommendations for terminating or transferring programs that are inconsistent with the core mission.

The Director of the Department must collaborate with the Governor's Office, the Office of Financial Management, the Economic Development Commission, and ten legislative committee chairs and ranking minority members, as well as soliciting input from businesses, employees, economic development practitioners, local governments, planning professionals, community and housing organizations, and other key community and economic development stakeholders.

A number of statutory references to the "Department of Community, Trade and Economic Development" are changed to the "Department of Commerce."

The Code Reviser is directed to prepare legislation for the 2010 session that changes all statutory references from the "Department of Community, Trade and Economic Development" to the "Department of Commerce."

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) Over the years, the DCTED has become an agency charged with many diverse missions. As a result, its programs and services are a mile wide and an inch deep. The DCTED has everything from infrastructure financing to international trade to community services to housing to criminal justice to energy and more. Despite best intentions and efforts, the Department's stakeholders say that the agency is not working. This bill is just the first step. There is obviously much hard work to be done to create a department that delivers targeted financial and technical assistance services in economic development and trade, and can be held accountable for concrete outcomes. Given the economic issues of today, economic development is a high priority, and with the search for new agency leadership underway, now is a good time to make this change.

(Opposed) None.

Persons Testifying: Representative Kenney, prime sponsor; Marc Baldwin, Office of the Governor; and Bryce Yadon, Washington Economic Development Association.

Persons Signed In To Testify But Not Testifying: None.