Washington State Department of Commerce

Washington state economic development policy

Senate Committee on Business, Trade and Economic Development

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OFFICE OF ECONOMIC DEVELOPMENT AND COMPETATIVENESS (OEDC) AT WA DEPARTMENT OF COMMERCE

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Statutes creating Commerce and conferring responsibility for economic development activities

Statutory authority for Commerce comes from

RCW 43.330.005

"The legislature finds that the long-term economic health of the state and its citizens depends upon the strength and vitality of its communities and businesses. It is the intent of this chapter to create a department of commerce that fosters new partnerships for strong and sustainable communities.

The mission of the department is to grow and improve jobs in Washington and facilitate innovation.

To carry out its mission, the department will bring together focused efforts to:

- Streamline access to business assistance and economic development services by providing them through sector-based, cluster-based, and regional partners;
- provide focused and flexible responses to changing economic conditions;
- generate greater local capacity to respond to both economic growth and environmental challenges;
- increase accountability to the public, the executive branch, and the legislature;
- manage growth and achieve sustainable development;
- diversify the state's economy and export goods and services;
- provide greater access to economic opportunity;
- stimulate private sector investment and entrepreneurship;
- provide stable family-wage jobs and meet the diverse needs of families; …"

Statutory authority to establish the Washington State Department of Commerce

RCW 43.330.020

"A department of commerce is created. The department shall be vested with all powers and duties established or transferred to it under this chapter and such other powers and duties as may be authorized by law. Unless otherwise specifically provided, the existing responsibilities and functions of the agency programs will continue to be administered in accordance with their implementing legislation."

Practical Impact: OEDC's powers and programs are grounded in RCW 43.330 and those statutes allow OEDC to:

- Administer economic development programs
- Provide technical and financial assistance
- Enter contracts on behalf of the state
- Solicit and administer grant funds
- Cooperate with local governments, businesses, and nonprofits

Community and economic development responsibilities.

RCW 43.330.050

"The department shall be 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. Community and economic development efforts shall include:

- Efforts to increase economic opportunity; local planning to manage growth;
- the promotion and provision of affordable housing and housing-related services;
- providing public infrastructure; business and trade development;
- assisting firms and industrial sectors to increase their competitiveness;
- fostering the development of minority and women-owned businesses;
- facilitating technology development, transfer, and diffusion; community services and advocacy for low-income persons;"…

"The department shall have the following general functions and responsibilities:
(1) Provide advisory assistance to the governor, other state agencies, and the legislature on community and economic development matters and issues;

(2) Assist the governor in coordinating the activities of state agencies that have an impact on local government and communities;

(3) Cooperate with the legislature and the governor in the development and implementation of strategic plans for the state's community and economic development efforts;

(4) Solicit private and federal grants for economic and community development programs and administer such programs in conjunction with other programs assigned to the department by the governor or the legislature. To maximize the impact of federal funding for economic development, the department must coordinate with federal and state public research facilities to leverage other federal funding coming to the state for research, development, innovation of new technologies, and transfer of technology to the private sector to promote business development and jobs in Washington;

(5) Cooperate with and provide technical and financial assistance to local governments, businesses, and community-based organizations serving the communities of the state for the purpose of aiding and encouraging orderly, productive, and coordinated development of the state, and, unless stipulated otherwise, give additional consideration to local communities and individuals with the greatest relative need and the fewest resources;

(6) Participate with other states or subdivisions thereof in interstate programs and assist cities, counties, municipal corporations, governmental conferences or councils, and regional planning commissions to participate with other states and provinces or their subdivisions;

(7) Hold public hearings and meetings to carry out the purposes of this chapter;

(8) Conduct research and analysis in furtherance of the state's economic and community development efforts including maintenance of 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; …"

Local development capacity—Training and technical assistance

RCW 43.330.070

(1) The department shall work closely with local communities to increase their capacity to respond to economic, environmental, and social problems and challenges. The department shall coordinate the delivery of development services and technical assistance to local communities or regional areas. It shall promote partnerships between the public and private sectors and between state and local officials to encourage appropriate economic growth and opportunity in communities throughout the state. The department shall promote appropriate local development by: Supporting the ability of communities to develop and implement strategic development plans; assisting businesses to start up, maintain, or expand their operations; encouraging public infrastructure investment and private and public capital investment in local communities; supporting efforts to manage growth and provide affordable housing and housing services; providing for the identification and preservation of the state's historical and cultural resources; and expanding employment opportunities.

(2) The department shall define a set of services including training and technical assistance that it will make available to local communities, community-based nonprofit organizations, regional areas, or businesses. The department shall simplify access to these programs by providing more centralized and user-friendly information and referral. The department shall coordinate community and economic development efforts to minimize program redundancy and maximize accessibility. The department shall develop a set of criteria for targeting services to local communities. To the extent funding is made available for this purpose, the department shall provide technical assistance or enter into contracts to provide technical assistance to assist local communities in developing competitive applications for federal funding.

(3) The department shall develop a coordinated and systematic approach to providing training to community-based nonprofit organizations, local communities, and businesses. The approach shall be designed to increase the economic and community development skills available in local communities by providing training and funding for training for local citizens, nonprofit organizations, and businesses. The department shall emphasize providing training in those communities most in need of state assistance."

Coordination of community and economic development services

RCW 43.330.080

Contracts with county-designated associate development organizations—Scope of services—Business services training

(1)(a) The department must contract with county-designated associate development organizations to increase the support for and coordination of community and economic development services in communities or regional areas. The contracting organizations in each community or regional area must:

i) Be broadly representative of community and economic interests;
ii) Be capable of identifying key economic and community development problems, developing appropriate solutions, and mobilizing broad support for recommended initiatives;
iii) Work closely with the department to carry out state-identified economic development priorities;
iv) 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

v) Meet and share best practices with other associate development organizations at least two times each year.

(b) The scope of services delivered under the contracts required in (a) of this subsection must include two broad areas of work:

i) Direct assistance, including business planning, to companies throughout the county who need support to stay in business, expand, or relocate to Washington from out of state or other countries. Assistance must comply with business recruitment and retention protocols established in RCW 43.330.062, and includes:

(A) Working with the appropriate partners throughout the county including, but not limited to, local governments, workforce development councils, port districts, community and technical colleges and higher education institutions, export assistance providers, impact Washington, the Washington state quality award council, small business assistance programs, innovation partnership zones, and other federal, state, and local programs to facilitate the alignment of planning efforts and the seamless delivery of business support services within the entire county;

(B) Providing information on state and local permitting processes, tax issues, export assistance, and other essential information for operating, expanding, or locating a business in Washington;

(C) Marketing Washington and local areas as excellent locations to expand or relocate a business and positioning Washington as a globally competitive place to grow business, which may include developing and executing regional plans to attract companies from out of state;

(D) Working with businesses on-site location and selection assistance;

(E) Providing business retention and expansion services throughout the county. Such services must include, but are not limited to, business outreach and monitoring efforts to identify and address challenges and opportunities faced by businesses, assistance to trade impacted businesses in applying for grants from the federal trade adjustment assistance for firms program, and the provision of information to businesses on:

vi) Resources available for microenterprise development;
vii) Resources available on the revitalization of commercial districts; and
viii) The opportunity to maintain jobs through shared work programs authorized under chapter 50.60 RCW;

(F) Participating in economic development systemwide discussions regarding gaps in business start-up assistance in Washington;

(G) Providing or facilitating the provision of export assistance through workshops or one-on-one assistance; and

(H) Using a web-based information system to track data on business recruitment, retention, expansion, and trade; and

ii) Support for regional economic research and regional planning efforts to implement target industry sector strategies and other economic development strategies, including cluster-based

strategies. Research and planning efforts should support increased living standards and increased foreign direct investment and be aligned with the statewide economic development strategy. Regional associate development organizations retain their independence to address local concerns and goals. Activities include:

(A) Participating in regional planning efforts with workforce development councils involving coordinated strategies around workforce development and economic development policies and programs. Coordinated planning efforts must include, but not be limited to, assistance to industry clusters in the region;

(B) Participating with the state board for community and technical colleges as created in RCW 28B.50.050, and any community and technical colleges in the coordination of the job skills training program and the customized training program within its region;

(C) Collecting and reporting data as specified by the contract with the department for statewide systemic analysis. In cooperation with other local, regional, and state planning efforts, contracting organizations may provide insight into the needs of target industry clusters, business expansion plans, early detection of potential relocations or layoffs, training needs, and other appropriate economic information;

(D) In conjunction with other governmental jurisdictions and institutions, participating in the development of a countywide economic development plan.

(2) The department must provide business services training to the contracting organizations, including but not limited to:

(a) Training in the fundamentals of export assistance and the services available from private and public export assistance providers in the state; and

(b) Training in the provision of business retention and expansion services as required by subsection (1)(b)(i)(E) of this section."

Economic diversification strategies — Targeted industry sectors

RCW 43.330.090

(1) The department shall work with private sector organizations, industry and sector associations, federal agencies, state agencies that use a sector-based approach to service delivery, local governments, local associate development organizations, and higher education and training institutions in the development of industry sector-based strategies to diversify the economy, facilitate technology transfer and diffusion, and increase value-added production. The industry sectors targeted by the department may include, but are not limited to, aerospace, agriculture, food processing, forest products, marine services, health and biomedical, software, digital and interactive media, transportation and distribution, and microelectronics. The department shall, on a continuing basis, evaluate the potential return to the state from devoting additional resources to an industry sector-based approach to economic development and identifying and assisting additional sectors.

(2) The department's sector-based strategies shall include, but not be limited to, cluster-based strategies that focus on assisting regional industry sectors and related firms and institutions that meet the definition of an industry cluster in this section and based on criteria identified by the working group established in this chapter.

(3)(a) The department shall promote, market, and encourage growth in the production of films and videos, as well as television commercials within the state; to this end the department is directed to assist in the location of a film and video production studio within the state.

(b) The department may, in carrying out its efforts to encourage film and video production in the state, solicit and receive gifts, grants, funds, fees, and endowments, in trust or otherwise, from tribal, local, or other governmental entities, as well as private sources, and may expend the same or any income therefrom for the encouragement of film and video production. All revenue received for such purposes shall be deposited into the general fund.

(4) In assisting in the development of regional and statewide industry cluster-based strategies, the department's activities shall include, but are not limited to:

(a) Facilitating regional focus group discussions and conducting studies to identify industry clusters, appraise the current information linkages within a cluster, and identify issues of common concern within a cluster;

(b) Supporting industry and cluster associations, publications of association and cluster directories, and related efforts to create or expand the activities of industry and cluster associations;

(c) Administering a competitive grant program to fund economic development activities designed to further regional cluster growth. In administering the program, the department shall work with the workforce training and education coordinating board, the state board for community and technical colleges, the employment security department, business, and labor.

(i) The department shall seek recommendations on criteria for evaluating applications for grant funds and recommend applicants for receipt of grant funds. Criteria shall include not duplicating the purpose or efforts of industry skill panels.

(ii) Applicants must include organizations from at least two counties and participants from the local business community. Eligible organizations include, but are not limited to, local governments, economic development councils, chambers of commerce, federally recognized Indian tribes, workforce development councils, and educational institutions.

(iii) Applications must evidence financial participation of the partner organizations.

(iv) Eligible activities include the formation of cluster economic development partnerships, research and analysis of economic development needs of the cluster, the development of a plan to meet the economic development needs of the cluster, and activities to implement the plan.

(v) Priority shall be given to applicants that complement industry skill panels and will use the grant funds to build linkages and joint projects.

(vi) The maximum amount of a grant is one hundred thousand dollars.

(vii) A maximum of one hundred thousand dollars total can go to King, Pierce, Kitsap, and Snohomish counties combined.

(viii) No more than ten percent of funds received for the grant program may be used by the department for administrative costs.

(5) As used in this chapter, "industry cluster" means a geographic concentration of interconnected companies in a single industry, related businesses in other industries, including suppliers and customers, and associated institutions, including government and education."

In the section below we review the statutory authorities by Commerce's Office of Economic Development and Competitiveness sub-unit.

Small Business Export Assistance (SBEA) unit

SBEA's overall work is guided by RCW 43.330.060 Trade and business responsibilities.

Engrossed Substitute Senate Bill 5167 (Current budget bill)

Other RCWs guiding SBEA's work:

- RCW 43.330.005 Grow and improve jobs in Washington and facilitate innovation
- RCW 43.330.050 Community and economic development responsibilities.
- RCW 43.330.070 Local development capacity—Training and technical assistance
- RCW 43.330.080 Coordination of community and economic development services
- RCW 43.330.090 Economic diversification strategies—Targeted industry sectors

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Trade and business responsibilities.

RCW 43.330.060

(1) The department shall:

a) assist in expanding the state's role as an international center of trade, culture, and finance;
b) promote and market the state's products and services both nationally and internationally;
c) work in close cooperation with other private and public international trade efforts;
d) act as a centralized location for the assimilation and distribution of trade information; and
e) establish and operate foreign offices promoting overseas trade and commerce.

(2) The department shall identify and work with Washington businesses that can use local, state, and federal assistance to increase domestic and foreign exports of goods and services."

[2010 c 165 s 2; 2005 c 136 s 13; 1993 c 280 s 9.]

NOTES:

Findings—Intent—2010 c 165: "The legislature finds that small businesses and entrepreneurs are a fundamental source of economic and community vitality for our state. They employ state residents, pay state taxes, purchase goods and services from local and regional companies, and contribute to our communities in many other ways. The legislature finds that small businesses and entrepreneurs need increased access to capital and technical assistance in order to maximize their potential…"

Engrossed Substitute Senate Bill 5167

"3) $1,335,000 of the general fund—state appropriation for fiscal year 2026 and $1,335,000 of the general fund—state appropriation for fiscal year 2027 are provided solely for the small business export assistance program, for the department to establish representation in key international markets that will provide the greatest opportunities for increased trade and investment for small businesses in the state of Washington, and for a grant to a business center that provides confidential, no-cost, one-on-one, client-centered assistance to small businesses to expand outreach in underserved communities, especially Black, indigenous, and people of color-owned businesses, providing targeted assistance where needed. Funding may also be used to collaborate with the department, the Washington economic development association, and others to develop a more effective and efficient service delivery system for Washington's women and minority-owned small businesses."

Business Development unit:

Key focus area	Our business development work	Relevant RCWs
Business recruitment and retention	Supports bringing new businesses to Washington and helping existing businesses stay and grow. Guidance includes site selection, state and local coordination, and tax incentives.	Relevant RCWs: RCW 43.330.050 (community & economic development), supports ADOs in the work described in RCW 43.330.080 (associate development organizations & business services)
Key focus area	**Our business development work**	**Relevant RCWs**
Job and capital investment growth	Promotes economic growth, private sector investment, and creation of family-wage jobs through targeted business initiatives.	RCW 43.330.050 - authorizes the department to increase economic opportunity, stimulate private sector investment, and support stable, family-wage jobs.
Key focus area	**Our business development work**	**Relevant RCWs**
Program management	Manages the Strategic Reserve Fund (SRF) to provide discretionary support for business attraction, retention, expansion, and high-priority economic development projects. Oversees the Evergreen Manufacturing Growth grant program.	Relevant RCWs and notes: RCW 43.330.250 establishes the Economic Development Strategic Reserve Account and authorizes its use to support key projects. RCW 43.330.767 establishes a dedicated account within the Economic Development Strategic Reserve Fund to help accelerate regional manufacturing cluster strategies across the state.
Key focus area	**Our business development work**	**Relevant RCWs**
Technical assistance	Provides guidance to businesses on permitting, site selection, and regulatory requirements, helping companies expand efficiently in Washington.	Relevant RCWs: RCW 43.330.050 (community and economic development), supports ADOs in the work described in RCW 43.330.080 (associate development organizations & business services)
Key focus area	**Our business development work**	**Relevant RCWs**
International business relations	Facilitates connections with foreign companies seeking to locate in Washington, supporting inbound investment and international engagement.	Relevant RCWs: RCW 43.330.060 (trade and business responsibilities), RCW 43.330.050 (economic development support for businesses)

Establishes business development focused priorities

RCW 43.330.060

The department shall work generally with small businesses and other employers to facilitate resolution of siting, regulatory, expansion, and retention problems. This assistance shall include but not be limited to assisting in workforce training and infrastructure needs, identifying and locating suitable business sites, and resolving problems with government licensing and regulatory requirements. The department shall identify gaps in needed services and develop steps to address them including private sector support and purchase of these services."

Industry Sector Development

- Andy Hill CARE Fund -- RCW 43.348.020
- Film and Video Production -- RCW 43.330.090
- Industrial Symbiosis Grant Program -- RCW 43.31.635
- Industrial Waste Coordination Program -- RCW 43.31.625
- Keep Washington Working Program -- RCW 43.330.510
- Key industry sectors -- HB 1198
- Life Sciences Discovery Fund -- RCW 43.330.500
- Recycling Market Development Center -- RCW 70A.240.030
- Tourism -- RCW 43.384
- Workforce Innovation -- SHB 1170

Key industry sectors

HB 1198

"(5) $2,438,000 of the general fund—state appropriation for fiscal year 2026 and $2,438,000 of the general fund—state appropriation for fiscal year 2027 are provided solely for the department to identify and invest in strategic growth areas, support key sectors, and align existing economic development programs and priorities. The department must consider Washington's position as the most trade-dependent state when identifying priority investments. The department must engage states and provinces in the northwest as well as associate development organizations (ADOs), small business development centers, chambers of commerce, ports, and other partners to leverage the funds provided. Sector leads established by the department must include the industries of: **(a) Aerospace; (b) clean technology and renewable and nonrenewable energy; (c) wood products and other natural resource industries; (d) information and communication technology; (e) life sciences and global health; (f) maritime; (g) military and defense; and (h) creative industries.** The department may establish these sector leads by hiring new staff, expanding the duties of current staff, or working with partner organizations and or other agencies to serve in the role of sector lead."

Establishes circular bioeconomy within industry sector development

RCW 43.31.625

Industrial waste coordination program
(1) An industrial waste coordination program is established in order to provide expertise, technical assistance, and best practices to support local industrial symbiosis projects.

(2) The industrial waste coordination program must be administered by the department of commerce and administered regionally, with each region provided with a dedicated facilitator and technical and administrative support.

(3) The industrial waste coordination program must facilitate waste exchange by:

(a) Developing inventories of industrial waste innovation currently in operation;

(b) Generating a material flow data collection system in order to capture and manage data on resource availability and potential synergies;

(c) Establishing guidance and best practices for emerging local industrial resource hubs, which must include a consideration of steps to avoid creating or worsening negative impacts to overburdened communities as identified by tools such as the department of health's environmental health disparities map;

(d) Identifying access to capital in order to fund projects, including federal, state, local, and private funding;

(e) Developing economic, environmental, and health disparities metrics to measure the results of industrial or commercial hubs;

(f) Hosting workshops and connecting regional businesses, governments, utilities, research institutions, and other organizations in order to identify opportunities for resource collaboration;

(g) Assisting entities throughout the entire life cycle of industrial symbiosis projects, from identification of opportunities to full project implementation;

(h) Developing economic cluster initiatives in order to spur growth and innovation; and

(i) Making any additional recommendations to the legislature in order to incentivize and facilitate industrial symbiosis.

(4) The department of commerce may coordinate with other agencies, representatives of business and manufacturing networks, and other entities in order to develop material flow generation data and increase multisectoral outreach.

(5) In generating the material flow data collection system under subsections (3)(b) and (4) of this section, the department of commerce may only use publicly available data or data voluntarily provided by program participants. No entity may be required to disclose material flow data. The department of commerce must keep any proprietary business information confidential and such information is exempt from public disclosure, as provided in RCW 42.56.270.

[2021 c 308 s 2.]

NOTES:

Findings—Intent—2021 c 308: "The legislature finds that industrial symbiosis networks create valuable collaborative opportunities where the underutilized resources of one company, such as waste, by-products, residues, energy, water, logistics, capacity, expertise, equipment, and materials may be used by another. The legislature further finds that many existing businesses and organizations in the state have the potential to partner in the establishment of these networks, and the formation of industrial symbiosis innovation hubs at the state and local level would facilitate a systems approach that identifies business opportunities to improve resource utilization and productivity for a more sustainable and integrated industrial economy.

Therefore, the legislature intends to establish a statewide industrial waste coordination program in order to nurture and coordinate existing industrial symbiosis efforts and to catalyze new industrial symbiosis opportunities. Furthermore, the legislature intends to establish the program in order to: Find ways of turning waste and by-products into valued resource inputs; reduce waste management costs; generate new business opportunities; increase the size and diversity of business networks; identify means of improving environmental performance; achieve environmental justice in goals and policies; incentivize pathways to family-wage, green jobs; expand the regional circular economy; and drive innovation." [2021 c 308 s 1.]

Establishes industrial symbiosis program

RCW 43.31.635

Industrial symbiosis grant program
(1) Subject to the availability of amounts appropriated for this specific purpose, a competitive industrial symbiosis grant program is established in order to provide grants for the research, development, and deployment of local waste coordination projects.

(2) Grants may go towards:

(a) Existing industrial symbiosis efforts by public or private sector organizations;

(b) Emerging industrial symbiosis opportunities involving public or private sector organizations, including projects arising from:

(i) The industrial waste coordination program established in RCW 43.31.625;

(ii) Conceptual work completed by public utilities to redirect their wastes to productive use; or

(iii) Existing inventories or project concepts involving specific biobased wastes converted to renewable natural gas;

(c) Research on product development using a specific waste flow;

(d) Feasibility studies to evaluate potential biobased resources;

(e) Feasibility studies for publicly owned utilities to evaluate business models to transform to multiutility operations or for the evaluation of potential symbiosis connections with other regional businesses; or

(f) Other local waste coordination projects as determined by the department of commerce.

(3) The Department of Commerce must develop a method and criteria for the allocation of grants, subject to the following:

(a) Project allocation should reflect geographic diversity, with grants being distributed equally in western and eastern parts of the state, urban and rural areas, and small towns and large cities;

(b) Project allocation should consider factors such as time to implementation and scale of economic or environmental benefits;

(c) Grants must require a one-to-one nonstate to state match;

(d) Individual grant awards may not exceed $500,000; and

(e) Project allocation should avoid creating or worsening environmental health disparities and should make use of tools such as the department of health's environmental health disparities map.

[2021 c 308 s 3.]

NOTES:

Findings—Intent—2021 c 308: See note following RCW 43.31.625.

Establishes recycling development center

RCW 70A.240.030

Recycling development center—Creation—Purpose and duties—Report to the legislature and governor—Interagency agreement—Rules
(1) The recycling development center is created within the department of ecology.

(2) The purpose of the center is to provide or facilitate basic and applied research and development, marketing, and policy analysis in furthering the development of markets and processing for recycled commodities and products. As used in this chapter, market development consists of public and private activities that are used to overcome impediments preventing full and productive use of secondary materials diverted from the waste stream, and that encourage and expand use of those materials and subsequent products. In fulfilling this mission, the center must initially direct its services to businesses that transform or remanufacture waste materials into usable or marketable materials or products for use rather than disposal.

(3) The center must perform the following activities:

(a) Develop an annual work plan. The work plan must describe actions and recommendations for developing markets for commodities comprising a significant percentage of the waste stream and having potential for use as an industrial or commercial feedstock, with initial focus on mixed waste paper and plastics;

(b) Evaluate, analyze, and make recommendations on state policies that may affect markets for recyclable materials. Such recommendations must include explicit consideration of the costs and benefits of the market-effecting policies, including estimates of the anticipated: Rate impacts on solid waste utility ratepayers; impacts on the prices of consumer goods affected by the recommended policies; and impacts on rates of recycling or utilization of postconsumer materials;

(c) Work with manufacturers and producers of packaging and other potentially recyclable materials on their work to increase the ability of their products to be recycled or reduced in Washington;

(d) Initiate, conduct, or contract for studies relating to market development for recyclable materials, including but not limited to applied research, technology transfer, life-cycle analysis, and pilot demonstration projects;

(e) Obtain and disseminate information relating to market development for recyclable materials from other state and local agencies and other sources;

(f) Contract with individuals, corporations, trade associations, and research institutions for the purposes of this chapter;

(g) Provide grants or contracts to local governments, state agencies, or other public institutions to further the development or revitalization of recycling markets in accordance with applicable rules and regulations;

(h) Provide business and marketing assistance to public and private sector entities within the state;

(i) Represent the state in regional and national market development issues and work to create a regional recycling development council that will work across either state or provincial borders, or both;

(j) Wherever necessary, the center must work with: Material recovery facility operators; public and private sector recycling and solid waste industries; packaging manufacturers and retailers; local governments; environmental organizations; interested colleges and universities; and state agencies, including the department of commerce and the utilities and transportation commission; and

(k) Report to the legislature and the governor each even-numbered year on the progress of achieving the center's purpose and performing the center's activities, including any effects on state recycling rates or rates of utilization of postconsumer materials in manufactured products that can reasonably be attributed, at least in part, to the activities of the center.

(4) In order to carry out its responsibilities under this chapter, the department must enter into an interagency agreement with the department of commerce to perform or contract for the following activities:

(a) Provide targeted business assistance to recycling businesses, including:

(i) Development of business plans;

(ii) Market research and planning information;

(iii) Referral and information on market conditions; and

(iv) Information on new technology and product development;

(b) Conduct outreach to negotiate voluntary agreements with manufacturers to increase the use of recycled materials in products and product development;

(c) Support, promote, and identify research and development to stimulate new technologies and products using recycled materials;

(d) Actively promote manufacturing with recycled commodities, as well as purchasing of recycled products by state agencies consistent with and in addition to the requirements of chapter 43.19A RCW and RCW 39.26.255, local governments, and the private sector;

(e) Undertake studies on the unmet capital and other needs of reprocessing and manufacturing firms using recycled materials, such as financing and incentive programs; and

(f) Conduct research to understand the waste stream supply chain and incentive strategies for retention, expansion, and attraction of innovative recycling technology businesses.

(5) The department may adopt any rules necessary to implement and enforce this chapter including, but not limited to, measures for the center's performance.

[2019 c 166 s 3. Formerly RCW 70.370.030.]

NOTES:

Effective date—2019 c 166: See note following RCW 70A.240.010.

Establishes life sciences discovery fund

RCW 43.330.500

The life sciences discovery fund is created in the custody of the state treasurer. Only the department or the department's designee may authorize expenditures from the fund. Expenditures from the fund may be made only for purposes of RCW 43.330.502. Administrative expenses of the department, including staff support, are limited to actual costs incurred by the department in designating the nonprofit organization and in monitoring and collecting grant payback funds. Revenues to the fund consist of transfers made by the legislature from strategic contribution payments deposited in the tobacco settlement account under RCW 43.79.480, moneys received pursuant to contribution agreements entered into pursuant to former RCW 43.350.030, moneys received from gifts, grants, and bequests, and interest earned on the fund. During the 2017-2019 fiscal biennium, the legislature may make appropriations from the fund to the department of commerce for providing life sciences research grants. The fund is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

[2019 c 83 s 4; 2018 c 299 s 924; 2016 sp.s. c 36 s 937; 2011 c 5 s 916; 2005 c 424 s 8. Formerly RCW 43.350.070.]

NOTES:

Effective date—2018 c 299: See note following RCW 43.41.433.

Effective date—2016 sp.s. c 36: See note following RCW 18.20.430.

Effective date—2011 c 5: See note following RCW 43.03.220.

Establishes Andy Hill cancer research endowment

RCW 43.348.020

(1) The Andy Hill cancer research endowment is created. The powers of the endowment are vested in and must be exercised by a board. The board consists of thirteen members appointed by the governor:

(a) Two members must be appointed from nominations submitted by the presidents of the University of Washington and Washington State University;

(b) Two members must be appointed from nominations submitted by the Fred Hutchinson cancer center and the Seattle children's research institute;

(c) Two members must be appointed from nominations submitted by patient advocacy organizations;

(d) Two members must be appointed from nominations submitted by representatives of businesses or industries engaged in the commercialization of life sciences research or cancer research;

(e) One member must be appointed from a list of at least three nominated by the speaker of the house of representatives;

(f) One member must be appointed from a list of at least three nominated by the president of the senate;

(g) One member must be appointed from nominations submitted by entities or systems that provide health care delivery services;

(h) One member must be appointed from nominations provided by private sector donors to the fund. However, the governor may reject all nominations and request a new list from which the governor must select the member; and

(i) The remaining member must be a member of the public.

(2) In soliciting nominations and appointing members, the governor must seek to identify individuals from throughout the state having relevant knowledge, experience, and expertise with regard to (a) cancer research, prevention, and care; (b) health care consumer issues; (c) government finance and budget; and (d) the commercialization of life sciences or cancer research. In soliciting nominations and appointing members, the governor must seek individuals who will contribute to the geographic diversity of the board, with the goal that at least five board members be from counties with a population less than one million persons. Appointments must be made on or before July 1, 2016.

(3) The term of a member is four years from the date of their appointment except the initial term of the members in subsection (1)(d) through (i) of this section must be two years to create a staggered appointment process. A member may be appointed to not more than two full consecutive terms. A member appointed by the governor may be removed by the governor for cause under RCW 43.06.070 and 43.06.080. The members may not be compensated but may be reimbursed, solely from the fund, for expenses incurred in the discharge of their duties under this chapter.

(4) Seven members of the board constitute a quorum.

(5) The members must elect a chair, treasurer, and secretary annually, and other officers as the members determine necessary, and may adopt bylaws or rules for their own government.

(6) Meetings of the board must be held in accordance with the open public meetings act, chapter 42.30 RCW, and at the call of the chair or when a majority of the members so requests. Meetings of the board may be held at any location within or out of the state, and members may participate in a meeting of the board by means of a conference telephone or similar communication equipment under RCW 23B.08.200.

(7) The board must be staffed by one or more program administrators selected by and under contract with the board. The board may cause one or more tax-exempt nonprofit corporations to be created, organized, and operated exclusively to perform some or all of the program administrator duties. The board may select and contract directly with any program administrator. The program administrator must be paid an administrative fee as determined by the board and paid mutually agreed-upon operating costs which may vary depending on the endowment's activities.

[2025 c 199 s 2; 2018 c 4 s 2; 2015 3rd sp.s. c 34 s 3.]

Establishes tourism marketing authority

RCW 43.384

NOTE: The following excerpts identify instances of direct involvement by the Department of Commerce as set forth in the statute. They are provided for ease of reference and do not represent the full scope of RCW 43.384 or its individual sections.

RCW 43.384.010 – Definitions.

Excerpt:
(3) "Department" means the department of commerce.

(4) "Director" means the director of the department of commerce.

RCW 43.384.020 – Established—Duties—Administrative assistance.

Excerpt:
(3) The department provides administrative assistance to the authority and serves as the fiscal agent of the authority for moneys appropriated for purposes of the authority.

RCW 43.384.030 – Board of directors—Membership—Advisory committee—Procedures.

Excerpt:
(2) There must be a nonvoting advisory committee to the board. The advisory committee must consist of:

> (a) One ex officio representative from the department, state parks and recreation commission, department of transportation, and other state agencies as the authority deems appropriate; and
>
> (b) One member from a federally recognized Indian tribe appointed by the director of the department.

RCW 43.384.040 – Statewide tourism marketing account—Matching funds. (Effective January 1, 2026.)

Excerpt:
Expenditures from the account may be used only for expenditures of the department that are related to implementation of a statewide tourism marketing program and operation of the authority.

RCW 43.384.050 – Use of funds.

Excerpt:
(1) From amounts appropriated to the department for the authority and from other moneys available to it, the authority may incur expenditures for any purpose specifically authorized by this chapter […]

Establishes Keep Washington Working statewide work group

RCW 43.330.510

(1) A keep Washington working statewide work group is established within the department. The work group must:

> (a) Develop strategies with private sector businesses, labor, and immigrant advocacy organizations to support current and future industries across the state;

(b) Conduct research on methods to strengthen career pathways for immigrants and create and enhance partnerships with projected growth industries;

(c) Support business and agriculture leadership, civic groups, government, and immigrant advocacy organizations in a statewide effort to provide predictability and stability to the workforce in the agriculture industry; and

(d) Recommend approaches to improve Washington's ability to attract and retain immigrant business owners that provide new business and trade opportunities.

(2) The work group must consist of eleven representatives, each serving a term of three years, representing members from geographically diverse immigrant advocacy groups, professional associations representing business, labor organizations with a statewide presence, agriculture and immigrant legal interests, faith-based community nonprofit organizations, legal advocacy groups focusing on immigration and criminal justice, academic institutions, and law enforcement. The terms of the members must be staggered. Members of the work group must select a chair from among the membership. The work group must meet at least four times a year and hold meetings in various locations throughout the state. Following each meeting, the work group must report on its status, including meeting minutes and a meeting summary to the department. The department must provide a report to the legislature annually.

(3) In addition to the duties and powers described in RCW 43.330.040, it is the director's duty to provide support to the work group.

(4) The definitions in RCW 43.17.420 apply to this section.

[2019 c 440 s 3.]

NOTES:

Findings—Construction—Conflict with federal requirements—Effective date—2019 c 440: See notes following RCW 43.17.425.

Workforce innovation

Substitute House Bill 1170

Workforce development
1/ Regarding RCW 43.330.060 Trade and business responsibilities should we include the following notes:

NOTES:

Findings—Intent—2010 c 165: "The legislature finds that small businesses and entrepreneurs are a fundamental source of economic and community vitality for our state. They employ state residents, pay state taxes, purchase goods and services from local and regional companies, and contribute to our communities in many other ways. The legislature finds that small businesses and entrepreneurs need increased access to capital and technical assistance in order to maximize their potential. The legislature intends that the department of commerce and the small business development center each build upon their existing relevant statutory missions and authorities by collaborating on a specific plan to expand services to small businesses and entrepreneurs beginning in the 2011-2013 biennium." [2010 c 165 s 1.]

Savings—Effective date—2005 c 136: See notes following RCW 43.168.020.

Tacoma world trade center—1993 c 134: "The legislature recognizes that export opportunities for small and medium-sized businesses stimulates economic growth. Within current resources, the department of trade and economic development shall work with the Tacoma world trade center, to assist small and medium-sized businesses with export opportunities." [1993 c 134 s 1.]

Small Business Finance and Community Support unit:

Establishing the State Small Business Credit Initiative (SSBCI)

RCW 43.330.060

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

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

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

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

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

(iii) Workable solutions to filling the gaps and removing barriers identified in (a)(ii) of this subsection; and

(iv) The financial resources and statutory changes necessary to put the plan into effect beginning with the 2011-2013 biennium.

(b) With respect to increasing access to capital, the plan must identify specific, feasible sources of capital and practical mechanisms for expanding access to it."

Cannabis/Social Equity Program:

1. In 2020, HB 2870 permitted the issue of approximately 40 additional cannabis retail licenses to create opportunities for diversity in the cannabis industry and reduce barriers to entry to the cannabis industry for individuals and communities most adversely impacted by the enforcement of cannabis-related laws, or the "war on drugs"

2. A task force formed to facilitate the development of a statewide cannabis social equity program. The Social Equity in Cannabis Task Force convened and ultimately provided a Final Report to the Legislature and Governor advising on the development of policies and recommendations to enhance social equity in the cannabis industry licensing process.

Recommendations from the Task Force included:

- Focus on policies to expand cannabis licensure opportunities for social equity applicants.

- Create a professional development and workforce training program to support social equity applicants.

- Expand the scope of the Technical Assistance and Mentorship Program to include financial assistance for social equity applicants.

- Create a community reinvestment fund from cannabis tax revenue to support communities harmed by the "war on drugs"

2025 – Senate Bill 5080
Final rules (RCW 69.50.335) went into effect Jan. 18, 2025.

The cannabis retail registration window opened on Jun. 2, 2025 and closed Jul. 1, 2025.

69 registrants received notification they were "selected" for the Social Equity Program as of Oct. 20, 2025.

Equitable Access to Credit Program

RCW 82.04.449

2021 Engrossed Second Substitute House Bill 1015

RCW 43.330.050

Community and Economic Development Responsibilities

The Equitable Access to Credit Program, a tax credit program, awards grants to qualified lending institutions to provide businesses in historically underserved communities with access to credit. It offers businesses and individuals who pay state business and occupation tax (B&O) taxes a unique opportunity to contribute and receive tax credits. By making cash contributions equivalent to their B&O tax liability, participants can receive a dollar-for-dollar tax credit from the Department of Revenue (DOR). Businesses can contribute up to $1 million annually to the Program and receive tax credit.

The program provides a tax preference mechanism that generates funds for grants to qualified lending institutions. These grants, funded through contributions in exchange for B&O tax credits, are dedicated to providing access to credit for historically underserved communities. A minimum of 65% of the value of all grants awarded in any

calendar year must be allocated for native Community Development Financial Institutions (CDFI) or grantees to provide services or invest, or both, in rural counties.

Small Business Resiliency Network (SBRN) Program

RCW 43.330.050
Community and Economic Development responsibilities

RCW 43.330.070
Local development Training and technical assistance

2022 Engrossed Substitute Senate Bill 5693

5693-S.PL.pdf (wa.gov) pages 114-115

(148) $15,000,000 of the coronavirus state fiscal recovery fund— federal appropriation is provided solely to expand the small business resiliency network program. Program expansion activities may include:

(a) Providing funding for new or existing network partners to provide wraparound services and support to assist small business owners, including support in accessing financing; and

(b) Establishing a credit repair pilot program by contracting with community foundations and nonprofit credit unions with existing character-based lending programs to provide credit counseling and other services to build or improve credit for small businesses and entrepreneurs who are unable to access conventional lending.

State Small Business Credit Initiative (SSBCI) and Technical Assistance Program

A 2021 Authority issued by the Governor's office through a competitive application process with U.S. Treasury to participate in the State Small Business Credit Initiative (SSBCI) pursuant to:

RCW 43.330.040
Director powers and duties

RCW 43.330.050
Community and economic development responsibilities

RCW 43.330.060
Trade and business responsibilities

The above provides authority, issued by Governor's office, through a competitive application process with U.S. Treasury to participate in the State Small Business Credit Initiative (SSBCI), and has:

1) designated the Washington State Department of Commerce (Commerce) to **accept** SSBCI funds from U.S. Treasury allocated to the state of Washington.

2) Commerce responsible for **administrating** Washington's participation in the SSBCI and ensuring the implementation of the programs included in Washington's application.

3) Commerce is responsible for **overseeing** SSBCI programs and contractors for ensuring that all reporting requirements under Treasury regulations are completed.

4) Commerce all necessary **legal authority to enter into an allocation agreement** with Treasury.