

does not have an appropriation, and its functions could be implemented by the Department without a new statutory body.

I do concur with the need for the state to develop coordinated strategies to enhance its competitive export trade position in the forest products industry, which is the primary purpose of Sections 79-81 of Substitute House Bill No. 625. However, I believe this purpose could be addressed by the Department of Trade and Economic Development in concert with others through the interagency "coordination" and "trade development" provisions, Sections 4 and 6 respectively of Substitute House Bill 625, without the creation of a new statutory board as specified in Sections 79-81. Alternatively, the Department of Natural Resources, within its existing responsibilities and authorities, could appropriately initiate such an advisory committee. Further, the University of Washington's Center for International Trade in Forest Products, which the legislature has now made a permanent part of the College of Forest Resources, is charged with the responsibility for drawing upon public and private sector resources to expand the State's export of forest products.

Similarly, Sections 84-94 would create an advisory group to be known as the Tourism Partnership Commission, which does not have an appropriation. The intent of Sections 84-94 can be accomplished under Section 16 of Substitute House Bill 625 which authorizes the Director of the Department of Trade and Economic Development to appoint advisory groups as needed, and, therefore, a new statutory body without an appropriation is not warranted at this time.

In addition to the vetoes of Section 79-81 and 84-94, I have also vetoed several sections of this Act for technical reasons.

I have vetoed Sections 7 and 8 because they duplicate international trade policy statements and objectives contained in other sections of the Act.

I have vetoed Section 59 because it is a triple amendment to RCW 43.160.030 pertaining to membership on the Community Economic Revitalization Board (CERB). Sections 2 and 3 of Substitute House Bill No. 863 and Sections 1 and 2 of Substitute House Bill No. 461, both which also passed the legislature this session, also amend RCW 43.160.030. Sections 2 and 3 of Substitute House Bill 863 have also been vetoed by separate action.

I have also vetoed Sections 82 and 83 which would establish an international trade and investment information system within the Department of Trade and Economic Development. Similar but broader responsibilities are provided to the Department by Sections 5, 6 and 12 of Substitute House Bill No. 625.

With the exception of Sections 7, 8, 59 and 79-94, Substitute House Bill No. 625 is approved."

CHAPTER 467

[Engrossed Second Substitute House Bill No. 627]

WASHINGTON STATE ECONOMIC DEVELOPMENT BOARD—LONG-TERM ECONOMIC DEVELOPMENT STRATEGY

AN ACT Relating to economic development; adding a new chapter to Title 43 RCW; adding a new chapter to Title 44 RCW; adding a new chapter to Title 67 RCW; creating new sections; declaring an emergency; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

****NEW SECTION. Sec. 1. The creation of a commission to promote competition and research in mental sports such as chess, checkers, bridge, go, scholastic olympiads, and others will provide many benefits to the people of the state. Such a commission will benefit the public by:***

(1) Promoting education, competition, and research in mental sports in the common schools and institutions of higher education of the state, as well as among the general public; and

(2) Promoting tourism and economic development through the hosting of regional, national, and international tournaments in mental sports.

The legislature finds that mental sports promote intellectual development and offer the ultimate combination of art, science, and sport.

*Sec. 1 was vetoed, see message at end of chapter.

***NEW SECTION. Sec. 2. As used in this chapter:**

(1) "Mental sports" includes chess, checkers, go, bridge, scholastic olympiads, and other nongambling games.

(2) "Commission" means the mental sports competition and research commission.

*Sec. 2 was vetoed, see message at end of chapter.

***NEW SECTION. Sec. 3. (1)** *There is established the mental sports competition and research commission. The commission consists of five persons appointed by the governor. In making the appointments, the governor shall select one person who is primarily a chess player, one person who is primarily a bridge player, one person who has experience promoting scholastic olympiads, and one person who is primarily a go player.*

(2) The members of the commission shall serve terms of four years. However, in making the initial appointments, the governor may provide for staggered terms. Vacancies shall be filled by appointment for the remainder of the unexpired term.

(3) Members of the commission shall not be compensated but shall be reimbursed for travel expenses as provided in RCW 43.03.050 and 43.03.060.

(4) The commission may adopt such rules as may be necessary in the administration of this chapter. The rules shall be adopted under chapter 34-.04 RCW.

*Sec. 3 was vetoed, see message at end of chapter.

***NEW SECTION. Sec. 4.** *The commission shall to the maximum extent feasible rely on volunteer labor. The department of commerce and economic development shall provide staff support if necessary.*

*Sec. 4 was vetoed, see message at end of chapter.

***NEW SECTION. Sec. 5.** *The commission may solicit, accept, and expend such gifts, grants, and endowments from public and private sources as may be made available to the commission.*

*Sec. 5 was vetoed, see message at end of chapter.

***NEW SECTION. Sec. 6. (1)** *The commission may promote and sponsor tournaments in any mental sport. Entry fees and prize funds may be set by the commission with a view toward maximizing public participation and raising revenue for the commission and promotional activities of the commission.*

(2) The commission may sponsor exhibitions, lectures, and tournament participation by visiting mental sports masters.

(3) In conducting mental sports tournaments and events, the commission shall consult with and seek the cooperation of local and national mental sports clubs and federations.

*Sec. 6 was vetoed, see message at end of chapter.

***NEW SECTION.** *Sec. 7. By January 12, 1987, the mental sports competition and research commission shall submit to the legislature a report that includes:*

(1) A summary of the commission's achievements;

(2) Recommendations on enhancing the status of mental sports within the common schools;

(3) Recommendations on promoting tournaments for the benefit of the general public; and

(4) Recommendations regarding possible future state financial support of the commission.

*Sec. 7 was vetoed, see message at end of chapter.

***NEW SECTION.** *Sec. 8. Sections 1 through 6 of this act shall constitute a new chapter in Title 67 RCW."*

*Sec. 8 was vetoed, see message at end of chapter.

NEW SECTION. *Sec. 9. The legislature finds that unemployment remains persistently high in Washington. The economy, although diversifying, is shifting to a service-based economy and is still highly vulnerable to fluctuations in the national economy. In fact, unemployment has been consistently higher than the national average. Washington does not have a long-term economic development policy and has suffered from lack of a long-term plan in its attempt to resolve the economic problems which continue to plague the state.*

Washington's economic development effort has not matched the scope of the problem. An essential first step is to establish a public and private consensus on a long-term economic development strategy which recognizes both the competitive position and needs of our key businesses and industries and the need to establish new businesses and industries. A unique partnership between the private and public sectors can attract new businesses and encourage greater investment in Washington state.

NEW SECTION. *Sec. 10. There is hereby established the Washington state economic development board, referred to in this chapter as the board. The board is charged with the responsibility for creating a long-term economic development strategy for the state.*

NEW SECTION. *Sec. 11. The board shall be composed of citizens from both the private and public sectors who are actively engaged in organizations and businesses which support economic expansion and job creation. The board shall be composed as follows:*

- (1) The governor;
- (2) Four members of the legislature, including one member from each of the four largest caucuses in the legislature;
- (3) One representative of a manufacturing company employing more than one thousand persons;
- (4) One representative of a manufacturing company employing fewer than one hundred persons;
- (5) One representative of a manufacturing company employing between one hundred and one thousand persons;
- (6) One representative from organized labor;
- (7) One representative from a major financial institution;
- (8) One representative from agriculture;
- (9) One representative from education;
- (10) One representative from the tourism industry;
- (11) One representative from the forest products industry;
- (12) One economic development professional;
- (13) One owner of a women-owned business enterprise certified under chapter 39.19 RCW;
- (14) One owner of a minority-owned business enterprise certified under chapter 39.19 RCW; and
- (15) Five citizens at large.

The director of commerce and economic development, the director of revenue, the director of financial management, and the director of community development shall serve as ex officio members of the board.

The governor shall, within fourteen days of the effective date of this act, appoint all members of the board, except those in subsection (2) of this section who shall be appointed by their respective caucuses. The first meeting of the board shall occur within thirty days of the effective date of this act.

The governor shall serve as the chairperson and shall designate a citizen member to serve as vice-chairperson of the board. Members shall serve four-year terms. Members are subject to dismissal by the governor due to the lack of attendance or contribution. The position of a legislative member shall become vacant if the member ceases to be a member of the legislature. A vacancy in a legislative position shall be filled by the original appointing authority.

The board shall include at least two representatives from each of the state's congressional districts.

The board shall meet regularly and shall create subcommittees as needed to deal with specific issues and concerns. Members shall be reimbursed for travel expenses under RCW 43.03.050 and 43.03.060, except legislative members shall be reimbursed under RCW 44.04.120.

NEW SECTION. Sec. 12. (1) The board shall develop a long-term economic development plan based on a strategic analysis. The objective of

the plan shall be to spur new job creation and investment that is consistent with the preservation of the state's quality of life and environment. The board shall submit an initial plan to the governor and the legislature by January 10, 1987, and shall submit revisions to the plan based on continuing analysis and oversight on January 10 of each year thereafter.

(2) The board shall produce a report by January 10, 1986, submitting the report to the governor and the legislature, addressing the following issues:

(a) Methods of facilitating economic activity and adjustment policies toward distressed communities and to enhance the employment opportunities of the economically disadvantaged;

(b) Methods of improving the competitive environment by removing unnecessary regulations and other barriers to the development process; and

(c) Methods of increasing the effectiveness and coordination of existing economic development programs and agencies, state and local.

NEW SECTION. Sec. 13. The board has the following responsibilities and powers:

(1) To secure and encourage substantial private sector, community, and citizen support in the analysis of economic development opportunities and development of specific recommendations for economic growth;

(2) To identify and analyze key traded businesses and industries to determine their potential for expansion, diversification, and production of high value-added goods;

(3) To propose an appropriate state role in new product development, venture capital formation, and research and development;

(4) To evaluate the performance of existing state economic development efforts for consistency and coordination, as well as for their effect on job creation, and to evaluate the long-term benefits to the state of these efforts;

(5) To propose, along with other state, local, and private groups, new methods to increase public and private partnerships to foster economic development efforts;

(6) To develop a long-term economic development strategy based on consensus goals and principles, an in-depth analysis of market opportunities, private sector support and investment, and specific private and public economic development measures which have a substantial potential to increase employment;

(7) To study the key components of the state's business climate as they relate to the long-term development strategy including, but not limited to, education and training, energy, existing environmental conditions, research and development, capital, land, transportation, advanced communications, taxes, and regulations with an analysis of their linkages to the key traded sectors;

(8) To review the various economic development policy recommendations made by other agencies or organizations and recommend to the governor and legislature those strategies, policies and programs it deems to be in the best interest of the state;

(9) To make specific recommendations for the establishment of public-private cooperative efforts in economic development and state-local cooperative efforts including but not limited to the need for establishing formal working relationships, whether by contract or otherwise, for purposes of engaging in joint, cooperative economic development activities;

(10) To cooperate with and secure the cooperation of any department, agency, or instrumentality in state, county, and city government, and other associations affected by or concerned with the business of the commission; and

(11) To accept gifts and grants upon such terms as the board may deem proper.

NEW SECTION. Sec. 14. The board may employ such staff as it requires and may contract for services as it deems necessary in order to carry out its duties and responsibilities. The governor and the legislature may provide additional staff and facilities as may be reasonably required to assist the board in carrying out its duties and responsibilities.

NEW SECTION. Sec. 15. Sections 9 through 14 of this act shall constitute a new chapter in Title 43 RCW.

NEW SECTION. Sec. 16. The board shall implement sections 9 through 14 of this act only to the extent that funds are available.

NEW SECTION. Sec. 17. (1) Economic development and in particular international trade, tourism, and investment have become increasingly important to Washington, affecting the state's employment, revenues, and general economic well-being. Additionally, economic trends are rapidly changing and the international marketplace has become increasingly competitive as states and countries seek to improve and safeguard their own economic well-being. The purpose of the legislative committee on economic development is to provide responsive and consistent involvement by the legislature in economic development to maintain a healthy state economy and to provide employment opportunities to Washington residents.

(2) There is created a legislative committee on economic development which shall consist of six senators and six representatives from the legislature and the lieutenant governor who shall serve as chairperson. The senate members of the committee shall be appointed by the president of the senate and the house members of the committee shall be appointed by the speaker of the house. Not more than three members from each house shall be from the same political party. A list of appointees shall be submitted before the close of each regular legislative session during an odd-numbered year or any successive special session convened by the governor or the legislature

prior to the close of such regular session or successive special session(s) for confirmation of senate members, by the senate, and house members, by the house. Vacancies occurring shall be filled by the appointing authority.

NEW SECTION. Sec. 18. The committee shall by majority vote establish subcommittees, and prescribe rules of procedure for itself and its subcommittees which are consistent with this chapter. The committee shall at a minimum establish a subcommittee on international trade and a subcommittee on industrial development.

NEW SECTION. Sec. 19. The committee or its subcommittees are authorized to study and review economic development issues with special emphasis on international trade, tourism, investment, and industrial development, and to assist the legislature in developing a comprehensive and consistent economic development policy. The issues under review by the committee shall include, but not be limited to:

(1) Evaluating existing state policies, laws, and programs which promote or affect economic development with special emphasis on those concerning international trade, tourism, and investment and determine their cost-effectiveness and level of cooperation with other public and private agencies.

(2) Monitoring economic trends, and developing for review by the legislature such appropriate state responses as may be deemed effective and appropriate.

(3) Monitoring economic development policies and programs of other states and nations and evaluating their effectiveness.

(4) Determining the economic impact of international trade, tourism, and investment upon the state's economy.

(5) Assessing the need for and effect of federal, regional, and state cooperation in economic development policies and programs.

(6) Developing and evaluating legislative proposals concerning the issues specified in this section.

NEW SECTION. Sec. 20. The committee shall receive the necessary staff support from both the senate and house staff resources.

NEW SECTION. Sec. 21. The members of the committee shall serve without additional compensation, but shall be reimbursed for their travel expenses, in accordance with RCW 44.04.120, incurred while attending sessions of the committee or meetings of any subcommittee of the committee, while engaged on other committee business authorized by the committee, and while going to and coming from committee sessions or committee meetings.

NEW SECTION. Sec. 22. All expenses incurred by the committee, including salaries and expenses of employees, shall be paid upon voucher forms as provided by the auditor and signed by the chairperson or vice

chairperson of the committee and attested by the secretary of the committee, and the authority of the chairperson and secretary to sign vouchers shall continue until their successors are selected after each ensuing session of the legislature. Vouchers may be drawn on funds appropriated generally by the legislature for legislative expenses or upon any special appropriation which may be provided by the legislature for the expenses of the committee or both.

NEW SECTION. Sec. 23. The committee shall cooperate, act, and function with legislative committees, executive agencies, and with the councils or committees of other states similar to this committee and with other interstate research organizations.

NEW SECTION. Sec. 24. Sections 17 through 23 of this act shall constitute a new chapter in Title 44 RCW.

NEW SECTION. Sec. 25. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 26. This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect July 1, 1985.

Passed the House April 26, 1985.

Passed the Senate April 25, 1985.

Approved by the Governor May 21, 1985, with the exception of certain items which are vetoed.

Filed in Office of Secretary of State May 21, 1985.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Sections 1 through 8, Engrossed Second Substitute House Bill No. 627, entitled:

"AN ACT Relating to economic development."

Sections 1 through 8 of this bill would establish a Mental Sports Competition and Research Commission. While the intent of these sections is laudable and I heartily endorse competition in chess, bridge and other intellectual games, I feel that it is more appropriate for communities and school districts to support and promote these activities at the local level, or through state associations.

With the exception of Sections 1 through 8, which I have vetoed, Engrossed Second Substitute House Bill No. 627 is approved."