

HOUSE BILL ANALYSIS HB 2968

Title: An act relating to cluster-based economic development.

Brief Description: Establishing an industry cluster-based approach to economic development.

Sponsors: Representatives Veloria, Dunn, Eickmeyer, Rockefeller, Conway and Kenney; by request of Lieutenant Governor.

Brief Summary of Bill

- Requires the Department of Community, Trade, and Economic Development to work with industry associations and organizations to identify industry clusters on a regional and state-wide basis.
- Requires the Department of Community, Trade, and Economic Development to develop strategies and services designed to strengthen the competitiveness of the state's industry clusters.
- Defines industry clusters– as a geographic concentration of interdependent competitive firms that do business with each other. Clusters also include firms that sell inside and outside of the geographic region as well as support firms that supply raw materials, components, and business services.

HOUSE ECONOMIC DEVELOPMENT, HOUSING & TRADE COMMITTEE

Staff: Kenny Pittman (786-7392)

Background:

In 1999, the Legislative Committee on Economic Development conducted a series of hearing throughout the state to receive input on the development of a state-wide strategy on economic development. During those hearings, businesses and communities expressed a need to support economic development efforts that identify industry clusters and to design and target services to meet their needs.

Summary of Bill:

The Department of Community, Trade, and Economic Development (DCTED) must work with industry associations and organizations to identify industry clusters on a regional and state-wide basis. An industry cluster– is defined as a geographic concentration of interdependent competitive firms that sell inside and outside of the geographic region, as well as support firms that supply raw materials, components, and business services.

An industry cluster may include aerospace, agriculture, food processing, forest products, business services, financial services, health and biomedical, software, transportation and distribution, and microelectronics.

The DCTED must work with the identified clusters, local governments, local economic development organizations and institutions of higher education to develop strategies to strengthen the competitiveness of the state's industry clusters. The DCTED must continuously evaluate the effectiveness of the services provided to industry clusters using state-wide and regional information.

Appropriation: None.

Fiscal Note: Available.

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