

SENATE BILL REPORT

SB 6618

As Reported By Senate Committee On:
Commerce, Trade, Housing & Financial Institutions, February 3, 2000

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

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

Sponsors: Senators Prentice, Shin, Hale and Rasmussen; by request of Lieutenant Governor.

Brief History:

Committee Activity: Commerce, Trade, Housing & Financial Institutions: 2/1/2000, 2/3/2000 [DPS].

SENATE COMMITTEE ON COMMERCE, TRADE, HOUSING & FINANCIAL INSTITUTIONS

Majority Report: That Substitute Senate Bill No. 6618 be substituted therefor, and the substitute bill do pass.

Signed by Senators Prentice, Chair; Shin, Vice Chair; Benton, Gardner, Hale, Rasmussen, T. Sheldon and Winsley.

Staff: Dave Cheal (786-7576)

Background: During its interim hearings, the Legislative Committee on Economic Development heard from nationally recognized experts on the value of directing limited state economic development resources toward industry clusters, rather than individual businesses. This can provide linkages between businesses that might not otherwise communicate because they are competitors, or simply not aware of each other. These linkages can lead to greater efficiencies in solving common problems. Locally, cluster- cooperation could lead to more intelligent and more economic development of industrial infrastructure.

Summary of Substitute Bill: The Department of Community, Trade, and Economic Development must shift its emphasis to work with industry associations and organizations to identify industry clusters on a regional and statewide basis. An industry cluster- is defined as a geographic concentration of interdependent competitive firms that sell inside or outside of the geographic region, as well as support firms that supply raw materials, components, and business services.

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

Substitute Bill Compared to Original Bill: The substitute bill adds environmental technology– to the list of identified industry clusters.

Appropriation: None.

Fiscal Note: Requested on January 31, 2000.

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

Testimony For: Washington Realtors support this bill.

Testimony Against: None.

Testified: Bryan Wahl, Realtors (pro).