

SENATE BILL REPORT

SHB 1091

As Reported By Senate Committee On:
Economic Development, Trade & Management, March 23, 2007
Ways & Means, March 30, 2007

Title: An act relating to innovation partnership zones.

Brief Description: Promoting innovation partnership zones.

Sponsors: House Committee on Community & Economic Development & Trade (originally sponsored by Representatives VanDeWege, Chase, Upthegrove, Miloscia, B. Sullivan, O'Brien, P. Sullivan, Morrell, Sells, Kenney, Rolfes, Kelley, Moeller, Wallace and Eddy; by request of Governor Gregoire).

Brief History: Passed House: 3/08/07, 96-0.

Committee Activity: Economic Development, Trade & Management: 3/16/07, 3/23/07 [DPA-WM].

Ways & Means: 3/30/07 [DPA(EDTM)].

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & MANAGEMENT

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.

Signed by Senators Kastama, Chair; Kilmer, Vice Chair; Zarelli, Ranking Minority Member; Clements, Kauffman and Shin.

Staff: Jack Brummel (786-7428)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended by Committee on Economic Development, Trade & Management.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Zarelli, Ranking Minority Member; Brandland, Carrell, Hatfield, Hewitt, Hobbs, Honeyford, Keiser, Kohl-Welles, Oemig, Parlette, Rasmussen, Regala, Roach, Rockefeller, Schoesler and Tom.

Staff: Richard Ramsey (786-7412)

Background:

Washington's economy is driven by innovation. The Governor's Global Competitiveness Council recommended in its final report that state resources be redirected toward local concentrations of innovation.

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.

Summary of Substitute Bill: The Director of the Department of Community, Trade and Economic Development (CTED) is to designate local areas as innovation partnership zones if the areas have research capacity, globally competitive firms in a research-based industry, and training capacity. The Director is to designate an administrator for each zone: the administrator must be an economic development council, port, workforce development council, city, or county.

Zones are eligible for funds as provided by the Legislature or Governor. Zone designation is for a period of four years.

A zone must provide performance measures as required by the Director.

Local infrastructure financing funds may be used for innovation partnership zones. The sales and use tax for public facilities in rural counties, commonly referred to as the 0.08 tax, may be used for innovation partnership zones.

EFFECT OF CHANGES MADE BY RECOMMENDED AMENDMENT(S) AS PASSED COMMITTEE (Economic Development, Trade & Management): CTED is to administer an Innovation Partnership Zone Program with the advice of the Economic Development Commission. The zone program will have three elements: (1) the designation of zones; (2) the awarding of innovation partnership grants; and (3) the provision of technical and planning assistance to grant applicants.

Grants must be used to improve commercialization facilities within a zone and to facilitate collaboration between research teams, industry, and workforce training providers leading to the formation of new companies, commercialization, and increased competitiveness. Grants awarded must have a private match of at least 50 percent of the grant amount.

The Economic Development Commission has oversight of implementation of innovation partnerships and will develop a plan to strengthen research teams, fund researchers and labs, and increase commercialization capacity.

The Commission is also to develop performance measures for innovation research teams and innovation partnership zone grant recipients and perform an assessment and report on commercialization of technologies and outcomes of innovation zones.

The Economic Development Commission is to work with the Higher Education Coordinating (HEC) Board and research institutions to: (1) develop a plan for recruitment of ten significant entrepreneurial researchers over the next ten years to lead innovation research teams - the HEC Board is to implement the plan; and (2) develop comprehensive entrepreneurial programs at research institutions to accelerate commercialization process.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony (Economic Development, Trade & Management):

PRO: This has a lot of support throughout the state.

Persons Testifying (Economic Development, Trade & Management): PRO:

Representative VanDeWege, prime sponsor; Marc Baldwin, Governor's Policy Office.

Staff Summary of Public Testimony (Ways & Means): None.

Persons Testifying (Ways & Means): No one.