

# SENATE BILL REPORT

## 2SSB 5090

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As Passed Senate, March 7, 2007

**Title:** An act relating to innovation partnership zones.

**Brief Description:** Promoting innovation partnership zones.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Kastama, Shin, Franklin, Kilmer, Marr, Kauffman, Murray and Rasmussen; by request of Governor Gregoire).

**Brief History:**

**Committee Activity:** Economic Development, Trade & Management: 1/24/07, 2/23/07 [DPS-WM].

Ways & Means: 2/28/07, 3/05/07 [DP2S].

Passed Senate: 3/07/07, 48-0.

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### SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & MANAGEMENT

**Majority Report:** That Substitute Senate Bill No. 5090 be substituted therefor, and the substitute bill do pass 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)

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Second Substitute Senate Bill No. 5090 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Pridemore, Vice Chair, Operating Budget; 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.

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*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 Second Substitute Bill:** With advice from the Washington economic development council, the Department of Community, Trade and Economic Development (CTED) will administer an innovation partnership zone program that consists of the designation of innovative partnership zones, the awarding of grants, and provision of technical and planning assistance. Applications for designation of an area as an innovative partnership zone may be submitted by associate development organizations, port districts, workforce development councils, cities, or counties.

The Director of CTED will disburse grants to innovation partnership zones to facilitate collaboration among research teams, industry and workforce training providers that results in the formation and financing of new innovative firms, the commercialization of research results and movement of firms and industry clusters into globally competitive niches. The grants are to be matched by at least 50 percent contributions from the private sector. For the 2007-09 biennium two grants will be awarded to a recipient in the central Puget Sound region, two grants will be awarded to recipients in eastern Washington and one grant will be awarded to a recipient in western Washington, outside of the central Puget Sound region.

With advice from the innovation partnership advisory group, the Washington state economic development commission will have oversight responsibility for the implementation of innovation partnerships throughout the state. The commission will advise CTED in the implementation of the innovation partnership zone program, including the criteria to be used in the selection of grant applications for funding. In conjunction with the higher education coordinating board and research institutions, the commission will develop a plan to expand existing and develop new intellectual assets and innovation research teams in the state. The plan is due to the Legislature and the Governor by December 31, 2007.

The innovation partnership fund is created in the State Treasury as a non-appropriated account. The act is null and void if not specifically funded in the omnibus appropriations act.

**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: The state needs a strategy to support and spread innovation. New Jersey has a zone policy putting \$10 million in three areas. This brings together research and businesses. It takes into account that different regions have different economies. Partnerships are important. The bill appears oriented to hi-tech but other innovative businesses with talent need to be supported.

**Persons Testifying (Economic Development, Trade & Management):** PRO: Marc Baldwin, Governor's Office; Randall Lewis, City of Tacoma; Marc Cummings, Battelle.

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

**Persons Testifying (Ways & Means):** No one.