

# SENATE BILL REPORT

## SHB 1128

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As of March 23, 2009

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

**Brief Description:** Changing innovation partnership zone provisions.

**Sponsors:** House Committee on Community & Economic Development & Trade (originally sponsored by Representatives Kenney, Bailey, Pettigrew, Chase, Hudgins, Haler, Hasegawa, Darneille, Kelley and Sullivan).

**Brief History:** Passed House: 2/23/09, 96-0.

**Committee Activity:** Economic Development, Trade & Innovation: 3/18/09.

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

**Staff:** Philip Brady (786-7460)

**Background:** The Innovation Partnership Zone (IPZ) Program was created in 2007. The Director of the Department of Community, Trade and Economic Development (CTED) designates areas within Washington as IPZs. An area wishing consideration must submit an application to the CTED, and must identify an IPZ administrator that is an economic development council, port, workforce development council, city, or county. An IPZ designation is for a four-year period, after which it must reapply. In order to be designated, an area must have three criteria: one or more research institutions within the boundaries; globally-competitive firms in research-driven industries within the boundaries; and training capacity in or near the zone.

The IPZs must provide performance measures as prescribed by the CTED, including but not limited to measures of private investment, job creation, and innovation. The Economic Development Commission (Commission) has oversight responsibility for the implementation and evaluation of the state's efforts to further innovation partnerships statewide and must provide information and advice to CTED, including grant funding criteria and performance measures.

The Commission, CTED, and research institutions must submit a plan, a report on proposed performance measures, and a biennial report to the Legislature and the Governor. The IPZs are eligible for funds and resources provided by the Legislature or the Governor, and can also be eligible for the Local Infrastructure Financing Tool, Sales and Use Tax for Public

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Facilities in Rural Counties, and Job Skills Program if the IPZ Program meets their requirements.

**Summary of Bill:** The Director is authorized to waive the requirement that a research institution be located within the zone, if the applicant submits a specific plan that describes the institution's unique qualifications and suitability for the IPZ and the ongoing cooperative activities that will occur. The Director may also withdraw a designation and any related funds from an IPZ that fails to meet its performance standards.

The Commission no longer has oversight responsibility for the IPZ Program. The Commission examines CTED's reports and makes recommendations based on those reports instead of reviewing individual IPZs based on their performance measures.

Reporting dates are changed.

**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:** PRO: This bill is consistent with the other bill being heard this day, and changes the Economic Development Commission's (EDC) role to an advisory capacity rather than oversight.

**Persons Testifying:** PRO: Egils Milbergs, EDC.