
**Community & Economic Development &
Housing Committee**

HB 2482

Brief Description: Designating innovation partnership zones.

Sponsors: Representatives Kenney, Finn, Ryu, Hasegawa and Stanford.

Brief Summary of Bill

- Requires Innovation Partnership Zones (IPZs) to be part of an industry cluster.
- Provides information and options to applicants that do not meet all the criteria for IPZ designation.

Hearing Date: 1/19/12

Staff: Jennifer Thornton (786-7147).

Background:

In 2007 the Legislature directed the Department of Community, Trade and Economic Development (now the Department of Commerce) to design and implement an Innovation Partnership Zone (IPZ) Program through which the state would encourage and support research institutions, workforce training organizations, and globally competitive companies to work cooperatively in close geographic proximity to create commercially viable products and jobs.

Using specified criteria, the Department of Commerce (Department) with the advice of the Washington Economic Development Commission (Commission) designates the IPZs for a period of four years. The IPZs are administered by an economic development council, port, workforce development council, city or county. An IPZ may renew its designation through a reapplication process, and may lose its designation for failure to meet performance standards. The IPZs are eligible for funds as provided by the Legislature or at the discretion of the Governor. There are currently 14 IPZs in Washington.

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 Bill:

The IPZs must be part of an industry cluster, which is defined as a geographic concentration of interconnected companies in a single industry; related businesses in other industries, including suppliers and customers; and associated institutions, including government and education.

A firm's global competitiveness can be signified by evidence of sales in international markets instead of through other recognized evidence of international success.

When designating IPZs, the Department must use criteria it develops in consultation with the Commission, rather than other criteria recommended by the Commission.

An IPZ may be eligible for Local Improvement District (LID) funds if it meets all of the other requirements to obtain the LID funding.

For applicants that do not receive an IPZ designation, the Department is required to:

- identify deficiencies in the proposal and recommend steps to strengthen the proposal;
- provide the applicant with the opportunity to appeal the decision to the director; and
- allow the applicant to reapply for IPZ designation during the following calendar year or any subsequent application cycle.

The required IPZ performance measures must be provided to the Department on an annual basis.

Appropriation: None.

Fiscal Note: Requested on January 17, 2012.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.