

HOUSE BILL REPORT

SB 5403

As Reported by House Committee On:
Community Development & Housing

Title: An act relating to authorizing local improvement district funding to benefit innovation partnership zones for the purposes of economic development.

Brief Description: Authorizing local improvement district funding to benefit innovation partnership zones for the purposes of economic development.

Sponsors: Senators Chase, Kastama, Shin, Prentice, McAuliffe and Pridemore.

Brief History:

Committee Activity:

Community Development & Housing: 3/9/11, 3/16/11 [DPA].

**Brief Summary of Bill
(As Amended by House)**

- Expands the list of projects eligible for local improvement district funding to include the construction, reconstruction, or repair of research laboratories, testing facilities, business incubator facilities, and training centers in innovation partnership zone designated areas.

HOUSE COMMITTEE ON COMMUNITY DEVELOPMENT & HOUSING

Majority Report: Do pass as amended. Signed by 6 members: Representatives Kenney, Chair; Finn, Vice Chair; Maxwell, Ryu, Santos and Walsh.

Minority Report: Do not pass. Signed by 3 members: Representatives Smith, Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Ahern.

Staff: Jennifer Thornton (786-7147).

Background:

Local Improvement Districts.

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.

Cities and towns are granted broad authority to create a local improvement district (LID) for the purpose of constructing, reconstructing, or repairing a wide range of publicly owned structures, facilities, and infrastructure, including:

- specified types of public buildings;
- community facilities for recreation, entertainment, and cultural activities;
- bridges and trestles;
- dikes and embankments;
- parks and playgrounds;
- street lighting systems;
- infrastructure for public transportation systems; and
- water and sewer system infrastructure.

A LID may be created by an ordinance passed by the city or town council in accordance with specified statutory procedures. The passage of the ordinance must be in response to either a petition or resolution proposing the creation of the district and which is subject to a public hearing. Under certain circumstances the proceedings necessary to establish a LID must be initiated by the petition of the affected property owners.

The costs of creating a LID are financed, in whole or in part, through special assessments on property that is specially benefited by the improvement.

Innovation Partnership Zones.

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, with the advice of the Economic Development Commission, designates the IPZs for a period of four years. 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 12 IPZs in Washington.

Summary of Amended Bill:

The list of projects eligible for LID funding is expanded to include the construction, reconstruction, or repair of research laboratories, testing facilities, business incubator facilities, and training centers that are built in IPZ designated areas.

Amended Bill Compared to Original Bill:

The term "incubation facilities" is changed to "business incubator facilities."

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) There are currently 12 IPZs around this state, and there is the potential for more. Building an innovative economy is all about creativity, innovation, and imagination, which we have all across our state. By building something better or discovering something new that can be made into something better, IPZs, associate development organizations, research universities, and citizens can bring about economic renewal. By bringing profit back to our communities, we will recirculate that money.

(Opposed) None.

Persons Testifying: Senator Chase, prime sponsor.

Persons Signed In To Testify But Not Testifying: None.