

# SENATE BILL REPORT

## HB 2482

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As of February 14, 2012

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

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

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

**Brief History:** Passed House: 2/09/12, 81-16.

**Committee Activity:** Economic Development, Trade & Innovation: 2/15/12.

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

**Staff:** Jack Brummel (786-7428)

**Background:** In 2007 the Legislature established the Innovation Partnership Zone (IPZ) program through which the state would encourage and support research institutions, workforce training organizations, and globally competitive companies working 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 IPZs for a period of four years. An IPZ must be 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.

IPZs are eligible for funds as provided by the Legislature or at the discretion of the Governor. There are currently 14 IPZs in Washington.

**Summary of Bill:** An IPZ must have 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.

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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.*

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 of the Department; 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:** Available.

**Committee/Commission/Task Force Created:** No.

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