

SENATE BILL REPORT

SB 5404

As of February 6, 2011

Title: An act relating to authorizing community economic revitalization board funding to benefit innovation partnership zones.

Brief Description: Authorizing community economic revitalization board funding to benefit innovation partnership zones.

Sponsors: Senators Chase, Kastama, Hatfield, Shin, Prentice, McAuliffe, Kohl-Welles, Conway and Keiser.

Brief History:

Committee Activity: Economic Development, Trade & Innovation: 2/03/11.

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

Staff: Jack Brummel (786-7428)

Background: The Legislature established Innovative Partnership Zones (IPZs) in 2007. IPZs are designated local areas that have research capacity, globally competitive firms in research-based industries, and training capacity. IPZs must have identifiable boundaries within which concentrated efforts will be made to connect innovative researchers, entrepreneurs, investors, industry associations or clusters, and training providers. IPZs are eligible for funds as provided by the Legislature or Governor. IPZs are designated by the Department of Commerce with the advice of the Economic Development Commission. IPZ designation is for a period of four years, which may be renewed through a reapplication process.

The Community Economic Revitalization Board (CERB) was created in 1982 to provide funding for publicly-owned economic development infrastructure. Through CERB, direct loans and grants are available to counties, cities, Indian tribes, and special purpose districts. CERB financing of public facilities may be for public improvements such as the acquisition, construction, or repair of water and sewer systems, bridges, railroad spurs, telecommunication systems, roads, structures, and port facilities.

Summary of Bill: The general objectives of CERB include enhancing job and business growth through facility development and other improvements in IPZs.

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.

For purposes of CERB financing, the term "public facilities" includes research, testing, training, and incubation facilities in IPZs.

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: Some people are concerned that we will abandon this enterprise. This will show we are serious about building the innovation economy. We are seeing good success at IPZs. This bill provides us with support and gives an emphasis to IPZs. The EDC is a great supporter of the IPZ experiment. Local areas should have flexibility to raise funds and use new tools for financing innovation. Intangible assets should have incentives, too.

Persons Testifying: PRO: Senator Chase, prime sponsor; Tim Mc Carty, Walla Walla IPZ; Egils Milbergs, WA. Economic Development Commission.