

HOUSE BILL REPORT

HB 1937

As Passed Legislature

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: Representatives Ryu, Kenney, Moscoso, Ladenburg and Roberts.

Brief History:

Committee Activity:

Community Development & Housing: 2/16/11, 2/17/11 [DP].

Floor Activity:

Passed House: 3/3/11, 68-29.

Passed Senate: 4/4/11, 47-0.

Passed Legislature.

Brief Summary of Bill

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

HOUSE COMMITTEE ON COMMUNITY DEVELOPMENT & HOUSING

Majority Report: Do pass. Signed by 7 members: Representatives Kenney, Chair; Finn, Vice Chair; Smith, Ranking Minority Member; Maxwell, Ryu, Santos and Walsh.

Minority Report: Do not pass. Signed by 2 members: Representatives Orcutt, Assistant Ranking Minority Member; Ahern.

Staff: Jennifer Thornton (786-7147).

Background:

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.

Local Improvement Districts.

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 Bill:

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

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) This bill does not change any LID provisions or how financing works. It just adds the IPZs as an allowable use of LID funding, so if a community wants to invest in an IPZ it can do so.

(Opposed) None.

Persons Testifying: Representative Ryu, prime sponsor.

Persons Signed In To Testify But Not Testifying: None.