

SENATE BILL REPORT

ESB 6617

As Passed Senate, February 15, 2000

Title: An act relating to local economic development capacity.

Brief Description: Encouraging local economic development.

Sponsors: Senators Prentice, Hale and Rasmussen; by request of Lieutenant Governor.

Brief History:

Committee Activity: Commerce, Trade, Housing & Financial Institutions: 2/1/2000, 2/3/2000 [DP].

Passed Senate, 2/15/2000, 47-0.

SENATE COMMITTEE ON COMMERCE, TRADE, HOUSING & FINANCIAL INSTITUTIONS

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Shin, Vice Chair; Benton, Gardner, Hale, Rasmussen, T. Sheldon and Winsley.

Staff: Dave Cheal (786-7576)

Background: Current law directs the Department of Community, Trade, and Economic Development to work closely with local communities, and coordinate the delivery of development services and technical assistance. During its interim hearings, the Legislative Committee on Economic Development heard recommendations from nationally recognized experts that limited economic development assistance resources of the state should be directed toward industry clusters— rather than individual firms. The committee adopted this concept and included it in its final report and recommendations to the Legislature. The Department of Community, Trade, and Economic Development has no office based in eastern Washington.

Summary of Bill: The Department of Community, Trade, and Economic Development must give particular attention to community empowerment zones in the delivery of local economic development services.

The department must shift its emphasis to include industry clusters— to the groups to which it provides development services and training.

Industry cluster— is defined as a geographic concentration of interdependent competitive firms that do business with each other. Clusters also include firms that sell inside and outside of the geographic region as well as support firms that supply raw materials, components, and business services.

The Department of Community, Trade, and Economic Development is directed to establish a field office in eastern Washington. If practicable, the office must be colocated with an existing state agency in the Tri Cities area.

Appropriation: None.

Fiscal Note: Not requested

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: None.

Testimony Against: None.

Testified: No one.