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SENATE BILL 5553

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State of Washington                      61st Legislature                      2009 Regular Session

By Senators Kilmer, Delvin, Kastama, Shin, Hobbs, Marr, Tom, McAuliffe, Kohl-Welles, and Pridemore

Read first time 01/26/09. Referred to Committee on Economic Development, Trade & Innovation.

1            AN ACT Relating to promoting economic development through promoting  
2 innovation and the commercialization of technologies; and amending RCW  
3 28B.20.297, 28B.20.289, and 28B.20.293.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5            **Sec. 1.** RCW 28B.20.297 and 2005 c 357 s 1 are each amended to read  
6 as follows:

7            (1) The legislature finds that small technology-based firms are the  
8 source of approximately one-half of the economy's major innovations.  
9 The legislature further finds that economic development in the state is  
10 increasingly driven by innovative firms and that it is in the interest  
11 of the state to:

12            (a) Increase participation by Washington state small businesses in  
13 the federal small business innovation research program by assisting  
14 them in becoming small business innovation research program grant  
15 recipients((-

16            ~~The legislature further finds that many small business innovators~~  
17 ~~lack the grant writing skills necessary to prepare a successful small~~  
18 ~~business innovation research program proposal, and the federal program~~  
19 ~~that funded grant writing assistance has stopped operations. Nearly~~

1 ~~fifty percent of small businesses trained under the federal program won~~  
2 ~~grants compared to less than ten percent of those that did not receive~~  
3 ~~training))~~;

4 (b) Increase the number of innovative firms that understand and  
5 engage in the technology commercialization process by providing  
6 information resources and technical assistance in accessing new  
7 technologies;

8 (c) Increase funding for product development and production by  
9 providing information on available finance options and facilitating the  
10 matching of investors with innovative entrepreneurs; and

11 (d) Coordinate these commercialization, assistance, and information  
12 functions through existing statewide organizations and reinforce  
13 collaboration among the network of the state's research, economic  
14 development, and technology assistance organizations for this purpose.

15 (2) As used in this section:

16 (a) "Small business innovation research program" means the program,  
17 enacted pursuant to the small business innovation development act of  
18 1982, P.L. 97-219, that provided funds to small businesses to conduct  
19 innovative research having commercial application.

20 (b) "Small business" means a corporation, partnership, sole  
21 proprietorship, or individual, operating a business for profit, with  
22 two hundred fifty employees or fewer, including employees employed in  
23 a subsidiary or affiliated corporation, that otherwise meets the  
24 requirements of the federal small business innovation research program.

25 (3) To the extent funds are appropriated for these purposes, the  
26 Washington technology center shall provide or contract for the  
27 provision of the following in conjunction with the state's public  
28 universities and colleges, private and federal research laboratories,  
29 and local and regional economic development and technology assistance  
30 organizations:

31 (a) Establish a small business innovation research and assistance  
32 program, including a proposal review process, to train and assist  
33 Washington small businesses to win phase I federal small business  
34 innovation research program awards and federal technology innovation  
35 program awards. ((+a)) In operating the program, the Washington  
36 technology center shall give priority to first-time small business  
37 innovation research program applicants, new businesses, and firms with  
38 fewer than ten employees((-));

1       **(b) Develop and disseminate a guide to the technology**  
2 **commercialization process in the research and academic institutions in**  
3 **the state;**

4       **(c) Develop a recommendation on how to integrate and provide a**  
5 **common access mechanism to databases of technologies and inventions**  
6 **developed in the state by the state's research institutions;**

7       **(d) Offer training on the provision of commercialization assistance**  
8 **to technical assistance providers at the state's small business**  
9 **development centers, economic development councils, chambers of**  
10 **commerce, industry cluster associations, the Washington manufacturing**  
11 **service, and private consulting firms;**

12       **(e) Develop a funding resource guide, offer workshops on how to**  
13 **access financing for commercializing new technologies, provide**  
14 **opportunities for novice investors to learn about investing in**  
15 **technology-based companies, host events to connect entrepreneurs and**  
16 **investors, and maintain an interactive web site accessible by**  
17 **researchers, entrepreneurs, and investors; and**

18       **(f) Report on the impact of commercialization activities at**  
19 **Washington research institutions on an annual basis.**

20       **(4) The Washington technology center may charge a fee for ((this))**  
21 **its services.**

22       **(5) The investing in innovation account is created in the custody**  
23 **of the state treasurer. Funds may be directed to the account from**  
24 **federal, state, and private sources. Expenditures from the account may**  
25 **be used only for the purposes of this section, carrying out the**  
26 **investing in innovation grants program established under RCW**  
27 **70.210.030, and other innovation and commercialization purposes**  
28 **consistent with the federal, state, or private, and other funding**  
29 **guidelines that apply to the funds deposited in the account. Only the**  
30 **executive director of the Washington technology center or the executive**  
31 **director's designee may authorize expenditures from the account. The**  
32 **account is subject to allotment procedures under chapter 43.88 RCW, but**  
33 **an appropriation is not required for expenditures.**

34       **Sec. 2.** RCW 28B.20.289 and 2003 c 403 s 11 are each amended to  
35 read as follows:

36       (1) The technology center shall be administered by the board of  
37 directors of the technology center.

1           (2) The board shall consist of the following members: Fourteen  
2 members from among individuals who are associated with or employed by  
3 technology-based industries and have broad business experience and an  
4 understanding of high technology; eight members from the state's  
5 universities with graduate science and engineering programs; the  
6 executive director of the Spokane Intercollegiate Research and  
7 Technology Institute or his or her designated representative; the  
8 provost of the University of Washington or his or her designated  
9 representative; the provost of the Washington State University or his  
10 or her designated representative; and the director of the department of  
11 community, trade, and economic development or his or her designated  
12 representative. The term of office for each board member, excluding  
13 the executive director of the Spokane Intercollegiate Research and  
14 Technology Institute, the provost of the University of Washington, the  
15 provost of the Washington State University, and the director of the  
16 department of community, trade, and economic development, shall be  
17 three years. The executive director of the technology center shall be  
18 an ex officio, nonvoting member of the board. The board shall meet at  
19 least quarterly. Board members shall be appointed by the governor  
20 based on the recommendations of the existing board of the technology  
21 center, and the research universities. The governor shall stagger the  
22 terms of the first group of appointees to ensure the long term  
23 continuity of the board.

24           (3) The duties of the board include:

25           (a) Developing the general operating policies for the technology  
26 center;

27           (b) Appointing the executive director of the technology center;

28           (c) Approving the annual operating budget of the technology center;

29           (d) Establishing priorities for the selection and funding of  
30 research projects that guarantee the greatest potential return on the  
31 state's investment;

32           (e) Approving and allocating funding for research projects  
33 conducted by the technology center, based on the recommendations of the  
34 advisory committees for each of the research centers;

35           (f) In cooperation with the department of community, trade, and  
36 economic development, developing a biennial work plan and five-year  
37 strategic plan for the technology center that are consistent with the  
38 statewide technology development and commercialization goals;

1 (g) Coordinating with the University of Washington, Washington  
2 State University, and other participating institutions of higher  
3 education in the development of training, research, and development  
4 programs to be conducted at the technology center that shall be  
5 targeted to meet industrial needs;

6 (h) Assisting the department of community, trade, and economic  
7 development in the department's efforts to develop state science and  
8 technology public policies and coordinate publicly funded programs;

9 (i) Performing the duties required under chapter 70.210 RCW  
10 relating to the investing in innovation grants program;

11 (j) Reviewing annual progress reports on funded research projects  
12 that are prepared by the advisory committees for each of the research  
13 centers; and

14 (k) Providing an annual report to the governor and the legislature  
15 detailing the activities and performance of the technology center(~~+~~  
16 and

17 ~~(l) Submitting annually to the department of community, trade, and~~  
18 ~~economic development)) including an updated strategic plan and a~~  
19 ~~statement of performance measured against the mission, roles, and~~  
20 ~~contractual obligations of the technology center.~~

21 (4) The Washington technology center shall have the authority to  
22 accept gifts, grants, donations, sponsorships, or contributions from  
23 any federal, state, or local government agency or program or any  
24 private source and expend the same for any activity consistent with its  
25 duties and purpose.

26 **Sec. 3.** RCW 28B.20.293 and 1995 c 399 s 27 are each amended to  
27 read as follows:

28 The ~~((department of community, trade, and economic development~~  
29 ~~shall contract with the)) University of Washington shall contract with~~  
30 ~~the Washington technology center~~ for the expenditure of state-  
31 appropriated funds for the operation of the ~~((Washington technology))~~  
32 center. ~~((The department of community, trade, and economic development~~  
33 ~~shall provide guidance to the technology center regarding expenditure~~  
34 ~~of state appropriated funds and the development of the center's~~  
35 ~~strategic plan. The director of the department of community, trade,~~  
36 ~~and economic development shall not withhold funds appropriated for the~~  
37 ~~technology center if the technology center complies with the provisions~~

1 ~~of its contract with the department of community, trade, and economic~~  
2 ~~development.))~~ The ((department)) University of Washington shall be  
3 responsible to the legislature for the contractual performance of the  
4 center.

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