
SECOND SUBSTITUTE HOUSE BILL 1003

State of Washington 58th Legislature 2003 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives Morris, Linville, Wood, Anderson, O'Brien and Sullivan)

READ FIRST TIME 3/10/03.

1 AN ACT Relating to investing in technology and biotechnical
2 research and technology transfer; reenacting and amending RCW
3 43.79A.040; adding a new section to chapter 28B.20 RCW; and adding a
4 new chapter to Title 70 RCW.

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

6 NEW SECTION. **Sec. 1.** It is the intent of the legislature to
7 promote growth in the technology sectors of our state's economy and to
8 particularly focus support on the creation and commercialization of
9 intellectual property in the technology, energy, and telecommunications
10 industries.

11 NEW SECTION. **Sec. 2.** The investing in innovation account is
12 created in the custody of the state treasurer. Expenditures from the
13 account may be used only for grants awarded by the research and
14 technology transfer commission and for operation of the commission
15 established under section 3 of this act. Only the executive director
16 of the Washington technology center or the director's designee may
17 authorize expenditures from the account. The account is subject to

1 allotment procedures under chapter 43.88 RCW, but an appropriation is
2 not required for expenditures.

3 NEW SECTION. **Sec. 3.** (1) The research and technology transfer
4 commission is created.

5 (2) The commission shall consist of the following members:

6 (a) The board of directors of the Washington technology center;

7 (b) One member from each of the two largest caucuses of the senate,
8 appointed by the president of the senate from members who serve on the
9 following standing committees or their successor committees: The
10 economic development and telecommunications committee and the health
11 and long-term care committee; and

12 (c) One member from each of the two largest caucuses of the house
13 of representatives, appointed by the speaker of the house of
14 representatives from members who serve on the following standing
15 committees or their successor committees: The technology,
16 telecommunications and energy committee; the trade and economic
17 development committee; and the health care committee.

18 (3) The executive director of the Washington technology center
19 shall act as the chair of the commission.

20 NEW SECTION. **Sec. 4.** The purpose of the commission is to provide
21 advice and oversight of the grant program, including the development of
22 criteria for the award of contracts or grants to qualifying
23 universities, institutions, or individuals. The commission will make
24 decisions regarding distribution of these grant funds and will make
25 grant awards.

26 NEW SECTION. **Sec. 5.** (1) The commission shall periodically make
27 strategic assessments of the types of state investments in biomedical
28 research and biotechnology in this state that would likely create jobs
29 and business opportunities and produce the most beneficial long-term
30 improvements to the public health of the citizens of the state. One
31 area of focus for the commission shall be the biomedical research and
32 biotechnology proposals that address cancer, cardiovascular, and
33 smoking-related illnesses.

34 (2) The commission shall periodically make strategic assessments of
35 the types of state investments at any research institution of higher

1 education in Washington state in technology, telecommunications, and
2 energy research that would likely create jobs and business
3 opportunities and would make telecommunications technology and energy
4 technology more universally available, reliable, or affordable.

5 (3) The assessments shall be available to the public and shall be
6 used by the commission to guide its decisions on awarding grants.

7 NEW SECTION. **Sec. 6.** The commission shall establish a competitive
8 process for the award of grants and when appropriate shall provide for
9 peer review of proposals. Priority shall be given to proposals that
10 leverage additional private and public funding resources. Up to ten
11 percent of available funds from the investing in innovation account may
12 be used to support a commercial development fund to support
13 commercialization opportunities for biomedical research in Washington
14 state.

15 NEW SECTION. **Sec. 7.** The grants program shall be reviewed
16 periodically. The commission shall establish performance benchmarks
17 against which the program will be evaluated. The commission shall
18 report on program reviews to the following standing committees: The
19 house of representatives committees on technology, telecommunications
20 and energy, trade and economic development, and health care; and the
21 senate committees on economic development and communications and health
22 and long-term care.

23 NEW SECTION. **Sec. 8.** Not more than one percent of the available
24 funds may be used for administrative costs of the commission and the
25 implementation of its duties.

26 **Sec. 9.** RCW 43.79A.040 and 2002 c 322 s 5, 2002 c 204 s 7, and
27 2002 c 61 s 6 are each reenacted and amended to read as follows:

28 (1) Money in the treasurer's trust fund may be deposited, invested,
29 and reinvested by the state treasurer in accordance with RCW 43.84.080
30 in the same manner and to the same extent as if the money were in the
31 state treasury.

32 (2) All income received from investment of the treasurer's trust
33 fund shall be set aside in an account in the treasury trust fund to be
34 known as the investment income account.

1 (3) The investment income account may be utilized for the payment
2 of purchased banking services on behalf of treasurer's trust funds
3 including, but not limited to, depository, safekeeping, and
4 disbursement functions for the state treasurer or affected state
5 agencies. The investment income account is subject in all respects to
6 chapter 43.88 RCW, but no appropriation is required for payments to
7 financial institutions. Payments shall occur prior to distribution of
8 earnings set forth in subsection (4) of this section.

9 (4)(a) Monthly, the state treasurer shall distribute the earnings
10 credited to the investment income account to the state general fund
11 except under (b) and (c) of this subsection.

12 (b) The following accounts and funds shall receive their
13 proportionate share of earnings based upon each account's or fund's
14 average daily balance for the period: The Washington promise
15 scholarship account, the college savings program account, the
16 Washington advanced college tuition payment program account, the
17 agricultural local fund, the American Indian scholarship endowment
18 fund, the basic health plan self-insurance reserve account, the
19 Washington state combined fund drive account, the Washington
20 international exchange scholarship endowment fund, the developmental
21 disabilities endowment trust fund, the energy account, the fair fund,
22 the fruit and vegetable inspection account, the game farm alternative
23 account, the grain inspection revolving fund, the juvenile
24 accountability incentive account, the rural rehabilitation account, the
25 stadium and exhibition center account, the youth athletic facility
26 account, the self-insurance revolving fund, the sulfur dioxide
27 abatement account, (~~and~~) the children's trust fund, and the investing
28 in innovation account. However, the earnings to be distributed shall
29 first be reduced by the allocation to the state treasurer's service
30 fund pursuant to RCW 43.08.190.

31 (c) The following accounts and funds shall receive eighty percent
32 of their proportionate share of earnings based upon each account's or
33 fund's average daily balance for the period: The advanced right of way
34 revolving fund, the advanced environmental mitigation revolving
35 account, the city and county advance right-of-way revolving fund, the
36 federal narcotics asset forfeitures account, the high occupancy vehicle
37 account, the local rail service assistance account, and the
38 miscellaneous transportation programs account.

1 (5) In conformance with Article II, section 37 of the state
2 Constitution, no trust accounts or funds shall be allocated earnings
3 without the specific affirmative directive of this section.

4 NEW SECTION. **Sec. 10.** A new section is added to chapter 28B.20
5 RCW to read as follows:

6 The Washington technology center shall provide staff support for
7 the research and technology transfer commission.

8 NEW SECTION. **Sec. 11.** Sections 1 through 8 of this act constitute
9 a new chapter in Title 70 RCW.

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