

SENATE BILL REPORT

SSB 6163

AS PASSED SENATE, FEBRUARY 11, 1994

Brief Description: Allowing businesses in this state to continue participating in the small business innovation research program.

SPONSORS: Senate Committee on Ways & Means (originally sponsored by Senators Sheldon, Bluechel, Skratek, Williams and Oke)

SENATE COMMITTEE ON TRADE, TECHNOLOGY & ECONOMIC DEVELOPMENT

Majority Report: Do pass.

Signed by Senators Skratek, Chairman; Sheldon, Vice Chairman; Bluechel, Cantu, Erwin, M. Rasmussen and Williams.

Staff: Jeff Baird (786-7444)

Hearing Dates: January 26, 1994; February 1, 1994

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6163 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rinehart, Chairman; Quigley, Vice Chairman; Bauer, Bluechel, Cantu, Gaspard, Hargrove, Hochstatter, Ludwig, McDonald, Moyer, Niemi, Pelz, Roach, L. Smith, Snyder, Spanel, Sutherland, Talmadge, Williams and Wojahn.

Staff: Martin Chaw (786-7711)

Hearing Dates: February 7, 1994; February 8, 1994

BACKGROUND:

Federal Small Business Innovation Research program grants are awarded by federal agencies with research and development budgets of \$100 million or more. SBIR grants are awarded in phases. Winning firms are first awarded a phase I contract to perform basic research on an idea or ideas coinciding with a granting agency's mission. This work is then reviewed for scientific merit and technical feasibility before a granting agency awards a phase II grant for research and development. During this review period, a firm may be faced with a several month gap in funding that can threaten the firm's viability.

SUMMARY:

The Department of Community, Trade, and Economic Development is directed to establish a competitive grant program to assist SBIR contract winners who have completed their phase I contract and are awaiting a phase II award. Grants shall not

exceed \$25,000 and shall be awarded to firms whose technology shows the greatest potential to lead to commercialization and fabrication within the state.

The Department of Community, Trade and Economic Development may award the grants conditioned upon the receipt of a share of any license, patent, copyright, or royalty benefitting the recipient.

A null and void clause is added, making this act contingent upon funding provided in the budget by June 30, 1994.

Appropriation: none

Revenue: yes

Fiscal Note: available

Effective Date: July 1, 1994

TESTIMONY FOR (Trade, Technology & Economic Development):

There is a six to nine month wait between phase I and phase II awards. This long wait can destroy an entrepreneur or small firm that has already risked a great deal of personnel time and capital in winning the phase I grant.

TESTIMONY AGAINST (Trade, Technology & Economic Development): None

TESTIFIED (Trade, Technology & Economic Development): PRO: Clyde Barlow, Barlow Scientific; Phil Spesor, Foresight Science; Mike Anderson, attorney; Gary Smith, Independent Business Association

TESTIMONY FOR (Ways & Means): None

TESTIMONY AGAINST (Ways & Means): None

TESTIFIED (Ways & Means): No one