
SUBSTITUTE SENATE BILL 5553

State of Washington

61st Legislature

2009 Regular Session

By Senate Economic Development, Trade & Innovation (originally sponsored by Senators Kilmer, Delvin, Kastama, Shin, Hobbs, Marr, Tom, McAuliffe, Kohl-Welles, and Pridemore)

READ FIRST TIME 02/12/09.

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

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

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

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

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

17 ~~The legislature further finds that many small business innovators~~
18 ~~lack the grant writing skills necessary to prepare a successful small~~
19 ~~business innovation research program proposal, and the federal program~~

1 ~~that funded grant writing assistance has stopped operations. Nearly~~
2 ~~fifty percent of small businesses trained under the federal program won~~
3 ~~grants compared to less than ten percent of those that did not receive~~
4 ~~training));~~

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

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

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

16 (2) As used in this section:

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

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

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

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

1 innovation research program applicants, new businesses, and firms with
2 fewer than ten employees((~~-~~));

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

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

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

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

20 (f) Report on the impact of commercialization activities at
21 Washington research institutions on an annual basis.

22 (4) The Washington technology center may charge a fee for ((~~this~~))
23 its services.

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

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

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

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

26 (3) The duties of the board include:

27 (a) Developing the general operating policies for the technology
28 center;

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

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

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

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

37 (f) In cooperation with the department of community, trade, and

1 economic development, developing a biennial work plan and five-year
2 strategic plan for the technology center that are consistent with the
3 statewide technology development and commercialization goals;

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

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

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

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

17 (k) Providing an annual report to the governor and the legislature
18 detailing the activities and performance of the technology center(~~+~~
19 and

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

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

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

31 The ~~((department of community, trade, and economic development~~
32 ~~shall contract with the)) University of Washington shall contract with~~
33 the Washington technology center for the expenditure of state-
34 appropriated funds for the operation of the ~~((Washington technology))~~
35 center. ~~((The department of community, trade, and economic development~~
36 ~~shall provide guidance to the technology center regarding expenditure~~
37 ~~of state appropriated funds and the development of the center's~~

1 ~~strategic plan. The director of the department of community, trade,~~
2 ~~and economic development shall not withhold funds appropriated for the~~
3 ~~technology center if the technology center complies with the provisions~~
4 ~~of its contract with the department of community, trade, and economic~~
5 ~~development.)) The ((department)) University of Washington shall be~~

6 responsible to the legislature for the contractual performance of the
7 center.

8 NEW SECTION. **Sec. 4.** Section 3 of this act takes effect July 1,
9 2011.

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