

# SENATE BILL REPORT

## SB 5521

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As of February 9, 2011

**Title:** An act relating to the commercialization of state university technology.

**Brief Description:** Regarding commercialization of state university technology.

**Sponsors:** Senators Tom, Kastama, Kilmer and Shin.

**Brief History:**

**Committee Activity:** Higher Education & Workforce Development: 2/09/11.

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### SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

**Staff:** Aldo Melchiori (786-7439)

**Background:** Technology transfer is the process by which universities commercialize their research by allowing businesses to turn the academic research into new technologies. In return, universities collect licensing fees or royalties, or a part of the ownership stake in a product. In 2009 the University of Washington, Washington State University, and Fred Hutchinson Cancer Research Center collectively filed 346 patent applications; produced 13 startup companies; negotiated 250 options and licenses; and generated approximately \$60 million in commercialization revenue.

In 2010 the Legislature authorized the universities to establish and administer bridge-funding programs for start-up companies using federal or private funds. The State Ethics Act was also amended to add that university research employees may make reasonable use of university facilities, services, and commercialization resources to benefit start-up companies that are formed from universities.

**Summary of Bill:** The state universities are authorized to establish, administer, or arrange for the administration of funding programs for entities using federal, private, or trust funds. The funding programs may invest in companies, including those that have not committed to using state university technology, but the majority of the funds must be to entities that have made those commitments. The state universities may form or help form nonprofit or for-profit entities, and state university employees and agents may act as directors and managers.

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Subject to exceptions, public records are subject to disclosure under the Public Records Act. An exception to disclosure is made for financial and commercial information, business plans, technical, technological, or research information and data, and private investor identifying information in connection with the state university funding programs.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: This will help our universities create more spin-off companies that mean Washington jobs. The bill provides more detail and guidance to supplement last years efforts. Access to early stage capital is essential for the technology transfer process. Even our successful efforts would have been enhanced if we had greater access to capital. This bill involves no state dollars.

**Persons Testifying:** PRO: Linden Rhoads, University of Washington, C4C.