

HOUSE BILL REPORT

E2SSB 6518

As of Second Reading

Title: An act relating to terminating the operations of innovate Washington and transferring property from innovate Washington to Washington State University and the department of commerce.

Brief Description: Terminating the operations of innovate Washington and transferring property from innovate Washington to Washington State University and the department of commerce.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senator Chase; by request of Washington State Department of Commerce).

Brief History:

Committee Activity:

None.

Brief Summary of Engrossed Second Substitute Bill

- Abolishes Innovate Washington July 1, 2015. Transfers the mission, powers and duties of Innovate Washington to the Department of Commerce. Transfers the real property of Innovate Washington to Washington State University (WSU) July 1, 2014.
- Transfers the Sustainable Aviation Biofuels Work Group to the FAA Center of Excellence for Alternative Jet Fuels and Environment at WSU.

Staff: David Pringle (786-7310).

Background:

In 2011 the Legislature created Innovate Washington as the successor agency to the Washington Technology Center and the Spokane Intercollegiate Research and Technology Institute to serve as the primary state agency focused on growing Washington's innovation-based economy and to respond to the technology transfer needs of existing businesses. Innovate Washington was created to:

- facilitate research and technology transfer opportunities supportive of state industries;

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- provide mechanisms for collaboration between technology-based industries and higher education institutions;
- help businesses secure research funds and develop and integrate technology into new products;
- offer technology transfer and commercialization training opportunities for students;
- serve as the lead entity for coordinating clean energy initiatives; and
- administer technology and innovation grant and loan programs.

Innovate Washington's governance structure includes a 15-member board consisting of seven private-sector executives appointed by the Governor, four legislators, the Governor or Governor's designee, the president or designees from the University of Washington and Washington State University (WSU), and the Director of the Department of Commerce (Commerce).

The Investing in Innovation Account was also created by the Legislature as a non-appropriated account in the custody of the State Treasurer. Only the Executive Director of Innovate Washington or the Executive Director's designee has the authority to make expenditures from the account.

Innovate Washington has a performance agreement with the private nonprofit Innovate Washington Foundation (Foundation) under which the Foundation delivers the services for which Innovate Washington is responsible. The Foundation is governed by a separate board of directors than the board governing Innovate Washington. Innovate Washington has no employees, apart from the Executive Director of the Foundation who serves as the Executive Director of the state agency Innovate Washington on a volunteer basis.

In 2013 the Legislature eliminated all funding appropriated to Innovate Washington in the state operating budget. Innovate Washington, however, still exists as a state agency under statutory law, and still has access to non-appropriated state funds.

Summary of Bill:

Innovate Washington is abolished on July 1, 2015, and its mission, powers, duties, and personal property will be transferred to Commerce. The Department of Commerce must honor any donor-imposed conditions on personal property.

The Sustainable Aviation Biofuels Work Group is transferred to the FAA Center of Excellence for Alternative Jet Fuels and Environment at WSU.

On July 1, 2014, all real property of Innovate Washington is transferred to WSU and the master lease for the Spokane Technology Center Building in Spokane, Washington is assigned to WSU. Innovate Washington must coordinate with the Department of Enterprise Services in assigning and transferring the master lease. The Office of Financial Management may allocate funds and assets, if necessary, to effectuate the transfer of Innovate Washington's responsibilities. Statutory references pertaining to the agency are removed from statute. Chapter 70.210 RCW, the Investing in Innovation Grant Program, is repealed.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on July 1, 2015, except for sections 1 and 7 which take effect 90 days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony:

(In support) None.

(Opposed) None.

Persons Testifying: None.

Persons Signed In To Testify But Not Testifying: None.