
HOUSE BILL 2833

State of Washington

65th Legislature

2018 Regular Session

By Representatives Morris, Schmick, and Hudgins

Read first time 01/17/18. Referred to Committee on Technology & Economic Development.

1 AN ACT Relating to transferring duties of the life sciences
2 discovery fund; amending RCW 43.350.040, 43.350.050, and 43.350.070;
3 adding new sections to chapter 43.330 RCW; recodifying RCW
4 43.350.040, 43.350.050, and 43.350.070; repealing RCW 43.350.005,
5 43.350.010, 43.350.020, 43.350.030, 43.350.060, 43.350.901, and
6 43.350.903; and providing an effective date.

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

8 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.330
9 RCW to read as follows:

10 (1) The department must designate a nonprofit organization to
11 receive funds previously administered by the life sciences discovery
12 fund authority through the life sciences discovery fund. The
13 organization designated by the department must be a statewide
14 organization established with a primary mission of growing and
15 sustaining the life science ecosystem within the state of Washington
16 by supporting life science entrepreneurs and connecting life science
17 researchers, and biopharmaceutical, medical device, digital health,
18 and health information technology companies to the resources they
19 need to accelerate life science innovation.

20 (2) The department must transfer funds to the organization
21 selected under subsection (1) of this section from the life sciences

1 discovery fund established in RCW 43.350.070 (as recodified by this
2 act). The department may enter into a partnership with the
3 organization selected under subsection (1) of this section to monitor
4 and collect grant payback funds.

5 (3) The department must contract with the organization selected
6 under subsection (1) of this section to either provide services or
7 make grants, or both, to entities pursuant to a contract to foster
8 growth of the state's life science sector and to improve the health
9 and economic well-being of its residents. Grant agreements must
10 specify deliverables to be provided by the recipient under the grant.
11 The selected organization must evaluate requests for funding by
12 reference to factors such as: (a) The quality of the proposed
13 research or project; (b) its potential to improve health outcomes,
14 with particular attention to the likelihood that it will also lower
15 health care costs, provide a substitute for a more costly diagnostic
16 or treatment modality, or offer a breakthrough treatment for a
17 particular disease or condition; (c) the potential for leveraging
18 additional funding; (d) the potential to provide health care benefits
19 or a benefit to human learning and development; (e) the potential to
20 stimulate the health care delivery, biomedical manufacturing, and
21 life sciences related employment in the state; (f) the ability to
22 provide critical life science infrastructure; (g) the potential for
23 attracting new investment or catalytic partnerships in the life
24 sciences; (h) the geographic diversity of the grantees within
25 Washington; and (i) evidence of public and private collaboration.

26 (4) Before conducting a significant grant competition, the
27 organization selected under subsection (1) of this section must adopt
28 policies and procedures to facilitate the orderly process of grant
29 application, review, and reward; and may create one or more advisory
30 boards composed of scientists, industrialists, and others familiar
31 with life sciences research to assist in grant evaluation.

32 **Sec. 2.** RCW 43.350.040 and 2005 c 424 s 5 are each amended to
33 read as follows:

34 ~~((The authority has all the general powers necessary to carry out
35 its purposes and duties and to exercise its specific powers. In
36 addition to other powers specified in this chapter, the authority))~~
37 In carrying out its duties under section 1 of this act, the
38 department may: (1) Sue and be sued ((in its own name)) on behalf of
39 the life sciences discovery fund; (2) make and execute agreements,

1 contracts, and other instruments, with any public or private person
2 or entity(~~(, in accordance with this chapter)~~); (3) employ, contract
3 with, or engage independent counsel, financial advisors, auditors,
4 other technical or professional assistants, and such other personnel
5 as ((are)) necessary (~~(or desirable to implement this chapter)~~); (4)
6 establish such special funds, and controls on deposits to and
7 disbursements from them(~~(, as it finds convenient for the~~
8 ~~implementation of this chapter;~~ (5) ~~enter into contracts with public~~
9 ~~and private entities for life sciences research to be conducted in~~
10 ~~the state;~~ (6)); and (5) adopt rules(~~(, consistent with this~~
11 ~~chapter;~~ (7) ~~delegate any of its powers and duties if consistent with~~
12 ~~the purposes of this chapter;~~ (8) ~~exercise any other power reasonably~~
13 ~~required to implement the purposes of this chapter;~~ and (9) ~~hire~~
14 ~~staff and pay administrative costs)).~~

15 **Sec. 3.** RCW 43.350.050 and 2005 c 424 s 6 are each amended to
16 read as follows:

17 Members of the governing board of trustees of the life sciences
18 discovery fund authority and persons acting on behalf of the
19 authority, while acting within the scope of their employment or
20 agency, are not subject to personal liability resulting from carrying
21 out the powers and duties conferred on them under (~~(this))~~ former
22 chapter 43.350 RCW. (~~(Neither)~~) The state (~~(nor)~~), the life sciences
23 discovery fund authority (is), and the department are not liable
24 for any loss, damage, harm, or other consequence resulting directly
25 or indirectly from grants made by the authority or by any life
26 sciences research funded by such grants.

27 **Sec. 4.** RCW 43.350.070 and 2016 sp.s. c 36 s 937 are each
28 amended to read as follows:

29 The life sciences discovery fund is created in the custody of the
30 state treasurer. Only the (~~(board or the board's))~~ department or the
31 department's designee may authorize expenditures from the fund.
32 Expenditures from the fund may be made only for purposes of (~~(this~~
33 ~~chapter))~~ section 1 of this act. Administrative expenses of the
34 (~~(authority))~~ department, including staff support, (~~(-may be paid only~~
35 ~~from the fund))~~ are limited to actual costs incurred by the
36 department in designating the nonprofit organization and in
37 monitoring and collecting grant payback funds. Revenues to the fund
38 consist of transfers made by the legislature from strategic

1 contribution payments deposited in the tobacco settlement account
2 under RCW 43.79.480, moneys received pursuant to contribution
3 agreements entered into pursuant to former RCW 43.350.030, moneys
4 received from gifts, grants, and bequests, and interest earned on the
5 fund. (~~During the 2015-2017 fiscal biennium, the legislature may~~
6 ~~transfer to other state funds or accounts such amounts as represent~~
7 ~~the excess balance of the life sciences discovery fund.~~) The fund is
8 subject to allotment procedures under chapter 43.88 RCW, but an
9 appropriation is not required for expenditures.

10 NEW SECTION. Sec. 5. RCW 43.350.040, 43.350.050, and 43.350.070
11 are each recodified as sections in chapter 43.330 RCW.

12 NEW SECTION. Sec. 6. The following acts or parts of acts are
13 each repealed:

- 14 (1) RCW 43.350.005 (Findings—Purpose—Intent) and 2005 c 424 s 1;
15 (2) RCW 43.350.010 (Definitions) and 2005 c 424 s 2;
16 (3) RCW 43.350.020 (Life sciences discovery fund authority) and
17 2005 c 424 s 3;
18 (4) RCW 43.350.030 (Authority—Trust powers) and 2016 sp.s. c 9 s
19 2, 2015 2nd sp.s. c 4 s 1503, 2015 c 71 s 3, & 2005 c 424 s 4;
20 (5) RCW 43.350.060 (Dissolving the authority) and 2005 c 424 s 7;
21 (6) RCW 43.350.901 (Liberal construction—2005 c 424) and 2005 c
22 424 s 20; and
23 (7) RCW 43.350.903 (Effective dates—2005 c 424) and 2005 c 424 s
24 24.

25 NEW SECTION. Sec. 7. This act takes effect July 1, 2018.

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