

SENATE BILL REPORT

SB 5919

As of February 12, 2009

Title: An act relating to the innovation discovery fund.

Brief Description: Creating the innovation discovery fund.

Sponsors: Senators Pflug, Kastama, Delvin and Shin.

Brief History:

Committee Activity: Economic Development, Trade & Innovation: 2/12/09.

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

Staff: Philip Brady (786-7460)

Background: The Life Sciences Discovery Fund Authority (LSDFA) was created in 2005 to provide life science development grants for research to be conducted in the state of Washington. It must solicit requests for funding and evaluate those requests using statutory criteria. It was initially funded by private sources, but now receives funds from the Tobacco Master Settlement strategic construction payments. It provides initial development funding through a competitive process, and serves as a catalyst for research in the life sciences.

The LSDFA is restricted to life science research, and there is no equivalent program for non-life science technology development.

Summary of Bill: The Innovation Discovery Fund Authority (authority) is created as a public instrumentality of the state to provide technology development grants for research to be conducted in the state of Washington. It consists of two members of the House of Representatives, two members of the Senate, and seven members appointed by the Governor with the consent of the Senate. The authority is authorized to solicit both public and private monies. It is also authorized to make grants to private entities for research to be conducted in the state pursuant to criteria specified in statute, and must specify deliverables to be provided by the grantee. Monies received by the authority are not subject to the state's business and occupation tax.

The Innovation Discovery Fund (fund) is created in the State Treasury. It is designated to hold any funds received by the authority from the Legislature or other public or private

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sources, as well as the appropriate share of any interest received by the State Treasurer on the fund.

The authority and its trustees are included in public disclosure laws, and most decisions made by the authority regarding its grant process are exempted from public disclosure and open government laws where disclosure could be reasonably expected to result in private loss.

Appropriation: None.

Fiscal Note: Requested on February 7, 2009.

Committee/Commission/Task Force Created: Yes.

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

Staff Summary of Public Testimony: PRO: Innovation and the commercialization of innovation are important to Washington. This program parallels the LSDFA. It would provide technology development grants like those provided by the LSDFA, but for a broader range of projects. It can extend beyond products to manufacturing processes, nanophotonics, etc. It is particularly important now while the economy is struggling.

Persons Testifying: PRO: Senator Pflug, prime sponsor; Vicki Austin, Washington Biotechnology and Biomedical Association.