

SENATE BILL REPORT

E2SSB 6015

As Amended by House, April 13, 2009

Title: An act relating to directing the department of community, trade, and economic development to review commercialization and innovation in the life sciences and technology sectors.

Brief Description: Directing the department of community, trade, and economic development to review commercialization and innovation in the life sciences and technology sectors.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Murray, Delvin and Marr).

Brief History:

Committee Activity: Economic Development, Trade & Innovation: 2/19/09, 2/25/09 [DPS-WM].

Ways & Means: 2/27/09, 3/02/09 [DP2S, w/oRec].

Passed Senate: 3/12/09, 47-1.

Passed House: 4/13/09, 92-6.

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

Majority Report: That Substitute Senate Bill No. 6015 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Kastama, Chair; Shin, Vice Chair; Delvin, Eide and Kilmer.

Staff: Philip Brady (786-7460)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 6015 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Tom, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Hewitt, Hobbs, Keiser, Kline, Kohl-Welles, McDermott, Murray, Pridemore and Rockefeller.

Minority Report: That it be referred without recommendation.

Signed by Senators Carrell, Honeyford, Parlette and Schoesler.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Staff: Steve Jones (786-7440)

Background: Washington has a number of programs and entities directed at the creation of new technologies and the encouragement of commercialization, both in the life sciences and general technology. Examples include the Washington Technology Center, the Life Sciences Discovery Fund, high tech research and development tax credits, and UW TechTransfer.

Multiple agencies also have jurisdiction over parts of innovation and commercialization, including the Department of Community, Trade, and Economic Development (CTED); the Higher Education Coordinating Board; the Workforce Training Board; the Economic Development Commission; and the Department of Revenue. Advocates have suggested that these agencies may inadvertently work at cross purposes.

Summary of Engrossed Second Substitute Bill: CTED must, in consultation with life sciences trade and technology trade associations, review how to promote and grow innovation and commercialization of life sciences and information sciences technologies. CTED must investigate targeted investment strategies, monitor and mitigate state policies to ensure competitive growth, and work with the Economic Development Commission to align the following with the state's comprehensive economic development plan: life sciences and technology innovation strategies; technology-based economic development, technology transfer, and commercialization efforts; strategic implementation; market analysis and competitive review; and collaboration with industry to increase availability of capital.

CTED must report findings and recommendations to the Governor and the Legislature by December 1, 2009.

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 (Economic Development, Trade & Innovation): PRO: This is a good way to start recovery while we wait for a new Department of Commerce. A director of commercialization and innovation would help ensure Washington remains a leader in innovation. The next ten years will be an explosion of information technology and communications, and Washington should be a leader. Washington already leads in many areas, but there is room to grow. This will support that growth by leveraging potential and supporting innovative people. Information technology employs 330,000 and life sciences 20,000. Innovation drives the Washington economy. While existing agencies are doing good things, it would be good to have a single coordinator.

Persons Testifying (Economic Development, Trade & Innovation): PRO: Senator Murray, prime sponsor; Chris Rivera, Patt McKinnell Davis, Washington Biotechnology and Biomedical Association; Lew McMurrin, Washington Technology Industry Association.

Staff Summary of Public Testimony (Ways & Means): PRO: It is desirable for Washington State to recruit and develop high-technology and biotechnology companies, and this bill will help Washington become more competitive with other states that are recruiting heavily in this field. This bill is based on the recommendations of a biotechnology workgroup. Eight other states have established similar positions.

Persons Testifying (Ways & Means): PRO: Senator Murray, prime sponsor; Vicki Austin, Washington Biotechnology and Biomedical Association.

House Amendment(s): CTED is required to report to the Legislature and the Governor by December 1, 2009, on methods Washington can use to encourage and support innovation in life sciences and information technology. CTED must look at ways to increase the amount of regional capital for early investments, examine state laws regarding these technologies, evaluate Washington's technology-based economic development efforts, and review the status of technology transfer efforts at research universities.

CTED must provide a draft report to the Economic Development Commission (EDC), which must prepare written observations about the draft report and its relation to the overall strategies proposed by the EDC.

Any state funds expended in these efforts must be matched by non-state funds.