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SECOND SUBSTITUTE SENATE BILL 6675

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State of Washington

61st Legislature

2010 Regular Session

By Senate Ways & Means (originally sponsored by Senators Murray, Pflug, Shin, Kastama, Kohl-Welles, and Kilmer)

READ FIRST TIME 03/09/10.

1 AN ACT Relating to creating the Washington global health  
2 technologies and product development competitiveness program and  
3 allowing certain tax credits for program contributions; amending RCW  
4 43.79A.040; adding a new chapter to Title 43 RCW; and providing  
5 expiration dates.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that the global health  
8 sector develops new technologies and products for the improvement of  
9 health delivery locally and worldwide and that Washington is home to  
10 the world's richest collection of global health research and education  
11 programs creating new and innovative technologies on a daily basis. It  
12 is the intent of the legislature to stimulate our economy and foster  
13 job creation in the emerging field of global health while improving the  
14 health of people in our state and the world. The purpose of this act  
15 is to create a funding mechanism and a grant program to ensure that  
16 Washington remains competitive in global health innovation and to  
17 guarantee that the development, manufacture, and delivery of global  
18 health products will become an even more dynamic part of the state's  
19 economy.

1        NEW SECTION.        **Sec. 2.**        (1) The Washington global health  
2 technologies and product development competitiveness program is  
3 created.

4        (2)(a) The program must be administered by a board of directors  
5 appointed by the governor. The governor must make the appointments  
6 after consultation with a state-wide alliance of global health  
7 research, nonprofit, and private entities. The board consists of the  
8 following members:

9        (i) Three members representing private companies engaged in the  
10 provision of global health products or services;

11        (ii) Three members representing nonprofit organizations supporting  
12 global health research or providing global health products or services;

13        (iii) Three members representing public research institutions  
14 engaged in global health research and education; and

15        (iv) One member who is a former elected official.

16        (b) The governor must appoint the chair of the board from among the  
17 members. The governor must appoint the members to staggered terms and  
18 each appointment may not last more than three years, but an appointee  
19 may serve more than one term.

20        (3) The board must contract with the department of health for  
21 management services to assist the board in implementing the program.

22        (4) The board must solicit and receive gifts, grants, bequests,  
23 royalty payments, licensing income, and other funds from businesses,  
24 foundations, and the federal government to promote the development and  
25 delivery of global health technologies and products. When required by  
26 those providing the funds, all such funds received must be deposited in  
27 the Washington global health technologies and product development  
28 account created in section 3 of this act. For all other funds  
29 received, the board must create and administer an account to carry out  
30 the purposes of this section. Funds from the account created by the  
31 board may be used solely for expenditures on activities required in  
32 this section.

33        (5) The board must establish eligibility criteria for global health  
34 technologies and product development grants and adopt policies and  
35 procedures to facilitate the orderly process of grant application,  
36 review, and reward.

37        (6) The board must make grants to entities pursuant to contract for

1 the development, production, promotion, and delivery of global health  
2 technologies and products considering the following:

3 (a) The quality of the proposed research or the proposed technical  
4 assistance in product development or production process design. Any  
5 grant funds awarded for research activities must be awarded for  
6 nonbasic research which will assist in commercialization or manufacture  
7 of global health technologies;

8 (b) The potential for the grant recipient to improve global health  
9 outcomes;

10 (c) The potential for the grant to leverage additional funding for  
11 the development of global health technologies and products;

12 (d) The potential for the grant to stimulate, or promote technical  
13 skills training for, employment in the development of global health  
14 technologies in the state;

15 (e) The willingness of the grant recipient, when appropriate, to  
16 enter into royalty or licensing income agreements with the board; and

17 (f) Any other factors, as the board determines.

18 (7) Grant contracts must specify that award recipients must conduct  
19 their research, development, and any subsequent production activities  
20 within Washington, with the exception of activities such as clinical  
21 trials that must be carried out in developing countries, and that a  
22 failure to comply with this requirement will obligate the recipient to  
23 return the amount of the award plus interest as determined by the  
24 board.

25 (8) Upon the recommendation of the Washington economic development  
26 commission, the board may provide funding for the recruitment and  
27 employment by public research and global health nonprofit institutions  
28 in the state of global health researchers with a history of  
29 commercialization of global health technologies.

30 NEW SECTION. **Sec. 3.** The Washington global health technologies  
31 and product development account is created in the custody of the state  
32 treasurer. Only the board of directors of the Washington global health  
33 technologies and product development competitiveness program or the  
34 board's designee may authorize expenditures from the account. All  
35 receipts from the solicitations required in section 2 of this act must  
36 be deposited in the account if such deposition is required by those  
37 providing the funds. Expenditures from the account may be used only

1 for funding activities of the Washington global health technologies and  
2 product development competitiveness program created in section 2 of  
3 this act. The account is subject to the allotment procedures under  
4 chapter 43.88 RCW, but an appropriation is not required for  
5 expenditures. No state or local governmental funds may be deposited in  
6 the account and moneys in the account do not constitute public funds  
7 for the purposes of any constitutional or statutory limitation on the  
8 use of public funds. Of the total amounts deposited into the account  
9 the department of health may use up to three percent for management  
10 services and administrative expenses related to the program.

11 **Sec. 4.** RCW 43.79A.040 and 2009 c 87 s 4 are each amended to read  
12 as follows:

13 (1) Money in the treasurer's trust fund may be deposited, invested,  
14 and reinvested by the state treasurer in accordance with RCW 43.84.080  
15 in the same manner and to the same extent as if the money were in the  
16 state treasury.

17 (2) All income received from investment of the treasurer's trust  
18 fund shall be set aside in an account in the treasury trust fund to be  
19 known as the investment income account.

20 (3) The investment income account may be utilized for the payment  
21 of purchased banking services on behalf of treasurer's trust funds  
22 including, but not limited to, depository, safekeeping, and  
23 disbursement functions for the state treasurer or affected state  
24 agencies. The investment income account is subject in all respects to  
25 chapter 43.88 RCW, but no appropriation is required for payments to  
26 financial institutions. Payments shall occur prior to distribution of  
27 earnings set forth in subsection (4) of this section.

28 (4)(a) Monthly, the state treasurer shall distribute the earnings  
29 credited to the investment income account to the state general fund  
30 except under (b) and (c) of this subsection.

31 (b) The following accounts and funds shall receive their  
32 proportionate share of earnings based upon each account's or fund's  
33 average daily balance for the period: The Washington promise  
34 scholarship account, the college savings program account, the  
35 Washington advanced college tuition payment program account, the  
36 agricultural local fund, the American Indian scholarship endowment  
37 fund, the foster care scholarship endowment fund, the foster care

1 endowed scholarship trust fund, the students with dependents grant  
2 account, the basic health plan self-insurance reserve account, the  
3 contract harvesting revolving account, the Washington state combined  
4 fund drive account, the commemorative works account, the Washington  
5 international exchange scholarship endowment fund, the toll collection  
6 account, the developmental disabilities endowment trust fund, the  
7 energy account, the fair fund, the family leave insurance account, the  
8 food animal veterinarian conditional scholarship account, the fruit and  
9 vegetable inspection account, the future teachers conditional  
10 scholarship account, the game farm alternative account, the GET ready  
11 for math and science scholarship account, the Washington global health  
12 technologies and product development account, the grain inspection  
13 revolving fund, the juvenile accountability incentive account, the law  
14 enforcement officers' and firefighters' plan 2 expense fund, the local  
15 tourism promotion account, the pilotage account, the produce railcar  
16 pool account, the regional transportation investment district account,  
17 the rural rehabilitation account, the stadium and exhibition center  
18 account, the youth athletic facility account, the self-insurance  
19 revolving fund, the sulfur dioxide abatement account, the children's  
20 trust fund, the Washington horse racing commission Washington bred  
21 owners' bonus fund and breeder awards account, the Washington horse  
22 racing commission class C purse fund account, the individual  
23 development account program account, the Washington horse racing  
24 commission operating account (earnings from the Washington horse racing  
25 commission operating account must be credited to the Washington horse  
26 racing commission class C purse fund account), the life sciences  
27 discovery fund, the Washington state heritage center account, the  
28 reduced cigarette ignition propensity account, and the reading  
29 achievement account. However, the earnings to be distributed shall  
30 first be reduced by the allocation to the state treasurer's service  
31 fund pursuant to RCW 43.08.190.

32 (c) The following accounts and funds shall receive eighty percent  
33 of their proportionate share of earnings based upon each account's or  
34 fund's average daily balance for the period: The advanced right-of-way  
35 revolving fund, the advanced environmental mitigation revolving  
36 account, the city and county advance right-of-way revolving fund, the  
37 federal narcotics asset forfeitures account, the high occupancy vehicle

1 account, the local rail service assistance account, and the  
2 miscellaneous transportation programs account.

3 (5) In conformance with Article II, section 37 of the state  
4 Constitution, no trust accounts or funds shall be allocated earnings  
5 without the specific affirmative directive of this section.

6 NEW SECTION. **Sec. 5.** Sections 1 through 3 of this act constitute  
7 a new chapter in Title 43 RCW.

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