

# SENATE BILL REPORT

## SB 5387

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As Reported By Senate Committee On:  
Economic Development, Trade & Management, February 2, 2007  
Ways & Means, February 19, 2007

**Title:** An act relating to promoting economic development through commercialization of technologies.

**Brief Description:** Promoting economic development through commercialization of technologies.

**Sponsors:** Senators Kastama, Kilmer, Kauffman and Shin.

**Brief History:**

**Committee Activity:** Economic Development, Trade & Management: 2/02/07 [DP-WM].  
Ways & Means: 2/12/07, 2/19/07 [DPS].

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### SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & MANAGEMENT

**Majority Report:** Do pass and be referred to Committee on Ways & Means.

Signed by Senators Kastama, Chair; Kilmer, Vice Chair; Clements, Kauffman and Shin.

**Staff:** Jack Brummel (786-7428)

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Substitute Senate Bill No. 5387 be substituted therefor, and the substitute bill do pass.

Signed by Senators Prentice, Chair; Pridemore, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Carrell, Fairley, Hatfield, Hewitt, Hobbs, Honeyford, Keiser, Kohl-Welles, Oemig, Rasmussen, Roach, Rockefeller, Schoesler and Tom.

**Staff:** Tim Yowell (786-7435)

**Background:** The Washington State Economic Development Commission was created by the Legislature in 2003. The Commission issued a report in 2006, Enhancing Washington State's Economic Future, which found that, "A critical component of a vital state economy is the free and effective flow of new ideas from Washington's researchers and inventors into our companies' products and services; a process commonly called commercialization."

The report included recommendations to provide entrepreneurs with easier access to a database of new technology ideas and to provide tools that explain and demystify

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*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.*

Washington's commercialization process. The report also recommended facilitating the availability of early stage capital for innovative companies and making information on potential funding sources for innovative entrepreneurs more easily accessible.

**Summary of Bill:** The Washington Technology Center is to work with state universities and colleges as well as private and federal research institutions to: 1) supply a guide to commercialization and the particular forms of commercialization assistance available; 2) maintain a database of technologies and inventions available for commercialization and licensing; and 3) provide training to technical assistance providers on the provision of commercialization assistance.

The center is also to develop a funding resource guide, offer workshops on accessing financing for commercialization, help novice investors learn about investing in technology-base companies, host event to connect entrepreneurs and investors, and maintain a web site for entrepreneurs and investors. Finally, the center is to report on the impact of commercialization activities annually.

**EFFECT OF CHANGES MADE BY RECOMMENDED SUBSTITUTE AS PASSED COMMITTEE (Ways & Means):** A \$600,000 appropriation is deleted. Funding is subject to amounts included in the 2007-09 omnibus operating budget appropriations act.

**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 & Management):** PRO: The report and the recommendations that led to this bill were a result of a 20 month consultative process conducted throughout the state with a variety of stakeholders. The bill relates to six of the 18 recommendations in the report. This is a huge first step in providing the support necessary to accelerate commercialization. It represents a partnership between research centers, economic development organizations and others.

**Persons Testifying (Economic Development, Trade & Management):** PRO: Katherine James Schuitemaker, the Resource Group; Robert Cheatham, Washington Technology Center.

**Staff Summary of Public Testimony (Ways & Means):** PRO: This legislation implements six of the Economic Development Commission's 18 recommendations for improving Washington's efforts to commercialize new technologies. The bill would help the Washington Technology Center and Spokane Intercollegiate Research and Technology Institute (SIRTI) connect university research products with the companies that can bring them to market. The Washington Technology Center and SIRTI complement the work of university tech transfer offices, rather than duplicate it: the university offices work with the researchers, whereas the Technology Center and SIRTI work with the businesses who can apply that technology.

**Persons Testifying (Ways & Means):** PRO: Senator Kastama, prime sponsor; Kim Zentz, SIRTI; Scott Hazelgrove, Washington Technology Center.