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SENATE BILL 6163

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State of Washington

53rd Legislature

1994 Regular Session

By Senators Sheldon, Bluechel, Skratek, Williams and Oke

Read first time 01/14/94. Referred to Committee on Trade, Technology & Economic Development.

1 AN ACT Relating to economic development; adding a new section to  
2 chapter 43.330 RCW; creating a new section; and making an  
3 appropriation.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that it is in the  
6 interest of the state to increase participation by Washington state  
7 small businesses in the federal small business innovative research  
8 program and to assist small businesses in the state in becoming small  
9 business innovative research program grant recipients. Small  
10 technology-based firms are the source of approximately one-half of our  
11 nation's major innovations.

12 The legislature further finds that the gap between the completion  
13 of the initial phase I contract and the award of the phase II contract  
14 after the agency has evaluated the phase I work creates cash flow and  
15 staffing problems for small businesses, especially new businesses.  
16 Continuous funding would create a more stable environment for small  
17 businesses involved in the program, and may attract small businesses  
18 that are currently discouraged from participating by the disruption the  
19 funding gap causes.

1        NEW SECTION.    **Sec. 2.**    A new section is added to chapter 43.330 RCW  
2 to read as follows:

3        (1) As used in this section, the following terms shall have the  
4 following meanings:

5        (a) "Small business innovation research program" means the program,  
6 enacted pursuant to the small business innovation development act of  
7 1982, P.L. 97-219, that provided funds to small businesses to conduct  
8 innovative research having commercial application.

9        (b) "Small business" means a corporation, partnership, sole  
10 proprietorship, or individual, operating a business for profit, with  
11 two hundred fifty employees or less, including employees employed in a  
12 subsidiary or affiliated corporation that otherwise meets the  
13 requirements of the federal small business innovation research program.

14        (2) The department shall establish a competitive grant program for  
15 the purpose of assisting small businesses participating in the federal  
16 small business innovation research program in continuing innovative  
17 research that has potential commercial application. The grant shall be  
18 awarded to the small business whose technology shows the greatest  
19 potential to lead to commercialization or fabrication within the state  
20 or to improved products or processes, and which demonstrates need. A  
21 small business must meet the following requirements to be eligible for  
22 grant money:

23        (a) The small business's principal place of business shall be  
24 located in this state;

25        (b) The small business certifies that the research to be conducted  
26 shall be located in this state;

27        (c) The small business has completed its small business innovation  
28 research program phase I research;

29        (d) The small business's final phase I report with respect thereto  
30 has been accepted by the federal agency involved;

31        (e) The small business's phase II research proposal has been  
32 properly submitted to the federal agency involved;

33        (f) The small business has submitted copies of its final phase I  
34 report and phase II proposal to the agency;

35        No grants may be awarded to a small business unless the small  
36 business demonstrates, to the satisfaction of the director, that it has  
37 available financial resources to continue its research in an amount  
38 equal to the grant amount.

1 (3) Grants awarded under this section shall be no greater than  
2 twenty-five thousand dollars.

3 (4) Consistent with federal small business innovation research  
4 program procedures, proprietary information submitted to the department  
5 under this section shall not be subject to disclosure under the public  
6 disclosure act.

7 NEW SECTION. **Sec. 3.** The sum of one hundred thousand dollars, or  
8 as much thereof as may be necessary, is appropriated for the biennium  
9 ending June 30, 1995, from the general fund to the department of  
10 community, trade, and economic development, for the purposes of funding  
11 the program set forth in this act.

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