
SENATE BILL 5545

State of Washington

54th Legislature

1995 Regular Session

By Senators Sheldon, Cantu, Rasmussen and Kohl

Read first time 01/26/95. Referred to Committee on Labor, Commerce & Trade.

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

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

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

11 (2) The legislature further finds that many innovators lack the
12 grant-writing skills necessary to prepare a successful proposal and
13 could benefit from the assistance of others in the state with grant-
14 writing experience.

15 (3) The legislature further finds that the gap between the
16 completion of the initial phase I contract and the award of the phase
17 II contract after the agency has evaluated the phase I work creates
18 cash flow and staffing problems for small businesses, especially new
19 businesses. Continuous funding would create a more stable environment

1 for small businesses involved in the program, and may attract small
2 businesses that are currently discouraged from participating by the
3 disruption the funding gap causes.

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

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

8 (a) "Small business innovation research program" means the program,
9 enacted pursuant to the small business innovation development act of
10 1982, P.L. 97-219, that provided funds to small businesses to conduct
11 innovative research having commercial application.

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

17 (2) The department shall establish a small business innovation
18 research assistance program to assist Washington small businesses to
19 win phase I small business innovation research program awards.

20 (a) Each phase I application shall be reviewed by a previous small
21 business innovation research program participant or by a two-member
22 team composed of either two previous small business innovation research
23 program participants or an experienced grant writer and a previous
24 small business innovation research program participant.

25 (b) Each reviewer or team participant shall be retained by the
26 department at a rate of no more than one thousand dollars per proposal.

27 (c) In implementing this program, the department shall give
28 priority to first-time small business innovation research program
29 applicants, new businesses, and firms with fewer than ten employees.

30 (d) The department may charge a fee for this service that is
31 contingent upon the small business's receipt of a phase I award.

32 (3) The department shall assist small businesses participating in
33 the federal small business innovation research program in continuing
34 innovative research that has potential commercial application. The
35 grant shall be awarded to the small business whose technology shows the
36 greatest potential to lead to commercialization or fabrication within
37 the state or to improved products or processes, and which demonstrates

1 need. For the purposes of this subsection (3), a small business must
2 meet the following requirements to be eligible for grant money:

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

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

7 (c) The small business has completed its small business innovation
8 research program phase I research;

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

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

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

15 No grants may be awarded to a small business unless the small
16 business demonstrates, to the satisfaction of the director, that it has
17 available financial resources to continue its research in an amount
18 equal to the grant amount.

19 (4) Grants awarded under subsection (3) of this section shall be no
20 greater than twenty-five thousand dollars.

21 (5) Consistent with federal small business innovation research
22 program procedures, proprietary information submitted to the department
23 under subsection (3) of this section shall not be subject to disclosure
24 under the public disclosure act.

25 (6) The department may condition the grant awarded under subsection
26 (3) of this section upon receipt of a share of any license, patent,
27 copyright, or royalty that results from the research or programs under
28 this act.

--- END ---