
SUBSTITUTE SENATE BILL 6163

State of Washington

53rd Legislature

1994 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Sheldon, Bluechel, Skratek, Williams and Oke)

Read first time 02/08/94.

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

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

4 NEW SECTION. **Sec. 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 The legislature further finds that the gap between the completion
12 of the initial phase I contract and the award of the phase II contract
13 after the agency has evaluated the phase I work creates cash flow and
14 staffing problems for small businesses, especially new businesses.
15 Continuous funding would create a more stable environment for small
16 businesses involved in the program, and may attract small businesses
17 that are currently discouraged from participating by the disruption the
18 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 (5) The department may condition the grant awarded under this
8 section upon receipt of a share of any license, patent, copyright, or
9 royalty that results from the research or programs under this act.

10 NEW SECTION. **Sec. 3.** If specific funding for the purposes of this
11 act, referencing this act by bill number, is not provided by June 30,
12 1994, in the 1994 omnibus appropriations act, this act is null and
13 void.

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