

# SENATE BILL REPORT

## HB 2332

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As Reported By Senate Committee On:  
Technology & Communications, February 26, 2004

**Title:** An act relating to the investing in innovation account.

**Brief Description:** Creating the investing in innovation account.

**Sponsors:** Representatives Sullivan, Upthegrove, Fromhold and Hudgins.

**Brief History:**

**Committee Activity:** Technology & Communications: 2/19/04, 2/26/04 [DP].

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### SENATE COMMITTEE ON TECHNOLOGY & COMMUNICATIONS

**Majority Report:** Do pass.

Signed by Senators Schmidt, Chair; Esser, Vice Chair; Berkey, Eide, McCaslin, Poulsen and Stevens.

**Staff:** William Bridges (786-7424)

**Background:** The Washington Technology Center (WTC) is a state science and technology organization. It is administered by a board of directors appointed by the Governor that includes 14 industry members, eight university members, and four ex officio members representing the Spokane Intercollegiate Research and Technology Institute, the University of Washington, Washington State University, and the Department of Community, Trade, and Economic Development (CTED).

The mission of the WTC is "to perform and commercialize research on a statewide basis that benefits the intermediate and long-term economic vitality of the state of Washington, and to develop and strengthen university-industry relationships through the conduct of research that is primarily of interest to Washington-based companies or state economic development programs."

During the 2003 session, the Legislature passed 2SHB 1003, which required the WTC to establish a process for awarding innovation grants to qualifying universities, institutions, businesses, or individuals. The bill also created an Investing in Innovation Account and gave the executive director of the WTC the authority to spend money from the account.

The Governor vetoed the section in 2SHB 1003 creating the Investing in Innovation Account. His veto message asserted that only state agencies may spend money from a state account and that the WTC was not a state agency.

**Summary of Bill:** The Investing in Innovation Account is created in the custody of the State Treasurer. Only the director of CTED, or the director's designee, may authorize expenditures from the account. Expenditures from the account may be used only for grants awarded by the WTC and for costs in administering the grant program. Expenditures may not be used for

administrative costs incurred by CTED. The account is nonappropriated and subject to allotment procedures. The account is also allowed to retain its interest earnings.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** The WTC is a nonprofit entity that promotes technology based economic development. It cannot spend money or issue grants from the Investing in Innovation Account. This bill reestablishes the account under the management of the WTC, but gives the director of CTED the authority to spend money from the account.

**Testimony Against:** None.

**Testified:** Scott Hazlegrove, Wash, Tech. Center (pro).