

SENATE BILL REPORT

SHB 1806

As Reported By Senate Committee On:
Labor, Commerce, Research & Development, March 28, 2005

Title: An act relating to encouraging the ethical transfer of technology for the economic benefit of the state.

Brief Description: Encouraging the ethical transfer of technology for the economic benefit of the state.

Sponsors: House Committee on State Government Operations & Accountability (originally sponsored by Representatives Kenney, Haigh, Kessler, Morrell, Dickerson, Williams, P. Sullivan, Ericks, Anderson, McDermott, Wood, Linville, Moeller and Hudgins; by request of Governor Gregoire).

Brief History: Passed House: 3/14/05, 97-0.

Committee Activity: Labor, Commerce, Research & Development: 3/28/05 [DP].

SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

Majority Report: Do pass.

Signed by Senators Kohl-Welles, Chair; Franklin, Vice Chair; Parlette, Ranking Minority Member; Brown, Hewitt, Honeyford and Keiser.

Staff: Jennifer Strus (786-7316)

Background: No officer of or higher education institution employee, including an employee of the Spokane Intercollegiate Research and Technology Institute (SIRTI) can have a direct or indirect beneficial interest in a contract or grant that the officer or employee has made, is involved in, or supervises. Further, the officer or employee cannot directly or indirectly accept any compensation, gratuity, or reward from someone who would receive a beneficial interest in the contract or grant. These criteria do not apply if the institution or SIRTI has a written administrative process in effect that identifies and manages, reduces or eliminates conflicting interests with respect to these transactions, and the employee or officer has complied with the policy. The policy must be adopted under the federal National Science Investigator Financial Disclosure and the federal public health service regulations.

The state ethics statutes applicable to employment after public service, compensation for official duties, compensation from outside activities, honoraria, gifts and use of persons, money or property for private gain apply to employees of higher education institutions as well as all other state employees.

Summary of Bill: Each state university, including any research or technology institute affiliated with a state university, and SIRTI, may develop, adopt, and implement written administrative policies that, upon approval by the Governor, apply in place of obligations

imposed on state universities and state university research employees under the state ethics law.

The specific obligations in the ethics law to which these administrative policies apply are those related to financial interests in transactions, employment after public service, compensation for official duties, compensation for outside activities, honoraria, gifts, and use of persons, money, or property for private gain.

A state research university employees is deemed in compliance with the state ethics laws listed above if he or she follows the university's administrative processes. The administrative processes developed by the higher education institution regarding financial interests in transactions, compensation for official duties, honoraria, and gifts must be no less than the standards in the regulations of the U.S. Public Health Services and the Office of the Secretary of the Department of Health and Human Services regarding the promotion of objectivity in research.

The administrative processes regarding assisting in transactions, employment after public service, and compensation for outside activities must include a comprehensive system for the disclosure, review, and approval of outside work activities by state university research employees while assuring that the employees are fulfilling their employment obligations to the state university.

The administrative processes dealing with the use of persons, money, or property for private gain must include a reasonable determination by the university of acceptable private uses that have a de minimus cost to the university and a method to establish fair and reasonable reimbursement for private uses which are in excess of de minimus.

Appropriation: None.

Fiscal Note: Not Requested.

Committee/Commission/Task Force Created: No.

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

Testimony For: The state ethics law was written so broadly that it currently stymies technology transfers. The law should make it easier for scientists to share information and discoveries not harder.

Testimony Against: None.

Who Testified: PRO: Representative Kenney, prime sponsor; Marc Baldwin, Governor's Executive Policy Office.