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SENATE BILL 5896

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State of Washington

61st Legislature

2009 Regular Session

By Senators Pflug, Kastama, Zarelli, Delvin, and Shin

Read first time 02/05/09. Referred to Committee on Economic Development, Trade & Innovation.

1 AN ACT Relating to establishing the Washington innovation grant  
2 authority; adding a new section to chapter 82.04 RCW; and adding a new  
3 chapter to Title 43 RCW.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that the state of  
6 Washington is recognized as a leader in the life sciences, in  
7 addressing global health issues, and in the commercialization of new  
8 technologies. The legislature further finds that the research funded  
9 by the life sciences discovery fund has the potential to lead to  
10 innovations that will improve health care outcomes, efficiencies in  
11 delivery, and cost-effectiveness as well as contributing to robust  
12 industry development and economic growth. It is the purpose of this  
13 chapter to establish the Washington innovation grant authority to act  
14 as a financial conduit to provide access to needed capital for those  
15 who have previously received life sciences discovery fund support or  
16 other technology development grants and are in need of additional funds  
17 to transfer their research and technology to the commercial  
18 marketplace.

1        NEW SECTION.        **Sec. 2.**        (1) The Washington innovation grant  
2 authority is established as a public body corporate and politic, with  
3 perpetual corporate succession, constituting an instrumentality of the  
4 state of Washington exercising essential governmental functions. The  
5 authority is a public body within the meaning of RCW 39.53.010.

6        (2) The authority consists of nine members as follows: One member  
7 from each caucus in the house of representatives appointed by the  
8 speaker of the house of representatives, one member from each caucus in  
9 the senate appointed by the president of the senate, and five public  
10 members. The public members must be residents of the state appointed  
11 by the governor on the basis of their interest or expertise in life  
12 sciences, technology transfer and commercialization, grant evaluation,  
13 venture funding, and business planning. The governor shall appoint one  
14 of the public members as chair of the authority and that member shall  
15 serve as chair of the authority at the pleasure of the governor. The  
16 authority may select from its membership such other officers as it  
17 deems appropriate.

18        (3) The term of the persons appointed by the governor as public  
19 members of the authority, including the public member appointed as  
20 chair, is four years from the date of appointment, except that the term  
21 of two of the initial appointees is for two years from the date of  
22 appointment and the term of three of the initial appointees is for  
23 three years from the date of appointment. The governor shall designate  
24 the appointees who will serve the two-year and three-year terms.

25        (4) In the event of a vacancy on the authority due to death,  
26 resignation, or removal of one of the public members, or upon the  
27 expiration of the term of one of the public members, the governor shall  
28 appoint a successor for the remainder of the unexpired term.

29        (5) The members of the authority shall serve without compensation  
30 but are entitled to reimbursement, solely from the funds of the  
31 authority, for expenses incurred in the discharge of their duties under  
32 this chapter.

33        NEW SECTION.        **Sec. 3.**        (1) The Washington innovation grant  
34 authority shall operate the Washington innovation grant program. The  
35 authority shall solicit, evaluate, and select grant proposals from  
36 successful recipients of life sciences discovery fund awards or other  
37 technology development grants. Grants will be awarded for: (a) Proof-

1 of-concept funding for transforming research and development concepts  
2 into commercially viable products and services; (b) entrepreneurial  
3 opportunities for persons interested in transforming research into  
4 viable commercial ventures that create jobs in the state; and (c) other  
5 activities as the authority deems necessary to continue the advancement  
6 of previously funded efforts.

7 (2) The authority shall adopt a policy that prescribes the  
8 requirements of the grant program and the requirements that a grant  
9 recipient must meet in order to receive grant moneys.

10 (3) The authority is authorized to participate fully in federal and  
11 other governmental programs and to take such actions as are necessary  
12 and consistent with this chapter to secure to itself and the people of  
13 the state the benefits of those programs and to meet their  
14 requirements.

15 (4) The authority shall coordinate its programs with those  
16 contributing to a common purpose found in federal or state agencies or  
17 institutions.

18 (5) The authority may use any funds legally available to it for any  
19 purpose specifically authorized elsewhere in this chapter, and for  
20 otherwise improving the prospects for grant recipients to garner  
21 financing for commercialization activities.

22 (6) The authority shall establish a Washington innovation grant  
23 authority account for the receipt of funds from any source.  
24 Disbursement of funds from the account must be authorized by the  
25 authority only for purposes set out in this chapter.

26 (7) The authority shall adopt general operating procedures for the  
27 authority including, but not limited to: (a) Appropriate minimum  
28 reserve requirements to secure financing; (b) appropriate standards for  
29 securing financing; and (c) strict standards for providing financing to  
30 grant recipients that is consistent with any plan adopted by the  
31 authority.

32 (8) The authority may:

33 (a) Maintain an office or offices;

34 (b) Sue and be sued in its own name, and plead and be impleaded;

35 (c) Engage consultants, agents, attorneys, and advisers, contract  
36 with federal, state, and local governmental entities for services, and  
37 hire such employees, agents, and other personnel as the authority deems  
38 necessary, useful, or convenient to accomplish its purposes;

1 (d) Make and execute all manner of contracts, agreements, and  
2 instruments and financing documents with public and private parties as  
3 the authority deems necessary, useful, or convenient to accomplish its  
4 purposes;

5 (e) Open and maintain accounts in qualified public depositories and  
6 otherwise provide for the investment of any funds not required for  
7 immediate disbursement, and provide for the selection of investments;

8 (f) Appear in its own behalf before boards, commissions,  
9 departments, or agencies of federal, state, or local government;

10 (g) Procure insurance in amounts and from insurers as the authority  
11 deems desirable, including, but not limited to, insurance against any  
12 loss or damage to its property or other assets, public liability  
13 insurance for injuries to persons or property, and directors and  
14 officers liability insurance;

15 (h) Apply for and accept subventions, grants, loans, advances, and  
16 contributions from any source of money, property, labor, or other  
17 things of value, to be held, used, and applied as the authority deems  
18 necessary, useful, or convenient to accomplish its purposes;

19 (i) Act as an agent, by agreement, for federal, state, or local  
20 governmental entities to carry out the programs authorized in this  
21 chapter;

22 (j) Establish, revise, and collect fees and charges as the  
23 authority deems necessary, useful, or convenient to accomplish its  
24 purposes;

25 (k) Make expenditures as are appropriate for paying the  
26 administrative costs and expenses of the authority in carrying out the  
27 provisions of this chapter;

28 (l) Establish reserves and special funds, and controls on deposits  
29 to and disbursements from them, as the authority deems necessary,  
30 useful, or convenient to accomplish its purposes;

31 (m) Give assistance to public bodies by providing information,  
32 guidelines, forms, and procedures for implementing their financing  
33 programs;

34 (n) Prepare, publish, and distribute, with or without charge,  
35 studies, reports, bulletins, and other material as the authority deems  
36 necessary, useful, or convenient to accomplish its purposes;

37 (o) Delegate any of its powers and duties if consistent with the  
38 purposes of this chapter;

1 (p) Adopt rules concerning its exercise of the powers authorized by  
2 this chapter; and

3 (q) Exercise any other power the authority deems necessary, useful,  
4 or convenient to accomplish its purposes and exercise the powers  
5 expressly granted in this chapter.

6 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.04 RCW  
7 to read as follows:

8 (1) In computing the tax imposed under this chapter, a credit is  
9 allowed in an amount equal to the amount of contributions made to the  
10 Washington innovation grant authority account established in section  
11 3(6) of this act.

12 (2) The credit under this section must be earned, and claimed  
13 against taxes due under this chapter, for the tax reporting period in  
14 which the contribution was made by the person claiming credit under  
15 this section. The credit may not exceed the tax otherwise due under  
16 this chapter for the tax reporting period. Unused credit may be  
17 carried over and used in subsequent tax reporting periods. No refunds  
18 may be granted for credits under this section.

19 NEW SECTION. **Sec. 5.** Sections 1 through 3 of this act constitute  
20 a new chapter in Title 43 RCW.

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