

# SENATE BILL REPORT

## SHB 2833

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As Reported by Senate Committee On:  
Ways & Means, February 26, 2018

**Title:** An act relating to transferring duties of the life sciences discovery fund.

**Brief Description:** Transferring duties of the life sciences discovery fund.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Morris, Schmick and Hudgins).

**Brief History:** Passed House: 2/12/18, 96-1.

**Committee Activity:** Ways & Means: 2/24/18, 2/26/18 [DP, DNP, w/oRec].

### Brief Summary of Bill

- Transfers certain duties and powers of the Life Science Discovery Fund Authority to the Department of Commerce (Commerce).
- Directs Commerce to designate a statewide nonprofit organization with a life science focus to receive funds previously allocated to the Life Science Discovery Fund, in order to grow the life science sector and improve the health of the state's residents.

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass.

Signed by Senators Frockt, Vice Chair; Billig, Brown, Carlyle, Conway, Darneille, Fain, Hunt, Keiser, Mullet, Palumbo, Pedersen, Ranker, Rivers, Schoesler, Van De Wege and Warnick.

**Minority Report:** Do not pass.

Signed by Senators Bailey and Hasegawa.

**Minority Report:** That it be referred without recommendation.

Signed by Senators Honeyford, Assistant Ranking Member; Becker and Wagoner.

**Staff:** Claire Goodwin (786-7736)

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Background:** In 2005, the Life Sciences Discovery Fund (Fund) was created to promote life science research in Washington. The Life Sciences Discovery Fund Authority (Authority) was created and empowered to leverage revenues from the Fund, which included transfers made by the Legislature from Strategic Contribution Payments deposited into the Tobacco Settlement Account and other private and public sources, to provide grant opportunities to support life sciences research and development. The Fund received contribution payments from 2008 through 2017.

The Fund was managed by the Authority, which was governed by a board of trustees consisting of four legislators and seven members appointed by the Governor. The Authority solicited and reviewed grant applications until funding ceased in 2017. Under the Authority's granting conditions, some grantees will be required to make payments back to the Fund for certain occurrences, including the commercialization or licensing of products or programs developed as a result of a grant.

**Summary of Bill:** Certain Fund-related powers and duties are transferred from the Authority to Commerce, including management and collection of monies in the Fund. Additionally, the limited liability provisions previously applied to the Authority, its board members, and the state, apply to Commerce.

Commerce is required to contract with a statewide nonprofit organization to provide services and grants to entities to foster growth of the state's life science sector and health of the state's residents. Commerce may also contract with this organization to monitor and collect Fund-issued grant payback funds. The organization must have a specific life science focus, adopt policies and procedures to facilitate future life science-related grant making, and must adhere to certain criteria for the issuance of any future grants.

Commerce is authorized to make expenditures from the Fund for the purpose of contracting with a statewide nonprofit organization to provide the specified services and grants. Commerce may expend additional amounts from the Fund for its administrative costs, which are limited to actual costs incurred to designate the organization and to monitor and collect grant payback funds.

In addition to the state, Commerce is not liable for any loss, damage, or harm resulting from grants made by the Authority or any life science research funded by such a grant.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** The bill takes effect on July 1, 2018.

**Staff Summary of Public Testimony:** PRO: The board of trustees for the Life Sciences Discovery fund requested this transfer to the Department of Commerce at their final meeting. The goal is to ensure that required payments are returned to the fund and go back to growing life sciences.

**Persons Testifying:** PRO: Becky Bogard, Washington State Convention Center PFD; Becky Bogard, Life Science Washington.

**Persons Signed In To Testify But Not Testifying:** No one.