

SENATE BILL REPORT

SSB 6706

As Amended by House, March 22, 2010

Title: An act relating to commercialization of research at state universities.

Brief Description: Concerning the commercialization of research at state universities.

Sponsors: Senate Committee on Economic Development, Trade & Innovation (originally sponsored by Senators Murray, Delvin, Kastama, Shin, Marr, Kilmer and Kohl-Welles).

Brief History:

Committee Activity: Economic Development, Trade & Innovation: 1/28/10, 2/01/10 [DPS].

Passed Senate: 2/13/10, 45-0.

First Special Session: Passed Senate: 3/15/10, 44-0.

Passed House: 3/22/10, 90-2.

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

Majority Report: That Substitute Senate Bill No. 6706 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kastama, Chair; Shin, Vice Chair; Zarelli, Ranking Minority Member; Delvin, Eide, Kilmer and McCaslin.

Staff: Jack Brummel (786-7428)

Background: In 2009 the Legislature directed the Department of Commerce, in E2SSB 6015, to report on how the state can best encourage and support innovation and commercialization in the life sciences and information technology sectors. The department's report recommended, among other things, authorizing universities to create and manage a bridge funding program and provide other resources to support companies created around university-based research.

Summary of Substitute Bill: The mission of the state universities includes commercializing research and strengthening university-industry relationships. The state universities are to perform one or more of the following:

- provide collaborative research and tech-transfer opportunities;
- make commercialization processes and resources accessible;

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- pair researchers, entrepreneurs, and investors through workshops, events, and websites; and
- provide opportunities for training through direct involvement in research and industry interactions.

State universities are authorized to establish and administer bridge funding programs with federal and private funds. Research employees may make reasonable use of a university's resources to facilitate the formation of companies using university-based research.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Original Bill: PRO: This came out of recommendations from the E2SSB 6015 group. This will help clear up some gray areas. Entrepreneurs and investors may work for a long time with researchers to start a company. Many companies formed around university research have multiple owners. When universities assist in starting research-based companies, it is typical for the university to have equity arrangements, royalty arrangements, or cost recovery agreements in place. WSU supports this legislation.

OTHER: It would be good to have more flexibility in the bill.

Persons Testifying: PRO: Fred Holt, UW; Shawn Hoey, WSU.

OTHER: Shawn Hoey, WSU.

House Amendment(s): The amendment:

1. requires state universities to use a collaborative process to perform required functions, which may include both in-house resources and independent contractors with technical expertise or innovative processes;
2. deletes the provisions regarding reasonable use of a university's resources to facilitate the formation of companies using university-based research;
3. codifies the sections relating to commercialization activities in a chapter of law that defines state universities as the University of Washington and Washington State University; and
4. clarifies that the bridge funding program relates to supporting the formation of companies created around the technologies developed at state universities.