
SENATE BILL 6518

State of Washington

63rd Legislature

2014 Regular Session

By Senator Chase; by request of Washington State Department of Commerce

Read first time 01/31/14. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to transferring technology-based economic
2 development programs from innovate Washington to the department of
3 commerce; amending RCW 43.333.030, 43.333.040, 43.333.050, 43.333.800,
4 28B.50.902, 28B.155.010, 42.30.110, 42.56.270, 70.210.020, 70.210.030,
5 70.210.050, and 70.210.060; adding new sections to chapter 43.330 RCW;
6 adding a new section to chapter 28B.30 RCW; creating a new section;
7 recodifying RCW 43.333.030, 43.333.040, 43.333.050, and 43.333.800;
8 repealing RCW 43.333.010, 43.333.020, 43.333.901, and 41.06.0711; and
9 providing an effective date.

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

11 NEW SECTION. **Sec. 1.** The legislature intends to provide an
12 orderly and efficient process to transition statewide innovation sector
13 initiatives, technology transfer, and technology-based economic
14 development programs from innovate Washington to the department of
15 commerce and other appropriate public entities, and transfer the
16 innovate Washington facilities to Washington State University.

17 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.330 RCW
18 to read as follows:

1 (1) The innovate Washington program is created in the department to
2 support business growth in the state's innovation and technology
3 sectors and facilitate statewide technology transfer and
4 commercialization activities for the purpose of increasing the state's
5 economic vitality.

6 (2) The innovate Washington program must:

7 (a) Support businesses in securing federal and private funds to
8 support product research and commercialization, developing and
9 integrating technology in new or enhanced products and services, and
10 launching those products and services in sustainable businesses in the
11 state;

12 (b) Establish public-private partnerships and programmatic
13 activities that increase the competitiveness of state industries;

14 (c) Work with the state energy office to improve the alignment of
15 investments in clean energy technologies with state policies; and

16 (d) Administer technology and innovation grant and loan programs.

17 (3) Through at least June 30, 2015, the department must contract
18 with a nonprofit entity with a principal office in Washington with
19 experience in technology-based commercialization and technology
20 transfer activities to carry out the responsibilities as specified in
21 this act.

22 (4)(a) The department must submit performance metrics for the
23 innovate Washington program to the governor and the economic
24 development committees of the legislature by January 1, 2015.

25 (b) The department must submit a report to the governor and the
26 economic development committees of the legislature by January 1st of
27 each year, beginning January 1, 2016. The report must contain the
28 performance outcomes of the program and a performance-based
29 recommendation for continuing or changing the method of operating the
30 program and delivering services beginning July 1st of the year the
31 report is submitted.

32 **Sec. 3.** RCW 43.333.030 and 2011 1st sp.s. c 14 s 4 are each
33 amended to read as follows:

34 The investing in innovation account is created in the custody of
35 the state treasurer to receive state and federal funds, grants, private
36 gifts, or contributions to further the purpose of ((~~innovate~~
37 ~~Washington~~)) growing the technology and innovation-based sectors of the

1 state and supporting the commercialization of intellectual property and
2 the manufacturing of innovative products in the state. Expenditures
3 from the account may be used only for the purposes of the investing in
4 innovation programs established in chapter 70.210 RCW and any other
5 purpose consistent with this chapter. Only the ((~~executive~~)) director
6 of ((~~innovate—Washington~~)) the department or the ((~~executive~~))
7 director's designee may authorize expenditures from the account. The
8 account is subject to allotment procedures under chapter 43.88 RCW, but
9 an appropriation is not required for expenditures.

10 **Sec. 4.** RCW 43.333.040 and 2011 1st sp.s. c 14 s 3 are each
11 amended to read as follows:

12 (1) To increase participation by Washington state small business
13 innovators in federal small business research programs, ((~~innovate~~
14 ~~Washington~~)) the department shall provide or contract for the provision
15 of a small business innovation assistance program. The program must
16 include a proposal review process and must train and assist Washington
17 small business innovators to win awards from federal small business
18 research programs. The program must collaborate with small business
19 development centers, entrepreneur-in-residence programs, and other
20 appropriate sources of technical assistance to ensure that small
21 business innovators also receive the planning, counseling, and support
22 services necessary to expand their businesses and protect their
23 intellectual property.

24 (2) In operating the program, ((~~innovate—Washington~~)) the
25 department must give priority to first-time applicants to the federal
26 small business research programs, new businesses, and firms with fewer
27 than ten employees, and may charge a fee for its services.

28 (3) The definitions in this subsection apply throughout this
29 section unless the context clearly requires otherwise.

30 (a) "Federal small business research programs" means the programs,
31 operating pursuant to the small business innovation development act of
32 1982, P.L. 97-219, and the small business technology transfer act of
33 1992, P.L. 102-564, title II, that provide funds to small businesses to
34 conduct research having commercial application.

35 (b) "Small business" means a corporation, partnership, sole
36 proprietorship, or individual, operating a business for profit, with

1 two hundred fifty employees or fewer, including employees employed in
2 a subsidiary or affiliated corporation, that otherwise meets the
3 requirements of federal small business research programs.

4 **Sec. 5.** RCW 43.333.050 and 2011 1st sp.s. c 14 s 13 are each
5 amended to read as follows:

6 (1) (~~Innovate Washington~~) The department shall administer the
7 investing in innovation program established in RCW 70.210.030.

8 (2) Not more than one percent of the available funds from the
9 investing in innovation account may be used for administrative costs of
10 the program.

11 **Sec. 6.** RCW 43.333.800 and 2012 c 63 s 4 are each amended to read
12 as follows:

13 (1) (~~Innovate Washington~~) The department shall convene a
14 sustainable aviation biofuels work group.

15 (2) The purpose of the work group is to:

16 (a) Further the development of sustainable aviation fuel as a
17 productive industry in Washington, using as a foundation the regional
18 assessment prepared by the collaborative known as the sustainable
19 aviation fuels northwest;

20 (b) Facilitate communication and coordination among aviation
21 biofuels stakeholders;

22 (c) Provide a forum for discussion and problem-solving regarding
23 potential and current barriers related to technology development,
24 production, distribution, supply chain development, and
25 commercialization of aviation biofuels; and

26 (d) Provide recommendations to the legislature on potential
27 legislation that will facilitate the technology development,
28 production, distribution, and commercialization of aviation biofuels.

29 (3) (~~Innovate Washington~~) The director of the department and the
30 director of the federal aviation administration center of excellence
31 for alternative jet fuels and the environment led by Washington State
32 University, in consultation with the legislative members, shall
33 designate work group members that represent sectors involved in
34 sustainable aviation biofuels research, development, production, and
35 utilization. The work group shall include but not be limited to
36 representatives from the following:

- 1 (a) The Washington state senate;
2 (b) The Washington state house of representatives;
3 (c) An agriculture advocacy organization;
4 (d) An airline operator;
5 (e) An airplane manufacturer;
6 (f) An airport operator located in western Washington and an
7 airport operator located in eastern Washington;
8 (g) Biofuels feedstock producers;
9 (h) Two biofuels producers;
10 (i) The department of agriculture;
11 (j) The department of commerce;
12 (k) The department of natural resources;
13 (l) A sustainable energy advocacy organization;
14 (m) The United States department of defense;
15 (n) The University of Washington;
16 (o) Washington State University; and
17 (p) The Pacific Northwest national laboratory(~~(/and~~
18 ~~(q) A member of the board of directors of innovate Washington~~)).
19 (4) The work group shall choose its chair from among its
20 membership.
21 (5) The work group may not meet more than twice a year.
22 (6) The work group shall provide an annual update of its findings
23 and recommendations to the governor and the appropriate committees of
24 the legislature by December 1st of each year (~~(through 2014)~~).
25 (~~((7) This section expires June 30, 2015.)~~)

26 **Sec. 7.** RCW 28B.50.902 and 2011 1st sp.s. c 14 s 6 are each
27 amended to read as follows:

28 (1) The college board, in consultation with business, industry,
29 labor, the workforce training and education coordinating board, the
30 department of commerce, the employment security department, and
31 community and technical colleges, shall designate centers of excellence
32 and allocate funds to existing and new centers of excellence based on
33 a competitive basis.

34 (2) Eligible applicants for the program established under this
35 section include community and technical colleges. Priority shall be
36 given to applicants that have an established education and training

1 program serving the targeted industry and that have in their home
2 district or region an industry cluster with the same targeted industry
3 at its core.

4 (3) It is the role of centers of excellence to employ strategies
5 to:

6 (a) Create educational efficiencies;

7 (b) Build a diverse, competitive workforce for strategic
8 industries;

9 (c) Maintain an institutional reputation for innovation and
10 responsiveness;

11 (d) Develop innovative curriculum and means of delivering education
12 and training;

13 (e) Act as brokers of information and resources related to
14 community and technical college education and training and assistance
15 available for firms in a targeted industry(~~(, including working with
16 innovate Washington to develop methods to identify businesses within a
17 targeted industry that could benefit from the services offered by
18 innovate Washington under chapter 43.333 RCW))~~); and

19 (f) Serve as partners with workforce development councils,
20 associate development organizations, and other workforce and economic
21 development organizations.

22 (4) Examples of strategies under subsection (3) of this section
23 include but are not limited to: Sharing curriculum and other
24 instructional resources, to ensure cost savings to the system;
25 delivering collaborative certificate and degree programs; and holding
26 statewide summits, seminars, conferences, and workshops on industry
27 trends and best practices in community and technical college education
28 and training.

29 **Sec. 8.** RCW 28B.155.010 and 2012 c 242 s 1 are each amended to
30 read as follows:

31 (1) The joint center for aerospace technology innovation is created
32 to:

33 (a) Pursue joint industry-university research in computing,
34 manufacturing efficiency, materials/structures innovation, and other
35 new technologies that can be used in aerospace firms;

36 (b) Enhance the education of students in the engineering

1 departments of the University of Washington, Washington State
2 University, and other participating institutions through industry-
3 focused research; and

4 (c) Work directly with existing small, medium-sized, and large
5 aerospace firms and aerospace industry associations to identify
6 research needs and opportunities to transfer off-the-shelf technologies
7 that would benefit such firms.

8 (2) The center shall be operated and administered as a multi-
9 institutional education and research center, conducting research and
10 development programs in various locations within Washington under the
11 joint authority of the University of Washington and Washington State
12 University. The initial administrative offices of the center shall be
13 west of the crest of the Cascade mountains. In order to meet aerospace
14 industry needs, the facilities and resources of the center must be made
15 available to all four-year institutions of higher education as defined
16 in RCW 28B.10.016. Resources include, but are not limited to,
17 internships, on-the-job training, and research opportunities for
18 undergraduate and graduate students and faculty.

19 (3) The powers of the center are vested in and shall be exercised
20 by a board of directors. The board shall consist of nine members
21 appointed by the governor. The governor shall appoint a nonvoting
22 chair. Of the eight voting members, one member shall represent small
23 aerospace firms, one member shall represent medium-sized firms, one
24 member shall represent large aerospace firms, one member shall
25 represent labor, two members shall represent aerospace industry
26 associations, and two members shall represent higher education. The
27 terms of the initial members shall be staggered.

28 (4) The board shall hire an executive director. The executive
29 director shall hire such staff as the board deems necessary to operate
30 the center. Staff support may be provided from among the cooperating
31 institutions through cooperative agreements to the extent funds are
32 available. The executive director may enter into cooperative
33 agreements for programs and research with public and private
34 organizations including state and nonstate agencies consistent with
35 policies of the participating institutions.

36 (5) The board must:

37 (a) Work with aerospace industry associations and aerospace firms

1 of all sizes to identify the research areas that will benefit the
2 intermediate and long-term economic vitality of the Washington
3 aerospace industry;

4 (b) Identify entrepreneurial researchers to join or lead research
5 teams in the research areas specified in (a) of this subsection and the
6 steps the University of Washington and Washington State University will
7 take to recruit such researchers;

8 (c) Assist firms to integrate existing technologies into their
9 operations and align the activities of the center with those of impact
10 Washington and (~~innovate Washington~~) the department of commerce to
11 enhance services available to aerospace firms;

12 (d) Develop internships, on-the-job training, research, and other
13 opportunities and ensure that all undergraduate and graduate students
14 enrolled in an aerospace engineering curriculum have direct experience
15 with aerospace firms;

16 (e) Assist researchers and firms in safeguarding intellectual
17 property while advancing industry innovation;

18 (f) Develop and strengthen university-industry relationships
19 through promotion of faculty collaboration with industry, and sponsor,
20 in collaboration with (~~innovate Washington~~) the department of
21 commerce, at least one annual symposium focusing on aerospace research
22 in the state of Washington;

23 (g) Encourage a full range of projects from small research projects
24 that meet the specific needs of a smaller company to large scale,
25 multipartner projects;

26 (h) Develop nonstate support of the center's research activities
27 through leveraging dollars from federal and private for-profit and
28 nonprofit sources;

29 (i) Leverage its financial impact through joint support
30 arrangements on a project-by-project basis as appropriate;

31 (j) Establish mechanisms for soliciting and evaluating proposals
32 and for making awards and reporting on technological progress,
33 financial leverage, and other measures of impact;

34 (k) By June 30, 2013, develop an operating plan that includes the
35 specific processes, methods, or mechanisms the center will use to
36 accomplish each of its duties as set out in this subsection; and

37 (l) Report biennially to the legislature and the governor about the
38 impact of the center's work on the state's economy and the aerospace

1 sector, with projections of future impact, providing indicators of its
2 impact, and outlining ideas for enhancing benefits to the state. The
3 report must be coordinated with the governor's office, the Washington
4 economic development commission, and the department of commerce(~~(, and~~
5 ~~innovate Washington~~)).

6 **Sec. 9.** RCW 42.30.110 and 2011 1st sp.s. c 14 s 14 are each
7 amended to read as follows:

8 (1) Nothing contained in this chapter may be construed to prevent
9 a governing body from holding an executive session during a regular or
10 special meeting:

11 (a) To consider matters affecting national security;

12 (b) To consider the selection of a site or the acquisition of real
13 estate by lease or purchase when public knowledge regarding such
14 consideration would cause a likelihood of increased price;

15 (c) To consider the minimum price at which real estate will be
16 offered for sale or lease when public knowledge regarding such
17 consideration would cause a likelihood of decreased price. However,
18 final action selling or leasing public property shall be taken in a
19 meeting open to the public;

20 (d) To review negotiations on the performance of publicly bid
21 contracts when public knowledge regarding such consideration would
22 cause a likelihood of increased costs;

23 (e) To consider, in the case of an export trading company,
24 financial and commercial information supplied by private persons to the
25 export trading company;

26 (f) To receive and evaluate complaints or charges brought against
27 a public officer or employee. However, upon the request of such
28 officer or employee, a public hearing or a meeting open to the public
29 shall be conducted upon such complaint or charge;

30 (g) To evaluate the qualifications of an applicant for public
31 employment or to review the performance of a public employee. However,
32 subject to RCW 42.30.140(4), discussion by a governing body of
33 salaries, wages, and other conditions of employment to be generally
34 applied within the agency shall occur in a meeting open to the public,
35 and when a governing body elects to take final action hiring, setting
36 the salary of an individual employee or class of employees, or

1 discharging or disciplining an employee, that action shall be taken in
2 a meeting open to the public;

3 (h) To evaluate the qualifications of a candidate for appointment
4 to elective office. However, any interview of such candidate and final
5 action appointing a candidate to elective office shall be in a meeting
6 open to the public;

7 (i) To discuss with legal counsel representing the agency matters
8 relating to agency enforcement actions, or to discuss with legal
9 counsel representing the agency litigation or potential litigation to
10 which the agency, the governing body, or a member acting in an official
11 capacity is, or is likely to become, a party, when public knowledge
12 regarding the discussion is likely to result in an adverse legal or
13 financial consequence to the agency.

14 This subsection (1)(i) does not permit a governing body to hold an
15 executive session solely because an attorney representing the agency is
16 present. For purposes of this subsection (1)(i), "potential
17 litigation" means matters protected by RPC 1.6 or RCW 5.60.060(2)(a)
18 concerning:

19 (i) Litigation that has been specifically threatened to which the
20 agency, the governing body, or a member acting in an official capacity
21 is, or is likely to become, a party;

22 (ii) Litigation that the agency reasonably believes may be
23 commenced by or against the agency, the governing body, or a member
24 acting in an official capacity; or

25 (iii) Litigation or legal risks of a proposed action or current
26 practice that the agency has identified when public discussion of the
27 litigation or legal risks is likely to result in an adverse legal or
28 financial consequence to the agency;

29 (j) To consider, in the case of the state library commission or its
30 advisory bodies, western library network prices, products, equipment,
31 and services, when such discussion would be likely to adversely affect
32 the network's ability to conduct business in a competitive economic
33 climate. However, final action on these matters shall be taken in a
34 meeting open to the public;

35 (k) To consider, in the case of the state investment board,
36 financial and commercial information when the information relates to
37 the investment of public trust or retirement funds and when public

1 knowledge regarding the discussion would result in loss to such funds
2 or in private loss to the providers of this information;

3 (l) To consider proprietary or confidential nonpublished
4 information related to the development, acquisition, or implementation
5 of state purchased health care services as provided in RCW 41.05.026;

6 (m) To consider in the case of the life sciences discovery fund
7 authority, the substance of grant applications and grant awards when
8 public knowledge regarding the discussion would reasonably be expected
9 to result in private loss to the providers of this information;

10 (n) To consider in the case of a health sciences and services
11 authority, the substance of grant applications and grant awards when
12 public knowledge regarding the discussion would reasonably be expected
13 to result in private loss to the providers of this information;

14 (o) To consider in the case of the department of commerce innovate
15 Washington program, the substance of grant or loan applications and
16 grant or loan awards if public knowledge regarding the discussion would
17 reasonably be expected to result in private loss to the providers of
18 this information.

19 (2) Before convening in executive session, the presiding officer of
20 a governing body shall publicly announce the purpose for excluding the
21 public from the meeting place, and the time when the executive session
22 will be concluded. The executive session may be extended to a stated
23 later time by announcement of the presiding officer.

24 **Sec. 10.** RCW 42.56.270 and 2013 c 305 s 14 are each amended to
25 read as follows:

26 The following financial, commercial, and proprietary information is
27 exempt from disclosure under this chapter:

28 (1) Valuable formulae, designs, drawings, computer source code or
29 object code, and research data obtained by any agency within five years
30 of the request for disclosure when disclosure would produce private
31 gain and public loss;

32 (2) Financial information supplied by or on behalf of a person,
33 firm, or corporation for the purpose of qualifying to submit a bid or
34 proposal for (a) a ferry system construction or repair contract as
35 required by RCW 47.60.680 through 47.60.750 or (b) highway construction
36 or improvement as required by RCW 47.28.070;

1 (3) Financial and commercial information and records supplied by
2 private persons pertaining to export services provided under chapters
3 43.163 and 53.31 RCW, and by persons pertaining to export projects
4 under RCW 43.23.035;

5 (4) Financial and commercial information and records supplied by
6 businesses or individuals during application for loans or program
7 services provided by chapters 43.325, 43.163, 43.160, 43.330, and
8 43.168 RCW, or during application for economic development loans or
9 program services provided by any local agency;

10 (5) Financial information, business plans, examination reports, and
11 any information produced or obtained in evaluating or examining a
12 business and industrial development corporation organized or seeking
13 certification under chapter 31.24 RCW;

14 (6) Financial and commercial information supplied to the state
15 investment board by any person when the information relates to the
16 investment of public trust or retirement funds and when disclosure
17 would result in loss to such funds or in private loss to the providers
18 of this information;

19 (7) Financial and valuable trade information under RCW 51.36.120;

20 (8) Financial, commercial, operations, and technical and research
21 information and data submitted to or obtained by the clean Washington
22 center in applications for, or delivery of, program services under
23 chapter 70.95H RCW;

24 (9) Financial and commercial information requested by the public
25 stadium authority from any person or organization that leases or uses
26 the stadium and exhibition center as defined in RCW 36.102.010;

27 (10)(a) Financial information, including but not limited to account
28 numbers and values, and other identification numbers supplied by or on
29 behalf of a person, firm, corporation, limited liability company,
30 partnership, or other entity related to an application for a horse
31 racing license submitted pursuant to RCW 67.16.260(1)(b), liquor
32 license, gambling license, or lottery retail license;

33 (b) Internal control documents, independent auditors' reports and
34 financial statements, and supporting documents: (i) Of house-banked
35 social card game licensees required by the gambling commission pursuant
36 to rules adopted under chapter 9.46 RCW; or (ii) submitted by tribes
37 with an approved tribal/state compact for class III gaming;

1 (11) Proprietary data, trade secrets, or other information that
2 relates to: (a) A vendor's unique methods of conducting business; (b)
3 data unique to the product or services of the vendor; or (c)
4 determining prices or rates to be charged for services, submitted by
5 any vendor to the department of social and health services for purposes
6 of the development, acquisition, or implementation of state purchased
7 health care as defined in RCW 41.05.011;

8 (12)(a) When supplied to and in the records of the department of
9 commerce:

10 (i) Financial and proprietary information collected from any person
11 and provided to the department of commerce pursuant to RCW
12 43.330.050(8); and

13 (ii) Financial or proprietary information collected from any person
14 and provided to the department of commerce or the office of the
15 governor in connection with the siting, recruitment, expansion,
16 retention, or relocation of that person's business and until a siting
17 decision is made, identifying information of any person supplying
18 information under this subsection and the locations being considered
19 for siting, relocation, or expansion of a business;

20 (b) When developed by the department of commerce based on
21 information as described in (a)(i) of this subsection, any work product
22 is not exempt from disclosure;

23 (c) For the purposes of this subsection, "siting decision" means
24 the decision to acquire or not to acquire a site;

25 (d) If there is no written contact for a period of sixty days to
26 the department of commerce from a person connected with siting,
27 recruitment, expansion, retention, or relocation of that person's
28 business, information described in (a)(ii) of this subsection will be
29 available to the public under this chapter;

30 (13) Financial and proprietary information submitted to or obtained
31 by the department of ecology or the authority created under chapter
32 70.95N RCW to implement chapter 70.95N RCW;

33 (14) Financial, commercial, operations, and technical and research
34 information and data submitted to or obtained by the life sciences
35 discovery fund authority in applications for, or delivery of, grants
36 under chapter 43.350 RCW, to the extent that such information, if
37 revealed, would reasonably be expected to result in private loss to the
38 providers of this information;

1 (15) Financial and commercial information provided as evidence to
2 the department of licensing as required by RCW 19.112.110 or
3 19.112.120, except information disclosed in aggregate form that does
4 not permit the identification of information related to individual fuel
5 licensees;

6 (16) Any production records, mineral assessments, and trade secrets
7 submitted by a permit holder, mine operator, or landowner to the
8 department of natural resources under RCW 78.44.085;

9 (17)(a) Farm plans developed by conservation districts, unless
10 permission to release the farm plan is granted by the landowner or
11 operator who requested the plan, or the farm plan is used for the
12 application or issuance of a permit;

13 (b) Farm plans developed under chapter 90.48 RCW and not under the
14 federal clean water act, 33 U.S.C. Sec. 1251 et seq., are subject to
15 RCW 42.56.610 and 90.64.190;

16 (18) Financial, commercial, operations, and technical and research
17 information and data submitted to or obtained by a health sciences and
18 services authority in applications for, or delivery of, grants under
19 RCW 35.104.010 through 35.104.060, to the extent that such information,
20 if revealed, would reasonably be expected to result in private loss to
21 providers of this information;

22 (19) Information gathered under chapter 19.85 RCW or RCW 34.05.328
23 that can be identified to a particular business;

24 (20) Financial and commercial information submitted to or obtained
25 by the University of Washington, other than information the university
26 is required to disclose under RCW 28B.20.150, when the information
27 relates to investments in private funds, to the extent that such
28 information, if revealed, would reasonably be expected to result in
29 loss to the University of Washington consolidated endowment fund or to
30 result in private loss to the providers of this information;

31 (21) Financial, commercial, operations, and technical and research
32 information and data submitted to or obtained by the department of
33 commerce innovate Washington program in applications for, or delivery
34 of, grants and loans under chapter 43.333 RCW, to the extent that such
35 information, if revealed, would reasonably be expected to result in
36 private loss to the providers of this information; and

37 (22) Market share data submitted by a manufacturer under RCW
38 70.95N.190(4).

1 **Sec. 11.** RCW 70.210.020 and 2011 1st sp.s. c 14 s 8 are each
2 amended to read as follows:

3 The definitions in this section apply throughout this chapter
4 unless the context clearly requires otherwise.

5 (1) "Board" means the (~~innovate Washington board of directors~~)
6 investing in innovation grant and loan oversight board of the innovate
7 Washington program at the department.

8 (~~(3) [(2)] "Innovate Washington" means the agency created in RCW~~
9 ~~43.333.010.~~)

10 (2) "Department" means the department of commerce.

11 **Sec. 12.** RCW 70.210.030 and 2011 1st sp.s. c 14 s 9 are each
12 amended to read as follows:

13 (1) The investing in innovation program is established.

14 (2) The department innovate Washington program shall periodically
15 make strategic assessments of the types of investments in research,
16 technology, and industrial development in this state that would likely
17 create new products, jobs, and business opportunities and produce the
18 most beneficial long-term improvements to the lives and health of the
19 citizens of the state. The assessments shall be available to the
20 public and shall be used to guide decisions on awarding funds under
21 this chapter.

22 (3) The department must establish an investing in innovation grant
23 and loan oversight board for the purposes of reviewing the grants and
24 loans made from the investing in innovation program.

25 **Sec. 13.** RCW 70.210.050 and 2011 1st sp.s. c 14 s 11 are each
26 amended to read as follows:

27 (1) The (~~board~~) department may accept grant and loan proposals
28 and establish a competitive process for the awarding of grants and
29 loans.

30 (2) The (~~board~~) department shall establish a peer review
31 committee to include (~~board members,~~) scientists, engineers, and
32 individuals with specific recognized expertise. The peer review
33 committee shall provide to the (~~board~~) department an independent peer
34 review of all proposals determined to be competitive for a loan or
35 grant award that are submitted to the (~~board~~) department.

1 (3) In the awarding of grants and loans, priority shall be given to
2 proposals that leverage additional private and public funding
3 resources.

4 (4) (~~Innovate Washington~~) The department may not be a direct
5 recipient of funding under this chapter.

6 **Sec. 14.** RCW 70.210.060 and 2011 1st sp.s. c 14 s 12 are each
7 amended to read as follows:

8 The (~~board~~) department shall establish performance benchmarks
9 (~~against which the program will be evaluated. The program shall be~~
10 ~~reviewed periodically by the board~~) for the investing in innovation
11 program, and shall periodically evaluate the program against those
12 benchmarks. The (~~board~~) department shall report annually to the
13 appropriate standing committees of the legislature on loans made and
14 grants awarded and as appropriate on program reviews conducted by the
15 (~~board~~) department.

16 NEW SECTION. **Sec. 15.** A new section is added to chapter 28B.30
17 RCW to read as follows:

18 (1) Innovate Washington shall work with the department of
19 enterprise services to have all real property, including real estate,
20 buildings, and facilities used by innovate Washington assigned to
21 Washington State University, including the building at 665 North
22 Riverpoint Boulevard in Spokane, Washington and any remaining tenant
23 leases and building obligations.

24 (2) All personal property associated with the building at 665 North
25 Riverpoint Boulevard in Spokane, Washington, including cabinets,
26 furniture, office equipment, motor vehicles, and other tangible
27 property used by innovate Washington is transferred to Washington State
28 University.

29 (3) Innovate Washington shall work with the department of
30 enterprise services to have the master lease for the Spokane technology
31 center building at 120 North Pine Street in Spokane, Washington
32 assigned to Washington State University.

33 NEW SECTION. **Sec. 16.** A new section is added to chapter 43.330
34 RCW to read as follows:

35 (1) Innovate Washington is hereby abolished and its powers, duties,

1 and functions are transferred to the department of commerce. All
2 references to innovate Washington shall be construed to mean the
3 department of commerce.

4 (2)(a) All reports, documents, surveys, books, records, files,
5 papers, or written material in the possession of innovate Washington
6 shall be delivered to the custody of the department of commerce. All
7 cabinets, furniture, office equipment, and other tangible property
8 employed by innovate Washington shall be made available to the
9 department of commerce. All funds, credits, or other assets held by
10 innovate Washington shall be assigned to the department of commerce.

11 (b) Any appropriations made to innovate Washington shall, on the
12 effective date of this section, be transferred and credited to the
13 department of commerce.

14 (c) If any question arises as to the transfer of any funds, books,
15 documents, records, papers, files, equipment, or other tangible
16 property used or held in the exercise of the powers and the performance
17 of the duties and functions transferred, the director of financial
18 management shall make a determination as to the proper allocation and
19 certify the same to the state agencies concerned.

20 (3) Innovate Washington shall work with the department of
21 enterprise services to have all innovate Washington leases, including
22 administration of the state's master lease for the Spokane technology
23 center (120 N. Pine Street, Spokane, Washington) assigned to Washington
24 State University for the continued purpose of supporting job creation
25 and business acceleration.

26 (4) All pending business before innovate Washington shall be
27 continued and acted upon by the department of commerce. All existing
28 contracts, grants, loans, and other obligations shall remain in full
29 force and shall either be performed by or for the benefit of the
30 department of commerce consistent with the terms of the obligation.

31 (5) The transfer of the powers, duties, and functions of innovate
32 Washington may not affect the validity of any act performed before the
33 effective date of this section.

34 (6) If apportionments of budgeted funds are required because of the
35 transfers directed by this section, the director of financial
36 management shall certify the apportionments to the agencies affected,
37 the state auditor, and the state treasurer. Each of these shall make

1 the appropriate transfer and adjustments in funds and appropriation
2 accounts and equipment records in accordance with the certification.

3 (7) All unexpended funds, unused credits, real property, or other
4 assets donated to innovate Washington expressly to support the
5 creation, mission, and ongoing operation of innovate Washington must be
6 used in accordance with the donor's intended purposes or returned or
7 refunded to the entity originally providing or currently holding the
8 successor interest in the donated unexpended funds, unused credits,
9 real property, or other assets.

10 NEW SECTION. **Sec. 17.** RCW 43.333.030, 43.333.040, 43.333.050, and
11 43.333.800 are each recodified as sections in chapter 43.330 RCW.

12 NEW SECTION. **Sec. 18.** The following acts or parts of acts are
13 each repealed:

14 (1) RCW 43.333.010 (Innovate Washington--Created--Mission--Transfer
15 of administrative responsibilities for facilities located at the
16 Washington technology center and Spokane intercollegiate research and
17 technology institute--Five-year business plan requirements) and 2011
18 1st sp.s. c 14 s 1;

19 (2) RCW 43.333.020 (Board of directors--Composition--Meetings--
20 Duties) and 2011 1st sp.s. c 14 s 2;

21 (3) RCW 43.333.901 (Effective date--2011 1st sp.s. c 14) and 2011
22 1st sp.s. c 14 s 21; and

23 (4) RCW 41.06.0711 (Innovate Washington--Certain personnel exempted
24 from chapter) and 2011 1st sp.s. c 14 s 5.

25 NEW SECTION. **Sec. 19.** This act takes effect July 1, 2014.

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