



HB 2434 Creating a Grant Fund for Natural Resources R&D

House Committee on Higher Education, Innovation, & Workforce Development, Jody Wiser 2.13.15

This proposal ignores that we already have devoted huge resources to these industries in our state budget, with state departments, the extension offices, and university programs all directed to natural resources, and with tax laws at both the federal and state level that provides for both expensing the costs of this research as business expenses, and the R&D tax credit that provides for additional subsidy.

The new research ideas are exciting and transformative. There is no doubt about that. But we have in place already at least three layers of subsidy for the work: departments, universities, and a tax code. We simply should not ask the General Fund to take on yet another program for these industries.

To create a new grant program rather than directing current resources to the issue of this transformative research is an untenable expansion of the financial responsibility of the General Fund.

R&D is the job of universities, owners, investors or crowd sourcing, not the job of the General Fund.

Further, if the research is done at our universities, the state will recover its investment when commercialization of university research is successful. With the proposed grant program, there is no similar participation in success for taxpayers. If you simply must "do something" then make this a loan program or get equity. We have already reduced our business taxes for these industries at both the local and state level to bottom in the country, and funded them through our Departments and universities. We must not now start making outright grants for or to these large and successful businesses.

We read the bills and follow the money