

1 SENATE JOINT RESOLUTION NO. 22

2 INTRODUCED BY J. PRIEST

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4 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF
5 MONTANA REQUESTING AN INTERIM STUDY OF THE USE OF INNOVATION PRIZE PROGRAMS TO
6 PROMOTE THE USE AND DEVELOPMENT OF MONTANA'S NATURAL AND RENEWABLE RESOURCES.

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8 WHEREAS, the debate about global warming is ongoing and Montana's economic growth,
9 competitiveness, and well-being depend upon low-cost energy and people's capacity to innovate; and

10 WHEREAS, governments can create a business climate where the jobs and industries of the future can
11 be created by doing what America does best, enabling the creativity, ingenuity, and imagination of our people;
12 and

13 WHEREAS, governments can help create an environment of prosperity by designing innovation prizes
14 to encourage innovation; and

15 WHEREAS, innovation prizes usually take the form of financial rewards for meeting certain predetermined
16 specifications; and

17 WHEREAS, an innovation prize may be a vehicle for spurring specific solutions by providing a
18 commitment to purchase a product that does not yet exist; and

19 WHEREAS, innovation prizes could provide useful incentives to develop cost-effective renewable energy
20 technologies; and

21 WHEREAS, with the need for balanced budgets and less regulation, these prizes can be an efficient way
22 for cash-strapped governments to encourage breakthroughs that benefit economic growth and the development
23 of new technologies; and

24 WHEREAS, innovation prizes can help establish important policy goals without government having to
25 choose in advance the approach or the entrepreneurs or business that government speculates are most likely
26 to succeed; and

27 WHEREAS, innovation prizes pay only for results and aim to reward and spur development of solutions
28 for a particular, well-defined problem; and

29 WHEREAS, innovation prizes highlight excellence in a particular area of human endeavor to motivate,
30 inspire, and guide others; and

1 WHEREAS, innovation prizes put space tourism on the launch pad; and

2 WHEREAS, innovation prizes helped Netflix better predict consumer movie preferences, and the \$1
3 million Netflix prize was decided in 2009 after a competition involving teams from more than 100 countries; and

4 WHEREAS, spending more than the actual prize money by entrepreneurs enforces economic discipline,
5 meaning the innovators consider a business application to recoup their funds; and

6 WHEREAS, innovation prizes can increase the number and diversity of the individuals, organizations,
7 and teams that are addressing a particular problem or challenge of national or international significance; and

8 WHEREAS, innovation prizes can improve the skills of the workforce in the competition; and

9 WHEREAS, innovation prizes can stimulate private sector investment that is many times greater than
10 the cash value of the prize.

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12 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE
13 STATE OF MONTANA:

14 That the Legislative Council be requested to designate an appropriate interim committee, pursuant to
15 section 5-5-217, MCA, or direct sufficient staff resources to:

16 (1) identify potential innovation prize programs that could be created related to the use and development
17 of Montana's natural resources, including:

18 (a) financial prizes; and

19 (b) other forms of recognition;

20 (2) consult with state agencies, including but not limited to the department of natural resources and
21 conservation, the department of environmental quality, the department of commerce, and the public service
22 commission, about how innovation prizes should be used to reach specific goals related to the use and
23 development of natural resources;

24 (3) examine the challenges of providing innovation prizes and opportunities to overcome those
25 challenges. Challenges may include:

26 (a) the use of innovation prizes as a broader strategy to spur innovation;

27 (b) issues related to the ownership of intellectual property;

28 (c) state procurement requirements; and

29 (d) other legal, regulatory, and technical barriers.

30 (4) consider potential funding sources for innovation prize programs by examining:

- 1 (a) existing grant and loan programs used to encourage natural resource use and development;
- 2 (b) potential or existing tax incentives; and
- 3 (c) federal sources that could be used as matching money;
- 4 (5) identify necessary, statutory guidelines for participation and eligibility in innovation prize programs,
- 5 including:
- 6 (a) the level of state support, in terms of mentoring or research, that state agencies should provide to
- 7 potential program participants and whether that support would enhance participation; and
- 8 (b) the potential of public-private partnerships to enhance participation in programs; and
- 9 (6) examine the appropriate level of followup needed in innovation prize programs to encourage
- 10 investment in Montana.
- 11 BE IT FURTHER RESOLVED, that if the study is assigned to staff, any findings or conclusions be
- 12 presented to and reviewed by an appropriate committee designated by the Legislative Council.
- 13 BE IT FURTHER RESOLVED, that all aspects of the study, including presentation and review
- 14 requirements, be concluded prior to September 15, 2012.
- 15 BE IT FURTHER RESOLVED, that the final results of the study, including any findings, conclusions,
- 16 comments, or recommendations of the appropriate committee, be reported to the 63rd Legislature.
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