

By Senator Garcia

40-1666A-04

1 A bill to be entitled
2 An act relating to economic development;
3 reenacting s. 288.9511, F.S., relating to
4 definitions governing certain technology
5 development activities of Enterprise Florida,
6 Inc.; reenacting and amending s. 288.9515,
7 F.S.; revising and clarifying powers of
8 Enterprise Florida, Inc., to develop authorized
9 technology development programs; deleting a
10 preference requirement for contractor
11 selections; clarifying a requirement for
12 capitalization of a technology development
13 financing fund; revising criteria and
14 requirements for investment of moneys in the
15 Florida Technology Research Investment Fund;
16 providing for payment of certain claims from
17 the fund; specifying nonapplication of state
18 credit or taxing power; specifying absence of
19 state liability for certain claims; directing
20 Enterprise Florida, Inc., to facilitate the
21 formation of an entrepreneurship strategy;
22 repealing s. 288.9517, F.S., relating to audits
23 of the technology development board and
24 confidentiality of the identity of certain
25 contributors to the board; repealing s. 14, ch.
26 93-187, Laws of Florida, relating to the repeal
27 and review by the Legislature of statutes
28 governing certain technology development
29 programs of Enterprise Florida, Inc.; repealing
30 s. 80, ch. 2003-399, Laws of Florida, relating
31 to implementation of the 2003-2004 General

1 Appropriations Act; abrogating the future
2 repeal of statutes governing certain technology
3 development programs of Enterprise Florida,
4 Inc.; providing an effective date.

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6 Be It Enacted by the Legislature of the State of Florida:

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8 Section 1. Notwithstanding section 80 of chapter
9 2003-399, Laws of Florida, section 288.9511, Florida Statutes,
10 shall not stand repealed on July 1, 2004, as scheduled by that
11 law, but that section is reenacted to read:

12 288.9511 Definitions.--As used in ss.
13 288.9511-288.9517, the term:

14 (1) "Educational institutions" means Florida technical
15 institutes and vocational schools, and public and private
16 community colleges, colleges, and universities in the state.

17 (2) "Enterprise" means a firm with its principal place
18 of business in this state which is engaged, or proposes to be
19 engaged, in this state in agricultural industries,
20 natural-resource-based or other manufacturing, research and
21 development, or the provision of knowledge-based services.

22 (3) "Person" means any individual, partnership,
23 corporation, or joint venture that carries on business, or
24 proposes to carry on business, within the state.

25 (4) "Product" means any product, device, technique, or
26 process that is, or may be, developed or marketed
27 commercially; the term does not refer, however, to basic
28 research, but rather to products, devices, techniques, or
29 processes that have advanced beyond the theoretical stage and
30 are in a prototype or industry practice stage.

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1 (5) "Qualified security" means a public or private
2 financial arrangement that involves any note, security,
3 debenture, evidence of indebtedness, certificate of interest
4 of participation in any profit-sharing agreement,
5 preorganization certificate or subscription, transferable
6 security, investment contract, certificate of deposit for a
7 security, certificate of interest or participation in a patent
8 or application thereof, or in royalty or other payments under
9 such a patent or application, or, in general, any interest or
10 instrument commonly known as a security or any certificate
11 for, receipt for, guarantee of, or option warrant or right to
12 subscribe to or purchase any of the foregoing to the extent
13 allowed by law.

14 (6) "Technology application" means the introduction
15 and adaptation of off-the-shelf technologies and
16 state-of-the-art management practices to the specific
17 circumstances of an individual firm.

18 (7) "Technology commercialization" means the process
19 of bringing an investment-grade technology out of an
20 enterprise, university, or federal laboratory for first-run
21 application in the marketplace.

22 (8) "Technology development" means strategically
23 focused research aimed at developing investment-grade
24 technologies essential to market competitiveness.

25 Section 2. Notwithstanding section 80 of chapter
26 2003-399, Laws of Florida, section 288.9515, Florida Statutes,
27 shall not stand repealed on July 1, 2004, as scheduled by that
28 law, but that section is reenacted and amended to read:

29 288.9515 Authorized technology development programs.--

30 (1) Enterprise Florida, Inc., may create technology
31 development and technology applications services, and may

1 serve as an umbrella organization for the coordination of
2 information that provides technology applications service
3 ~~providers throughout the state which provide~~ critical,
4 managerial, technological, scientific, and related financial
5 and business expertise essential for international and
6 domestic competitiveness to small-sized and medium-sized
7 manufacturing and knowledge-based service firms. Enterprise
8 Florida, Inc., is authorized the following powers in order to
9 carry out these functions:

10 (a) Providing communication and coordination services
11 among technology development and technology applications
12 service providers throughout the state.

13 ~~(b) Providing coordinated marketing services to~~
14 ~~small-sized and medium-sized manufacturers in the state on~~
15 ~~behalf of, and in partnership with, technology applications~~
16 ~~service providers.~~

17 ~~(b)(c)~~ Securing additional sources of funds on behalf
18 of, and in partnership with, technology-based businesses
19 ~~technology applications service providers.~~

20 ~~(c)(d)~~ Developing plans and policies to assist
21 small-sized and medium-sized manufacturing companies or other
22 knowledge-based firms in Florida.

23 ~~(e) Entering into contracts with technology~~
24 ~~applications service providers for expanded availability of~~
25 ~~high-quality assistance to small-sized and medium-sized~~
26 ~~manufacturing companies or knowledge-based service firms,~~
27 ~~including, but not limited to, technological, human resources~~
28 ~~development, market planning, finance, and interfirm~~
29 ~~collaboration. Enterprise Florida, Inc., shall ensure that~~
30 ~~all contracts in excess of \$20,000 for the delivery of such~~
31 ~~assistance to Florida firms shall be based on competitive~~

1 ~~requests for proposals and shall establish clear standards for~~
2 ~~the delivery of services under such contracts. Such standards~~
3 ~~include, but are not limited to:~~

4 1. ~~The ability and capacity to deliver services in~~
5 ~~sufficient quality and quantity.~~

6 2. ~~The ability and capacity to deliver services in a~~
7 ~~timely manner.~~

8 3. ~~The ability and capacity to meet the needs of firms~~
9 ~~in the proposed market area.~~

10 ~~(d)(f)~~ Assisting other educational institutions,
11 enterprises, or the entities providing business assistance to
12 small-sized and medium-sized manufacturing and knowledge-based
13 services enterprises.

14 ~~(g)~~ ~~Establishing a system to evaluate the~~
15 ~~effectiveness and efficiency of technology applications~~
16 ~~services provided to small-sized and medium-sized enterprises.~~

17 ~~(c)(h)~~ Establishing special education and
18 informational programs for Florida enterprises and for
19 educational institutions and enterprises providing business
20 assistance to Florida enterprises.

21 ~~(f)(i)~~ Assisting in evaluating and documenting the
22 needs of firms in this state for technology development and
23 technology applications ~~application~~ services, and developing
24 means to ensure that these needs are met, consistent with the
25 powers provided for in this subsection.

26 ~~(g)(j)~~ Maintaining an office in such place or places
27 as the board of directors of Enterprise Florida, Inc.,
28 approves.

29 ~~(h)(k)~~ Making and executing contracts with any person,
30 enterprise, educational institution, association, or any other
31 entity necessary or convenient for the performance of its

1 duties and the exercise of the powers and functions of
2 Enterprise Florida, Inc., under this subsection.

3 (i)~~(1)~~ Receiving funds from any source to carry out
4 the purposes of providing technology development and
5 technology applications services, including, but not limited
6 to, gifts or grants from any department, agency, or
7 instrumentality of the United States or of the state, or any
8 enterprise or person, for any purpose consistent with the
9 provisions of this subsection.

10 ~~(2) When choosing contractors under this section,~~
11 ~~preference shall be given to existing institutions,~~
12 ~~organizations, and enterprises so long as these existing~~
13 ~~institutions, organizations, and enterprises demonstrate the~~
14 ~~ability to perform at standards established by Enterprise~~
15 ~~Florida, Inc., under paragraph (1)(e). Neither the provisions~~
16 of ss. 288.9511-288.9517 nor the actions taken by Enterprise
17 Florida, Inc., under this section shall impair or hinder the
18 operations, performance, or resources of any existing
19 institution, organization, or enterprise.

20 (3) Enterprise Florida, Inc., may create a technology
21 development financing fund, to be called the Florida
22 Technology Research Investment Fund. The fund shall increase
23 technology development in this state by investing in
24 technology development projects that have the potential to
25 generate investment-grade technologies of importance to the
26 state's economy as evidenced by the willingness of private
27 businesses to coinvest in such projects. Enterprise Florida,
28 Inc., may also demonstrate and develop effective approaches
29 to, and benefits of, commercially oriented research
30 collaborations between businesses, universities, and state and
31 federal agencies and organizations. Enterprise Florida, Inc.,

1 shall endeavor to maintain the fund as a self-supporting fund
2 once the fund is sufficiently capitalized under program
3 guidelines of Enterprise Florida, Inc. ~~as reflected in the~~
4 ~~minimum funding report required in s. 288.9516.~~ The technology
5 research investment projects may include, but are not limited
6 to:

7 (a) Technology development projects expected to lead
8 to a specific investment-grade technology that is of
9 importance to industry in this state.

10 (b) Technology development centers and facilities
11 expected to generate a stream of products and processes with
12 commercial application of importance to industry in this
13 state.

14 (c) Technology development projects that have, or are
15 currently using, other federal or state funds such as federal
16 Small Business Innovation Research awards.

17 (4) Enterprise Florida, Inc., shall invest moneys
18 contained in the Florida Technology Research Investment Fund,
19 including moneys in the fund related to the Florida Small
20 Business Technology Growth Program under s. 288.95155, in
21 technology application research, in ~~or for~~ technology
22 development projects that have the potential for commercial
23 market application, or in the growth and development of small
24 technology-based businesses. ~~The partnership shall coordinate~~
25 ~~any investment in any space-related technology projects with~~
26 ~~the Florida Space Authority and the Technological Research and~~
27 ~~Development Authority.~~

28 (a) The investment of moneys contained in the Florida
29 Technology Research Investment Fund is limited to investments
30 in qualified securities in which a private enterprise in this
31 state coinvests at least 40 percent of the total project

1 costs, in conjunction with other cash or noncash investments
2 from state educational institutions, state and federal
3 agencies, or other institutions.

4 (b) All moneys in the Florida Technology Research
5 Investment Fund shall be continuously appropriated to the fund
6 and may be used for loan guarantees, letter of credit
7 guarantees, cash reserves for loan and letter of credit
8 guarantees, payments of claims pursuant to contracts for
9 guarantees, subordinated loans, loans with warrants, royalty
10 investments, equity investments, and ~~For the purposes of this~~
11 ~~fund, qualified securities include loans, loans convertible to~~
12 ~~equity, equity, loans with warrants attached that are~~
13 ~~beneficially owned by the board, royalty agreements, or any~~
14 ~~other contractual arrangements through which the Florida~~
15 Technology Research Investment Fund receives an interest,
16 rights, return of funds, or other consideration, and may be
17 used for operations of the fund. All such uses of moneys in
18 the fund are qualified investments ~~arrangement in which the~~
19 ~~board is providing scientific and technological services to~~
20 ~~any federal, state, county, or municipal agency, or to any~~
21 ~~individual, corporation, enterprise, association, or any other~~
22 ~~entity involving technology development.~~ Any claim against the
23 fund or Enterprise Florida, Inc., relating to investment of
24 moneys in the fund shall be paid solely from the fund. Neither
25 the credit nor the taxing power of the state shall be pledged
26 to secure the fund or moneys in the fund, other than from
27 moneys appropriated or assigned to the fund, and the state is
28 not liable or obligated in any way for any claims against the
29 fund or against Enterprise Florida, Inc.

30 (c) Not more than \$175,000 or 5 percent of the
31 revenues generated by investment of moneys contained in the

1 Florida Technology Research Investment Fund plus 5 percent of
2 the revenues generated by investments under the Florida Small
3 Business Technology Growth Program under s. 288.95155,
4 whichever is less ~~greater~~, may be used on an annual basis to
5 pay the combined operating expenses associated with operation
6 of the Florida Technology Research Investment Fund and the
7 Florida Small Business Technology Growth Program.

8 (d) In the event of liquidation or dissolution of
9 Enterprise Florida, Inc., or the Florida Technology Research
10 Investment Fund, any rights or interests in a qualified
11 security or portion of a qualified security purchased with
12 moneys invested by the State of Florida shall vest in the
13 state, under the control of the State Board of Administration.
14 The state is entitled to, in proportion to the amount of
15 investment in the fund by the state, any balance of funds
16 remaining in the Florida Technology Research Investment Fund
17 after payment of all debts and obligations upon liquidation or
18 dissolution of Enterprise Florida, Inc., or the fund.

19 (e) The investment of funds contained in the Florida
20 Technology Research Investment Fund does not constitute a
21 debt, liability, or obligation of the State of Florida or of
22 any political subdivision thereof, or a pledge of the faith
23 and credit of the state or of any such political subdivision.

24 (5) Enterprise Florida, Inc., may create technology
25 commercialization programs in partnership with private
26 enterprises, educational institutions, and other institutions
27 to increase the rate at which technologies with potential
28 commercial application are moved from university, public, and
29 industry laboratories into the marketplace. Such programs
30 shall be created based upon research to be conducted by
31 Enterprise Florida, Inc.

1 (6) Enterprise Florida, Inc., shall coordinate with
2 local and regional economic development organizations to
3 facilitate a statewide entrepreneurship strategy to stimulate
4 the growth of start-up businesses and technology innovations
5 in this state. This strategy should include, but need not be
6 limited to, technology transfer coordination, university
7 linkages, entrepreneurial networks and training, and start-up
8 capital access, including the formation and growth of
9 individual and business networks that may be willing to invest
10 in start-up businesses in this state.

11 Section 3. Section 288.9517, Florida Statutes, is
12 repealed.

13 Section 4. Section 14 of chapter 93-187, Laws of
14 Florida, is repealed.

15 Section 5. Section 80 of chapter 2003-399, Laws of
16 Florida, is repealed.

17 Section 6. This act shall take effect upon becoming a
18 law.

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21 SENATE SUMMARY

22 Abrogates the repeal of certain provisions governing the
23 technology development programs of Enterprise Florida,
24 Inc. Revises various requirements and functions of the
25 programs. Deletes a requirement that preference be given
 to existing entities when choosing contractors. Requires
 Enterprise Florida, Inc., to facilitate a statewide
 entrepreneurship strategy. (See bill for details.)