

HB 1521

2007

1 A bill to be entitled
2 An act relating to commercialization of products, patents,
3 and processes resulting from publicly supported research;
4 creating s. 288.956, F.S.; creating and providing
5 legislative intent for the Sure Ventures Commercialization
6 Program; creating s. 288.9561, F.S.; creating Sure
7 Ventures Commercialization, Inc., a not-for-profit
8 corporation; requiring Enterprise Florida, Inc., to
9 provide administrative support to the corporation and be
10 its successor in interest; providing for its
11 administration by a board; providing for appointment of
12 board members; providing for terms; providing for service
13 without compensation; providing for reimbursement for per
14 diem, travel, and other direct expenses; providing
15 criteria for membership; providing for powers and duties
16 of the board; providing for hiring employees; providing
17 for meetings of the board; requiring the board to invest
18 funds through the State Board of Administration; providing
19 for contracts with state universities; requiring the board
20 to prepare and deliver an annual report to the Governor
21 and the Legislature by a specified date; detailing the
22 content of the report; providing for exclusion of
23 liability by the corporation; prohibiting the corporation
24 from incurring debt; creating s. 288.9562, F.S.; creating
25 the Sure Ventures Commercialization Grant Program;
26 providing for the types of grants that may be made to
27 state universities for the commercialization of research
28 projects; creating s. 288.9563, F.S.; providing for grant

29 application and approval procedures; creating s. 288.9621,
30 F.S.; providing a short title; creating s. 288.9622, F.S.;
31 providing legislative findings and intent; creating s.
32 288.9623, F.S.; providing definitions; creating s.
33 288.9624, F.S.; creating the SURE Trust as a state
34 beneficiary public trust; requiring Enterprise Florida,
35 Inc., to provide administrative support to the trust and
36 be its successor in interest; providing for administration
37 by a board of trustees; providing for appointment of board
38 trustees; providing for terms; providing for service
39 without compensation; providing for reimbursement for
40 travel and other expenses; providing criteria for
41 trustees; providing powers and duties of trustees;
42 providing for hiring employees; providing for meetings of
43 the board; requiring the trust to prepare and deliver an
44 annual report to the Governor and the Legislature by a
45 specified date; detailing the content of the report;
46 providing for exclusion of liability by the trust;
47 prohibiting the trust from incurring debt; creating s.
48 288.9625, F.S.; authorizing the trust to receive, hold,
49 use, transfer, and sell certain tax credits for certain
50 purposes; providing requirements and limitations;
51 authorizing the Department of Revenue to adopt rules for
52 certain purposes; creating s. 288.9626, F.S.; requiring
53 Enterprise Florida, Inc., to facilitate establishment of
54 the SURE Venture Capital Fund; specifying criteria of the
55 fund; providing for appointment of a board of directors
56 appointment committee; providing for selection of a board

57 of directors of the fund by Enterprise Florida, Inc.;

58 specifying criteria; providing for terms and requirements

59 of the directors; providing purposes of the fund;

60 providing duties and responsibilities of the fund;

61 authorizing the fund to charge a management fee for

62 certain purposes; providing for reimbursement for travel

63 and other direct expenses; providing for powers of the

64 fund; providing investment requirements for the fund;

65 requiring the board of directors to issue an annual report

66 on the activities of the fund; providing report

67 requirements; creating s. 288.9628, F.S.; creating the

68 Institute for the Commercialization of Public Research;

69 providing legislative intent; providing that the purpose

70 of the institute is to commercialize the products of

71 public research; providing responsibilities of the

72 institute; prohibiting the institute from having any

73 interest in any product supported by the institute;

74 providing appropriations; providing an effective date.

75

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

77

78 Section 1. Section 288.956, Florida Statutes, is created

79 to read:

80 288.956 Sure Ventures Commercialization Program.--

81 (1) The Sure Ventures Commercialization Program is

82 established for the purpose of financing the commercialization

83 of products and services developed from the research and

84 development conducted at public universities in this state. The

HB 1521

2007

85 purpose of the program is to enhance the economy of this state
86 by converting products from research performed at public
87 universities to viable consumer products.

88 (2) The Sure Ventures Commercialization Program is
89 designed so that a public university can apply for funding from
90 Sure Ventures Commercialization, Inc., in order to commercially
91 develop products and services resulting from research at the
92 university. Funding from the Sure Ventures Commercialization
93 Trust Fund may be used for a variety of premarketing activities,
94 including, but not limited to, securing patents, establishing
95 start-up companies, developing license agreements, attracting
96 private investment, and supporting other activities that are
97 necessary to establish commercially viable ventures for the
98 marketing and sale of products. Funds may not be used for
99 research or development.

100 Section 2. Section 288.9561, Florida Statutes, is created
101 to read:

102 288.9561 Sure Ventures Commercialization, Inc.--

103 (1) CREATION.--There is created Sure Ventures
104 Commercialization, Inc., a not-for-profit corporation, which
105 shall be registered, incorporated, organized, and operated under
106 chapter 617.

107 (a) The corporation is not a unit of state government or a
108 political subdivision of the state. However, the Legislature
109 declares that the corporation is subject to s. 24, Art. I of the
110 State Constitution and chapter 119, relating to public records,
111 and the provisions of chapter 286 relating to public meetings
112 and records. Furthermore, all officers, directors, and employees

HB 1521

2007

113 of the corporation must comply with the code of ethics for
114 public officers and employees under part III of chapter 112.

115 (b) The corporation must establish at least one corporate
116 office in this state and appoint a registered agent.

117 (c) The corporation may hire or contract for all personnel
118 necessary to properly execute the powers and duties bestowed
119 upon it within the funds appropriated to implement ss. 288.956-
120 288.9566. Using funds appropriated to implement this section,
121 the corporation may not expend more than \$1 million each year
122 for personnel and necessary administrative expenditures,
123 including, but not limited to, travel and per diem, legal fees,
124 consultant's fees, rents and utilities, and audit fees.

125 (d) Subject to appropriations, Enterprise Florida, Inc.,
126 shall provide administrative support to the corporation as
127 requested by the corporation. If the corporation is dissolved,
128 Enterprise Florida, Inc., becomes the corporation's successor in
129 interest and assumes all rights, duties, and obligations of the
130 corporation under any contract to which the corporation is then
131 a party and under law.

132 (2) PURPOSE.--The corporation shall be organized to
133 receive, hold, invest, administer, and disburse funds
134 appropriated by the Legislature.

135 (3) BOARD; MEMBERSHIP.--The corporation shall be governed
136 by a board of directors.

137 (a) The board of directors shall consist of nine voting
138 members, of whom the Governor shall appoint three, the President
139 of the Senate shall appoint three, and the Speaker of the House
140 of Representatives shall appoint three.

HB 1521

2007

141 (b) As a candidate to be selected to the board of
142 directors, an individual must have prior experience with and
143 demonstrated expertise and competence in early stage business
144 investment, corporate management, the fiduciary management of
145 investment funds, or the commercialization of research products.
146 The individual must also demonstrate competence with respect to
147 the administration and management of a publicly listed company,
148 or experience and competence in public accounting, auditing, and
149 fiduciary responsibilities. A board member may not have an
150 interest in any grant proposal submitted to the corporation.

151 (c) Each member of the board of directors shall be
152 appointed to a term of 4 years, except that for the initial
153 appointments the Governor, the President of the Senate, and the
154 Speaker of the House of Representatives each shall appoint one
155 member for a term of 1 year, one member for a term of 2 years,
156 and one member for a term of 4 years in order to achieve
157 staggered terms among the members of the board. A member is not
158 eligible for reappointment to the board, except that a member
159 appointed to an initial term of 1 year or 2 years may be
160 reappointed for an additional term of 4 years, and a person
161 appointed to fill a vacancy having 2 years or less remaining on
162 the term may be reappointed for an additional term of 4 years.
163 The Governor, the President of the Senate, and the Speaker of
164 the House of Representatives shall make their initial
165 appointments to the board by October 1, 2007.

166 (d) The Governor, the President of the Senate, or the
167 Speaker of the House of Representatives, respectively, shall
168 fill a vacancy on the board of directors, according to who

HB 1521

2007

169 appointed the member whose vacancy is to be filled or whose term
170 has expired. A vacancy that occurs before the scheduled
171 expiration of the term of the member shall be filled for the
172 remainder of the unexpired term. A board member whose term has
173 expired shall continue to serve until his or her replacement has
174 been appointed.

175 (e) Each member of the board of directors who is not
176 otherwise required to file financial disclosure under s. 8, Art.
177 II of the State Constitution or s. 112.3144 shall file
178 disclosure of financial interests under s. 112.3145.

179 (f)1. A person appointed to the board of directors must
180 agree to refrain from having any direct interest in any
181 contract, franchise, privilege, or other benefit arising from a
182 university project receiving financing from the board during the
183 term of his or her appointment and for 2 years after the
184 termination of the appointment.

185 2. If a person accepts a direct interest in any contract,
186 franchise, privilege, or other benefit granted by the
187 institution or affiliate within 2 years after the termination of
188 his or her service on the board, the person commits a
189 misdemeanor of the first degree, punishable as provided in s.
190 775.083 or s. 775.084.

191 (g) Members of the board of directors shall receive no
192 compensation for their services but are entitled to receive
193 reimbursement for necessary expenses, including travel and per
194 diem expenses, incurred in the performance of their duties.

195 (h) Each member of the board of directors is accountable
196 for the proper performance of his or her duties of office, and

197 each member owes a fiduciary duty to the people of the state to
198 ensure that funds provided in furtherance of this section are
199 disbursed and used as prescribed by law and contract and in the
200 best interests of the state.

201 (i) The Governor, the President of the Senate, or the
202 Speaker of the House of Representatives, according to which
203 officer appointed the member, may remove a member for
204 malfeasance, misfeasance, neglect of duty, incompetence,
205 permanent inability to perform official duties, unexcused
206 absence from three consecutive meetings of the board, arrest or
207 indictment for a crime that is a felony or a misdemeanor
208 involving theft or a crime of dishonesty, or pleading nolo
209 contendere to, or being found guilty of, any crime.

210 (4) ORGANIZATION; MEETINGS.--

211 (a)1. The board of directors shall annually elect a
212 chairperson and a vice chairperson from among the board's
213 members. The members may, by a vote of five of the nine board
214 members, remove a member from the position of chairperson or
215 vice chairperson before the expiration of his or her term as
216 chairperson or vice chairperson. His or her successor shall be
217 elected to serve for the balance of the removed chairperson's or
218 vice chairperson's term.

219 2. The chairperson shall ensure that records are kept of
220 the proceedings of the board of directors and is the custodian
221 of all books, documents, and papers filed with the board; the
222 minutes of meetings of the board; and the official seal of the
223 corporation.

224 (b)1. The board of directors shall meet upon the call of

HB 1521

2007

225 the chairperson or at the request of a majority of the members,
226 but not less than twice each calendar year if a university
227 request for funding under this section is pending.

228 2. A majority of the voting members of the board of
229 directors constitutes a quorum. Except as otherwise provided in
230 this section, the board may take official action by a majority
231 vote of the members present at any meeting at which a quorum is
232 present. Members may not vote by proxy.

233 3. A member of the board may participate in a meeting of
234 the board by telephone or videoconference through which each
235 member may hear every other member.

236 (5) POWERS AND DUTIES.--The corporation shall be organized
237 to receive, hold, invest, administer, and disburse funds
238 appropriated by the Legislature in support of ss. 288.956-
239 288.9566 and to disburse any income generated from the
240 investment of these funds consistent with the purpose and
241 provisions of this section. In addition to the powers and duties
242 prescribed in chapter 617 and the articles and bylaws adopted
243 under that chapter, the corporation:

244 (a) May make and enter into contracts and assume any other
245 functions that are necessary to carry out the provisions of this
246 section.

247 (b) May enter into leases and contracts for the purchase
248 of real property and hold notes, mortgages, guarantees, or
249 security agreements to secure the performance of obligations of
250 the university under a contract.

251 (c) May perform all acts and things necessary or
252 convenient to carry out the powers expressly granted in ss.

253 288.956-288.9566 and a contract entered into between the
 254 corporation and a university.

255 (d) May make expenditures from funds provided by this
 256 state, including any necessary administrative expenditures
 257 consistent with its powers.

258 (e) Shall indemnify, and purchase and maintain insurance
 259 on behalf of, directors, officers, and employees of the
 260 corporation against any personal liability or accountability.

261 (f) Shall disburse funds under this section and a contract
 262 entered into between the corporation and a university.

263 (g) Shall receive and review reports and financial
 264 documentation provided by a university to ensure compliance with
 265 this section and the contract.

266 (h) Shall prepare an annual report as prescribed in
 267 subsection (8).

268 (i) May accept gifts, grants, donations, in-kind services,
 269 or other goods and services for carrying out its purposes.

270 (6) INVESTMENT OF FUNDS.--The corporation must enter into
 271 an agreement with the State Board of Administration under which
 272 funds received by the corporation which are not disbursed to a
 273 university or invested must be invested by the State Board of
 274 Administration on behalf of the corporation. Funds shall be
 275 invested in suitable instruments authorized under s. 215.47 and
 276 specified in investment guidelines established and agreed to by
 277 the State Board of Administration and the corporation.

278 (7) CONTRACTS FOR THE AWARD OF GRANTS.--

279 (a) The corporation shall negotiate and execute contracts
 280 with universities governing the terms of grants provided under

281 ss. 288.956-288.9566. The corporation may not execute the
282 contract unless the contract is approved by the affirmative vote
283 of at least six of the nine members of the board of directors.

284 (b) Each contract, at a minimum, must contain provisions:

285 1. Specifying the procedures and schedules that govern the
286 disbursement of funds under this section and specifying the
287 conditions or deliverables that the university must satisfy
288 before the release of each disbursement.

289 2. Requiring the university to submit to the corporation a
290 business plan in a form and manner prescribed by the
291 corporation.

292 3. Requiring the university to submit data to the
293 corporation concerning the activities and performance of
294 projects funded under this section and to provide to the
295 corporation an annual accounting of the expenditure of funds
296 disbursed under this section by August 1, 2008, and annually
297 thereafter.

298 4. Requiring grant recipients to negotiate repayment to
299 the Sure Ventures Commercialization Trust Fund the amount of the
300 grant awarded to a project when the project generates sufficient
301 revenues to sustain a profitable operation.

302 (8) ANNUAL REPORT.--By December 1 of each year, the
303 corporation shall prepare a report of the activities and
304 outcomes under ss. 288.956-288.9566 for the preceding fiscal
305 year and submit the report to the Governor, the President of the
306 Senate, and the Speaker of the House of Representatives. The
307 report, at a minimum, must include:

308 (a) An accounting of the amount of grants awarded and

309 disbursed during the preceding fiscal year by project and
 310 university.

311 (b) Information concerning the amount and nature of
 312 economic activity in this state generated through university
 313 research projects receiving funding under ss. 288.956-288.9566.

314 (c) Project level summaries of the information reported by
 315 grant recipients in paragraph (7)(b).

316 (d) A description of the benefits to this state resulting
 317 from the grant program, including the number of businesses
 318 created, associated industries started, and the growth of
 319 related research projects at the university.

320 (e) An independent audit of the corporation's receipts and
 321 expenditures during the preceding fiscal year for personnel,
 322 administration, and operational costs of the corporation.

323 (f) A description of those projects funded by the grant
 324 program in which two or more universities are working
 325 cooperatively together to avoid duplicating the activities,
 326 programs, and functions of the cooperating universities and to
 327 leverage the expertise offered by other universities.

328 (9) LIABILITY.--

329 (a) The appropriation or disbursement of funds under this
 330 section does not constitute a debt, liability, or obligation of
 331 the state, any political subdivision of the state, or the
 332 corporation or a pledge of the faith and credit of the state or
 333 of any political subdivision of the state.

334 (b) The appropriation or disbursement of funds under this
 335 section does not subject the state, any political subdivision of
 336 the state, or the corporation to liability related to the

HB 1521

2007

337 research activities and research products that receive funding
338 under this section.

339 (10) DEBT.--The corporation may not incur debt. This
340 prohibition includes long-term leases, promissory notes, loans,
341 lease-purchase agreements, certificates of participation, the
342 sale of bonds or revenue bonds, or the award or commitment to
343 award grants in excess of the unencumbered cash balance in the
344 Sure Ventures Commercialization Trust Fund.

345 Section 3. Section 288.9562, Florida Statutes, is created
346 to read:

347 288.9562 Sure Ventures Commercialization Grant
348 Program.--The Sure Ventures Commercialization Grant Program is
349 established to provide early stage capital funding from the Sure
350 Ventures Commercialization Trust Fund in support of the
351 commercialization of university research products. Grants from
352 the Sure Ventures Commercialization Trust Fund shall be
353 disbursed under the following categories:

354 (1) Phase One grants, which may not exceed \$50,000 per
355 project, may be used to assist with early market research,
356 independent evaluation, consultation, and other initial
357 activities that may be required to develop an initial business
358 model for a university research product having the potential for
359 commercialization.

360 (2) Phase Two grants, which may not exceed \$100,000 per
361 project, may be used to match private investment in a university
362 research commercialization proposal. The university proposal
363 must have been successfully evaluated and developed into a level
364 of readiness contemplated for projects that have received Phase

HB 1521

2007

365 One grants. Phase Two grants shall be used to develop a complete
366 business plan for the commercialization of a university research
367 product. For a Phase Two grant proposal, the university must
368 document the availability of \$1 in private support for each \$1
369 in state funding requested.

370 (3) Phase Three grants, which may not exceed \$250,000 per
371 project, may be used to match private investment relating to the
372 implementation of a completed business plan for a university
373 research product. For a Phase Three grant proposal, the
374 university must document the availability of \$1 in private
375 support for each \$1 in state funding requested.

376 Section 4. Section 288.9563, Florida Statutes, is created
377 to read:

378 288.9563 Sure Ventures Commercialization grants;
379 application and approval procedures.--

380 (1) A university, or any two or more universities, upon
381 approval of each university's board of trustees, may submit a
382 request to Sure Ventures Commercialization, Inc., for a grant to
383 facilitate the commercialization of a university research
384 product or the commercialization of a patent held by a
385 university.

386 (2) Subject to the availability of trust funds, the
387 corporation shall periodically solicit specific proposals from
388 universities for grants approved by the corporation.

389 (a)1. The corporation shall meet at least once every 6
390 months for the purpose of evaluating the grant proposals and for
391 awarding grants if the uncommitted balance in the Sure Ventures
392 Commercialization Trust Fund exceeds \$750,000.

393 2. The minimum time between the date when the notice for
394 the solicitation for proposals is issued and the date when the
395 finished proposal is received by the corporation may not be less
396 than 60 days. The corporation must approve or deny a completed
397 proposal not more than 60 days after receiving the proposal.

398 3. The board of directors, by a majority vote, may
399 increase the time allotted to approve or deny the submitted
400 proposals by an additional 60 days when complex proposals
401 require additional time for proper evaluation.

402 (b) The board shall establish guidelines prescribing the
403 criteria and format for proposed projects submitted by
404 universities.

405 (3) When evaluating the projects submitted for funding
406 support through Sure Ventures Commercialization, Inc., the board
407 must consider the following criteria:

408 (a) The potential return to the university which may be
409 reasonably assumed based on the business case presented in
410 support of the proposed project;

411 (b) The potential for the creation of high-wage jobs
412 resulting from the success of the proposed project;

413 (c) The potential of the proposed project to address
414 pressing needs of the residents of the state;

415 (d) The potential of the proposed project to "spin-off"
416 other related business enterprises;

417 (e) The potential of the proposed project to enhance the
418 economic competitiveness of the state and the university; and

419 (f) The technical, financial, organizational, and
420 marketing feasibility of the project and its business plan.

421 (4) The proposed project must be evaluated on its
422 individual merits.

423 Section 5. Sections 288.9621, 288.9622, 288.9623,
424 288.9624, 288.9625, 288.9626, and 288.9628, Florida Statutes,
425 are created to read:

426 288.9621 Short title.--Sections 288.9621-288.9629 may be
427 cited as the "SURE Venture Capital Act."

428 288.9622 Findings and intent.--

429 (1) The Legislature finds and declares that there is need
430 to increase the availability of seed capital and early stage
431 venture equity capital for emerging companies in this state
432 which are commercializing state university research, technology,
433 or patents, or commercializing in this state any other state-
434 supported research organization's technology, products, or
435 patents, including, without limitation, enterprises in life
436 sciences, information technology, advanced manufacturing
437 processes, aviation and aerospace, and homeland security and
438 defense, as well as other strategic technologies.

439 (2) It is the intent of the Legislature that ss. 288.9621-
440 288.9629 serve to mobilize investment in a broad variety of
441 Florida-based, new technology companies within diversified
442 industries; retain private-sector investment criteria focused on
443 rate of return; use the services of a highly qualified manager
444 in the venture capital industry; facilitate the organization of
445 the SURE Venture Capital Fund as a coinvestor in seed and early
446 stage companies; market products developed in state universities
447 and other publicly funded entities located in this state; and
448 precipitate capital investment and extensions of credit to and

449 in the Sure Venture Capital Fund, and it is the further intent
450 of the Legislature that an institute be created to mentor,
451 market, and attract capital to such commercialization ventures.

452 (3) It is the intent of the Legislature to mobilize
453 venture equity capital for investment in such a manner as to
454 result in a significant potential to create new businesses and
455 jobs in this state which are based on high-growth-potential
456 technologies, products, or services and which will further
457 diversify the economy of this state.

458 288.9623 Definitions.--As used in ss. 288.9621-288.9629:

459 (1) "Board" means the board of trustees of the SURE Trust.

460 (2) "Certificate" means a contract between the trust and a
461 designated investor or lender evidencing the terms of a
462 guarantee or incentive granted to a designated investor.

463 (3) "Designated investor" means a person, other than the
464 board, who purchases an equity interest in the SURE Venture
465 Capital Fund, who is a party to a certificate, or who is a
466 lender to the SURE Venture Capital Fund.

467 (4) "SURE Trust" or "trust" means a state beneficiary
468 public trust created under ss. 288.9621-288.9629.

469 (5) "SURE Venture Capital Fund" or "fund" means the
470 private, for-profit limited liability company in which a
471 designated investor purchases an equity interest or to which a
472 designated investor extends credit.

473 (6) "Tax credit" means a contingent tax credit issued
474 under ss. 288.9621-288.9629 or subsequent legislative action
475 which is available to offset tax liabilities imposed by this
476 state if the proceeds of the tax are payable to the General

HB 1521

2007

477 Revenue Fund. A tax credit is not eligible to offset tax
 478 liabilities imposed by a political subdivision within this
 479 state.

480 288.9624 SURE Trust.--

481 (1) PUBLIC TRUST.--The SURE Trust is created as a state
 482 beneficiary public trust to be administered by the board. The
 483 exercise by the board of powers conferred by this part is deemed
 484 and held to be the performance of essential public purposes.

485 (2) PUBLIC RECORDS AND MEETINGS.--

486 (a) The trust is not a unit of state government or a
 487 political subdivision of the state. However, the Legislature
 488 declares that the trust is subject to s. 24, Art. I of the State
 489 Constitution and chapter 119, relating to public records, and
 490 the provisions of chapter 286 relating to public meetings and
 491 records. Furthermore, all officers, trustees, and employees of
 492 the trust must comply with the code of ethics for public
 493 officers and employees under part III of chapter 112.

494 (b) The trust must establish at least one corporate office
 495 in this state and appoint a registered agent.

496 (c) The trust may hire or contract for all personnel
 497 necessary to properly execute the powers and duties bestowed
 498 upon it within the funds appropriated to implement ss. 288.9621-
 499 288.9629. Using funds appropriated to implement this section,
 500 the trust may not expend more than \$1 million each year for
 501 personnel and necessary administrative expenditures, including,
 502 but not limited to, travel and per diem, legal fees,
 503 consultant's fees, rents and utilities, and audit fees.

504 (d) Subject to appropriations, Enterprise Florida, Inc.,

HB 1521

2007

505 shall provide administrative support to the trust as requested
506 by the trust. If the trust is dissolved, Enterprise Florida,
507 Inc., becomes the trust's successor in interest and assumes all
508 rights, duties, and obligations of the trust under any contract
509 to which the trust is then a party and under law.

510 (3) PURPOSE.--The trust shall be organized to receive,
511 hold, invest, administer, and disburse funds appropriated by the
512 Legislature.

513 (4) BOARD; MEMBERSHIP.--The trust shall be governed by a
514 board of trustees.

515 (a) The board of trustees shall consist of nine voting
516 trustees, of whom the Governor shall appoint three, the
517 President of the Senate shall appoint three, and the Speaker of
518 the House of Representatives shall appoint three.

519 (b) As a candidate to be selected to the board of
520 trustees, an individual must have prior experience with and
521 demonstrated expertise and competence in early stage business
522 investment, corporate management, the supervision of early stage
523 investment managers, venture capital investment, management of
524 entrepreneurial companies, the fiduciary management of
525 investment funds, and the commercialization of research
526 products. The individual must also demonstrate competence with
527 respect to the administration and management of a publicly
528 listed company, or experience and competence in public
529 accounting, auditing, and fiduciary responsibilities. A trustee
530 may not have an ownership interest in any entity to which a
531 certificate is issued or have any business relationship with any
532 investment manager hired by SURE Venture Capital Fund.

533 (c) Each trustee of the board of trustees shall be
534 appointed to a term of 4 years, except that for the initial
535 appointments the Governor, the President of the Senate, and the
536 Speaker of the House of Representatives shall each appoint one
537 trustee for a term of 1 year, one trustee for a term of 2 years,
538 and one trustee for a term of 4 years in order to achieve
539 staggered terms among the trustees of the board. A trustee is
540 not eligible for reappointment to the board, except that a
541 trustee appointed to an initial term of 1 year or 2 years may be
542 reappointed for an additional term of 4 years, and a person
543 appointed to fill a vacancy having 2 years or less remaining on
544 the term may be reappointed for an additional term of 4 years.
545 The Governor, the President of the Senate, and the Speaker of
546 the House of Representatives shall make their initial
547 appointments to the board by October 1, 2007.

548 (d) The Governor, the President of the Senate, or the
549 Speaker of the House of Representatives, respectively, shall
550 fill a vacancy on the board of trustees, according to who
551 appointed the trustee whose vacancy is to be filled or whose
552 term has expired. A vacancy that occurs before the scheduled
553 expiration of the term of the trustee shall be filled for the
554 remainder of the unexpired term. A trustee whose term has
555 expired shall continue to serve until his or her replacement has
556 been appointed.

557 (e) Each trustee who is not otherwise required to file
558 financial disclosure under s. 8, Art. II of the State
559 Constitution or s. 112.3144 shall file disclosure of financial
560 interests under s. 112.3145.

HB 1521

2007

561 (f)1. A trustee appointed to the board must agree to
562 refrain from having any direct interest in any contract,
563 franchise, privilege, or other benefit arising from a project
564 receiving financing from the board during the term of his or her
565 appointment and for 2 years after the termination of the
566 appointment.

567 2. If a trustee accepts a direct interest in any contract,
568 franchise, privilege, or other benefit granted by the
569 institution or affiliate within 2 years after the termination of
570 his or her service on the board, the trustee commits a
571 misdemeanor of the first degree, punishable as provided in s.
572 775.083 or s. 775.084.

573 (g) A trustee may not receive compensation for his or her
574 services, but is entitled to receive reimbursement for necessary
575 expenses, including travel and per diem expenses, incurred in
576 the performance of his or her duties.

577 (h) A trustee is accountable for the proper performance of
578 the duties of office, and each trustee owes a fiduciary duty to
579 the people of the state to ensure that funds provided in
580 furtherance of ss. 288.9621-288.9629 are disbursed and used as
581 prescribed by law and contract and in the best interests of the
582 state.

583 (i) The Governor, the President of the Senate, or the
584 Speaker of the House of Representatives, according to which
585 officer appointed the trustee, may remove a trustee for
586 malfeasance, misfeasance, neglect of duty, incompetence,
587 permanent inability to perform official duties, unexcused
588 absence from three consecutive meetings of the board, arrest or

HB 1521

2007

589 indictment for a crime that is a felony or a misdemeanor
590 involving theft or a crime of dishonesty, or pleading nolo
591 contendere to, or being found guilty of, any crime.

592 (5) ORGANIZATION; MEETINGS.--

593 (a)1. The board of trustees shall annually elect a
594 chairperson and a vice chairperson from among the board's
595 trustees. The trustees may, by a vote of five of the nine board
596 trustees, remove a trustee from the position of chairperson or
597 vice chairperson before the expiration of his or her term as
598 chairperson or vice chairperson. His or her successor shall be
599 elected to serve for the balance of the removed chairperson's or
600 vice chairperson's term.

601 2. The chairperson is responsible for ensuring that
602 records are kept of the proceedings of the board of trustees and
603 is the custodian of all books, documents, and papers filed with
604 the board; the minutes of meetings of the board; and the
605 official seal of the trust.

606 (b)1. The board of trustees shall meet upon the call of
607 the chairperson or at the request of a majority of the trustees,
608 but not less than twice each calendar year if a request for a
609 coinvestment under this section is pending.

610 2. A majority of the voting trustees of the board
611 constitutes a quorum. Except as otherwise provided in this
612 section, the board may take official action by a majority vote
613 of the trustees present at any meeting at which a quorum is
614 present. Trustees may not vote by proxy.

615 3. A trustee may participate in a meeting of the board by
616 telephone or videoconference through which each trustee may hear

HB 1521

2007

617 every other trustee.

618 (6) POWERS AND DUTIES.--The trust shall be organized to
619 receive, hold, invest, administer, and disburse funds
620 appropriated by the Legislature and shall disburse any income
621 generated from the investment of these funds consistent with the
622 purpose and provisions of ss. 288.9621-288.9629. In addition to
623 any other powers and duties ascribed to the trust in ss.
624 288.9621-288.9629, the trust:

625 (a) May make and enter into contracts and assume any other
626 functions that are necessary to carry out this section.

627 (b) May enter into leases and contracts for the purchase
628 of real property and hold notes, mortgages, guarantees, or
629 security agreements to secure the performance of a contract.

630 (c) May perform all acts and things necessary or
631 convenient to carry out the powers expressly granted in ss.
632 288.9621-288.9629 and a contract entered into between the trust
633 and a coinvestor.

634 (d) May make expenditures from funds provided by this
635 state, including any necessary administrative expenditures
636 consistent with its powers.

637 (e) Shall indemnify, and purchase and maintain insurance
638 on behalf of, trustees, officers, and employees of the trust
639 against any personal liability or accountability.

640 (f) Shall disburse funds under this section and a contract
641 entered into between the trust and a coinvestor.

642 (g) Shall receive and review reports and financial
643 documentation provided by a coinvestor to ensure compliance with
644 ss. 288.9621-288.9626 and the contract.

645 (h) Shall prepare an annual report as prescribed in
646 subsection (7).

647 (i) May accept gifts, grants, donations, in-kind services,
648 or other goods and services for carrying out its purposes.

649 (7) ANNUAL REPORT.--By December 1 of each year, the trust
650 shall prepare a report of the activities and outcomes of the
651 trust and submit the report to the Governor, the President of
652 the Senate, and the Speaker of the House of Representatives. The
653 report, at a minimum, must include:

654 (a) An accounting of the contracts entered into during the
655 preceding fiscal year between the trust and designated investors
656 and lenders.

657 (b) Information concerning the amount and nature of
658 economic activity in this state generated through projects
659 receiving funding from the trust.

660 (c) Project summaries of the information reported by fund
661 recipients in paragraph (b).

662 (d) A description of the benefits to this state resulting
663 from the trust program, including the number of businesses
664 created, associated industries started, and the growth of
665 related research projects.

666 (e) An independent audit of the trust's receipts and
667 expenditures during the preceding fiscal year for personnel,
668 administration, and operational costs of the trust.

669 (f) A description of those projects supported by the trust
670 in which two or more universities or other state-supported
671 research entities are working cooperatively together to avoid
672 duplicating the activities, programs, and functions of the

673 cooperating universities or entities and to leverage the
 674 expertise offered by other universities and state-supported
 675 research entities.

676 (8) LIABILITY.--

677 (a) The appropriation or disbursement of funds under this
 678 section does not constitute a debt, liability, or obligation of
 679 the state, any political subdivision of the state, or the trust
 680 or a pledge of the faith and credit of the state or of any
 681 political subdivision of the state.

682 (b) The appropriation or disbursement of funds under this
 683 section does not subject the state, any political subdivision of
 684 the state, or the trust to liability related to the research
 685 activities and research products that receive funding under this
 686 section.

687 (9) DEBT.--The trust may not incur debt. This prohibition
 688 includes long-term leases, promissory notes, loans, lease-
 689 purchase agreements, certificates of participation, the sale of
 690 bonds or revenue bonds, and the award or commitment to awards in
 691 excess of the unencumbered cash balance in the SURE Venture
 692 Capital Fund.

693 (10) ACTIVITIES.--The board may engage consultants, expend
 694 funds, invest funds, contract, bond or insure against loss,
 695 provide guarantees or other incentives, hold transferable tax
 696 credits, sell tax credits, or enter into any financial or other
 697 transaction or perform any other act necessary to carry out its
 698 purpose under ss. 288.9621-288.9629.

699 (11) TAX CREDITS.--The board, in conjunction with the
 700 Department of Revenue, shall develop a system for registration

701 of any tax credits received by the trust and transferred under
 702 ss. 288.9621-288.9629. The board shall also create a system of
 703 documentation that permits verification that any tax credit
 704 claimed upon a tax return is validly held by the person claiming
 705 such tax credit and properly taken in the year of claim and that
 706 any transfers of the tax credit are made in accordance with the
 707 requirements of ss. 288.9621-288.9629.

708 (12) EMPLOYEES.--If the board elects to hire employees,
 709 such persons shall be selected by the board based upon knowledge
 710 and leadership in the field for which the person performs
 711 services for the board. The board shall charge fees for its
 712 guarantees to designated investors or for other services such
 713 that the board's operations may be conducted without subsequent
 714 legislative appropriation.

715 288.9625 Issuance of tax credits.--

716 (1) The trust shall receive and hold for the purposes of
 717 ss. 288.9621-288.9629 tax credits that may be used to reduce any
 718 tax liability imposed by the state under chapter 212, chapter
 719 220, s. 624.509, or s. 624.510. The total amount of tax credits
 720 issued and transferred to the trust is \$35 million. The tax
 721 credits shall be transferable by the board as provided in this
 722 section if such transferred tax credit is not exercisable before
 723 July 1, 2012, or after July 1, 2037.

724 (2) The board may transfer and sell tax credits solely for
 725 the purpose of fulfilling, in whole or in part, any certificate
 726 obligation issued by the board. The board shall immediately
 727 notify the Governor, the President of the Senate, the Speaker of
 728 the House of Representatives, and the Department of Revenue, in

729 writing, if any tax credit is transferred. The board shall be
730 notified immediately of any transfers of tax credits by persons
731 or businesses other than the board and shall notify the
732 Department of Revenue, in writing, of such transfers.

733 (3) (a) The board shall ensure that no more than \$10
734 million in tax credits is transferred, which may be claimed and
735 used to reduce taxes payable to the General Revenue Fund for any
736 single state fiscal year. The board shall clearly indicate upon
737 the face of the document transferring the tax credit the
738 principal amount of the tax credit and the state fiscal year or
739 years during which the credit may be claimed.

740 (b) Tax credits may be transferred in increments of no
741 less than \$100,000. A copy of the document transferring the tax
742 credit shall be transmitted to the executive director of the
743 Department of Revenue, who shall allow the credit to be claimed
744 against tax liabilities of the person or business consistent
745 with the terms appearing in the transfer document.

746 (4) If the tax liabilities of the taxpayer are
747 insufficient to exhaust the tax credit for which the taxpayer is
748 eligible, the balance of the tax credit may be refunded by the
749 state. If a tax credit granted under this section is not claimed
750 in the year designated for claiming the credit on the transfer
751 document, any return for the year in which the credit was
752 eligible to be claimed may be amended to claim the credit within
753 the time specified by ss. 95.091 and 215.26.

754 (5) Persons or businesses to which tax credits under this
755 section are transferred shall retain documentation supporting
756 eligibility to claim the tax credits and evidence of the

HB 1521

2007

757 transfer of the tax credits, if applicable, until the time
758 provided to audit the tax returns on which the tax credits were
759 claimed has passed.

760 (6) The Department of Revenue, in conjunction with the
761 board, may adopt rules governing the manner and form of
762 documentation required to claim tax credits granted or
763 transferred under this section and may establish guidelines as
764 to the requisites for an affirmative showing of qualification
765 for tax credits granted or transferred under this section.

766 (7) An insurance company claiming a credit against premium
767 tax liability under this section is not required to pay any
768 additional retaliatory tax levied pursuant to s. 624.5091 as a
769 result of claiming such credit. Because credits under this
770 section are available to an insurance company, s. 624.5091 does
771 not limit such credit in any manner.

772 (8) Any original sale of tax credits by the board shall be
773 by competitive bidding unless the sale is for the full face
774 value of the credits.

775 288.9626 SURE Venture Capital Fund.--

776 (1) (a) At the request of the board, Enterprise Florida,
777 Inc., shall facilitate the creation of the SURE Venture Capital
778 Fund, a private corporation. Enterprise Florida, Inc., shall be
779 the corporation's sole shareholder or member. The corporation is
780 not a public corporation or instrumentality of the state.

781 (b) The purpose of the SURE Venture Capital Fund is to
782 select an early stage venture capital investment advisor,
783 negotiate for investment capital or loan proceeds from private,
784 institutional, or banking sources having the benefit of

785 guarantees from the SURE Trust and coinvest capital in companies
 786 in this state which are accepted into or promoted by the
 787 Institute for the Commercialization of Public Research. The fund
 788 shall manage its business affairs and conduct business
 789 consistent with its organizational documents and the purposes
 790 set forth in this section.

791 (2) (a) The vice chair of Enterprise Florida, Inc., shall
 792 select from among its sitting board of directors a five-person
 793 appointment committee. The appointment committee shall select
 794 five initial members of a board of directors for the fund.

795 (b) The persons elected to the initial board of directors
 796 by the appointment committee shall include persons who have
 797 expertise in the area of the selection and supervision of early
 798 stage investment managers or in the fiduciary management of
 799 investment funds and other areas of expertise as considered
 800 appropriate by the appointment committee.

801 (c) After election of the initial board of directors,
 802 vacancies on the board shall be filled by vote of the board of
 803 directors of Enterprise Florida, Inc., and board members shall
 804 serve terms as provided in the fund's organizational documents.

805 (d) Members of the board are subject to any restrictions
 806 on conflicts of interest specified in the organizational
 807 documents and may not have an interest in any venture capital
 808 investment selected by the corporation under ss. 288.9621-
 809 288.9629 or in any investments made by the SURE Venture Capital
 810 Fund.

811 (3) The board shall organize the SURE Venture Capital
 812 Fund, select an early stage venture capital investment fund

HB 1521

2007

813 allocation manager, negotiate the terms of a contract with the
814 SURE Venture Capital Fund allocation manager, execute the
815 contract with the selected venture capital investment fund
816 allocation manager on behalf of the SURE Venture Capital Fund,
817 manage the business affairs of the SURE Venture Capital Fund,
818 such as accounting, audit, insurance, and related requirements,
819 and receive investment returns and reinvest the investment
820 returns in the fund in order to provide additional venture
821 capital investments designed to result in a significant
822 potential to create new businesses and jobs in this state and
823 further diversify the economy of this state.

824 (4) Upon organization, the board shall conduct a national
825 solicitation for investment plan proposals from qualified
826 venture capital investment fund allocation managers for the
827 raising and investing of capital by the trust. Any proposed
828 investment plan must address the applicant's level of
829 experience, quality of management, investment philosophy and
830 process, provability of success in fundraising, prior investment
831 fund results, and plan for achieving the purposes of this act.
832 The board shall select only venture capital investment fund
833 managers having demonstrated expertise in the management of and
834 investment in companies.

835 (5) The board may charge a management fee on assets under
836 management in the fund. The fee shall be in addition to any fee
837 charged to the fund by the venture capital investment fund
838 allocation manager, but the fee shall be charged only to pay for
839 reasonable and necessary costs of the fund.

840 (6) A member of the board of directors shall receive no

841 compensation for his or her services, but is entitled to receive
842 reimbursement for necessary expenses, including travel and per
843 diem expenses, incurred in the performance of his or her duties.

844 (7) The fund shall have all powers granted under its
845 organizational documents and shall indemnify members to the
846 broadest extent permissible under the laws of this state.

847 (8) (a) The fund shall invest and emphasize investment in
848 early stage venture capital funds focusing on opportunities in
849 this state. The investments by the fund shall be in direct
850 investments in individual businesses approved by the trust. The
851 fund shall coinvest with other venture capital funds having
852 experienced managers or management teams having demonstrated
853 expertise and a successful history in the investment of early
854 stage venture capital funds. The fund and its partners or
855 shareholders may negotiate any and all terms and conditions for
856 its investments, including drawback of management fees and other
857 provisions that maximize investment in seed and early stage
858 companies based in this state.

859 (b) The fund shall invest directly only in companies in
860 this state which are accepted into or promoted by the Institute
861 for the Commercialization of Public Research. The fund shall
862 invest only if additional private capital is invested in an
863 amount equal to or greater than the investment of the fund, the
864 fund's reasonable due diligence determines that the company is
865 viable and has prospects for profitable operations, and the
866 company has manifested its intent to remain located in this
867 state. Not more than 15 percent of the fund's assets may be
868 invested in one company project.

HB 1521

2007

869 (9) If the fund is liquidated or has returned all capital
870 to designated investors in accordance with contractual
871 agreements, or if the guarantee capacity of the corporation, at
872 the sole discretion of the board, is sufficient for additional
873 certificates, a new funding of the SURE Venture Capital Fund may
874 be implemented for subsequent venture capital investments. If
875 the board takes exception to an additional funding, such
876 additional funding may be implemented only without the benefit
877 of certificates from the board.

878 (10) The board shall issue an annual report concerning the
879 activities conducted by the SURE Venture Capital Fund and
880 present the report to the Governor, the President of the Senate,
881 and the Speaker of the House of Representatives. The annual
882 report must include, but need not be limited to, a copy of the
883 independent audit of the fund and a valuation of the assets of
884 the fund, the number of investments made or committed during the
885 fiscal year, the amount of debt or capital in or committed to
886 the fund for which certificates have been issued by the board,
887 and a general description of the companies receiving investment
888 by the fund and their associated industry. The annual report
889 shall also describe any sale of tax certificates and any sale of
890 tax certificates which is reasonably anticipated by the board in
891 order to meet its certificate obligations.

892 288.9628 Institute for the Commercialization of Public
893 Research.--There is established the Institute for the
894 Commercialization of Public Research.

895 (1) It is the intent of the Legislature that the Institute
896 for the Commercialization of Public Research be established at a

897 public university in south Florida. Enterprise Florida, Inc.,
898 shall issue a request for proposals to public universities in
899 South Florida requesting proposals to fulfill the purposes of
900 the institute as described in this section. Enterprise Florida,
901 Inc., shall review the proposals in a committee appointed by its
902 board of directors which shall make a recommendation for final
903 selection. Final approval of the selected proposal must be by
904 the board of directors of Enterprise Florida, Inc., at one of
905 its duly noticed meetings.

906 (2) (a) The purpose of the institute is to assist in the
907 commercialization of products developed by the research and
908 development activities of publicly supported universities and
909 colleges, research institutes, and other publicly supported
910 organizations within the state.

911 (b) To be eligible for assistance, the company or
912 organization attempting to commercialize its product must be
913 accepted by the institute before receiving the institute's
914 assistance. The institute shall receive recommendations from any
915 publicly supported organization that a company that is
916 commercializing the research, technology, or patents from a
917 qualifying publicly supported organization should be accepted
918 into the institute.

919 (c) The institute shall thereafter review the business
920 plans and technology information of each such recommended
921 company. If accepted, the institute shall mentor the company,
922 develop marketing information on the company, and use its
923 resources to attract capital investment into the company, as
924 well as bring other resources to the company which may foster

925 its effective management, growth, capitalization, technology
926 protection, marketing, or business success.

927 (3) The institute shall:

928 (a) Maintain a centralized location to showcase companies
929 and their technologies and products;

930 (b) Develop an efficient process to inventory and
931 publicize companies and products that have been accepted by the
932 institute for commercialization;

933 (c) Routinely communicate with private investors and
934 venture capital organizations regarding the investment
935 opportunities in its showcased companies;

936 (d) Facilitate meetings between prospective investors and
937 eligible organizations in the institute;

938 (e) Hire full-time staff who understand relevant
939 technologies needed to market companies to the angel investors
940 and venture capital investment community;

941 (f) Operate within an allocated annual budget of \$1
942 million or less; and

943 (g) Develop cooperative relationships with publicly
944 supported organizations all of which work together to provide
945 resources or special knowledge that is likely to be helpful to
946 institute companies.

947 (4) The institute may not develop or accrue any ownership,
948 royalty, or other such rights over or interest in companies or
949 products in the institute and shall maintain the secrecy of
950 proprietary information.

951 (5) The institute may not charge for services rendered to
952 state universities and affiliated organizations, community

HB 1521

2007

953 colleges, or state agencies.

954 Section 6. The nonrecurring sum of \$1 million is
955 appropriated from the General Revenue Fund to Sure Ventures
956 Commercialization, Inc., for the purpose of creating and
957 administering the Sure Ventures Commercialization Trust Fund as
958 created by this act during the 2007-2008 fiscal year.

959 Section 7. The nonrecurring sum of \$10 million is
960 appropriated from the General Revenue Fund to the Sure Ventures
961 Commercialization Trust Fund for the purpose of implementing the
962 provisions of this act during the 2007-2008 fiscal year.

963 Section 8. The nonrecurring sum of \$1 million is
964 appropriated from the General Revenue Fund to the SURE Venture
965 Capital Fund for the purpose of initiating activities necessary
966 to implement its responsibilities under this act for the 2007-
967 2008 fiscal year.

968 Section 9. The nonrecurring sum of \$1 million is
969 appropriated from the General Revenue Fund to the Institute for
970 the Commercialization of Public Research for the purpose of
971 initiating activities necessary to implement its
972 responsibilities under this act for the 2007-2008 fiscal year.

973 Section 10. This act shall take effect July 1, 2007.