



1 universities for the commercialization of  
2 research projects; creating s. 288.9563, F.S.;  
3 providing for grant application and approval  
4 procedures; providing appropriations; providing  
5 an effective date.

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

8  
9 Section 1. Section 288.956, Florida Statutes, is  
10 created to read:

11 288.956 Sure Ventures Commercialization Program.--

12 (1) The Sure Ventures Commercialization Program is  
13 established in the Office of Tourism, Trade, and Economic  
14 Development for the purpose of financing the commercialization  
15 of products and services developed from the research and  
16 development conducted at public universities in this state.  
17 The purpose of the program is to enhance the economy of this  
18 state by:

19 (a) Converting products from research performed at  
20 public universities into viable consumer products; and

21 (b) Precipitating the formation of new Florida  
22 companies to further develop and sell those products in the  
23 commercial marketplace.

24 (2) The Sure Ventures Commercialization Program is  
25 designed so that a public university can apply for funding  
26 from Sure Ventures Commercialization, Inc., in order to  
27 commercially develop products and services resulting from  
28 research at the university. Funding from the Sure Ventures  
29 Commercialization Trust Fund may be used for a variety of  
30 premarketing activities, including, but not limited to,  
31 securing patents, establishing start-up companies, developing

1 license agreements, attracting private investment, and  
2 supporting other activities that are necessary to establish  
3 commercially viable ventures for the marketing and sale of  
4 products. Funds may not be used for research or development.

5 Section 2. Section 288.9561, Florida Statutes, is  
6 created to read:

7 288.9561 Sure Ventures Commercialization, Inc.--

8 (1) CREATION.--There is created Sure Ventures  
9 Commercialization, Inc., a not-for-profit corporation, which  
10 shall be registered, incorporated, organized, and operated  
11 under chapter 617 with Enterprise Florida, Inc., as its sole  
12 member or stockholder.

13 (a) The corporation is not a unit of state government  
14 or a political subdivision of the state. However, the  
15 Legislature declares that the corporation is subject to s. 24,  
16 Art. I of the State Constitution and chapter 119, relating to  
17 public records, and the provisions of chapter 286 relating to  
18 public meetings and records. Furthermore, all officers,  
19 directors, and employees of the corporation must comply with  
20 the code of ethics for public officers and employees under  
21 part III of chapter 112.

22 (b) The corporation shall adopt suitable articles of  
23 incorporation and bylaws and must establish at least one  
24 corporate office in this state and appoint a registered agent.  
25 Notwithstanding the powers granted under chapter 617, the  
26 corporation may not adopt, amend, modify, or repeal a bylaw or  
27 article of incorporation without the express written consent  
28 of Enterprise Florida, Inc.

29 (c) The corporation may hire or contract for all  
30 personnel necessary to properly execute the powers and duties  
31 bestowed upon it within the funds appropriated to implement

1 ss. 288.956-288.9566. Using funds appropriated to implement  
2 this section, the corporation may not expend more than \$1  
3 million each year for personnel and necessary administrative  
4 expenditures, including, but not limited to, travel and per  
5 diem, legal fees, consultant's fees, rents and utilities, and  
6 audit fees.

7 (d) Subject to appropriations, Enterprise Florida,  
8 Inc., shall contract to provide administrative support to the  
9 corporation as requested by the corporation. If the  
10 corporation is dissolved, Enterprise Florida, Inc., becomes  
11 the corporation's successor in interest and assumes all  
12 rights, duties, and obligations of the corporation under any  
13 contract to which the corporation is then a party and under  
14 law.

15 (2) PURPOSE.--The corporation shall be organized to  
16 administer a commercialization grants program as defined in  
17 this act with funding from the Sure Ventures Commercialization  
18 Trust Fund, and the corporation may receive, hold, invest,  
19 administer, and disburse funds appropriated by the  
20 Legislature.

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

23 (a) The board of directors shall consist of nine  
24 voting members, of whom the Governor shall appoint three, the  
25 President of the Senate shall appoint three, and the Speaker  
26 of the House of Representatives shall appoint three.

27 (b) As a candidate to be selected to the board of  
28 directors, an individual must have prior experience with and  
29 demonstrated expertise and competence in early stage business  
30 investment, corporate management, the fiduciary management of  
31 investment funds, or the commercialization of research

1 products. The individual must also demonstrate competence with  
2 respect to the administration and management of a publicly  
3 listed company, or experience and competence in public  
4 accounting, auditing, and fiduciary responsibilities. A board  
5 member may not have an interest in any grant proposal  
6 submitted to the corporation.

7 (c) Each member of the board of directors shall be  
8 appointed to a term of 4 years, except that for the initial  
9 appointments the Governor, the President of the Senate, and  
10 the Speaker of the House of Representatives each shall appoint  
11 one member for a term of 1 year, one member for a term of 2  
12 years, and one member for a term of 4 years in order to  
13 achieve staggered terms among the members of the board. A  
14 member is not eligible for reappointment to the board, except  
15 that a member appointed to an initial term of 1 year or 2  
16 years may be reappointed for an additional term of 4 years,  
17 and a person appointed to fill a vacancy having 2 years or  
18 less remaining on the term may be reappointed for an  
19 additional term of 4 years. The Governor, the President of the  
20 Senate, and the Speaker of the House of Representatives shall  
21 make their initial appointments to the board by October 1,  
22 2007.

23 (d) The Governor, the President of the Senate, or the  
24 Speaker of the House of Representatives, respectively, shall  
25 fill a vacancy on the board of directors, according to who  
26 appointed the member whose vacancy is to be filled or whose  
27 term has expired. A vacancy that occurs before the scheduled  
28 expiration of the term of the member shall be filled for the  
29 remainder of the unexpired term. A board member whose term has  
30 expired shall continue to serve until his or her replacement  
31 has been appointed.

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

5       (f)1. A person appointed to the board of directors  
6 must agree to refrain from having any direct interest in any  
7 contract, franchise, privilege, or other benefit arising from  
8 a university project receiving financing from the board during  
9 the term of his or her appointment and for 2 years after the  
10 termination of the appointment.

11       2. If a person accepts a direct interest in any  
12 contract, franchise, privilege, or other benefit granted by  
13 the institution, an affiliate, or a corporation benefited by  
14 Sure Ventures Commercialization Grant proceeds within 2 years  
15 after the termination of his or her service on the board, the  
16 person commits a misdemeanor of the first degree, punishable  
17 as provided in s. 775.083 or s. 775.084.

18       (g) Members of the board of directors shall receive no  
19 compensation for their services, but are entitled to receive  
20 reimbursement for travel and per diem expenses incurred in the  
21 performance of their duties as provided in s. 112.061.

22       (h) Each member of the board of directors is  
23 accountable for the proper performance of his or her duties of  
24 office, and each member owes a fiduciary duty to the people of  
25 the state to ensure that funds provided in furtherance of this  
26 section are disbursed and used as prescribed by law and  
27 contract and in the best interests of the state.

28       (i) The Governor, the President of the Senate, or the  
29 Speaker of the House of Representatives, according to which  
30 officer appointed the member, may remove a member for  
31 malfeasance, misfeasance, neglect of duty, incompetence,

1 permanent inability to perform official duties, unexcused  
2 absence from three consecutive meetings of the board, arrest  
3 or indictment for a crime that is a felony or a misdemeanor  
4 involving theft or a crime of dishonesty, or pleading nolo  
5 contendere to, or being found guilty of, any crime.

6 (4) ORGANIZATION; MEETINGS.--

7 (a)1. The board of directors shall annually elect a  
8 chairperson and a vice chairperson from among the board's  
9 members. The members may, by a vote of five of the nine board  
10 members, remove a member from the position of chairperson or  
11 vice chairperson before the expiration of his or her term as  
12 chairperson or vice chairperson. His or her successor shall be  
13 elected to serve for the balance of the removed chairperson's  
14 or vice chairperson's term.

15 2. The chairperson shall ensure that records are kept  
16 of the proceedings of the board of directors and is the  
17 custodian of all books, documents, and papers filed with the  
18 board; the minutes of meetings of the board; and the official  
19 seal of the corporation.

20 (b)1. The board of directors shall meet upon the call  
21 of the chairperson or at the request of a majority of the  
22 members, but not less than twice each calendar year if a  
23 university request for funding under this section is pending.

24 2. A majority of the voting members of the board of  
25 directors constitutes a quorum. Except as otherwise provided  
26 in this section, the board may take official action by a  
27 majority vote of the members present at any meeting at which a  
28 quorum is present. Members may not vote by proxy.

29 3. A member of the board may participate in a meeting  
30 of the board by telephone or videoconference through which  
31 each member may hear every other member, if the meeting and

1 any call-in number is duly noticed and the meeting is held at  
2 a place certain that is accessible to the public.

3 (5) POWERS AND DUTIES.--The corporation shall be  
4 organized to receive, hold, invest, administer, and disburse  
5 funds appropriated by the Legislature in support of ss.  
6 288.956-288.9566 and to disburse any income generated from the  
7 investment of these funds consistent with the purpose and  
8 provisions of this section. Notwithstanding the powers granted  
9 under chapter 617, the corporation may not increase or  
10 decrease the number of directors on the board; borrow funds;  
11 issue notes, bonds, or other obligations; or secure any  
12 obligation by mortgage or pledge of the corporation's  
13 property, franchise, or income. The corporation:

14 (a) May perform all acts and things necessary or  
15 convenient to carry out the powers expressly granted in ss.  
16 288.956-288.9566.

17 (b) Shall make expenditures from funds provided by  
18 this state consistent with the powers of the corporation.

19 (c) Shall indemnify, and purchase and maintain  
20 insurance on behalf of, directors, officers, and employees of  
21 the corporation against any personal liability or  
22 accountability.

23 (d) Shall disburse funds under this section and a  
24 contract entered into between the corporation and a  
25 university.

26 (e) Shall receive and review reports and financial  
27 documentation provided by a university to ensure compliance  
28 with this section and the contract.

29 (f) Shall prepare an annual report as prescribed in  
30 subsection (8).

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1           (6) INVESTMENT OF FUNDS.--The corporation may enter  
2 into an agreement with the State Board of Administration under  
3 which funds received by the corporation which are not  
4 disbursed to a university or invested must be invested by the  
5 State Board of Administration on behalf of the corporation.  
6 Funds shall be invested in suitable instruments authorized  
7 under s. 215.47 and specified in investment guidelines  
8 established and agreed to by the State Board of Administration  
9 and the corporation.

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

11           (a) The corporation shall negotiate and execute  
12 contracts with universities governing the terms of grants  
13 provided under ss. 288.956-288.9566. Grants must be approved  
14 by a two-thirds vote of the board of directors when a quorum  
15 is present at a duly noticed meeting.

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

18           1. Specifying the procedures and schedules that govern  
19 the disbursement of funds under this section and specifying  
20 the conditions or deliverables that the university must  
21 satisfy before the release of each disbursement.

22           2. Requiring the university to expend 95 percent of  
23 grant proceeds for described uses in the approved grant  
24 application and not otherwise reduce grant proceeds with  
25 facilities charges or fees by the university.

26           3. Requiring the university to submit data to the  
27 corporation concerning the activities and performance of  
28 projects funded under this section and to provide to the  
29 corporation an annual accounting of the expenditure of funds  
30 disbursed under this section by August 1 of each year until 1  
31 year elapses from the university's final disbursement of all

1 grant funds received from the Sure Ventures Commercialization  
2 Program.

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

9 (a) An accounting of the amount of grants awarded and  
10 disbursed during the preceding fiscal year by project and  
11 university.

12 (b) Project level summaries of the information  
13 reported by grant recipients in paragraph (7)(b).

14 (c) A description of the benefits to this state  
15 resulting from the grant program, including the number of  
16 businesses created, associated industries started, and the  
17 growth of related research projects at the university.

18 (d) An independent audit of the corporation's  
19 financial statements, which must include a statement of  
20 operations that reports receipts and expenditures during the  
21 preceding fiscal year for personnel, administration, and  
22 operational costs of the corporation.

23 (e) A description of those projects funded by the  
24 grant program in which two or more universities are working  
25 cooperatively together to avoid duplicating the activities,  
26 programs, and functions of the cooperating universities and to  
27 leverage the expertise offered by other universities.

28 (9) LIABILITY.--

29 (a) The appropriation or disbursement of funds under  
30 this section does not constitute a debt, liability, or  
31 obligation of the state, any political subdivision thereof, or

1 the corporation, or a pledge of the faith and credit of the  
2 state or of any political subdivision.

3 (b) The appropriation or disbursement of funds under  
4 this section does not subject the state, any political  
5 subdivision, or the corporation to liability related to the  
6 research activities, commercialization activities, and  
7 research products that receive funding under this section.

8 (10) DEBT.--The corporation may not incur debt. This  
9 prohibition includes long-term leases, promissory notes,  
10 loans, lease-purchase agreements, certificates of  
11 participation, the sale of bonds or revenue bonds, or the  
12 award or commitment to award grants in excess of the  
13 unencumbered cash balance in the Sure Ventures  
14 Commercialization Trust Fund.

15 Section 3. Section 288.9562, Florida Statutes, is  
16 created to read:

17 288.9562 Sure Ventures Commercialization Grant  
18 Program.--The Sure Ventures Commercialization Grant Program is  
19 established to provide early stage capital funding from the  
20 Sure Ventures Commercialization Trust Fund in support of the  
21 commercialization of university research products. Grants from  
22 the Sure Ventures Commercialization Trust Fund shall be  
23 disbursed under the following categories:

24 (1) Phase One grants, which may not exceed \$50,000 per  
25 project, may be used to assist with early market research,  
26 independent evaluation, consultation, and other initial  
27 activities that may be required to develop an initial business  
28 model for a university research product having the potential  
29 for commercialization.

30 (2) Phase Two grants, which may not exceed \$100,000  
31 per project, may be used to match private investment in a

1 university research commercialization proposal. The university  
2 proposal must have been successfully evaluated and developed  
3 into a level of readiness contemplated for projects that have  
4 received Phase One grants. Phase Two grants shall be used to  
5 develop a complete business plan for the commercialization of  
6 a university research product. For a Phase Two grant proposal,  
7 the university must document the availability of \$1 in private  
8 support for each \$1 in state funding requested.

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

15 Section 4. Section 288.9563, Florida Statutes, is  
16 created to read:

17 288.9563 Sure Ventures Commercialization grants;  
18 application and approval procedures.--

19 (1) A university, or any two or more universities,  
20 upon approval by an authorized officer of the university, may  
21 submit a request to Sure Ventures Commercialization, Inc., for  
22 a grant to facilitate the commercialization of a university  
23 research product or the commercialization of a patent held by  
24 a university.

25 (2) Subject to the availability of trust funds, the  
26 corporation shall periodically solicit specific proposals from  
27 universities for grants to be funded by the corporation.

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

1           2. The minimum time between the date when the notice  
2 for the solicitation for proposals is issued and the date when  
3 the finished proposal is received by the corporation may not  
4 be less than 60 days. The corporation must approve or deny a  
5 completed proposal not more than 60 days after receiving the  
6 proposal.

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

11           (b)1. The board shall establish guidelines to  
12 implement the criteria established in this section and to  
13 establish the format for proposed projects submitted by  
14 universities.

15           2. A university need not receive prior stage grants to  
16 be eligible for phase two or phase three grants.

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

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

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

25           (c) The potential of the proposed project to address a  
26 strategic need of the state as set forth in the statewide  
27 strategic plan for economic development prepared by Enterprise  
28 Florida, Inc.;

29           (d) The potential of the proposed project to  
30 "spin-off" other related business enterprises;  
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1           (e) The potential of the proposed project to enhance  
2 the economic competitiveness of the state and the university;  
3 and

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

6           (4) The proposed project must be evaluated on its  
7 individual merits.

8           Section 5. The nonrecurring sum of \$1 million is  
9 appropriated from the General Revenue Fund to Sure Ventures  
10 Commercialization, Inc., for the 2007-2008 fiscal year for the  
11 purpose of creating and organizing the corporation and  
12 implementing a grant program as defined in this act.

13           Section 6. The nonrecurring sum of \$10 million is  
14 appropriated from the General Revenue Fund to the Sure  
15 Ventures Commercialization Trust Fund for the purpose of  
16 implementing the provisions of this act during the 2007-2008  
17 fiscal year.

18           Section 7. This act shall take effect July 1, 2007.  
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1                   STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
2                                   COMMITTEE SUBSTITUTE FOR  
3   CS/SB 2414  
4 Establishes the Sure Ventures Commercialization Program in the  
5 Office of Tourism, Trade and Economic Development.  
6 Limits authority of the Sure Ventures Commercialization, Inc.,  
7 to amend, modify or repeal a bylaw or article of incorporation  
8 without express written consent of its sole shareholder or  
9 member, Enterprise Florida, Inc.  
10 Eliminates authority to pay for "necessary expenses" and  
11 requires compliance with travel and per diem requirements of  
12 s. 112.061, F.S.  
13 Requires board meetings that are held by telephone or  
14 videophone conference to provide notice of the call-in number  
15 and to establish a place certain that is accessible to the  
16 public to attend the meeting.  
17 Limits the corporate authority of the corporation by  
18 prohibiting it from increasing or decreasing the number of  
19 directors on the board, from borrowing funds, issuing notes,  
20 bonds or other obligations, or from securing obligations by  
21 mortgage, pledge of corporate property, franchise or income.  
22 Removes redundant expressions of other corporate authority  
23 that were reiterated in the bill.  
24 Modifies the criteria for evaluating projects by linking state  
25 needs to the statewide strategic plan prepared by Enterprise  
26 Florida, Inc.  
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