

Bill No. CS for SB 2420

Barcode 335856

CHAMBER ACTION

Senate

House

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The Committee on Governmental Operations (Oelrich) recommended
the following amendment:

Senate Amendment (with title amendment)

Delete everything after the enacting clause

and insert:

Section 1. Sections 288.9621, 288.9622, 288.9623,
288.9624, 288.9625, 288.9626, and 288.9628, Florida Statutes,
are created to read:

288.9621 Short title.--Sections 288.9621-288.9628 may
be cited as the "SURE Venture Capital Act."

288.9622 Findings and intent.--

(1) The Legislature finds and declares that there is a
need to increase the availability of seed capital and early
stage venture equity capital for emerging companies in this
state which are commercializing state university research,
technology, or patents, or commercializing any other
state-supported research organization's technology, products,
or patents, including, without limitation, enterprises in life
sciences, information technology, advanced manufacturing

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1 processes, aviation and aerospace, and homeland security and
2 defense, as well as other strategic technologies.

3 (2) It is the intent of the Legislature that ss.
4 288.9621-288.9628 serve to mobilize investment in a broad
5 variety of Florida-based, new technology companies within
6 diversified industries; retain private-sector-investment
7 criteria focused on rate of return; use the services of a
8 highly qualified manager in the venture capital industry;
9 facilitate the organization of the SURE Venture Capital Fund
10 as a coinvestor in seed and early stage companies; market
11 products developed in state universities and other publicly
12 funded entities located in this state; and precipitate capital
13 investment and extensions of credit to and in the Sure Venture
14 Capital Fund. It is the further intent of the Legislature that
15 an institute be created to mentor, market, and attract capital
16 to such commercialization ventures.

17 (3) It is the intent of the Legislature to mobilize
18 venture equity capital for investment in a manner that results
19 in a significant potential to create new businesses and jobs
20 in this state which are based on high-growth-potential
21 technologies, products, or services and which will further
22 diversify the economy of this state.

23 288.9623 Definitions.--As used in ss.

24 288.9621-288.9628:

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

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

30 (3) "Designated investor" means a person, other than
31 the board, who purchases an equity interest in the SURE

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1 Venture Capital Fund, or who is a party to a certificate, or
2 who is a lender to the SURE Venture Capital Fund.

3 (4) "SURE Trust" or "trust" means a state beneficiary
4 public trust created under ss. 288.9621-288.9628.

5 (5) "SURE Venture Capital Fund" or "fund" means the
6 private, not-for-profit corporation in which a designated
7 investor purchases an equity interest or to which a designated
8 investor extends credit.

9 (6) "SURE Fund Board" or "directorate" means the board
10 of directors of the SURE Venture Capital Fund.

11 (7) "Tax credit" means a contingent tax credit issued
12 under ss. 288.9621-288.9628 or subsequent legislative action
13 which is available to offset tax liabilities imposed by the
14 state where the proceeds of the tax are payable to the General
15 Revenue Fund. A tax credit is not eligible to offset tax
16 liabilities imposed by a political subdivision within the
17 state.

18 288.9624 SURE Trust.--

19 (1) PUBLIC TRUST.--The SURE Trust is created as a
20 state beneficiary public trust to be administered by the
21 board. The exercise by the board of powers conferred by ss.
22 288.9621-288-9628 is deemed and held to be the performance of
23 an essential public purpose.

24 (2) PUBLIC RECORDS AND MEETINGS.--

25 (a) The trust is not a unit of state government or a
26 political subdivision of the state. However, the Legislature
27 declares that the trust is subject to s. 24, Art. I of the
28 State Constitution and chapter 119, relating to public
29 records, and the provisions of chapter 286 relating to public
30 meetings and records. Furthermore, all officers, trustees, and
31 employees of the trust must comply with the code of ethics for

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1 public officers and employees under part III of chapter 112.

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

4 (c) The trust may hire or contract for all personnel
5 necessary to properly execute the powers and duties bestowed
6 upon it within the funds appropriated to implement ss.
7 288.956-288.9566. Using funds appropriated to implement this
8 section, the trust may not expend more than \$1 million each
9 year for personnel and necessary administrative expenditures,
10 including, but not limited to, travel and per diem, legal
11 fees, consultant's fees, rents and utilities, and audit fees.

12 (d) Subject to appropriations, Enterprise Florida,
13 Inc., shall reasonably contract to provide administrative
14 support to the trust as requested by the trust. If the trust
15 is dissolved, Enterprise Florida, Inc., becomes the trust's
16 successor in interest and assumes all rights, duties, and
17 obligations of the trust under any contract to which the trust
18 is then a party and under law.

19 (3) PURPOSE.--The trust shall be organized to receive,
20 hold, invest, administer, and disburse funds appropriated by
21 the Legislature; to receive and hold transferable tax credits;
22 to issue guarantees or pledge tax credits for guarantee of
23 funds borrowed by or invested in the SURE Venture Capital
24 Fund; and to liquidate tax credits as may be necessary to
25 effect performance on any guarantee.

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

28 (a) The board of trustees shall consist of nine voting
29 trustees, of whom the Governor shall appoint three, the
30 President of the Senate shall appoint three, and the Speaker
31 of the House of Representatives shall appoint three.

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1 (b) As a candidate to be selected to the board of
2 trustees, an individual must have prior experience with and
3 demonstrated expertise and competence in early stage business
4 investment, corporate management, the supervision of early
5 stage investment managers, venture capital investment,
6 management of entrepreneurial companies, the fiduciary
7 management of investment funds, or the commercialization of
8 research products. The individual must also demonstrate
9 competence with respect to the administration and management
10 of a publicly listed company, or experience and competence in
11 public accounting, auditing, and fiduciary responsibilities. A
12 trustee may not have an ownership interest in any entity to
13 which a certificate is issued or have any business
14 relationship with any investment manager hired by SURE Venture
15 Capital Fund.

16 (c) Each trustee of the board of trustees shall be
17 appointed to a term of 4 years, except that for the initial
18 appointments the Governor, the President of the Senate, and
19 the Speaker of the House of Representatives shall each appoint
20 one trustee for a term of 1 year, one trustee for a term of 2
21 years, and one trustee for a term of 4 years in order to
22 achieve staggered terms among the trustees of the board. A
23 trustee is not eligible for reappointment to the board, except
24 that a trustee appointed to an initial term of 1 year or 2
25 years may be reappointed for an additional term of 4 years,
26 and a person appointed to fill a vacancy having 2 years or
27 less remaining on the term may be reappointed for an
28 additional term of 4 years. The Governor, the President of the
29 Senate, and the Speaker of the House of Representatives shall
30 make their initial appointments to the board by October 1,
31 2007.

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1 (d) The Governor, the President of the Senate, or the
 2 Speaker of the House of Representatives, respectively, shall
 3 fill a vacancy on the board of trustees, according to who
 4 appointed the trustee whose vacancy is to be filled or whose
 5 term has expired. A vacancy that occurs before the scheduled
 6 expiration of the term of the trustee shall be filled for the
 7 remainder of the unexpired term. A trustee whose term has
 8 expired shall continue to serve until his or her replacement
 9 has been appointed.

10 (e) Each trustee who is not otherwise required to file
 11 financial disclosure under s. 8, Art. II of the State
 12 Constitution or s. 112.3144, shall file disclosure of
 13 financial interests under s. 112.3145.

14 (f)1. A trustee appointed to the board must agree to
 15 refrain from having any direct interest in any contract,
 16 franchise, privilege, or other benefit arising from the trust,
 17 SURE Venture Capital Fund, or a project receiving investment
 18 from the SURE Venture Capital Fund during the term of his or
 19 her appointment and for 2 years after the termination of the
 20 appointment.

21 2. If a trustee accepts a direct interest in any
 22 contract, franchise, privilege, or other benefit prohibited by
 23 this paragraph within 2 years after the termination of his or
 24 her service on the board, the trustee commits a misdemeanor of
 25 the first degree, punishable as provided in s. 775.083 or s.
 26 775.084.

27 (g) A trustee may not receive compensation for his or
 28 her services, but is entitled to receive reimbursement for
 29 travel and per diem expenses incurred in the performance of
 30 his or her duties in accordance with s. 112.061.

31 (h) A trustee is accountable for the proper

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1 performance of the duties of office, and each trustee owes a
 2 fiduciary duty to the people of the state to ensure that funds
 3 or tax credits provided in furtherance of ss.
 4 288.9621-288.9628 are disbursed and used as prescribed by law
 5 and contract and in the best interests of the state.

6 (i) The Governor, the President of the Senate, or the
 7 Speaker of the House of Representatives, according to which
 8 officer appointed the trustee, may remove a trustee for
 9 malfeasance, misfeasance, neglect of duty, incompetence,
 10 permanent inability to perform official duties, unexcused
 11 absence from three consecutive meetings of the board, arrest
 12 or indictment for a crime that is a felony or a misdemeanor
 13 involving theft or a crime of dishonesty, or pleading nolo
 14 contendere to, or being found guilty of, any crime.

15 (5) ORGANIZATION; MEETINGS.--

16 (a)1. The board of trustees shall annually elect a
 17 chairperson and a vice chairperson from among the board's
 18 trustees. The trustees may, by a vote of five of the nine
 19 board trustees, remove a trustee from the position of
 20 chairperson or vice chairperson before the expiration of his
 21 or her term as chairperson or vice chairperson. His or her
 22 successor shall be elected to serve for the balance of the
 23 removed chairperson's or vice chairperson's term.

24 2. The chairperson is responsible for ensuring that
 25 records are kept of the proceedings of the board of trustees
 26 and is the custodian of all books, documents, and papers filed
 27 with the board; the minutes of meetings of the board; and the
 28 official seal of the trust.

29 (b)1. The board of trustees shall meet upon the call
 30 of the chairperson or at the request of a majority of the
 31 trustees, but not less than twice each calendar year and more

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1 frequently if necessary to promptly act on a request for a
2 matched investment.

3 2. A majority of the voting trustees of the board
4 constitutes a quorum. Except as otherwise provided in this
5 section, the board may take official action by a majority vote
6 of the trustees present at any meeting at which a quorum is
7 present. Trustees may not vote by proxy.

8 3. A trustee may participate in a meeting of the board
9 by telephone or videoconference through which each trustee may
10 hear every other trustee.

11 (6) POWERS AND DUTIES.--The trust shall be organized
12 to receive and hold transferable tax credits; to issue
13 guarantees or pledge tax credits for guarantee of funds
14 borrowed by or invested in the SURE Venture Capital Fund; to
15 liquidate tax credits as may be necessary to effect
16 performance on any guarantee; and to receive, hold, invest,
17 administer, and disburse funds appropriated by the
18 Legislature. The trust shall disburse any income generated
19 from the investment of these funds consistent with the purpose
20 and provisions of ss. 288.9621-288.9628 and:

21 (a) May make and enter into contracts and assume any
22 other functions that are necessary to carry out the purpose of
23 the trust.

24 (b) May enter into leases and contracts for the
25 purchase of real and personal property and execute notes,
26 mortgages, guarantees, or security agreements to secure the
27 performance of a contract or certificate.

28 (c) May perform all acts and things necessary or
29 convenient to carry out the powers expressly granted in ss.
30 288.9621-288.9628 and perform on a contract or certificate
31 agreement entered into between the trust and a designated

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1 investor.

2 (d) May make expenditures from funds provided by this
3 state, including any necessary administrative expenditures
4 consistent with its powers.

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

8 (f) Shall disburse funds under this section and any
9 contract entered into between the trust and a designated
10 investor.

11 (g) Shall receive and review reports and financial
12 documentation provided by a SURE Venture Capital Fund to
13 ensure compliance with ss. 288.9621-288.9626 and a
14 certificate.

15 (h) Shall prepare an annual report as prescribed in
16 subsection (8).

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

20 (6) INVESTMENT OF FUNDS.--The trust must enter into an
21 agreement with the State Board of Administration under which
22 funds received by the trust which are not disbursed must be
23 invested by the State Board of Administration on behalf of the
24 trust. Funds shall be invested in suitable instruments
25 authorized under s. 215.47 and specified in investment
26 guidelines established and agreed to by the State Board of
27 Administration and the trust.

28 (7) ANNUAL REPORT.--By December 1 of each year, the
29 trust shall prepare a report of the activities and outcomes of
30 the trust and submit the report to the Governor, the President
31 of the Senate, and the Speaker of the House of

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1 Representatives. The report, at a minimum, must include:

2 (a) An accounting of the amount of grants and
3 proposals awarded and disbursed during the preceding fiscal
4 year by project and university and the value of certificates
5 issued the previous fiscal year and the total certificates
6 outstanding.

7 (b) Information concerning the amount and nature of
8 economic activity in this state generated through university
9 and other state-supported research projects receiving funding
10 from the trust.

11 (c) Project summaries of the information reported by
12 grant recipients in paragraph (b).

13 (d) A description of the benefits to this state
14 resulting from the trust program, including the number of
15 businesses created, associated industries started, and the
16 growth of related research projects.

17 (e) Independently audited financial statements,
18 including statements that show receipts and expenditures
19 during the preceding fiscal year for personnel,
20 administration, and operational costs of the trust.

21 (f) A description of those projects supported by the
22 trust in which two or more universities are working
23 cooperatively to avoid duplicating activities, programs, and
24 functions and to leverage the expertise offered by other
25 universities.

26 (g) A description of any sale of tax certificates
27 which is reasonably anticipated by the board to meet its
28 certificate obligations.

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

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

3 (9) ACTIVITIES.--The board may engage consultants,
4 expend funds, invest funds, contract, bond or insure against
5 loss, provide guarantees or other incentives, hold
6 transferable tax credits, sell tax credits, or enter into any
7 financial or other transaction or perform any other act
8 necessary to carry out its purpose under ss.
9 288.9621-288.9628.

10 (10) TAX CREDITS.--The board, in conjunction with the
11 Department of Revenue, shall develop a system for registration
12 of any tax credits received by the trust and transferred under
13 ss. 288.9621-288.9628. The board shall also create a system of
14 documentation that permits verification that any tax credit
15 claimed upon a tax return is validly held by the person
16 claiming such tax credit and properly taken in the year of
17 claim and that any transfers of the tax credit are made in
18 accordance with the requirements of ss. 288.9621-288.9628.

19 (11) EMPLOYEES.--If the board elects to hire
20 employees, such persons shall be selected by the board based
21 upon knowledge and leadership in the field for which the
22 person performs services for the board. The board shall charge
23 fees for its guarantees to designated investors or for other
24 services such that the board's operations may be conducted
25 without subsequent legislative appropriation.

26 288.9625 Issuance of tax credits.--

27 (1) The trust shall receive and hold for the purposes
28 of ss. 288.9621-288.9628 tax credits that may be used to
29 reduce any tax liability imposed by the state under chapter
30 212, chapter 220, s. 624.509, or s. 624.510. The total amount
31 of tax credits issued and transferred to the trust is \$50

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1 million. The tax credits shall be transferable by the board as
2 provided in this section if such transferred tax credit is not
3 exercisable before July 1, 2012, or after July 1, 2037.

4 (2) The board may transfer and sell tax credits solely
5 for the purpose of fulfilling, in whole or in part, any
6 certificate obligation issued by the board. The board shall
7 immediately notify the Governor, the President of the Senate,
8 the Speaker of the House of Representatives, and the
9 Department of Revenue, in writing, if any tax credit is
10 transferred. The board shall be notified immediately of any
11 transfers of tax credits by persons or businesses other than
12 the board and shall notify the Department of Revenue, in
13 writing, of such transfers.

14 (3)(a) The board shall ensure that no more than \$15
15 million in tax credits is transferred, which may be claimed
16 and used to reduce taxes payable to the General Revenue Fund
17 for any single state fiscal year. The board shall clearly
18 indicate upon the face of the document transferring the tax
19 credit the principal amount of the tax credit and the state
20 fiscal year or years during which the credit may be claimed.

21 (b) Tax credits may be transferred in increments of no
22 less than \$100,000. A copy of the document transferring the
23 tax credit shall be transmitted to the executive director of
24 the Department of Revenue, who shall allow the credit to be
25 claimed against tax liabilities of the person or business
26 consistent with the terms appearing in the transfer document.

27 (4) If the tax liabilities of the taxpayer are
28 insufficient to exhaust the tax credit for which the taxpayer
29 is eligible, the balance of the tax credit may be refunded by
30 the state. If a tax credit granted under this section is not
31 claimed in the year designated for claiming the credit on the

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1 transfer document, any return for the year in which the credit
2 was eligible to be claimed may be amended to claim the credit
3 within the time specified by ss. 95.091 and 215.26.

4 (5) Persons or businesses to which tax credits under
5 this section are transferred shall retain documentation
6 supporting eligibility to claim the tax credits and evidence
7 of the transfer of the tax credits, if applicable, until the
8 time provided to audit the tax returns on which the tax
9 credits were claimed has passed.

10 (6) The Department of Revenue, in conjunction with the
11 board, may adopt rules governing the manner and form of
12 documentation required to claim tax credits granted or
13 transferred under this section and may establish guidelines as
14 to the requisites for an affirmative showing of qualification
15 for tax credits granted or transferred under this section.

16 (7) An insurance company claiming a credit against
17 premium tax liability under this section is not required to
18 pay any additional retaliatory tax levied pursuant to s.
19 624.5091 as a result of claiming such credit. Because credits
20 under this section are available to an insurance company, s.
21 624.5091 does not limit such credit in any manner.

22 (8) Any original sale of tax credits by the board
23 shall be by competitive bidding unless the sale is for the
24 full face value of the credits.

25 288.9626 SURE Venture Capital Fund.--

26 (1)(a) At the request of the board, Enterprise
27 Florida, Inc., shall facilitate the creation of the SURE
28 Venture Capital Fund, a private, not-for-profit corporation
29 organized and operated under chapter 617. Enterprise Florida,
30 Inc., shall be the corporation's sole shareholder or member.
31 The corporation is not a public corporation or instrumentality

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1 of the state.

2 (b) The purpose of the SURE Venture Capital Fund is to
3 select an early stage venture capital investment advisor,
4 negotiate for investment capital or loan proceeds from
5 private, institutional, or banking sources having the benefit
6 of guarantees from the SURE Trust, and coinvest capital in
7 companies in this state which are accepted into or promoted by
8 the Institute for the Commercialization of Public Research.

9 The fund shall manage its business affairs and conduct
10 business consistent with its organizational documents and the
11 purposes set forth in this section. Notwithstanding the powers
12 granted under chapter 617, the corporation may not amend,
13 modify, or repeal a bylaw or article of incorporation without
14 the express written consent of Enterprise Florida, Inc.

15 (2)(a) The vice chair of Enterprise Florida, Inc.,
16 shall select from among its sitting board of directors a
17 five-person appointment committee. The appointment committee
18 shall select five initial members of a board of directors for
19 the fund.

20 (b) The persons elected to the initial board of
21 directors by the appointment committee shall include persons
22 who have expertise in the area of the selection and
23 supervision of early stage investment managers or in the
24 fiduciary management of investment funds and other areas of
25 expertise as considered appropriate by the appointment
26 committee.

27 (c) After election of the initial board of directors,
28 vacancies on the board shall be filled by vote of the board of
29 directors of Enterprise Florida, Inc., and board members shall
30 serve terms as provided in the fund's organizational
31 documents.

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1 (d) Members of the board are subject to any
2 restrictions on conflicts of interest specified in the
3 organizational documents and may not have an interest in any
4 venture capital investment selected by the corporation under
5 ss. 288.9621-288.9628.

6 (3) The board shall organize the SURE Venture Capital
7 Fund, select an early stage venture capital investment
8 manager, negotiate the terms of a contract with the SURE
9 Venture Capital Fund investment manager, execute the contract
10 with the selected venture capital investment fund manager on
11 behalf of the SURE Venture Capital Fund, manage the business
12 affairs of the SURE Venture Capital Fund, such as accounting,
13 audit, insurance, and related requirements, solicit and
14 negotiate the terms, contract for and receive investment
15 capital and loan proceeds with the assistance of the
16 investment manager and with certificates of guarantee from the
17 SURE Trust, receive investment returns, pay investors and
18 debtors, and reinvest the investment returns in the fund in
19 order to provide additional venture capital investments
20 designed to result in a significant potential to create new
21 businesses and jobs in this state and further diversify the
22 economy of this state.

23 (4) Upon organization, the board shall conduct a
24 national solicitation for investment plan proposals from
25 qualified venture capital investment managers for the raising
26 and investing of capital by the SURE Venture Capital Fund. Any
27 proposed investment plan must address the applicant's level of
28 experience, quality of management, investment philosophy and
29 process, provability of success in fundraising, prior
30 investment fund results, and plan for achieving the purposes
31 of this act. The board shall select only venture capital

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1 investment managers having demonstrated expertise in the
2 management of and investment in companies.

3 (5) A member of the board of directors shall receive
4 no compensation for his or her services, but is entitled to
5 receive reimbursement for necessary expenses, including travel
6 and per diem expenses, incurred in the performance of his or
7 her duties.

8 (6) The fund shall have all powers granted under its
9 organizational documents and shall indemnify members to the
10 broadest extent permissible under the laws of this state.

11 (7)(a) The fund may negotiate any and all terms and
12 conditions for its investments.

13 (b) The fund shall invest directly only in companies
14 in this state which are accepted into or promoted by the
15 Institute for the Commercialization of Public Research. The
16 fund shall invest only if additional private capital is
17 invested in an amount equal to or greater than the investment
18 of the fund, only if the fund's reasonable due diligence
19 determines that the company is viable and has prospects for
20 profitable operations, and only if the company has manifested
21 its intent to remain located in this state. Not more than 15
22 percent of the fund's accessible capital may be invested in
23 one company project.

24 (8) If the fund is liquidated or has returned all
25 capital to designated investors in accordance with contractual
26 agreements, or if the guarantee capacity of the corporation,
27 at the sole discretion of the board, is sufficient for
28 additional certificates, a new funding of the SURE Venture
29 Capital Fund may be implemented for subsequent venture capital
30 investments. If the board takes exception to an additional
31 funding, such additional funding may be implemented only

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1 without the benefit of certificates from the board.

2 (9) The directorate shall issue an annual report
3 concerning the activities conducted by the SURE Venture
4 Capital Fund and present the report to the SURE Trust no later
5 than November 15 for inclusion in the board's report to the
6 the Governor, the President of the Senate, and the Speaker of
7 the House of Representatives. The annual report must include,
8 but need not be limited to, a copy of the independent audit of
9 the fund, the number of investments made or committed during
10 the fiscal year, the amount of debt or capital in or committed
11 to the fund for which certificates have been issued by the
12 board, and a general description of the companies receiving
13 investment by the fund and their associated industry.

14 288.9628 Institute for the Commercialization of Public
15 Research.--There is established the Institute for the
16 Commercialization of Public Research.

17 (1) The institute shall be a not-for-profit
18 corporation registered, incorporated, and operated in
19 accordance with chapter 617.

20 (2) The purpose of the institute is to assist in the
21 commercialization of products developed by the research and
22 development activities of publicly supported universities and
23 colleges, research institutes, and other publicly supported
24 organizations within the state. The institute shall operate to
25 fulfill its purpose and in the best interests of the state.

26 The institute:

27 (a) Shall be a corporation primarily acting as an
28 instrumentality of the state, pursuant to s. 768.28(2), for
29 the purposes of sovereign immunity;

30 (b) Is not an agency within the meaning of s.
31 20.03(11);

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1 (c) Is subject to the open records and meetings
2 requirements of s. 24, Art. I of the State Constitution,
3 chapter 119, and s. 286.011;

4 (d) Is not subject to the provisions of chapter 287;

5 (e) Shall be governed by the code of ethics for public
6 officers and employees as set forth in part III of chapter
7 112; and

8 (f) Is not authorized to create corporate
9 subsidiaries.

10 (2) The articles of incorporation of the institute
11 must be approved in a written agreement with Enterprise
12 Florida, Inc. The agreement and the articles of incorporation
13 shall:

14 (a) Provide that the corporation shall provide equal
15 employment opportunities for all persons regardless of race,
16 color, religion, gender, national origin, age, handicap, or
17 marital status;

18 (b) Provide that the corporation is subject to the
19 public records and meeting requirements of s. 24, Art. I of
20 the State Constitution;

21 (c) Provide that all officers, directors, and
22 employees of the corporation shall be governed by the code of
23 ethics for public officers and employees as set forth in part
24 III of chapter 112;

25 (d) Provide that members of the board of directors of
26 the corporation are responsible for the prudent use of all
27 public and private funds and that they will ensure that the
28 use of funds is in accordance with all applicable laws,
29 bylaws, and contractual requirements; and

30 (e) Provide that the fiscal year of the corporation is
31 from July 1 to June 30.

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1 (3) The affairs of the corporation shall be managed by
 2 a board of directors who shall serve without compensation.
 3 Each director shall have only one vote. The chair of the board
 4 of directors shall be selected by a majority vote of the
 5 directors, a quorum being present. The board of directors
 6 shall consist of the following five members:

7 (a) The chair of Enterprise Florida, Inc., or the
 8 chair's designee.

9 (b) The president of the university where the
 10 institute is located or the president's designee.

11 (c) Three directors appointed by the Governor to
 12 3-year staggered terms, to which directors may be reappointed.

13 (4) The board shall provide a copy of the institute's
 14 annual report to the Governor, the President of the Senate,
 15 the Speaker of the House of Representatives, Enterprise
 16 Florida, Inc., and the president of the university at which
 17 the institute is located.

18 (5) Enterprise Florida, Inc., the president and the
 19 board of trustees of the university where the institute is
 20 located, the Auditor General, and the Office of Program Policy
 21 Analysis and Government Accountability may require and receive
 22 from the institute or its independent auditor any detail or
 23 supplemental data relative to the operation of the
 24 corporation.

25 (6) Enterprise Florida, Inc., shall issue a request
 26 for proposals to public universities in Florida requesting
 27 proposals to fulfill the purposes of the institute as
 28 described in this section and provide for its physical
 29 location in a major metropolitan area of the state having
 30 extensive commercial air service to facilitate access by
 31 Venture Capital providers. Enterprise Florida, Inc., shall

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1 review the proposals in a committee appointed by its board of
2 directors which shall make a recommendation for final
3 selection. Final approval of the selected proposal must be by
4 the board of directors of Enterprise Florida, Inc., at one of
5 its duly noticed meetings.

6 (a) To be eligible for assistance, the company or
7 organization attempting to commercialize its product must be
8 accepted by the institute before receiving the institute's
9 assistance.

10 (b) The institute shall receive recommendations from
11 any publicly supported organization that a company that is
12 commercializing the research, technology, or patents from a
13 qualifying publicly supported organization should be accepted
14 into the institute.

15 (c) The institute shall thereafter review the business
16 plans and technology information of each such recommended
17 company. If accepted, the institute shall mentor the company,
18 develop marketing information on the company, and use its
19 resources to attract capital investment into the company, as
20 well as bring other resources to the company which may foster
21 its effective management, growth, capitalization, technology
22 protection, marketing or business success.

23 (7) The institute shall:

24 (a) Maintain a centralized location to showcase
25 companies and their technologies and products;

26 (b) Develop an efficient process to inventory and
27 publicize companies and products that have been accepted by
28 the institute for commercialization;

29 (c) Routinely communicate with private investors and
30 venture capital organizations regarding the investment
31 opportunities in its showcased companies;

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1 (d) Facilitate meetings between prospective investors
2 and eligible organizations in the institute;

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

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

8 (g) Develop cooperative relationships with publicly
9 supported organizations all of which work together to provide
10 resources or special knowledge that is likely to be helpful to
11 institute companies.

12 (8) The institute may not develop or accrue any
13 ownership, royalty, patent, or other such rights over or
14 interest in companies or products in the institute and shall
15 maintain the secrecy of proprietary information.

16 (9) The institute may not charge for services rendered
17 to state universities and affiliated organizations, community
18 colleges, or state agencies.

19 Section 2. The nonrecurring sum of \$700,000 is
20 appropriated from the General Revenue Fund to the SURE Venture
21 Capital Fund and the nonrecurring sum of \$300,000 is
22 appropriated to the SURE Trust for the purpose of initiating
23 activities necessary to implement its responsibilities under
24 this act for the 2007-2008 fiscal year.

25 Section 3. The nonrecurring sum of \$100,000 is
26 appropriated to Enterprise Florida and the nonrecurring sum of
27 \$900,000 is appropriated from the General Revenue Fund to the
28 Institute for the Commercialization of Public Research for the
29 purpose of initiating activities necessary to implement its
30 responsibilities under this act for the 2007-2008 fiscal year.

31 Section 4. This act shall take effect July 1, 2007.

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1 ===== T I T L E A M E N D M E N T =====

2 And the title is amended as follows:

3 Delete everything before the enacting clause

4

5 and insert:

6 A bill to be entitled

7 An act relating to venture capital funds;

8 creating s. 288.9621, F.S.; providing a short

9 title; creating s. 288.9622, F.S.; providing

10 legislative findings and intent; creating s.

11 288.9623, F.S.; providing definitions; creating

12 s. 288.9624, F.S.; creating the SURE Trust as a

13 state beneficiary public trust; requiring

14 Enterprise Florida, Inc., to provide

15 administrative support to the trust and be its

16 successor in interest; providing for

17 administration by a board of trustees;

18 providing for appointment of board trustees;

19 providing for terms; providing for service

20 without compensation; providing for

21 reimbursement for travel and per diem expenses;

22 providing criteria for trustees; providing

23 powers and duties of trustees; providing for

24 hiring employees; providing for meetings of the

25 board; creating s. 288.9625, F.S.; authorizing

26 the trust to receive, hold, use, transfer, and

27 sell certain tax credits for certain purposes;

28 providing requirements and limitations;

29 authorizing the Department of Revenue to adopt

30 rules for certain purposes; creating s.

31 288.9626, F.S.; requiring Enterprise Florida,

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1 Inc., to facilitate establishment of the SURE
2 Venture Capital Fund; specifying criteria of
3 the fund; providing for appointment of a board
4 of trustees selection committee; providing for
5 selection of a board of directors of the fund
6 by Enterprise Florida, Inc.; specifying
7 criteria; providing for terms and requirements
8 of the directors; providing purposes of the
9 fund; providing duties and responsibilities of
10 the fund; authorizing the fund to charge a
11 management fee for certain purposes; providing
12 for reimbursement for travel and other direct
13 expenses; providing for powers of the fund;
14 providing investment requirements for the fund;
15 requiring the board of directors to issue an
16 annual report on the activities of the fund;
17 providing report requirements; creating s.
18 288.9628, F.S.; creating the Institute for the
19 Commercialization of Public Research; providing
20 that the institute is a not-for-profit
21 corporation; providing that the purpose of the
22 institute is to commercialize the products of
23 public research; providing for membership of
24 the board of directors; requiring the institute
25 to provide data to certain entities; providing
26 responsibilities of the institute; prohibiting
27 the institute from having any interest in any
28 product supported by the institute; providing
29 appropriations; providing an effective date.

30
31