

By the Committee on Commerce; and Senator Ring

577-2116-07

1 A bill to be entitled
2 An act relating to venture capital funds;
3 creating s. 288.9621, F.S.; providing a short
4 title; creating s. 288.9622, F.S.; providing
5 legislative findings and intent; creating s.
6 288.9623, F.S.; providing definitions; creating
7 s. 288.9624, F.S.; creating the SURE Trust as a
8 state beneficiary public trust; requiring
9 Enterprise Florida, Inc., to provide
10 administrative support to the trust and be its
11 successor in interest; providing for
12 administration by a board of trustees;
13 providing for appointment of board trustees;
14 providing for terms; providing for service
15 without compensation; providing for
16 reimbursement for travel and other expenses;
17 providing criteria for trustees; providing
18 powers and duties of trustees; providing for
19 hiring employees; providing for meetings of the
20 board; creating s. 288.9625, F.S.; authorizing
21 the trust to receive, hold, use, transfer, and
22 sell certain tax credits for certain purposes;
23 providing requirements and limitations;
24 authorizing the Department of Revenue to adopt
25 rules for certain purposes; creating s.
26 288.9626, F.S.; requiring Enterprise Florida,
27 Inc., to facilitate establishment of the SURE
28 Venture Capital Fund; specifying criteria of
29 the fund; providing for appointment of a board
30 of trustees selection committee; providing for
31 selection of a board of directors of the fund

1 by Enterprise Florida, Inc.; specifying
2 criteria; providing for terms and requirements
3 of the directors; providing purposes of the
4 fund; providing duties and responsibilities of
5 the fund; authorizing the fund to charge a
6 management fee for certain purposes; providing
7 for reimbursement for travel and other direct
8 expenses; providing for powers of the fund;
9 providing investment requirements for the fund;
10 requiring the board of directors to issue an
11 annual report on the activities of the fund;
12 providing report requirements; creating s.
13 288.9628, F.S.; creating the Institute for the
14 Commercialization of Public Research; providing
15 legislative intent; providing that the purpose
16 of the institute is to commercialize the
17 products of public research; providing
18 responsibilities of the institute; prohibiting
19 the institute from having any interest in any
20 product supported by the institute; providing
21 appropriations; providing an effective date.

22
23 Be It Enacted by the Legislature of the State of Florida:

24
25 Section 1. Sections 288.9621, 288.9622, 288.9623,
26 288.9624, 288.9625, 288.9626, and 288.9628, Florida Statutes,
27 are created to read:

28 288.9621 Short title.--Sections 288.9621-288.9628 may
29 be cited as the "SURE Venture Capital Act."

30 288.9622 Findings and intent.--
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1 (1) The Legislature finds and declares that there is
2 need to increase the availability of seed capital and early
3 stage venture equity capital for emerging companies in this
4 state which are commercializing state university research,
5 technology, or patents, or commercializing in this state any
6 other state-supported research organization's technology,
7 products, or patents, including, without limitation,
8 enterprises in life sciences, information technology, advanced
9 manufacturing processes, aviation and aerospace, and homeland
10 security and defense, as well as other strategic technologies.

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

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

1 288.9623 Definitions.--As used in ss.
2 288.9621-288.9628:
3 (1) "Board" means the board of trustees of the SURE
4 Trust.
5 (2) "Certificate" means a contract between the trust
6 and a designated investor or lender evidencing the terms of a
7 guarantee or incentive granted to a designated investor.
8 (3) "Designated investor" means a person, other than
9 the board, who purchases an equity interest in the SURE
10 Venture Capital Fund, or who is a party to a certificate, or
11 who is a lender to the SURE Venture Capital Fund.
12 (4) "SURE Trust" or "trust" means a state beneficiary
13 public trust created under ss. 288.9621-288.9628.
14 (5) "SURE Venture Capital Fund" or "fund" means the
15 private, limited liability company in which a designated
16 investor purchases an equity interest or to which a designated
17 investor extends credit.
18 (6) "SURE Fund Board" or "directorship" means the board
19 of directors of the SURE Venture Capital Fund.
20 (7) "Tax credit" means a contingent tax credit issued
21 under ss. 288.9621-288.9628 or subsequent legislative action
22 which is available to offset tax liabilities imposed by this
23 state if the proceeds of the tax are payable to the General
24 Revenue Fund. A tax credit is not eligible to offset tax
25 liabilities imposed by a political subdivision within this
26 state.
27 288.9624 SURE Trust.--
28 (1) PUBLIC TRUST.--The SURE Trust is created as a
29 state beneficiary public trust to be administered by the
30 board. The exercise by the board of powers conferred by ss.
31

1 288.9621-288-9628 is deemed and held to be the performance of
2 essential public purposes.

3 (2) PUBLIC RECORDS AND MEETINGS.--

4 (a) The trust is not a unit of state government or a
5 political subdivision of the state. However, the Legislature
6 declares that the trust is subject to s. 24, Art. I of the
7 State Constitution and chapter 119, relating to public
8 records, and the provisions of chapter 286 relating to public
9 meetings and records. Furthermore, all officers, trustees, and
10 employees of the trust must comply with the code of ethics for
11 public officers and employees under part III of chapter 112.

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

14 (c) The trust may hire or contract for all personnel
15 necessary to properly execute the powers and duties bestowed
16 upon it within the funds appropriated to implement ss.
17 288.956-288.9566. Using funds appropriated to implement this
18 section, the trust may not expend more than \$1 million each
19 year for personnel and necessary administrative expenditures,
20 including, but not limited to, travel and per diem, legal
21 fees, consultant's fees, rents and utilities, and audit fees.

22 (d) Subject to appropriations, Enterprise Florida,
23 Inc., shall reasonably contract to provide administrative
24 support to the trust as requested by the trust. If the trust
25 is dissolved, Enterprise Florida, Inc., becomes the trust's
26 successor in interest and assumes all rights, duties, and
27 obligations of the trust under any contract to which the trust
28 is then a party and under law.

29 (3) PURPOSE.--The trust shall be organized to receive,
30 hold, invest, administer, and disburse funds appropriated by
31 the Legislature; to receive and hold transferable tax credits;

1 to issue guarantees or pledge tax credits for guarantee of
2 funds borrowed by or invested in the SURE Venture Capital
3 Fund; and to liquidate tax credits as may be necessary to
4 effect performance on any guarantee.

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

7 (a) The board of trustees shall consist of nine voting
8 trustees, of whom the Governor shall appoint three, the
9 President of the Senate shall appoint three, and the Speaker
10 of the House of Representatives shall appoint three.

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

26 (c) Each trustee of the board of trustees shall be
27 appointed to a term of 4 years, except that for the initial
28 appointments the Governor, the President of the Senate, and
29 the Speaker of the House of Representatives shall each appoint
30 one trustee for a term of 1 year, one trustee for a term of 2
31 years, and one trustee for a term of 4 years in order to

1 achieve staggered terms among the trustees of the board. A
2 trustee is not eligible for reappointment to the board, except
3 that a trustee appointed to an initial term of 1 year or 2
4 years may be reappointed for an additional term of 4 years,
5 and a person appointed to fill a vacancy having 2 years or
6 less remaining on the term may be reappointed for an
7 additional term of 4 years. The Governor, the President of the
8 Senate, and the Speaker of the House of Representatives shall
9 make their initial appointments to the board by October 1,
10 2007.

11 (d) The Governor, the President of the Senate, or the
12 Speaker of the House of Representatives, respectively, shall
13 fill a vacancy on the board of trustees, according to who
14 appointed the trustee whose vacancy is to be filled or whose
15 term has expired. A vacancy that occurs before the scheduled
16 expiration of the term of the trustee shall be filled for the
17 remainder of the unexpired term. A trustee whose term has
18 expired shall continue to serve until his or her replacement
19 has been appointed.

20 (e) Each trustee who is not otherwise required to file
21 financial disclosure under s. 8, Art. II of the State
22 Constitution or s. 112.3144, shall file disclosure of
23 financial interests under s. 112.3145.

24 (f)1. A trustee appointed to the board must agree to
25 refrain from having any direct interest in any contract,
26 franchise, privilege, or other benefit arising from the trust,
27 SURE Venture Capital Fund, or a project receiving investment
28 from the SURE Venture Capital Fund during the term of his or
29 her appointment and for 2 years after the termination of the
30 appointment.

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1 2. If a trustee accepts a direct interest in any
2 contract, franchise, privilege, or other benefit prohibited by
3 this paragraph within 2 years after the termination of his or
4 her service on the board, the trustee commits a misdemeanor of
5 the first degree, punishable as provided in s. 775.083 or s.
6 775.084.

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

11 (h) A trustee is accountable for the proper
12 performance of the duties of office, and each trustee owes a
13 fiduciary duty to the people of the state to ensure that funds
14 or tax credits provided in furtherance of ss.
15 288.9621-288.9628 are disbursed and used as prescribed by law
16 and contract and in the best interests of the state.

17 (i) The Governor, the President of the Senate, or the
18 Speaker of the House of Representatives, according to which
19 officer appointed the trustee, may remove a trustee for
20 malfeasance, misfeasance, neglect of duty, incompetence,
21 permanent inability to perform official duties, unexcused
22 absence from three consecutive meetings of the board, arrest
23 or indictment for a crime that is a felony or a misdemeanor
24 involving theft or a crime of dishonesty, or pleading nolo
25 contendere to, or being found guilty of, any crime.

26 (5) ORGANIZATION; MEETINGS.--

27 (a)1. The board of trustees shall annually elect a
28 chairperson and a vice chairperson from among the board's
29 trustees. The trustees may, by a vote of five of the nine
30 board trustees, remove a trustee from the position of
31 chairperson or vice chairperson before the expiration of his

1 or her term as chairperson or vice chairperson. His or her
2 successor shall be elected to serve for the balance of the
3 removed chairperson's or vice chairperson's term.

4 2. The chairperson is responsible for ensuring that
5 records are kept of the proceedings of the board of trustees
6 and is the custodian of all books, documents, and papers filed
7 with the board; the minutes of meetings of the board; and the
8 official seal of the trust.

9 (b)1. The board of trustees shall meet upon the call
10 of the chairperson or at the request of a majority of the
11 trustees, but not less than twice each calendar year and more
12 frequently if necessary to promptly act on a request for a
13 matched investment.

14 2. A majority of the voting trustees of the board
15 constitutes a quorum. Except as otherwise provided in this
16 section, the board may take official action by a majority vote
17 of the trustees present at any meeting at which a quorum is
18 present. Trustees may not vote by proxy.

19 3. A trustee may participate in a meeting of the board
20 by telephone or videoconference through which each trustee may
21 hear every other trustee.

22 (6) POWERS AND DUTIES.--The trust shall be organized
23 to receive and hold transferable tax credits; to issue
24 guarantees or pledge tax credits for guarantee of funds
25 borrowed by or invested in the SURE Venture Capital Fund; to
26 liquidate tax credits as may be necessary to effect
27 performance on any guarantee; and to receive, hold, invest,
28 administer, and disburse funds appropriated by the
29 Legislature. The trust shall disburse any income generated
30 from the investment of these funds consistent with the purpose
31 and provisions of ss. 288.9621-288.9628. In addition to the

1 powers and duties prescribed in chapter 617 and the articles
2 and bylaws adopted under that chapter, the trust:

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

6 (b) May enter into leases and contracts for the
7 purchase of real and personal property and execute notes,
8 mortgages, guarantees, or security agreements to secure the
9 performance of a contract or certificate.

10 (c) May perform all acts and things necessary or
11 convenient to carry out the powers expressly granted in ss.
12 288.9621-288.9628 and perform on a contract or certificate
13 agreement entered into between the trust and a designated
14 investor.

15 (d) May make expenditures from funds provided by this
16 state, including any necessary administrative expenditures
17 consistent with its powers.

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

21 (f) Shall disburse funds under this section and any
22 contract entered into between the trust and a designated
23 investor.

24 (g) Shall receive and review reports and financial
25 documentation provided by a SURE Venture Capital Fund to
26 ensure compliance with ss. 288.9621-288.9626 and a
27 certificate.

28 (h) Shall prepare an annual report as prescribed in
29 subsection (8).

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

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

12 (7) ANNUAL REPORT.--By December 1 of each year, the
13 trust shall prepare a report of the activities and outcomes of
14 the trust and submit the report to the Governor, the President
15 of the Senate, and the Speaker of the House of
16 Representatives. The report, at a minimum, must include:

17 (a) An accounting of the amount of grants and
18 proposals awarded and disbursed during the preceding fiscal
19 year by project and university and the value of certificates
20 issued the previous fiscal year and the total certificates
21 outstanding.

22 (b) Information concerning the amount and nature of
23 economic activity in this state generated through university
24 and other state-supported research projects receiving funding
25 from the trust.

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

28 (d) A description of the benefits to this state
29 resulting from the trust program, including the number of
30 businesses created, associated industries started, and the
31 growth of related research projects.

1 (e) Independently audited financial statements,
2 including statements that show receipts and expenditures
3 during the preceding fiscal year for personnel,
4 administration, and operational costs of the trust.

5 (f) A description of those projects supported by the
6 trust in which two or more universities are working
7 cooperatively to avoid duplicating activities, programs, and
8 functions and to leverage the expertise offered by other
9 universities.

10 (g) A description of any sale of tax certificates
11 which is reasonably anticipated by the board to meet its
12 certificate obligations.

13 (8) LIABILITY.--The appropriation or disbursement of
14 funds under this section does not constitute a debt,
15 liability, or obligation of the state or any political
16 subdivision thereof, or a pledge of the faith and credit of
17 the state or of any political subdivision.

18 (9) ACTIVITIES.--The board may engage consultants,
19 expend funds, invest funds, contract, bond or insure against
20 loss, provide guarantees or other incentives, hold
21 transferable tax credits, sell tax credits, or enter into any
22 financial or other transaction or perform any other act
23 necessary to carry out its purpose under ss.
24 288.9621-288.9628.

25 (10) TAX CREDITS.--The board, in conjunction with the
26 Department of Revenue, shall develop a system for registration
27 of any tax credits received by the trust and transferred under
28 ss. 288.9621-288.9628. The board shall also create a system of
29 documentation that permits verification that any tax credit
30 claimed upon a tax return is validly held by the person
31 claiming such tax credit and properly taken in the year of

1 claim and that any transfers of the tax credit are made in
2 accordance with the requirements of ss. 288.9621-288.9628.

3 (11) EMPLOYEES.--If the board elects to hire
4 employees, such persons shall be selected by the board based
5 upon knowledge and leadership in the field for which the
6 person performs services for the board. The board shall charge
7 fees for its guarantees to designated investors or for other
8 services such that the board's operations may be conducted
9 without subsequent legislative appropriation.

10 288.9625 Issuance of tax credits.--

11 (1) The trust shall receive and hold for the purposes
12 of ss. 288.9621-288.9628 tax credits that may be used to
13 reduce any tax liability imposed by the state under chapter
14 212, chapter 220, s. 624.509, or s. 624.510. The total amount
15 of tax credits issued and transferred to the trust is \$50
16 million. The tax credits shall be transferable by the board as
17 provided in this section if such transferred tax credit is not
18 exercisable before July 1, 2012, or after July 1, 2037.

19 (2) The board may transfer and sell tax credits solely
20 for the purpose of fulfilling, in whole or in part, any
21 certificate obligation issued by the board. The board shall
22 immediately notify the Governor, the President of the Senate,
23 the Speaker of the House of Representatives, and the
24 Department of Revenue, in writing, if any tax credit is
25 transferred. The board shall be notified immediately of any
26 transfers of tax credits by persons or businesses other than
27 the board and shall notify the Department of Revenue, in
28 writing, of such transfers.

29 (3)(a) The board shall ensure that no more than \$15
30 million in tax credits is transferred, which may be claimed
31 and used to reduce taxes payable to the General Revenue Fund

1 for any single state fiscal year. The board shall clearly
2 indicate upon the face of the document transferring the tax
3 credit the principal amount of the tax credit and the state
4 fiscal year or years during which the credit may be claimed.

5 (b) Tax credits may be transferred in increments of no
6 less than \$100,000. A copy of the document transferring the
7 tax credit shall be transmitted to the executive director of
8 the Department of Revenue, who shall allow the credit to be
9 claimed against tax liabilities of the person or business
10 consistent with the terms appearing in the transfer document.

11 (4) If the tax liabilities of the taxpayer are
12 insufficient to exhaust the tax credit for which the taxpayer
13 is eligible, the balance of the tax credit may be refunded by
14 the state. If a tax credit granted under this section is not
15 claimed in the year designated for claiming the credit on the
16 transfer document, any return for the year in which the credit
17 was eligible to be claimed may be amended to claim the credit
18 within the time specified by ss. 95.091 and 215.26.

19 (5) Persons or businesses to which tax credits under
20 this section are transferred shall retain documentation
21 supporting eligibility to claim the tax credits and evidence
22 of the transfer of the tax credits, if applicable, until the
23 time provided to audit the tax returns on which the tax
24 credits were claimed has passed.

25 (6) The Department of Revenue, in conjunction with the
26 board, may adopt rules governing the manner and form of
27 documentation required to claim tax credits granted or
28 transferred under this section and may establish guidelines as
29 to the requisites for an affirmative showing of qualification
30 for tax credits granted or transferred under this section.
31

1 (7) An insurance company claiming a credit against
2 premium tax liability under this section is not required to
3 pay any additional retaliatory tax levied pursuant to s.
4 624.5091 as a result of claiming such credit. Because credits
5 under this section are available to an insurance company, s.
6 624.5091 does not limit such credit in any manner.

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

10 288.9626 SURE Venture Capital Fund.--

11 (1)(a) At the request of the board, Enterprise
12 Florida, Inc., shall facilitate the creation of the SURE
13 Venture Capital Fund, a private corporation. Enterprise
14 Florida, Inc., shall be the corporation's sole shareholder or
15 member. The corporation is not a public corporation or
16 instrumentality of the state.

17 (b) The purpose of the SURE Venture Capital Fund is to
18 select an early stage venture capital investment advisor,
19 negotiate for investment capital or loan proceeds from
20 private, institutional, or banking sources having the benefit
21 of guarantees from the SURE Trust and coinvest capital in
22 companies in this state which are accepted into or promoted by
23 the Institute for the Commercialization of Public Research.
24 The fund shall manage its business affairs and conduct
25 business consistent with its organizational documents and the
26 purposes set forth in this section.

27 (2)(a) The vice chair of Enterprise Florida, Inc.,
28 shall select from among its sitting board of directors a
29 five-person appointment committee. The appointment committee
30 shall select five initial members of a board of directors for
31 the fund.

1 (b) The persons elected to the initial board of
2 directors by the appointment committee shall include persons
3 who have expertise in the area of the selection and
4 supervision of early stage investment managers or in the
5 fiduciary management of investment funds and other areas of
6 expertise as considered appropriate by the appointment
7 committee.

8 (c) After election of the initial board of directors,
9 vacancies on the board shall be filled by vote of the board of
10 directors of Enterprise Florida, Inc., and board members shall
11 serve terms as provided in the fund's organizational
12 documents.

13 (d) Members of the board are subject to any
14 restrictions on conflicts of interest specified in the
15 organizational documents and may not have an interest in any
16 venture capital investment selected by the corporation under
17 ss. 288.9621-288.9628.

18 (3) The board shall organize the SURE Venture Capital
19 Fund, select an early stage venture capital investment
20 manager, negotiate the terms of a contract with the SURE
21 Venture Capital Fund investment manager, execute the contract
22 with the selected venture capital investment fund manager on
23 behalf of the SURE Venture Capital Fund, manage the business
24 affairs of the SURE Venture Capital Fund, such as accounting,
25 audit, insurance, and related requirements, solicit and
26 negotiate the terms, contract for and receive investment
27 capital and loan proceeds with the assistance of the
28 investment manager and with certificates of guarantee from the
29 SURE Trust, receive investment returns, pay investors and
30 debtors, and reinvest the investment returns in the fund in
31 order to provide additional venture capital investments

1 designed to result in a significant potential to create new
2 businesses and jobs in this state and further diversify the
3 economy of this state.

4 (4) Upon organization, the board shall conduct a
5 national solicitation for investment plan proposals from
6 qualified venture capital investment managers for the raising
7 and investing of capital by the SURE Venture Capital Fund. Any
8 proposed investment plan must address the applicant's level of
9 experience, quality of management, investment philosophy and
10 process, provability of success in fundraising, prior
11 investment fund results, and plan for achieving the purposes
12 of this act. The board shall select only venture capital
13 investment managers having demonstrated expertise in the
14 management of and investment in companies.

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

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

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

25 (b) The fund shall invest directly only in companies
26 in this state which are accepted into or promoted by the
27 Institute for the Commercialization of Public Research. The
28 fund shall invest only if additional private capital is
29 invested in an amount equal to or greater than the investment
30 of the fund, only if the fund's reasonable due diligence
31 determines that the company is viable and has prospects for

1 profitable operations, and only if the company has manifested
2 its intent to remain located in this state. Not more than 15
3 percent of the fund's accessible capital may be invested in
4 one company project.

5 (8) If the fund is liquidated or has returned all
6 capital to designated investors in accordance with contractual
7 agreements, or if the guarantee capacity of the corporation,
8 at the sole discretion of the board, is sufficient for
9 additional certificates, a new funding of the SURE Venture
10 Capital Fund may be implemented for subsequent venture capital
11 investments. If the board takes exception to an additional
12 funding, such additional funding may be implemented only
13 without the benefit of certificates from the board.

14 (9) The directorate shall issue an annual report
15 concerning the activities conducted by the SURE Venture
16 Capital Fund and present the report to the SURE Trust no later
17 than November 15 for inclusion in the board's report to the
18 the Governor, the President of the Senate, and the Speaker of
19 the House of Representatives. The annual report must include,
20 but need not be limited to, a copy of the independent audit of
21 the fund, the number of investments made or committed during
22 the fiscal year, the amount of debt or capital in or committed
23 to the fund for which certificates have been issued by the
24 board, and a general description of the companies receiving
25 investment by the fund and their associated industry.

26 288.9628 Institute for the Commercialization of Public
27 Research.--There is established the Institute for the
28 Commercialization of Public Research.

29 (1) It is the intent of the Legislature that the
30 Institute for the Commercialization of Public Research be
31 established in Florida. Enterprise Florida, Inc., shall issue

1 a request for proposals to public universities in south
2 Florida requesting proposals to fulfill the purposes of the
3 institute as described in this section and provide for its
4 physical location in a major metropolitan area of the state
5 having extensive commercial air service to facilitate access
6 by Venture Capital providers. Enterprise Florida, Inc., shall
7 review the proposals in a committee appointed by its board of
8 directors which shall make a recommendation for final
9 selection. Final approval of the selected proposal must be by
10 the board of directors of Enterprise Florida, Inc., at one of
11 its duly noticed meetings.

12 (2)(a) The purpose of the institute is to assist in
13 the commercialization of products developed by the research
14 and development activities of publicly supported universities
15 and colleges, research institutes, and other publicly
16 supported organizations within the state.

17 (b) To be eligible for assistance, the company or
18 organization attempting to commercialize its product must be
19 accepted by the institute before receiving the institute's
20 assistance. The institute shall receive recommendations from
21 any publicly supported organization that a company that is
22 commercializing the research, technology, or patents from a
23 qualifying publicly supported organization should be accepted
24 into the institute.

25 (c) The institute shall thereafter review the business
26 plans and technology information of each such recommended
27 company. If accepted, the institute shall mentor the company,
28 develop marketing information on the company, and use its
29 resources to attract capital investment into the company, as
30 well as bring other resources to the company which may foster
31

1 its effective management, growth, capitalization, technology
2 protection, marketing or business success.

3 (3) The institute shall:

4 (a) Maintain a centralized location to showcase
5 companies and their technologies and products;

6 (b) Develop an efficient process to inventory and
7 publicize companies and products that have been accepted by
8 the institute for commercialization;

9 (c) Routinely communicate with private investors and
10 venture capital organizations regarding the investment
11 opportunities in its showcased companies;

12 (d) Facilitate meetings between prospective investors
13 and eligible organizations in the institute;

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

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

19 (g) Develop cooperative relationships with publicly
20 supported organizations all of which work together to provide
21 resources or special knowledge that is likely to be helpful to
22 institute companies.

23 (4) The institute may not develop or accrue any
24 ownership, royalty, patent, or other such rights over or
25 interest in companies or products in the institute and shall
26 maintain the secrecy of proprietary information.

27 (5) The institute may not charge for services rendered
28 to state universities and affiliated organizations, community
29 colleges, or state agencies.

30 Section 2. The nonrecurring sum of \$700,000 is
31 appropriated from the General Revenue Fund to the SURE Venture

1 Capital Fund and the nonrecurring sum of \$300,000 is
2 appropriated to the SURE Trust for the purpose of initiating
3 activities necessary to implement its responsibilities under
4 this act for the 2007-2008 fiscal year.

5 Section 3. The nonrecurring sum of \$100,000 is
6 appropriated to Enterprise Florida and the nonrecurring sum of
7 \$900,000 is appropriated from the General Revenue Fund to the
8 Institute for the Commercialization of Public Research for the
9 purpose of initiating activities necessary to implement its
10 responsibilities under this act for the 2007-2008 fiscal year.

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

12
13 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
14 COMMITTEE SUBSTITUTE FOR
15 Senate Bill 2420

16 The CS changes the bill as filed in the following way:

- 17 - Raises from \$35 million to \$50 million the amount of tax
18 credits available to the SURE Trust, and raises from \$10
19 million to \$15 million the amount that may be transferred
20 and claimed by investors in a single state fiscal year;
- 21 - Clarifies the SURE Trust's powers to hold, transfer, and
22 liquidate state tax credits;
- 23 - Modifies location of the Institute at a public university
24 in south Florida by adding that the institute must be
25 located in a "major metropolitan area of the state with
26 extensive commercial air service to facilitate access by
27 Venture Capital providers"; and
- 28 - Deletes the provision that the SURE Venture Capital
29 Fund's board of directors may charge a management fee on
30 the assets it is holding.

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