

By the Committees on Governmental Operations; Commerce; and
Senator Ring

585-2292-07

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 per diem 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 that the institute is a not-for-profit
16 corporation; providing that the purpose of the
17 institute is to commercialize the products of
18 public research; providing for membership of
19 the board of directors; requiring the institute
20 to provide data to certain entities; providing
21 responsibilities of the institute; prohibiting
22 the institute from having any interest in any
23 product supported by the institute; providing
24 appropriations; providing an effective date.

25
26 Be It Enacted by the Legislature of the State of Florida:

27
28 Section 1. Sections 288.9621, 288.9622, 288.9623,
29 288.9624, 288.9625, 288.9626, and 288.9628, Florida Statutes,
30 are created to read:
31

1 288.9621 Short title.--Sections 288.9621-288.9628 may
2 be cited as the "SURE Venture Capital Act."

3 288.9622 Findings and intent.--

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

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

28 (3) It is the intent of the Legislature to mobilize
29 venture equity capital for investment in a manner that results
30 in a significant potential to create new businesses and jobs
31 in this state which are based on high-growth-potential

1 technologies, products, or services and which will further
2 diversify the economy of this state.

3 288.9623 Definitions.--As used in ss.

4 288.9621-288.9628:

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

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

10 (3) "Designated investor" means a person, other than
11 the board, who purchases an equity interest in the SURE
12 Venture Capital Fund, or who is a party to a certificate, or
13 who is a lender to the SURE Venture Capital Fund.

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

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

20 (6) "SURE Fund Board" or "directorship" means the board
21 of directors of the SURE Venture Capital Fund.

22 (7) "Tax credit" means a contingent tax credit issued
23 under ss. 288.9621-288.9628 or subsequent legislative action
24 which is available to offset tax liabilities imposed by the
25 state where the proceeds of the tax are payable to the General
26 Revenue Fund. A tax credit is not eligible to offset tax
27 liabilities imposed by a political subdivision within the
28 state.

29 288.9624 SURE Trust.--

30 (1) PUBLIC TRUST.--The SURE Trust is created as a
31 state beneficiary public trust to be administered by the

1 board. The exercise by the board of powers conferred by ss.
2 288.9621-288-9628 is deemed and held to be the performance of
3 an essential public purpose.

4 (2) PUBLIC RECORDS AND MEETINGS.--

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

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

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

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

30 (3) PURPOSE.--The trust shall be organized to receive,
31 hold, invest, administer, and disburse funds appropriated by

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

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

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

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

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

1 years, and one trustee for a term of 4 years in order to
2 achieve staggered terms among the trustees of the board. A
3 trustee is not eligible for reappointment to the board, except
4 that a trustee appointed to an initial term of 1 year or 2
5 years may be reappointed for an additional term of 4 years,
6 and a person appointed to fill a vacancy having 2 years or
7 less remaining on the term may be reappointed for an
8 additional term of 4 years. The Governor, the President of the
9 Senate, and the Speaker of the House of Representatives shall
10 make their initial appointments to the board by October 1,
11 2007.

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

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

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

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 travel and per diem expenses incurred in the performance of
10 his or her duties in accordance with s. 112.061.

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 and:

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

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

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

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

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

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

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

26 (h) Shall prepare an annual report as prescribed in
27 subsection (8).

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

31

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

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

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

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

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

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

29 (e) Independently audited financial statements,
30 including statements that show receipts and expenditures
31

1 during the preceding fiscal year for personnel,
2 administration, and operational costs of the trust.

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

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

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

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

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

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

8 288.9625 Issuance of tax credits.--

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

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

27 (3)(a) The board shall ensure that no more than \$15
28 million in tax credits is transferred, which may be claimed
29 and used to reduce taxes payable to the General Revenue Fund
30 for any single state fiscal year. The board shall clearly
31 indicate upon the face of the document transferring the tax

1 credit the principal amount of the tax credit and the state
2 fiscal year or years during which the credit may be claimed.

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

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

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

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

29 (7) An insurance company claiming a credit against
30 premium tax liability under this section is not required to
31 pay any additional retaliatory tax levied pursuant to s.

1 624.5091 as a result of claiming such credit. Because credits
2 under this section are available to an insurance company, s.
3 624.5091 does not limit such credit in any manner.

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

7 288.9626 SURE Venture Capital Fund.--

8 (1)(a) At the request of the board, Enterprise
9 Florida, Inc., shall facilitate the creation of the SURE
10 Venture Capital Fund, a private, not-for-profit corporation
11 organized and operated under chapter 617. Enterprise Florida,
12 Inc., shall be the corporation's sole shareholder or member.
13 The corporation is not a public corporation or instrumentality
14 of the state.

15 (b) The purpose of the SURE Venture Capital Fund is to
16 select an early stage venture capital investment advisor,
17 negotiate for investment capital or loan proceeds from
18 private, institutional, or banking sources having the benefit
19 of guarantees from the SURE Trust, and coinvest capital in
20 companies in this state which are accepted into or promoted by
21 the Institute for the Commercialization of Public Research.
22 The fund shall manage its business affairs and conduct
23 business consistent with its organizational documents and the
24 purposes set forth in this section. Notwithstanding the powers
25 granted under chapter 617, the corporation may not amend,
26 modify, or repeal a bylaw or article of incorporation without
27 the express written consent of Enterprise Florida, Inc.

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

1 shall select five initial members of a board of directors for
2 the fund.

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

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

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

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

1 debtors, and reinvest the investment returns in the fund in
2 order to provide additional venture capital investments
3 designed to result in a significant potential to create new
4 businesses and jobs in this state and further diversify the
5 economy of this state.

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

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

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

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

27 (b) The fund shall invest directly only in companies
28 in this state which are accepted into or promoted by the
29 Institute for the Commercialization of Public Research. The
30 fund shall invest only if additional private capital is
31 invested in an amount equal to or greater than the investment

1 of the fund, only if the fund's reasonable due diligence
2 determines that the company is viable and has prospects for
3 profitable operations, and only if the company has manifested
4 its intent to remain located in this state. Not more than 15
5 percent of the fund's accessible capital may be invested in
6 one company project.

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

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

28 288.9628 Institute for the Commercialization of Public
29 Research.--There is established the Institute for the
30 Commercialization of Public Research.
31

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

4 (2) The purpose of the institute is to assist in the
5 commercialization of products developed by the research and
6 development activities of publicly supported universities and
7 colleges, research institutes, and other publicly supported
8 organizations within the state. The institute shall operate to
9 fulfill its purpose and in the best interests of the state.

10 The institute:

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

14 (b) Is not an agency within the meaning of s.
15 20.03(11);

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

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

20 (e) Shall be governed by the code of ethics for public
21 officers and employees as set forth in part III of chapter
22 112; and

23 (f) Is not authorized to create corporate
24 subsidiaries.

25 (3) The articles of incorporation of the institute
26 must be approved in a written agreement with Enterprise
27 Florida, Inc. The agreement and the articles of incorporation
28 shall:

29 (a) Provide that the corporation shall provide equal
30 employment opportunities for all persons regardless of race,
31

1 color, religion, gender, national origin, age, handicap, or
2 marital status;

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

6 (c) Provide that all officers, directors, and
7 employees of the corporation shall be governed by the code of
8 ethics for public officers and employees as set forth in part
9 III of chapter 112;

10 (d) Provide that members of the board of directors of
11 the corporation are responsible for the prudent use of all
12 public and private funds and that they will ensure that the
13 use of funds is in accordance with all applicable laws,
14 bylaws, and contractual requirements; and

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

17 (4) The affairs of the corporation shall be managed by
18 a board of directors who shall serve without compensation.
19 Each director shall have only one vote. The chair of the board
20 of directors shall be selected by a majority vote of the
21 directors, a quorum being present. The board of directors
22 shall consist of the following five members:

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

25 (b) The president of the university where the
26 institute is located or the president's designee unless
27 multiple universities jointly sponsor the institute, in which
28 case the presidents of the sponsoring universities shall agree
29 upon a designee.

30 (c) Three directors appointed by the Governor to
31 3-year staggered terms, to which directors may be reappointed.

1 (5) The board shall provide a copy of the institute's
2 annual report to the Governor, the President of the Senate,
3 the Speaker of the House of Representatives, Enterprise
4 Florida, Inc., and the president of the university at which
5 the institute is located.

6 (6) Enterprise Florida, Inc., the president and the
7 board of trustees of the university where the institute is
8 located, the Auditor General, and the Office of Program Policy
9 Analysis and Government Accountability may require and receive
10 from the institute or its independent auditor any detail or
11 supplemental data relative to the operation of the
12 corporation.

13 (7) Enterprise Florida, Inc., shall issue a request
14 for proposals to public universities in Florida requesting
15 proposals to fulfill the purposes of the institute as
16 described in this section and provide for its physical
17 location in a major metropolitan area in the southern part of
18 the state having extensive commercial air service to
19 facilitate access by Venture Capital providers. Enterprise
20 Florida, Inc., shall review the proposals in a committee
21 appointed by its board of directors which shall make a
22 recommendation for final selection. Final approval of the
23 selected proposal must be by the board of directors of
24 Enterprise Florida, Inc., at one of its duly noticed meetings.

25 (a) To be eligible for assistance, the company or
26 organization attempting to commercialize its product must be
27 accepted by the institute before receiving the institute's
28 assistance.

29 (b) The institute shall receive recommendations from
30 any publicly supported organization that a company that is
31 commercializing the research, technology, or patents from a

1 qualifying publicly supported organization should be accepted
2 into the institute.

3 (c) The institute shall thereafter review the business
4 plans and technology information of each such recommended
5 company. If accepted, the institute shall mentor the company,
6 develop marketing information on the company, and use its
7 resources to attract capital investment into the company, as
8 well as bring other resources to the company which may foster
9 its effective management, growth, capitalization, technology
10 protection, marketing or business success.

11 (8) The institute shall:

12 (a) Maintain a centralized location to showcase
13 companies and their technologies and products;

14 (b) Develop an efficient process to inventory and
15 publicize companies and products that have been accepted by
16 the institute for commercialization;

17 (c) Routinely communicate with private investors and
18 venture capital organizations regarding the investment
19 opportunities in its showcased companies;

20 (d) Facilitate meetings between prospective investors
21 and eligible organizations in the institute;

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

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

27 (g) Develop cooperative relationships with publicly
28 supported organizations all of which work together to provide
29 resources or special knowledge that is likely to be helpful to
30 institute companies.

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

5 (10) The institute may not charge for services
6 rendered to state universities and affiliated organizations,
7 community colleges, or state agencies.

8 Section 2. The nonrecurring sum of \$700,000 is
9 appropriated from the General Revenue Fund to the SURE Venture
10 Capital Fund and the nonrecurring sum of \$300,000 is
11 appropriated to the SURE Trust for the purpose of initiating
12 activities necessary to implement its responsibilities under
13 this act for the 2007-2008 fiscal year.

14 Section 3. The nonrecurring sum of \$100,000 is
15 appropriated to Enterprise Florida and the nonrecurring sum of
16 \$900,000 is appropriated from the General Revenue Fund to the
17 Institute for the Commercialization of Public Research for the
18 purpose of initiating activities necessary to implement its
19 responsibilities under this act for the 2007-2008 fiscal year.

20 Section 4. 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 2420
4 Creates the SURE Venture Capital Fund as a not-for-profit
5 corporation under ch. 617, F.S.
6 Limits reimbursement for board members to travel and per diem
7 as provided in s. 112.061, F.S.
8 Requires written consent of Enterprise Florida, Inc., prior to
9 amending, modifying or repealing a bylaw or article of
10 incorporation.
11 Establishes the Institute for Commercialization of Public
12 Research as a not-for-profit corporation, provides for
13 appointment of board members, establishes requirements for
14 articles of incorporation.
15 Permits any public university in Florida to submit a proposal
16 for locating the institute but requires the physical location
17 of the institute to be in the southern part of the state in a
18 major metropolitan area with extensive commercial air service.
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