

1 A bill to be entitled
2 An act relating to the Florida Capital Formation Act;
3 amending s. 20.60, F.S.; deleting the requirement that
4 the Department of Economic Opportunity manage certain
5 activities related to the commercialization of
6 specified products, services, and ideas; specifying
7 that the Institute for Commercialization of Florida
8 Technology is not an appropriate direct-support
9 organization; amending s. 288.9621, F.S.; including s.
10 288.96255, F.S., in the Florida Capital Formation Act;
11 amending s. 288.9622, F.S.; revising legislative
12 intent; amending s. 288.9623, F.S.; defining terms;
13 amending s. 288.9625, F.S.; redesignating the
14 Institute for the Commercialization of Public Research
15 as the Institute for Commercialization of Florida
16 Technology; deleting provisions regarding the
17 institute's responsibilities; requiring that the
18 investment-related affairs of the institute be managed
19 by the private fund manager and overseen by the board
20 of directors; restructuring the board of directors and
21 the selection process for the board of directors;
22 specifying term limits of the board members under
23 certain circumstances; requiring the board of
24 directors to amend the bylaws of the institute under
25 certain circumstances; providing that a director is

26 | subject to restrictions on certain conflicts of
27 | interest; prohibiting a director from having a
28 | financial interest in certain investments; authorizing
29 | a director to be reimbursed for certain expenses;
30 | granting the institute certain powers; requiring the
31 | institute to indemnify certain persons; delegating
32 | certain duties to the board of directors; revising to
33 | whom the board must provide a copy of the annual
34 | report and who may require and receive supplemental
35 | data relative to the institute's operation; specifying
36 | that certain requirements be met before the private
37 | fund manager is authorized to make an investment in a
38 | company, on behalf of the institute; deleting
39 | provisions relating to certain duties of the
40 | institute; deleting provisions relating to certain
41 | fees charged by the institute and the prohibition on
42 | using capital in support of certain entities;
43 | specifying that the annual report is considered a
44 | public record subject to certain exemptions; revising
45 | the requirements of the institute's annual report;
46 | listing requirements and prohibitions for the private
47 | fund manager; stating the purpose of the institute's
48 | use of the private fund manager; requiring the private
49 | fund manager to assume the management of certain
50 | assets; authorizing the private fund manager to act on

51 | behalf of the institute for certain purposes;
52 | requiring that the private fund manager be paid
53 | certain fees; authorizing the private fund manager to
54 | undertake certain activities on behalf of the
55 | institute; requiring the private fund manager to issue
56 | an annual report to the board of directors by a
57 | specific date; specifying that the annual report is
58 | considered a public record subject to certain
59 | exemptions; requiring that the report contain certain
60 | information; amending s. 288.96255, F.S.; requiring
61 | that certain proceeds be returned to the Florida
62 | Technology Seed Capital Fund after the payment of
63 | certain costs and fees; requiring the institute to
64 | employ a private fund manager; requiring the private
65 | fund manager to perform specific duties; requiring
66 | that the private fund manager receive certain fees and
67 | costs at a specified time; requiring the private fund
68 | manager to use a certain process to evaluate a
69 | proposal; requiring the private fund manager to
70 | consider certain factors when approving a company for
71 | investment; deleting specific requirements for the
72 | investment of funds; authorizing the private fund
73 | manager, in addition to the institute, to perform
74 | certain tasks; amending s. 288.9627, F.S.; conforming
75 | provisions to changes made by this act; providing an

76 effective date.

77
78 Be It Enacted by the Legislature of the State of Florida:

79
80 Section 1. Paragraph (e) of subsection (4) and paragraph
81 (b) of subsection (9) of section 20.60, Florida Statutes, are
82 amended to read:

83 20.60 Department of Economic Opportunity; creation; powers
84 and duties.—

85 (4) The purpose of the department is to assist the
86 Governor in working with the Legislature, state agencies,
87 business leaders, and economic development professionals to
88 formulate and implement coherent and consistent policies and
89 strategies designed to promote economic opportunities for all
90 Floridians. To accomplish such purposes, the department shall:

91 (e) Manage the activities of public-private partnerships
92 and state agencies in order to avoid duplication and promote
93 coordinated and consistent implementation of programs in areas
94 including, but not limited to, tourism; international trade and
95 investment; business recruitment, creation, retention, and
96 expansion; minority and small business development; rural
97 community development; ~~commercialization of products, services,~~
98 ~~or ideas developed in public universities or other public~~
99 ~~institutions;~~ and the development and promotion of professional
100 and amateur sporting events.

101 (9) The executive director shall:
 102 (b) Serve as the manager for the state with respect to
 103 contracts with Enterprise Florida, Inc., ~~the Institute for the~~
 104 ~~Commercialization of Public Research~~, and all applicable direct-
 105 support organizations. To accomplish the provisions of this
 106 section and applicable provisions of chapter 288, and
 107 notwithstanding the provisions of part I of chapter 287, the
 108 director shall enter into specific contracts with Enterprise
 109 Florida, Inc., ~~the Institute for the Commercialization of Public~~
 110 ~~Research~~, and other appropriate direct-support organizations.
 111 Such contracts may be for multiyear terms and must ~~shall~~ include
 112 specific performance measures for each year. For purposes of
 113 this section, the Florida Tourism Industry Marketing Corporation
 114 and the Institute for Commercialization of Florida Technology
 115 are not ~~is not an~~ appropriate direct-support organizations
 116 ~~organization~~.

117 Section 2. Section 288.9621, Florida Statutes, is amended
 118 to read:

119 288.9621 Short title.—Sections 288.9621-288.9625 ~~Sections~~
 120 ~~288.9621-288.9625~~ may be cited as the "Florida Capital Formation
 121 Act."

122 Section 3. Section 288.9622, Florida Statutes, is amended
 123 to read:

124 288.9622 Findings and intent.—

125 (1) The Legislature finds and declares that there is a

126 need to increase the availability of seed capital and early
127 stage investment ~~venture equity~~ capital for emerging companies
128 in the state, including, without limitation, businesses
129 ~~enterprises~~ in life sciences, information technology, advanced
130 manufacturing processes, aviation and aerospace, and homeland
131 security and defense, as well as other industries of strategic
132 importance to this state ~~strategic technologies~~.

133 (2) It is the intent of the Legislature that ss. 288.9621-
134 288.96255 ~~ss. 288.9621-288.9625~~ serve to mobilize private
135 investment in a broad variety of ~~venture capital~~ partnerships in
136 diversified industries and geographies; retain private sector
137 investment criteria focused on rate of return; allow the use ~~the~~
138 ~~services~~ of highly qualified private managers experienced in the
139 seed and early stage development industry in this state; and
140 outline the use, qualifications, and activities of the private
141 management by a private fund manager of the assets of the Seed
142 Capital Accelerator Program and the Florida Technology Seed
143 Capital Fund investment portfolio of the Institute for
144 Commercialization of Florida Technology ~~venture capital industry~~
145 ~~regardless of location; facilitate the organization of the~~
146 ~~Florida Opportunity Fund as an investor in seed and early stage~~
147 ~~businesses, infrastructure projects, venture capital funds, and~~
148 ~~angel funds; and precipitate capital investment and extensions~~
149 ~~of credit to and in the Florida Opportunity Fund.~~

150 (3) It is the intent of the Legislature to mobilize

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151 investment ~~venture equity~~ capital ~~for investment~~ in such a
152 manner as to result in a significant potential to create new
153 businesses and jobs in this state which ~~that~~ are based on high
154 growth potential technologies, products, or services and which
155 ~~that~~ will further diversify the economy of this state.

156 (4) It is the intent of the Legislature to reduce the
157 ongoing operational cost and burden of managing the Florida
158 Technology Seed Capital Fund and the Seed Capital Accelerator
159 Program to this state by engaging a private asset management
160 entity in this state that is familiar with the seed and early
161 stage investment industry in this state. This entity would be
162 responsible for the management of the assets of the Seed Capital
163 Accelerator Program and the Florida Technology Seed Capital Fund
164 investment portfolio without requiring ongoing budget
165 expenditures by this state ~~that an institute be created to~~
166 ~~mentor, market, and attract capital to such commercialization~~
167 ~~ventures throughout the state.~~

168 Section 4. Section 288.9623, Florida Statutes, is amended
169 to read:

170 288.9623 Definitions.—As used in ss. 288.9621-288.96255,
171 the term ~~ss. 288.9621-288.9625:~~

172 (1) "Accelerator program" means the Seed Capital
173 Accelerator Program managed by the institute.

174 (2) ~~(1)~~ "Board" means the board of directors of the Florida
175 Opportunity Fund.

176 (3)-(2) "Fund" means the Florida Opportunity Fund.

177 (4) "Institute" means the Institute for Commercialization
 178 of Florida Technology.

179 (5) "Investment portfolio" means individual or collective
 180 investment assets held under the technology fund.

181 (6) "Net profits" means the total gross proceeds received
 182 from the sale or liquidation of an asset of the investment
 183 portfolio less any costs, legal fees, professional fees,
 184 consulting fees, government fees, brokerage fees, taxes,
 185 management fees pursuant to s. 288.9625(12)(b), disbursement to
 186 private investors pursuant to s. 288.96255(6), or other fees,
 187 costs, and expenses incurred in the sale or liquidation of any
 188 of the investment portfolio assets.

189 (7) "Portfolio companies" means the companies who are part
 190 of the Florida Technology Seed Capital Fund investment
 191 portfolio.

192 (8) "Private fund manager" means the private entity, or
 193 its designee, selected to manage the investment portfolio on
 194 behalf of the institute.

195 (9) "Technology fund" means the Florida Technology Seed
 196 Capital Fund managed by the institute.

197 Section 5. Section 288.9625, Florida Statutes, is amended
 198 to read:

199 288.9625 Institute for ~~the~~ Commercialization of Florida
 200 Technology ~~Public Research.~~—There is established at a public

201 ~~university or research center~~ in this state the Institute for
 202 ~~the Commercialization of Florida Technology Public Research.~~

203 (1) The institute shall be a nonprofit ~~not-for-profit~~
 204 corporation registered, incorporated, and operated in accordance
 205 with chapter 617.

206 (2) The purpose of the institute is to assist in the
 207 commercialization of products developed by the research and
 208 development activities of an innovation business, including, but
 209 not limited to, those as defined in s. 288.1089; ~~a publicly~~
 210 ~~supported college, university, or research institute; or any~~
 211 ~~other publicly supported organization in this state.~~ The
 212 institute shall fulfill its purpose in the best interests of the
 213 state. The institute:

214 (a) Is a corporation primarily acting as an
 215 instrumentality of the state pursuant to s. 768.28(2), for the
 216 purposes of sovereign immunity;

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

218 (c) Is subject to the open records and meetings
 219 requirements of s. 24, Art. I of the State Constitution, chapter
 220 119, and s. 286.011;

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

222 (e) Is ~~shall be~~ governed by the code of ethics for public
 223 officers and employees as set forth in part III of chapter 112;
 224 and

225 (f) May create corporate subsidiaries.†

226 ~~(g) Shall support existing commercialization efforts at~~
227 ~~state universities; and~~

228 ~~(h) May not supplant, replace, or direct existing~~
229 ~~technology transfer operations or other commercialization~~
230 ~~programs, including incubators and accelerators.~~

231 (3) The articles of incorporation of the institute must ~~be~~
232 ~~approved in a written agreement with the department. The~~
233 ~~agreement and the articles of incorporation shall:~~

234 (a) Provide that the institute shall provide equal
235 employment opportunities for all persons regardless of race,
236 color, religion, gender, national origin, age, handicap, or
237 marital status;

238 (b) Provide that the institute is subject to the public
239 records and meeting requirements of s. 24, Art. I of the State
240 Constitution;

241 (c) Provide that all officers, directors, and employees of
242 the institute are ~~shall be~~ governed by the code of ethics for
243 public officers and employees as set forth in part III of
244 chapter 112;

245 (d) Provide that members of the board of directors of the
246 institute are responsible for the prudent use of all public and
247 private funds and that they will ensure that the use of funds is
248 in accordance with all applicable laws, bylaws, and contractual
249 requirements; and

250 (e) Provide that the fiscal year of the institute is from

251 July 1 to June 30.

252 (4) The investment-related affairs of the institute shall
253 be managed by the private fund manager, and overseen by a board
254 of directors who shall serve without compensation. Each director
255 shall have only one vote. The chair of the board of directors
256 shall be selected by a majority vote of the directors, a quorum
257 being present. ~~The board of directors shall consist of the~~
258 ~~following five members:~~

259 ~~(a) The executive director of the department, or the~~
260 ~~director's designee.~~

261 ~~(b) The president of the university where the institute is~~
262 ~~located or the president's designee unless multiple universities~~
263 ~~jointly sponsor the institute, in which case the presidents of~~
264 ~~the sponsoring universities shall agree upon a designee.~~

265 (a)(e) The board of directors shall consist of three
266 directors appointed by the Governor to 3-year staggered terms,
267 to which the directors may be reappointed.

268 (b) If there is any change to the number of directors by
269 an amendment to the Florida Capital Formation Act:

270 1. The term and service for a director appointed by the
271 Governor must continue through the end of his or her current
272 term as of the effective date of the amendment;

273 2. The term and service for a director in excess of 3
274 years and not appointed by the Governor must cease and terminate
275 as of the effective date of the amendment; and

276 3. The bylaws of the institute shall be amended
277 accordingly by the board of directors.

278 (c) Upon vacancy, or within 90 days before an anticipated
279 vacancy by the expiration of a term of a director, the private
280 fund manager shall submit a list of three eligible nominees,
281 which may include the incumbent director, to replace the
282 outgoing director. The board of directors, voting along with the
283 private fund manager, may appoint a director from the nominee
284 list or may request and appoint a director from a new list of
285 three nominees that were not included on the previous list.

286 (d) The persons appointed as replacement directors must
287 include persons who have expertise in the area of the selection
288 and supervision of early stage investment managers or in the
289 fiduciary management of investment funds and other areas of
290 expertise as considered appropriate.

291 (e) Directors are subject to any restrictions on conflicts
292 of interest specified in the organizational documents and may
293 not have a financial interest in any venture capital investment
294 in any portfolio company.

295 (f) Directors may be reimbursed for all reasonable,
296 necessary, and actual expenses as determined and approved by the
297 private fund manager pursuant to s. 112.061.

298 (g) The institute shall have all powers granted under its
299 organizational documents and shall indemnify its directors and
300 the private fund manager to the broadest extent permissible

301 under the laws of this state.

302 (5) The board of directors shall oversee the private fund
303 manager to ensure consistency with the Florida Capital Formation
304 Act, to perform those duties as may be delegated to it in the
305 bylaws of the institute, and to provide a copy of the
306 institute's annual report to the Governor, the President of the
307 Senate, and the Speaker of the House of Representatives, ~~and the~~
308 ~~president of the university at which the institute is located.~~

309 (6) The ~~department, the president and the board of~~
310 ~~trustees of the university where the institute is located, the~~
311 Auditor General, ~~and~~ the Office of Program Policy Analysis and
312 Government Accountability may require and receive from the
313 institute or its independent auditor any detail or supplemental
314 data relative to the operation of the institute.

315 (7) To the extent funds for investment are available in
316 the technology fund, the private fund manager, on behalf of the
317 institute, may make an investment in a company or organization
318 if all of the following requirements are met:

319 (a) Before providing assistance, the institute accepted ~~To~~
320 ~~be eligible for assistance,~~ the company or organization
321 attempting to commercialize its product based on the guidelines
322 under s. 288.96255(4) ~~must be accepted by the institute before~~
323 ~~receiving the institute's assistance.~~

324 (b) The company or organization is based in this state
325 ~~institute shall receive recommendations from any publicly~~

326 ~~supported organization that a company that is commercializing~~
327 ~~the research, technology, or patents from a qualifying publicly~~
328 ~~supported organization should be accepted into the institute.~~

329 ~~(c) The institute shall thereafter review the business~~
330 ~~plans and technology information of each such recommended~~
331 ~~company. If accepted, the institute shall mentor the company,~~
332 ~~develop marketing information on the company, and use its~~
333 ~~resources to attract capital investment into the company, as~~
334 ~~well as bring other resources to the company which may foster~~
335 ~~its effective management, growth, capitalization, technology~~
336 ~~protection, or marketing or business success.~~

337 ~~(8) The institute shall:~~

338 ~~(a) Maintain a centralized location to showcase companies~~
339 ~~and their technologies and products;~~

340 ~~(b) Develop an efficient process to inventory and~~
341 ~~publicize companies and products that have been accepted by the~~
342 ~~institute for commercialization;~~

343 ~~(c) Routinely communicate with private investors and~~
344 ~~venture capital organizations regarding the investment~~
345 ~~opportunities in its showcased companies;~~

346 ~~(d) Facilitate meetings between prospective investors and~~
347 ~~eligible organizations in the institute;~~

348 ~~(e) Hire full-time staff who understand relevant~~
349 ~~technologies needed to market companies to the angel investors~~
350 ~~and venture capital investment community; and~~

351 ~~(f) Develop cooperative relationships with publicly~~
352 ~~supported organizations all of which work together to provide~~
353 ~~resources or special knowledge that is likely to be helpful to~~
354 ~~institute companies.~~

355 (8)(9) Except as provided under s. 288.96255, the
356 institute may not develop or accrue any ownership, royalty,
357 patent, or other such rights over or interest in companies or
358 products in the institute except in connection with financing
359 provided directly to client companies and shall maintain the
360 confidentiality of proprietary information.

361 ~~(10) The institute may not charge for services provided to~~
362 ~~state universities and affiliated organizations, community~~
363 ~~colleges, or state agencies; however, the institute may deliver~~
364 ~~and charge for services to private companies and affiliated~~
365 ~~organizations if providing a service does not interfere with the~~
366 ~~core mission of the institute. The institute may not use its~~
367 ~~capital in support of private companies or affiliated~~
368 ~~organizations whose products were not developed by research and~~
369 ~~development activities of a publicly supported college,~~
370 ~~university, or research institute, or any other organization.~~

371 (9)(11) By December 1 of each year, the institute shall
372 issue an annual report concerning its activities to the
373 Governor, the President of the Senate, and the Speaker of the
374 House of Representatives. The annual report shall be considered
375 a public record, as provided in paragraph (3) (b), subject to any

376 appropriate exemptions under s. 288.9627. The annual report must
377 ~~shall~~ include the following:

378 (a) Information on any assistance provided by the
379 institute to an innovation business, as defined in s. 288.1089,
380 ~~a publicly supported college, university, or research institute,~~
381 ~~or any other publicly supported organization in the state.~~

382 (b) A description of the benefits to this state resulting
383 from the institute, including the number of businesses created,
384 associated industries started, the number of jobs created, and
385 the growth of related projects.

386 (c) Independently audited financial statements, including
387 statements that show receipts and expenditures during the
388 preceding fiscal year for personnel, management fees,
389 administration, and operational costs of the institute.

390 (10) The private fund manager:

391 (a) Must be a for-profit limited liability company or a
392 for-profit corporation formed, governed, and operated in
393 accordance with chapter 605 or chapter 607, respectively.

394 (b) Shall conduct activities on behalf of the institute
395 which are consistent with the purposes set forth in this
396 section.

397 (c) Must have expertise and experience in the management
398 and operation of early stage companies in this state.

399 (d) Must have experience with investment in early stage
400 ventures in this state and have a working knowledge and

401 understanding of the investment portfolio and the relevant
402 industries of the portfolio companies in this state.

403 (e) Shall employ personnel and professionals who have
404 knowledge of the investment portfolio and portfolio companies of
405 the institute, as well as financial, technical, and business
406 expertise to manage the technology fund activity.

407 (f) May not be a public corporation or instrumentality of
408 the state.

409 (g) Is not a corporation primarily acting as an
410 instrumentality of the state pursuant to s. 768.28(2), for the
411 purposes of sovereign immunity.

412 (h) Is not an agency within the meaning of s. 20.03(11).

413 (i) Is not subject to chapter 287.

414 (j) May not be governed by the code of ethics for public
415 officers and employees as set forth in part III of chapter 112.

416 (11) The purpose of the institute's use of a private fund
417 manager is to alleviate the state's burden of the continued and
418 future operational and management costs related to the
419 technology fund and accelerator program, while allowing the
420 institute, through the activities of the private fund manager,
421 to continue to foster greater private-sector investment funding,
422 to encourage seed-stage investments in startup and early stage
423 companies, and to advise companies about how to restructure
424 existing management, operations, product development, or service
425 development to attract advantageous business opportunities.

426 (12) The private fund manager shall assume the management
427 of the assets of the accelerator program and the technology fund
428 investment portfolios associated with the institute.

429 (a) The private fund manager has the authority on behalf
430 of the institute to:

431 1. Negotiate investment, sale, and liquidation terms with
432 portfolio and nonportfolio companies;

433 2. Develop and execute contracts, or amendments thereto,
434 with portfolio and nonportfolio companies;

435 3. Seek new qualified companies for the investment of
436 funds from the technology fund;

437 4. Receive, on behalf of the institute, investment capital
438 from the sale or liquidation of any portion of the investment
439 portfolio, loan proceeds, or other investment returns, and remit
440 such capital, proceeds, and returns to the technology fund
441 pursuant to s. 288.96255, except as otherwise provided in this
442 section and s. 288.96255; and

443 5. Perform additional duties set forth in s. 288.96255.

444 (b) The private fund manager shall be paid reasonable fees
445 consistent with industry fund management practices and
446 consisting of:

447 1. An operational management fee, including the
448 reimbursement of expenses, paid from the proceeds of the
449 repayment of loans from the accelerator program or other
450 capital, proceeds, and returns available in the technology fund;

451 2. A portfolio fee paid from the proceeds of each sale or
452 liquidation of assets or portions of the assets of the
453 investment portfolio; and

454 3. A closing fee paid from the investment amount paid by
455 the technology fund to a company at the closing of each
456 investment.

457 (13) The private fund manager may undertake the following
458 activities on behalf of the institute:

459 (a) Mentor, assist with the development of marketing
460 information, and assist with attracting capital investment, as
461 well as bring other resources to the company which may foster
462 its effective management, growth, capitalization, technology
463 protection, or marketing or business success;

464 (b) Communicate with private investors and venture capital
465 organizations regarding investment opportunities in the
466 portfolio companies of the technology fund and accelerator
467 program;

468 (c) Facilitate meetings between prospective investors and
469 the companies; and

470 (d) Develop cooperative relationships with publicly
471 supported organizations that work together to provide resources
472 or special knowledge likely to be helpful to portfolio
473 companies.

474 (14) By November 1 of each year, the private fund manager
475 shall issue an annual report to the board of directors of the

476 institute concerning the activities the private fund manager
477 conducted which relate to existing accelerator program and
478 technology fund investments in order for the board to be in
479 compliance with its report obligations under subsection (9). The
480 annual report provided by the private fund manager shall be
481 considered a public record, as provided in paragraph (3)(b),
482 subject to any appropriate exemptions under s. 288.9627. The
483 annual report, at a minimum, must include:

484 (a) A description of the benefits to this state resulting
485 from the assets of the accelerator program and technology fund,
486 including the number of jobs created, the amount of capital the
487 companies raised, and other benefits relating to increased
488 research expenditures and company growth.

489 (b) Independently audited financial statements related to
490 the receipt and calculation of the net profits of the investment
491 portfolio.

492 Section 6. Subsection (1) and subsections (3) through (7)
493 of section 288.96255, Florida Statutes, are amended to read:

494 288.96255 Florida Technology Seed Capital Fund; creation;
495 duties.—

496 (1) The Institute for ~~the~~ Commercialization of Florida
497 Technology Public Research shall create the Florida Technology
498 Seed Capital Fund as a corporate subsidiary. The purpose of the
499 technology fund is to foster greater private-sector investment
500 funding, to encourage seed-stage investments in start-up

501 companies, and to advise companies about how to restructure
502 existing management, operation, or production to attract
503 advantageous business opportunities. The net profits of the
504 proceeds of each sale or liquidation of assets or portions of
505 the assets of the investment portfolio must ~~a sale of the equity~~
506 ~~held by the fund shall~~ be returned to the technology fund for
507 reinvestment after payment of the applicable costs, professional
508 fees, expenses, fees pursuant to s. 288.9625(12) (b), and
509 disbursement to private investors pursuant to paragraph (6) (e).

510 (3) The institute shall employ a private fund manager
511 pursuant to s. 288.9625 ~~professionals who have both technical~~
512 ~~and business expertise~~ to manage the investment portfolio and
513 technology fund activity. The private fund manager ~~institute~~
514 ~~shall establish an investor advisory board comprised of venture~~
515 ~~capital professionals and early stage investors from this and~~
516 ~~other states who~~ shall advise the institute and guide the ~~fund~~
517 management of the technology fund and make funding
518 recommendations, provided that capital for investment is
519 available in the technology fund. The private fund manager shall
520 receive reasonable fees consistent with industry practices for
521 performing due diligence and an investment closing fee paid out
522 of the technology fund at the closing of each investment in
523 addition to reasonable attorney fees, other fees prescribed in
524 s. 288.9625(12) (b), and other costs in connection with making an
525 investment. ~~Administrative costs paid out of the fund shall be~~

526 ~~determined by the investor advisory board.~~

527 (4) The private fund manager institute shall use a
528 thorough and detailed process that is modeled after investment
529 industry practices ~~the best practices of the investment industry~~
530 to evaluate a proposal. In order to approve a company for
531 investment, the private fund manager, on behalf of the
532 institute, must consider if:

533 (a) The company has a strong intellectual property
534 position, a capable management team, readily identifiable paths
535 to market or commercialization, significant job-growth
536 potential, the ability to provide other sources of capital to
537 leverage the state's investment, and the potential to attract
538 additional funding;

539 (b) The private fund manager has had an opportunity to
540 complete diligence to its satisfaction ~~company has been~~
541 ~~identified by a publicly funded research institution;~~

542 (c) The ~~start-up~~ company is a target industry business as
543 defined in s. 288.106(2); and

544 (d) ~~The company has been identified by~~ An approved
545 private-sector lead investor who has demonstrated due diligence
546 typical of start-up investments in evaluating the potential of
547 the company has identified the company.; ~~and~~

548 ~~(e) The advisory board and fund manager have reviewed the~~
549 ~~company's proposal and recommended it.~~

550 (5) ~~(a) Seed Funds~~ from the technology fund may be

551 invested if the institute approves a company and the initial
552 seed-stage investment. ~~The initial seed stage investment must be~~
553 ~~at least \$50,000, but no more than \$300,000. The initial seed-~~
554 ~~stage investment requires a one-to-one, private-sector match of~~
555 ~~investment.~~

556 ~~(b) Additional seed funds may be invested in a company if~~
557 ~~approved by the institute. The cumulative total of investment in~~
558 ~~a single company may not exceed \$500,000. Any additional~~
559 ~~investment amount requires a two-to-one, private-sector match of~~
560 ~~investment.~~

561 (6) The institute or private fund manager may:

562 (a) Provide a company with value-added support services in
563 the areas of business plan development and strategy, the
564 preparation of investor presentations, and other critical areas
565 identified by the private fund manager ~~institute~~ to increase its
566 chances for long-term viability and success;

567 (b) Encourage appropriate investment funds to become
568 preapproved to match investment funds;

569 (c) Market the attractiveness of the state as an early-
570 stage investment location; ~~and~~

571 (d) Collaborate with state economic-development
572 organizations, national associations of seed and angel funds,
573 and other innovation-based associations to create an enhanced
574 state entrepreneurial ecosystem; ~~and.~~

575 (e) (7) Transfer any portion of the assets of the

576 investment portfolio, on behalf of the institute, into a private
 577 fund or special purpose vehicle, receive additional private
 578 investment in the private fund or special purpose vehicle,
 579 manage the private fund or special purpose vehicle, and
 580 distribute to the technology fund and the private investors the
 581 respective pro rata portion of any net profits from the sale or
 582 liquidation of the assets of such private fund or special
 583 purpose vehicle ~~The institute shall annually evaluate the~~
 584 ~~activities and results of the funding, taking into consideration~~
 585 ~~that seed investment horizons span from 3 to 7 years.~~

586 Section 7. Section 288.9627, Florida Statutes, is amended
 587 to read:

588 288.9627 Exemptions from public records and public
 589 meetings requirements for the Institute for ~~the~~
 590 Commercialization of Florida Technology ~~Public Research~~.—

591 (1) DEFINITIONS.—As used in this section, the term:

592 (a) "Institute for ~~the~~ Commercialization of Florida
 593 Technology ~~Public Research~~" or "institute" means the institute
 594 established by s. 288.9625.

595 (b)1. "Proprietary confidential business information"
 596 means information that has been designated by the proprietor
 597 when provided to the institute as information that is owned or
 598 controlled by a proprietor; that is intended to be and is
 599 treated by the proprietor as private, the disclosure of which
 600 would harm the business operations of the proprietor and has not

601 | been intentionally disclosed by the proprietor unless pursuant
602 | to a private agreement that provides that the information will
603 | not be released to the public except as required by law or legal
604 | process, or pursuant to law or an order of a court or
605 | administrative body; and that concerns:

606 | a. Trade secrets as defined in s. 688.002.

607 | b. Financial statements and internal or external auditor
608 | reports of a proprietor corporation, partnership, or person
609 | requesting confidentiality under this statute, unless publicly
610 | released by the proprietor.

611 | c. Meeting materials related to financial, operating,
612 | investment, or marketing information of the proprietor
613 | corporation, partnership, or person.

614 | d. Information concerning private investors in the
615 | proprietor corporation, partnership, or person.

616 | 2. "Proprietary confidential business information" does
617 | not include:

618 | a. The identity and primary address of the proprietor's
619 | principals.

620 | b. The dollar amount and date of the financial commitment
621 | or contribution made by the institute.

622 | c. The dollar amount, on a fiscal-year-end basis, of cash
623 | repayments or other fungible distributions received by the
624 | institute from each proprietor.

625 | d. The dollar amount, if any, of the total management fees

626 | and costs paid on an annual fiscal-year-end basis by the
 627 | institute.

628 | (c) "Proprietor" means a corporation, partnership, or
 629 | person that has applied for or received assistance, financial or
 630 | otherwise, from the institute and that controls or owns the
 631 | proprietary confidential business information.

632 | (2) PUBLIC RECORDS EXEMPTION.—

633 | (a) The following records held by the institute are
 634 | confidential and exempt from s. 119.07(1) and s. 24(a), Art. I
 635 | of the State Constitution:

636 | 1. Materials that relate to methods of manufacture or
 637 | production, potential trade secrets, or patentable material
 638 | received, generated, ascertained, or discovered during the
 639 | course of research or through research projects conducted by
 640 | universities and other publicly supported organizations in this
 641 | state and that are provided to the institute by a proprietor.

642 | 2. Information that would identify an investor or
 643 | potential investor who desires to remain anonymous in projects
 644 | reviewed by the institute for assistance.

645 | 3. Any information received from a person from another
 646 | state or nation or the Federal Government which is otherwise
 647 | confidential or exempt pursuant to the laws of that state or
 648 | nation or pursuant to federal law.

649 | 4. Proprietary confidential business information for 7
 650 | years after the termination of the institute's financial

651 commitment to the company.

652 (b) At the time any record made confidential and exempt by
653 this subsection, or portion thereof, is legally available or
654 subject to public disclosure for any other reason, that record,
655 or portion thereof, shall no longer be confidential and exempt
656 and shall be made available for inspection and copying.

657 (3) PUBLIC MEETINGS EXEMPTION.—

658 (a) That portion of a meeting of the institute's board of
659 directors at which information is discussed which is
660 confidential and exempt under subsection (2) is exempt from s.
661 286.011 and s. 24(b), Art. I of the State Constitution.

662 (b) Any exempt portion of a meeting shall be recorded and
663 transcribed. The board of directors shall record the times of
664 commencement and termination of the meeting, all discussion and
665 proceedings, the names of all persons present at any time, and
666 the names of all persons speaking. An exempt portion of any
667 meeting may not be off the record.

668 (c) A transcript and minutes of exempt portions of
669 meetings are confidential and exempt from s. 119.07(1) and s.
670 24(a), Art. I of the State Constitution.

671 (4) REQUEST TO INSPECT OR COPY A RECORD.—

672 (a) Records made confidential and exempt by this section
673 may be released, upon written request, to a governmental entity
674 in the performance of its official duties and responsibilities.

675 (b) Notwithstanding the provisions of paragraph (2)(a), a

676 request to inspect or copy a public record that contains
677 proprietary confidential business information shall be granted
678 if the proprietor of the information fails, within a reasonable
679 period of time after the request is received by the institute,
680 to verify the following to the institute through a written
681 declaration in the manner provided by s. 92.525:

682 1. That the requested record contains proprietary
683 confidential business information and the specific location of
684 such information within the record;

685 2. If the proprietary confidential business information is
686 a trade secret, a verification that it is a trade secret as
687 defined in s. 688.002;

688 3. That the proprietary confidential business information
689 is intended to be and is treated by the proprietor as private,
690 is the subject of efforts of the proprietor to maintain its
691 privacy, and is not readily ascertainable or publicly available
692 from any other source; and

693 4. That the disclosure of the proprietary confidential
694 business information to the public would harm the business
695 operations of the proprietor.

696 (c)1. Any person may petition a court of competent
697 jurisdiction for an order for the public release of those
698 portions of any record made confidential and exempt by
699 subsection (2).

700 2. Any action under this subsection must be brought in

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701 Palm Beach County or Alachua County, and the petition or other
702 initial pleading shall be served on the institute and, if
703 determinable upon diligent inquiry, on the proprietor of the
704 information sought to be released.

705 3. In any order for the public release of a record under
706 this subsection, the court shall make a finding that:

707 a. The record or portion thereof is not a trade secret as
708 defined in s. 688.002;

709 b. A compelling public interest is served by the release
710 of the record or portions thereof which exceed the public
711 necessity for maintaining the confidentiality of such record;
712 and

713 c. The release of the record will not cause damage to or
714 adversely affect the interests of the proprietor of the released
715 information, other private persons or business entities, or the
716 institute.

717 (5) PENALTIES.—Any person who willfully and knowingly
718 violates this section commits a misdemeanor of the first degree,
719 punishable as provided in s. 775.082 or s. 775.083.

720 Section 8. This act shall take effect July 1, 2018.