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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/21/2018	.	
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Appropriations Subcommittee on Transportation, Tourism, and
Economic Development (Brandes) recommended the following:

Senate Amendment (with title amendment)

Delete lines 137 - 304

and insert:

investment criteria focused on rate of return; allow the
Institute for Commercialization of Florida Technology to use the
services of highly qualified private fund managers experienced
in the seed and early stage development industry in this state;
outline the use, qualifications, and activities of the private
management by a private fund manager of the assets of the Seed



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11 Capital Accelerator Program and the Florida Technology Seed
12 Capital Fund investment portfolio of the Institute for
13 Commercialization of Florida Technology ~~venture capital industry~~
14 ~~regardless of location~~; facilitate the organization of the
15 Florida Opportunity Fund as an investor in seed and early stage
16 businesses, infrastructure projects, venture capital funds, and
17 angel funds; and precipitate capital investment and extensions
18 of credit to and in the Florida Opportunity Fund.

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

25 (4) It is the intent of the Legislature to reduce the
26 ongoing operational cost and burden of managing the Florida
27 Technology Seed Capital Fund and the Seed Capital Accelerator
28 Program to this state by engaging a private asset management
29 entity in this state which is familiar with the seed and early
30 stage investment industry in this state. This entity would be
31 responsible for the management of the assets of the Seed Capital
32 Accelerator Program and the Florida Technology Seed Capital Fund
33 investment portfolio without requiring ongoing budget
34 expenditures by this state ~~that an institute be created to~~
35 ~~mentor, market, and attract capital to such commercialization~~
36 ~~ventures throughout the state.~~

37 Section 4. Section 288.9623, Florida Statutes, is amended
38 to read:

39 288.9623 Definitions.—As used in ss. 288.9621-288.9625,



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40 the term ~~ss. 288.9621-288.9625~~:

41 (1) "Accelerator program" means the Seed Capital
42 Accelerator Program managed by the institute.

43 (2)~~(1)~~ "Board" means the board of directors of the Florida
44 Opportunity Fund.

45 (3)~~(2)~~ "Fund" means the Florida Opportunity Fund.

46 (4) "Institute" means the Institute for Commercialization
47 of Florida Technology.

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

50 (6) "Net profits" means the total gross proceeds received
51 from the sale or liquidation of an asset of the investment
52 portfolio less any costs, legal fees, professional fees,
53 consulting fees, government fees, brokerage fees, taxes,
54 management fees pursuant to s. 288.9625(12)(b), disbursement to
55 private investors pursuant to s. 288.9625(6), or other fees,
56 costs, and expenses incurred in the sale or liquidation of any
57 of the investment portfolio assets.

58 (7) "Portfolio companies" means the companies who are part
59 of the Florida Technology Seed Capital Fund investment
60 portfolio.

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

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

66 Section 5. Section 288.9625, Florida Statutes, is amended
67 to read:

68 288.9625 Institute for ~~the~~ Commercialization of Florida



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69 ~~Technology Public Research. There is established at a public~~
70 ~~university or research center in this state the Institute for~~
71 ~~the Commercialization of Public Research.~~

72 (1) The institute is shall be a nonprofit not for profit
73 corporation registered, incorporated, and operated in accordance
74 with chapter 617. The institute is not subject to control,
75 supervision, or direction by the department in any manner,
76 including, but not limited to, personnel, purchasing,
77 transactions involving real or personal property, and budgetary
78 matters.

79 (2) The purpose of the institute is to assist in the
80 commercialization of products developed by the research and
81 development activities of an innovation business, including, but
82 not limited to, those as defined in s. 288.1089; a publicly
83 supported college, university, or research institute; or any
84 other publicly supported organization in this state. The
85 institute shall fulfill its purpose in the best interests of the
86 state. The institute:

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

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

91 (c) Is subject to the open records and meetings
92 requirements of s. 24, Art. I of the State Constitution, chapter
93 119, and s. 286.011;

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

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



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98 (f) May create corporate subsidiaries.†

99 ~~(g) Shall support existing commercialization efforts at~~
100 ~~state universities; and~~

101 ~~(h) May not supplant, replace, or direct existing~~
102 ~~technology transfer operations or other commercialization~~
103 ~~programs, including incubators and accelerators.~~

104 (3) The articles of incorporation of the institute must ~~be~~
105 ~~approved in a written agreement with the department. The~~
106 ~~agreement and the articles of incorporation shall:~~

107 (a) Provide that the institute shall provide equal
108 employment opportunities for all persons regardless of race,
109 color, religion, gender, national origin, age, handicap, or
110 marital status;

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

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

118 (d) Provide that members of the board of directors of the
119 institute are responsible for the prudent use of all public and
120 private funds and that they will ensure that the use of funds is
121 in accordance with all applicable laws, bylaws, and contractual
122 requirements; and

123 (e) Provide that the fiscal year of the institute is from
124 July 1 to June 30.

125 (4) The investment-related affairs of the institute shall
126 be managed by the private fund manager, and overseen by a board



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127 of directors who shall serve without compensation. Each director
128 shall have only one vote. The chair of the board of directors
129 shall be selected by a majority vote of the directors, a quorum
130 being present. ~~The board of directors shall consist of the~~
131 ~~following five members:~~

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

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

138 (a) ~~(e)~~ The board of directors shall consist of three
139 directors appointed pursuant to the procedures and requirements
140 of this section by the Governor to 3-year staggered terms, to
141 which the directors may be reappointed.

142 (b) For any director appointed before July 1, 2018, the
143 term of service for that director may continue through the end
144 of his or her current term. The vacancy created by the
145 expiration of such term must be filled pursuant to the
146 procedures and requirements of this section.

147 (c) The bylaws of the institute shall be amended
148 accordingly by the board of directors to reflect the
149 requirements of this section.

150 (d) Upon vacancy, or within 90 days before an anticipated
151 vacancy by the expiration of a term of a director, the private
152 fund manager shall submit a list of three eligible nominees,
153 which may include the incumbent director, to replace the
154 outgoing director. The board of directors, voting along with the
155 private fund manager, may appoint a director from the nominee



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156 list or may request and appoint a director from a new list of
157 three nominees that were not included on the previous list.

158 (e) The persons appointed as replacement directors must
159 include persons who have expertise in the area of the selection
160 and supervision of early stage investment managers or in the
161 fiduciary management of investment funds and other areas of
162 expertise as considered appropriate.

163 (f) Directors are subject to any restrictions on conflicts
164 of interest specified in the organizational documents and may
165 not have a financial interest in any venture capital investment
166 in any portfolio company.

167 (g) Directors may be reimbursed for all reasonable,
168 necessary, and actual expenses as determined and approved by the
169 private fund manager pursuant to s. 112.061.

170 (h) The institute shall have all powers granted under its
171 organizational documents and shall indemnify its directors and
172 the private fund manager to the broadest extent permissible
173 under the laws of this state.

174 (5) The board of directors shall oversee the private fund
175 manager to ensure consistency with the Florida Capital Formation
176 Act, perform those duties as may be delegated to it in the
177 bylaws of the institute, and provide a copy of the

178
179 ===== T I T L E A M E N D M E N T =====

180 And the title is amended as follows:

181 Delete line 16

182 and insert:

183 Technology; specifying that the institute is not
184 subject to control, supervision, or direction by the



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185

department; deleting provisions regarding the