

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 377

BY COMMERCE AND HUMAN RESOURCES COMMITTEE

AN ACT

1 RELATING TO THE IDAHO GLOBAL ENTREPRENEURIAL MISSION PROGRAM; AMENDING SEC-  
2 TION 67-4725, IDAHO CODE, TO REMOVE OBSOLETE LANGUAGE REGARDING FUNDS  
3 FROM THE INNOVATION LICENSE PLATE; AMENDING SECTION 67-4726, IDAHO  
4 CODE, TO REVISE THE PROVISION REGARDING THE GOVERNOR'S DESIGNATION OF  
5 THE COUNCIL CHAIRMAN AND TO MAKE A TECHNICAL CORRECTION; AMENDING SEC-  
6 TION 67-4729, IDAHO CODE, TO CLARIFY THAT IDAHO-BASED INDUSTRY PARTNERS  
7 MAY RECEIVE WEIGHTED CONSIDERATION FOR GRANTS AND TO MAKE TECHNICAL  
8 CORRECTIONS; AMENDING SECTION 67-4730, IDAHO CODE, TO MAKE A TECHNICAL  
9 CORRECTION; AND AMENDING SECTION 67-4731, IDAHO CODE, TO CLARIFY COM-  
10 Mercialization Revenue Distribution and to make technical corrections.  
11

12 Be It Enacted by the Legislature of the State of Idaho:

13 SECTION 1. That Section 67-4725, Idaho Code, be, and the same is hereby  
14 amended to read as follows:

15 67-4725. IDAHO GLOBAL ENTREPRENEURIAL MISSION GRANT FUND. There is  
16 hereby created in the state treasury the Idaho global entrepreneurial mis-  
17 sion grant fund hereafter known as the IGEM grant fund. Moneys in the fund  
18 shall consist of funds received pursuant to ~~section 49-416C, Idaho Code,~~  
19 from state appropriated general funds, commercialization revenues from  
20 state IGEM projects, grants, federal moneys, donations or funds from any  
21 other source. Moneys in the fund may be expended pursuant to appropriation.  
22 The fund balance in the fund may be appropriated annually to the department  
23 of commerce for the purpose of supporting the IGEM grants. The treasurer  
24 shall invest all idle moneys in the fund. Any interest earned on the invest-  
25 ment of idle moneys shall be returned to the fund.

26 SECTION 2. That Section 67-4726, Idaho Code, be, and the same is hereby  
27 amended to read as follows:

28 67-4726. IDAHO GLOBAL ENTREPRENEURIAL MISSION COUNCIL -- APPOINTMENT  
29 OF MEMBERS -- QUALIFICATIONS. (1) The state of Idaho recognizes that the  
30 health and expansion of Idaho's future economy will depend upon taking full  
31 advantage of research and technology, and that Idaho has impressive re-  
32 sources for innovation-based growth, internationally recognized university  
33 research programs, globally competitive innovation companies and the Idaho  
34 national laboratory.

35 The IGEM council is hereby created to advise the department of com-  
36 merce, the state board of education, state colleges and universities, and  
37 other state, local, federal and private sector agencies and organizations  
38 on innovation interests and potentials; to support the development and  
39 publishing of information on the condition and importance of innovation to  
40 the state's economy; to assist with the development and implementation of a

1 state strategic plan for innovation; and to assist with the coordination of  
 2 local, state and federal interests to increase the positive economic impact  
 3 of the state's innovation resources.

4 (2) The council shall be appointed by and serve at the pleasure of the  
 5 governor. Membership of the council shall include individuals knowledge-  
 6 able and experienced in innovation issues. The council shall include: four  
 7 (4) representatives from the private sector who have expertise in the trans-  
 8 fer and commercialization of technology, the director of the department of  
 9 commerce, one (1) member of the state board of education, one (1) represen-  
 10 tative from the Idaho national laboratory or the center for advanced energy  
 11 studies, and one (1) representative each from Boise state university, Idaho  
 12 state university, and the university of Idaho. The president pro tempore  
 13 of the senate and the speaker of the house of representatives, or their de-  
 14 signees, shall serve as members of the council. The governor shall designate  
 15 a chairman from the council's private-sector membership (unless otherwise  
 16 specified at the governor's discretion) and the council shall designate such  
 17 other officers from its membership as it deems necessary. The chairman, the  
 18 director of the department of commerce and the state board of education mem-  
 19 ber of the council shall serve as the executive committee of the council. The  
 20 council shall be staffed and supported by the department of commerce. Mem-  
 21 bers of the council who are not state employees shall be compensated for ac-  
 22 tual and necessary expenses as provided by section 59-509 (b), Idaho Code.

23 SECTION 3. That Section 67-4729, Idaho Code, be, and the same is hereby  
 24 amended to read as follows:

25 67-4729. DEPARTMENT OF COMMERCE AND IGEM COUNCIL RULES AND RESPONSI-  
 26 BILITIES. (1) The department of commerce in conjunction with the IGEM coun-  
 27 cil shall:

28 (a) Ensure that IGEM funds appropriated to the department of commerce  
 29 and received for research and development at the universities and for  
 30 the technology outreach program are used appropriately, effectively  
 31 and efficiently in accordance with the intent of the legislature;

32 (b) In conjunction with the IGEM research institutions and the pri-  
 33 vate sector, evaluate best practices utilized by successful technology  
 34 transfer programs and make recommendations to the IGEM research insti-  
 35 tutions for transaction and legal structures that incorporate those  
 36 best practices;

37 (c) Enhance technology transfer and commercialization of research and  
 38 technologies developed at the universities to create high-quality jobs  
 39 and new industries in the private sector in Idaho;

40 (d) In conjunction with the university research departments and the  
 41 private sector, develop a standardized process for the transfer of in-  
 42 tellectual property from all IGEM-funded research projects and for the  
 43 IGEM grant awards;

44 (e) Establish economic development objectives for each IGEM state-  
 45 funded project;

46 (f) Establish rules for the IGEM grant program, including weighted con-  
 47 sideration for Idaho-based entities industry partners and a matching  
 48 requirement, monetary or otherwise, for recipients of the awards;

1 (g) Verify that the IGEM project is being enhanced by research grants  
2 and that it is meeting the economic development objectives of the de-  
3 partment of commerce and the IGEM council;

4 (h) Monitor all research plans that are part of the project at the re-  
5 search universities to determine that appropriations are being spent in  
6 accordance with legislative intent and to measure the benefit and re-  
7 turn to the state;

8 (i) Develop methods and incentives to encourage investment in and con-  
9 tributions to the IGEM project from the private sector; and

10 (j) Annually report and make recommendations to:

11 (i) The governor;

12 (ii) The joint finance-appropriations committee;

13 (iii) The house and senate commerce and human resource commit-  
14 tees; and

15 (iv) The office of the state board of education.

16 (2) The department of commerce and the Idaho global entrepreneurial  
17 mission council may:

18 (a) In addition to moneys received by it from the legislature, receive  
19 contributions from any source in the form of money, property, labor or  
20 other things of value for the project;

21 (b) Subject to any restrictions imposed by the donation, appropria-  
22 tions or bond authorizations, allocate moneys received by it among the  
23 universities, the technology outreach program and technology transfer  
24 offices to support commercialization and technology transfer to the  
25 private sector; or

26 (c) Enter into agreements necessary to obtain private equity invest-  
27 ment in the project.

28 SECTION 4. That Section 67-4730, Idaho Code, be, and the same is hereby  
29 amended to read as follows:

30 67-4730. IDAHO GLOBAL ENTREPRENEURIAL MISSION (IGEM) RESEARCH. As  
31 funding becomes available from the legislature or other sources, and subject  
32 to any restrictions or directions established by the legislature, the state  
33 board of education and/or the department of commerce may allocate moneys to  
34 Boise state university, the university of Idaho, and Idaho state university  
35 to provide funding for research teams or individual university research fac-  
36 ulty to conduct IGEM-project designated research.

37 SECTION 5. That Section 67-4731, Idaho Code, be, and the same is hereby  
38 amended to read as follows:

39 67-4731. COMMERCIALIZATION REVENUE DISTRIBUTION. ~~For~~ all  
40 Commercialization revenue shall be limited to revenue generated through  
41 the commercialization of university intellectual property rights in a work  
42 authored or an invention conceived or first reduced to practice in the  
43 performance of an IGEM grant award. For commercialization revenue generated  
44 through the IGEM university research initiative and by IGEM-funded research  
45 faculty, the following is the priority of revenue distribution:

1           (a~~1~~) The revenue shall first reimburse ~~the~~ direct project costs associ-  
2 ated with commercialization expenses generated by any of the three (3) uni-  
3 versities.

4           (b~~2~~) ~~The u~~University research faculty, ~~or~~ IGEM university research  
5 teams shall be provided the ~~prenegotiated~~ portion of the commercialization  
6 revenue. ~~The prenegotiated~~ portion shall be determined by the universi-  
7 ties collectively for those faculty involved in IGEM-funded research and  
8 individually by the employing university in all other situations ~~staff or~~  
9 students engaged in the performance of an IGEM grant award shall receive a  
10 portion of the commercialization revenue, consistent with the university  
11 intellectual property policies applicable to such faculty, staff or stu-  
12 dent.

13           (e~~3~~) Remaining funds shall be distributed according to the following  
14 priorities:

15           (i~~a~~) ~~Up to t~~Twenty-five percent (25%) of the total remaining revenues  
16 shall reimburse the general fund ~~for the current year expenses that were~~  
17 ~~paid to support the IGEM research faculty teams or the IGEM research~~  
18 ~~faculty that develop the commercialized product~~ until IGEM grant funds  
19 paid for the IGEM project are reimbursed.

20           (i~~ib~~) ~~Up to f~~Five percent (5%) of the remaining revenues ~~may~~ shall be  
21 deposited into the IGEM grant funds ~~as defined in section 67-4725, Idaho~~  
22 Code, to support future IGEM grants. ~~The amount shall be agreed to by~~  
23 ~~the university/universities and the council prior to distribution.~~

24           (i~~ic~~) The remaining funds shall be distributed to Boise state univer-  
25 sity, the university of Idaho, ~~and~~ Idaho state university, with the mon-  
26 eys distributed based on the participation of the universities in the  
27 research project that generated the commercialization revenue.