

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 546

BY COMMERCE AND HUMAN RESOURCES COMMITTEE

AN ACT

1 RELATING TO THE GLOBAL ENTREPRENEURIAL MISSION GRANT FUND; AMENDING SECTION
2 67-4725, IDAHO CODE, TO CREATE THE GLOBAL ENTREPRENEURIAL MISSION GRANT
3 FUND, TO PROVIDE MONEYS FOR THE FUND AND TO PROVIDE FOR A TRANSFER OF
4 MONEYS FROM THE FUND; AMENDING SECTION 67-4726, IDAHO CODE, TO CREATE
5 THE IDAHO GLOBAL ENTREPRENEURIAL MISSION COUNCIL AND TO PROVIDE MEMBER-
6 SHIP OF THE COUNCIL; AMENDING CHAPTER 47, TITLE 67, IDAHO CODE, BY THE
7 ADDITION OF A NEW SECTION 67-4729, IDAHO CODE, TO PROVIDE FOR DEPARTMENT
8 OF COMMERCE AND IDAHO GLOBAL ENTREPRENEURIAL MISSION COUNCIL RULES AND
9 RESPONSIBILITIES; AMENDING CHAPTER 47, TITLE 67, IDAHO CODE, BY THE AD-
10 DITION OF A NEW SECTION 67-4730, IDAHO CODE, TO PROVIDE THE IDAHO GLOBAL
11 ENTREPRENEURIAL MISSION RESEARCH; AND AMENDING CHAPTER 47, TITLE 67,
12 IDAHO CODE, BY THE ADDITION OF A NEW SECTION 67-4731, IDAHO CODE, TO PRO-
13 VIDE FOR COMMERCIALIZATION REVENUE DISTRIBUTION.
14

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

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

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

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

32 67-4726. IDAHO ~~INNOVATION~~ GLOBAL ENTREPRENEURIAL MISSION COUNCIL --
33 APPOINTMENT OF MEMBERS -- QUALIFICATIONS. (1) The state of Idaho recognizes
34 that the health and expansion of Idaho's future economy will depend upon tak-
35 ing full advantage of research and technology, and that Idaho has impressive
36 resources for innovation-based growth, internationally recognized univer-
37 sity research programs, globally competitive innovation companies and the
38 Idaho national laboratory.

39 The ~~Idaho innovation~~ IGEM council is hereby created to advise the de-
40 partment of commerce, the state board of education, state colleges and uni-

1 versities, and other state, local, federal and private sector agencies and
 2 organizations on innovation interests and potentials; to support the devel-
 3 opment and publishing of information on the condition and importance of in-
 4 novation to the state's economy; to assist with the development and imple-
 5 mentation of a state strategic plan for innovation; and to assist with the
 6 coordination of local, state and federal interests to increase the positive
 7 economic impact of the state's innovation resources.

8 (2) The council shall be appointed by and serve at the pleasure of the
 9 governor. Membership of the council shall include individuals knowledge-
 10 able and experienced in innovation issues. ~~The council shall include rep-~~
 11 ~~resentatives from the private sector who have expertise in the transfer and~~
 12 ~~commercialization of technology, and representatives from the department of~~
 13 ~~commerce, the office of the state board of education, and the office of the~~
 14 ~~governor. The governor shall designate a chairman from the council's pri-~~
 15 ~~ivate-sector membership and the council shall designate such other officers~~
 16 ~~from its membership as it deems necessary. The chairman and council members~~
 17 ~~from the department of commerce, the state board of education, and the office~~
 18 ~~of the governor shall serve as the executive committee of the council. The~~
 19 ~~council shall be staffed and supported by the department of commerce, com-~~
 20 ~~mmercial innovation division. The council shall include: four (4) represen-~~
 21 ~~tatives from the private sector who have expertise in the transfer and com-~~
 22 ~~mmercialization of technology, the director of the department of commerce,~~
 23 ~~one (1) member of the state board of education, one (1) representative from~~
 24 ~~the Idaho national laboratory or the center for advanced energy studies, and~~
 25 ~~one (1) representative each from Boise state university, Idaho state univer-~~
 26 ~~sity and the university of Idaho. The president pro tempore of the senate and~~
 27 ~~the speaker of the house of representatives, or their designees, shall serve~~
 28 ~~as members of the council. The governor shall designate a chairman from the~~
 29 ~~council's private-sector membership and the council shall designate such~~
 30 ~~other officers from its membership as it deems necessary. The chairman,~~
 31 ~~the director of the department of commerce and the state board of education~~
 32 ~~member of the council shall serve as the executive committee of the council.~~
 33 ~~The council shall be staffed and supported by the department of commerce.~~
 34 Members of the council who are not state employees shall be compensated for
 35 actual and necessary expenses as provided by section 59-509 (b), Idaho Code.

36 SECTION 3. That Chapter 47, Title 67, Idaho Code, be, and the same is
 37 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
 38 ignated as Section 67-4729, Idaho Code, and to read as follows:

39 67-4729. DEPARTMENT OF COMMERCE AND IGEM COUNCIL RULES AND RESPONSI-
 40 BILITIES. (1) The department of commerce in conjunction with the IGEM coun-
 41 cil shall:

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

46 (b) In conjunction with the IGEM research institutions and the pri-
 47 vate sector, evaluate best practices utilized by successful technology
 48 transfer programs and make recommendations to the IGEM research insti-

1 tutions for transaction and legal structures that incorporate those
2 best practices;

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

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

10 (e) Establish economic development objectives for each IGEM state
11 funded project;

12 (f) Establish rules for the IGEM grant program including weighted con-
13 sideration for Idaho based entities and a matching requirement, mone-
14 tary or otherwise, for recipients of the awards;

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

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

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

24 (j) Annually report and make recommendations to:

25 (i) The governor;

26 (ii) The joint finance-appropriations committee;

27 (iii) The house and senate commerce and human resource commit-
28 tees; and

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

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

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

35 (b) Subject to any restrictions imposed by the donation, appropri-
36 ations or bond authorizations, allocate moneys received by it among
37 the universities, technology outreach program and technology transfer
38 offices to support commercialization and technology transfer to the
39 private sector; or

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

42 SECTION 4. That Chapter 47, Title 67, Idaho Code, be, and the same is
43 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
44 ignated as Section 67-4730, Idaho Code, and to read as follows:

45 67-4730. IDAHO GLOBAL ENTREPRENEURIAL MISSION (IGEM) RESEARCH. As
46 funding becomes available from the legislature or other sources, and subject
47 to any restrictions or directions established by the legislature, the state
48 board of education and/or the department of commerce may allocate moneys to
49 Boise state university, the university of Idaho and Idaho state university

1 to provide funding for research teams or individual university research fac-
2 ulty to conduct IGEM-project designated research.

3 SECTION 5. That Chapter 47, Title 67, Idaho Code, be, and the same is
4 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
5 ignated as Section 67-4731, Idaho Code, and to read as follows:

6 67-4731. COMMERCIALIZATION REVENUE DISTRIBUTION. For all revenue
7 generated through the IGEM university research initiative and by IGEM funded
8 research faculty the following is the priority of revenue distribution:

9 (a) The revenue shall first reimburse the costs associated with commer-
10 cialization expenses generated by any of the three (3) universities.

11 (b) The university research faculty or IGEM university research teams
12 shall be provided the prenegotiated portion of the commercialization
13 revenue. The prenegotiated portion shall be determined by the univer-
14 sities collectively for those faculty involved in IGEM-funded research
15 and individually by the employing university in all other situations.

16 (c) Remaining funds shall be distributed according to the following
17 priorities:

18 (i) Up to twenty-five percent (25%) of the total remaining rev-
19 enues shall reimburse the general fund for the current year ex-
20 penses that were paid to support the IGEM research faculty teams
21 or the IGEM research faculty that develop the commercialized prod-
22 uct.

23 (ii) Up to five percent (5%) of the remaining revenues may be
24 deposited into the IGEM grant funds to support IGEM grants. The
25 amount shall be agreed to by the university/universities and the
26 council prior to distribution.

27 (iii) The remaining funds shall be distributed to Boise state uni-
28 versity, the university of Idaho and Idaho state university, with
29 the moneys distributed based on the participation of the universi-
30 ties in the research project that generated the commercialization
31 revenue.