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HOUSE FILE 686
BY COMMITTEE ON ECONOMIC
DEVELOPMENT

Place On Calendar

(SUCCESSOR TO HSB 259)

Passed House, Date 3-31-89 (p. 1161) Passed Senate, Date _____
Vote: Ayes 94 Nays 0 Vote: Ayes _____ Nays _____
Approved May 29, 1989

A BILL FOR

3713-1 An Act establishing a science and technology foundation.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

HOUSE FILE 686

H-3723

1 Amend House File 686 as follows:
3750-2 1. Page 1, by inserting before line 25 the
3 following:
4 "7. A study of the need for a seed capital fund
5 which shall be administered by the board to provide
6 seed capital for the commercialization of products, or
7 the development of processes or materials through
8 research at Iowa colleges and universities or by
9 private industry. The study shall include
10 recommendations."

By METCALF of Polk
JESSE of Jasper

H-3723 FILED MARCH 30, 1989

Adopted 3-31-89 (p. 1161)

HF 686

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1 Section 1. Section 15.108, subsection 1, paragraph d, Code
2 1989, is amended by striking the paragraph.

3713 --3 Sec. 2. NEW SECTION. 28.151 LEGISLATIVE FINDINGS.

4 The general assembly finds and declares that the public
5 good requires that Iowa successfully participate and compete
3713 -6 in the emerging world economy, which will require:

7 1. Continued development of Iowa's capacity for scientific
8 and technological innovation.

9 2. A cooperative, coordinated program of forecasting,
10 assessment, development, and commercial transfer involving
11 Iowa's capacity for scientific and technological innovation.

12 3. Formulation of a long-range strategic plan to guide
3713 -13 state investment in research, development, and commercial
14 transfer of selected scientific and technological innovation.

15 4. A mechanism to organize funding from a variety of
16 sources to support the development and commercial transfer of
17 scientific and technological innovation.

3713 -18 5. An outreach program to actively seek out and match the
19 needs of individual Iowa businesses to improve products and
20 processes with Iowa's scientific and technological
21 innovations.

3713 -22 6. A program to identify any barriers which may hinder the
23 development and exploitation of technology in the global
24 economy.

3713 -25 Sec. 3. NEW SECTION. 28.152 IOWA SCIENCE AND TECHNOLOGY
26 FOUNDATION ESTABLISHED.

27 1. An Iowa science and technology foundation is
28 established to formulate and implement plans and programs for
29 the development of advanced sciences and technologies and to
30 facilitate their commercial application within the state,
31 including determining the needs of individual Iowa businesses
32 for scientific and technological innovations to improve
33 products and processes, and encouraging the transfer of the
34 technology from the laboratory to the factory.

3713 -35 2. The foundation consists of a board of directors, an

1 executive director, and staff.

2 Sec. 4. NEW SECTION. 28.153 AUTHORIZED CORPORATION.

3 The Iowa science and technology foundation shall be incor-
4 porated under chapter 504A. The foundation shall not be re-
5 garded as a state agency, except for purposes of chapter 17A.
6 A member of the board of directors is not considered a state
7 employee, except for purposes of chapter 25A. The executive
8 director is a state employee except for purposes of the merit
9 system provisions of chapter 19A and chapter 20. A natural
10 person employed by the executive director is a state employee.

11 Sec. 5. NEW SECTION. 28.154 BOARD OF DIRECTORS.

12 1. The board of directors is established consisting of the
13 following standing members and governor-appointed members:

14 a. The following standing members:

3713-15 (1) One board member to represent each of the state uni-
16 versity consortia.

3713-17 (2) The director of the department of economic develop-
18 ment.

19 (3) The chairperson of the Iowa product development
20 corporation.

3713-21 (4) Five board members from private industry with an
22 emphasis on persons involved directly in research and de-
23 velopment in private industry. Three of the five members
24 shall be appointed by the legislative council and two shall be
25 appointed by the governor from a list of names provided by the
26 Iowa business council and other associations involved in
27 manufacturing.

28 (5) One board member elected by the science and technology
3713-29 research council.

30 b. The following ex officio, nonvoting members:

3713-31 (1) Four board members are appointed by the following
32 persons: the speaker of the house of representatives, the
33 minority leader of the house of representatives, the majority
34 leader of the senate, and the minority leader of the senate.

35 (2) One board member appointed by the governor.

3713-1 (3) One board member appointed by any state foreign trade
2 foundation in existence.

3 2. The board of directors shall be bipartisan and gender
4 balanced in accordance with sections 69.16 and 69.16A.

3713-5 3. The terms of the appointed members shall be for six
6 years and shall be staggered as determined by the standing
7 members. Any vacancy shall be filled by the appointing
8 authority. Members are eligible for actual expense reim-
9 bursement while fulfilling duties of the foundation. The
10 board shall elect a chairperson from among its members.

11 Sec. 6. NEW SECTION. 28.155 GENERAL POWERS AND DUTIES.

12 The board of directors shall have all the general powers
13 needed to carry out its mission and duties including but not
14 limited to the following:

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15 1. To sue and be sued in its own name.

16 2. To adopt a corporate seal.

17 3. To adopt bylaws for its management consistent with the
18 provisions of this division.

19 4. To make and execute agreements, contracts and other
20 instruments, with any public or private entity, including but
21 not limited to a state, federal, or other governmental agency.

22 5. To accept contributions, including but not limited to
23 appropriations, gifts, grants, loans, services, or other aid
24 or assistance from public or private entities. A record of
25 all contributions, stating the type, amount, and donor, shall
26 be clearly set forth in the board's annual report along with a
27 record of other receipts.

28 6. To establish policy in the general administration of
29 the affairs of the foundation.

30 7. To employ an executive director and authorize the
31 hiring of other employees as it deems necessary.

32 8. To seek to achieve through the powers of the board the
33 findings of section 28.151.

34 9. To collaborate with the consortia as established in
35 chapter 262B.

1 10. To provide as necessary, staff services for the
2 advisory council.

3713 3 11. To establish committees as necessary.

4 12. Submit an annual report to the governor, the secretary
5 of the senate, and the chief clerk of the house of
6 representatives, not later than November 1 of each year.

3713 7 Sec. 7. NEW SECTION. 28.156 EXECUTIVE DIRECTOR --
8 DUTIES.

9 Under the general direction of the board of directors, the
10 executive director shall have the following duties:

11 1. Manage and operate the foundation, including employing
12 and directing foundation staff.

3713-13 2. Establish advisory committees of business or academic
14 specialists as directed by the board.

15 3. Advise the board on matters relating to the mission of
16 the foundation, or finances and actions of the board.

17 4. Make an annual report to the board for its approval of
18 the foundation's activities and fiscal condition, including:

19 a. Matters relating to operations and accomplishments.

20 b. A summary of receipts and expenditures, in accordance
21 with the classifications the board establishes for its
22 operating accounts.

23 c. A summary of assets and liabilities and the status of
24 special accounts.

25 d. A statement of proposed and projected activities.

26 e. Recommendations to the general assembly.

27 f. An identification of performance goals of the
28 foundation and the extent of progress during the reporting
29 period in attaining the goals.

30 g. A written report by the auditor of state pursuant to
31 chapter 11.

3713-32 5. Monitor the activities of the research consortia
33 located at Iowa state university of science and technology,
34 the university of Iowa, and the university of northern Iowa.

35 6. Collect pertinent information on research funding

1 requests by Iowa state university of science and technology,
2 the university of Iowa, and the university of northern Iowa
3 for the purpose of evaluation and encouragement of research
4 transfer among the universities where appropriate.

5 Sec. 8. NEW SECTION. 28.157 STRATEGIC PLAN FOR SCIENCE
6 AND TECHNOLOGY DEVELOPMENT.

7 1. The foundation shall prepare a strategic plan for
8 development of advanced technologies in Iowa. The plan shall
9 serve as the basis for general foundation activities.

10 2. The plan shall set forth the foundation's findings with
11 regard to fields of scientific research which offer the
12 greatest potential for commercial development within the
13 state. The plan shall propose programs to enhance the
14 effectiveness of Iowa university and college and private
15 sector research facility participation in such fields of
16 research and for improving the transfer of research technology
17 to the private sector.

3113-
3713-18 3. The plan shall be formulated to provide for the
19 strengthening and expansion of existing industry, the creation
20 of new business where deemed necessary and feasible, and the
21 attraction of technology-based businesses to the state.

22 4. The plan shall be formulated in cooperation with
23 university-based research consortia at the three regents'
24 universities, private colleges and universities, community
25 colleges, and private business. The plan shall include
26 findings with regard to research interest of private business,
27 on improving accessibility of private business to university
28 technology resources, identification of barriers to effective
29 technology transfer, and on fields of research having
30 potential for commercial utilization by Iowa firms.

3113-31 5. The plan shall include findings and recommendations for
32 the coordination of activities of technology centers operated
33 by regents' universities, the center for industrial research
34 and service, the small business development centers, and
35 programs of the department of economic development, all of

1 which shall cooperate with the foundation in formulation of
2 the plan.

37133 Sec. 9. NEW SECTION. 28.158 FUNDING OF PROJECTS.

4 1. The foundation may receive state appropriations and
5 other resources for purposes including but not limited to the
6 following:

37137 a. To provide financial assistance to research projects
8 which are consistent with the technology development
9 objectives of the strategic plan and which involve
10 collaboration between an Iowa college or university and a
11 private firm. State funds under the control of the foundation
12 shall be used to support research projects only where matched
13 by no less than one dollar of nonstate funding for each dollar
14 of state funds provided by the foundation.

15 b. To undertake market studies and other analyses of
16 commercial applications of existing or potential research and
17 development efforts.

37138 c. To provide applied technology outreach, projects,
19 services, and programs.

20 d. To review existing licenses and patents and bring
21 potentially applicable information to the attention of the
22 board and the Iowa-based industries for which the patent and
23 license information might be applicable.

24 e. To review current research.

25 f. To regularly monitor the industrial base of Iowa and,
26 when possible, to encourage contact between research efforts
27 and appropriate industries.

3713-28 g. To provide a peer review process for projects and
29 research funded by the foundation.

30 2. The foundation shall have authority over the education
31 and agriculture research and development account under section
32 99E.32, subsection 1, paragraph "b", effective July 1, 1990,
33 and it shall adopt rules for the administration of the account
34 to provide for financial assistance for research programs
35 related to the strategic plan.

3713-1 3. The foundation shall seek financial support for its
2 activities from private sources and from programs of the
3 federal government, however it may contract with such federal
4 sources only for support of the research interests and other
5 activities set forth in the strategic plan.

6 4. The foundation is to encourage aggressive pursuit of
7 sponsored research by persons affiliated with Iowa colleges
8 and universities and by private business, without regard to
9 the relationship of such research to the foundation's program
10 or to the strategic plan. The foundation shall not control
11 research prerogatives of colleges or universities, their
12 faculty, or private persons, or businesses. The foundation
13 may, upon request, provide assistance to colleges and
14 universities for acquisition of financial support for research
15 activities from federal government and other sources.

3713 16 5. The foundation shall facilitate commercial development
17 of new products technologies or processes by assisting new or
18 existing businesses to obtain technical, managerial,
19 financial, or other assistance from private, federal, state,
20 or local government programs. The foundation may sponsor
21 applications of or formally recommend specific projects to any
22 private, state, federal, or local program.

23 Sec. 10. NEW SECTION. 28.159 SCIENCE AND TECHNOLOGY
3713 24 RESEARCH COUNCIL.

3713-25 1. There is established within the science and technology
26 foundation a research council. The research council shall
27 study and review the growth of technology in the world
28 economy. The council shall recommend a role for Iowa in the
29 areas of science and technology with emphasis on determining
30 Iowa's strengths in technology. The council shall review the
31 federal policy on research and the policy's effect on Iowa
32 research and shall examine Iowa research in science and
33 technology and determine if duplication is occurring within
34 the state. The council shall examine the research in science
35 and technology in other states to avoid duplication.

1 2. The council shall consist of the following members:

2 a. One member appointed by each member of the Iowa
3 congressional delegation.

3713-4 b. Two members appointed by the legislative council.

5 c. One member appointed by the governor.

6 d. A number of members equal to the number of members of
7 the congressional delegation and appointed in equal number by
8 the legislative council and the governor from a list of
9 candidates provided by the Iowa business council.

3713 10 3. The council shall be bipartisan and gender balanced in
11 accordance with sections 69.16 and 69.16A.

3713-12 Sec. 11. NEW SECTION. 28.160 APPLIED TECHNICAL REFERRAL
13 SERVICE.

14 There is established an applied technical referral service
15 to provide greater assistance to the consortia under chapter
16 262B, the foundation, and state agencies in transferring
17 research into commercial application.

18 Sec. 12. Sections 28.51 through 28.55, Code 1989, are
19 repealed.

3713 20 EXPLANATION

21 This bill establishes a science and technology foundation
22 to develop plans, policies, and programs between Iowa colleges
23 and universities and industry to enhance the position of the
24 state in science and technology-based economic development.
25 The bill provides for the foundation to incorporate. The bill
26 establishes a board of directors consisting of standing
27 members and members appointed by the legislative leadership,
28 the governor, and others. The terms of the appointed members
29 are to be staggered six-year terms. The bill authorizes the
30 board to employ an executive director and staff and provides
31 for the duties of the executive director.

32 The bill provides for the board to award grants, require a
33 match from nonstate sources for all research and technology
34 development proposals, require industrial support for all
35 projects, seek generic industrial support for the foundation,

1 and use foundation resources to seek matching funds, grants,
2 or additional funding sources.

3 The foundation is required to prepare a strategic plan for
4 development of advanced technologies in Iowa. The foundation
5 shall develop the plan in cooperation with colleges and
6 universities and the private sector and review areas of
7 research and technology transfer and its use in the Iowa
8 economy.

9 The foundation shall have authority over the education and
10 agriculture research and development account.

11 The bill establishes a science and technology research
12 council which shall study and review the growth of technology
13 in the world economy and the role of Iowa in the specific
14 areas of science and technology. The council is appointed and
15 shall also examine federal and other states' policies and
16 their effect on Iowa research.

17 An applied technical referral service to provide assistance
18 to the university consortia is created to assist in
19 transferring research into commercial application. The bill
20 also abolishes the Iowa high technology council.

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**HOUSE FILE 686
FISCAL NOTE**

A fiscal note for **HOUSE FILE 686** is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 686 establishes a Science and Technology Foundation to develop plans, policies, and programs between Iowa colleges and universities and industry to enhance the position of the State in science and technology-based economic development. The Foundation shall consist of a board of directors, an executive director, and staff. The Board of Directors shall be bipartisan and gender balanced. The Board shall submit an annual report to the Governor, the Secretary of the Senate, and the Chief Clerk of the House of Representatives, not later than November 1 of each year.

The Bill requires the Foundation to prepare a Strategic Plan for development of advanced technologies in Iowa. The Plan shall be developed in cooperation with university-based research consortia at the three Regents' universities, private colleges, community colleges, and private businesses. The Plan shall set forth the foundation's findings with regard to fields of scientific research.

The Foundation may receive state appropriations. The funds shall be used for financial assistance to research projects which are consistent with the technology development objectives of the strategic plan. State funds under the control to the Foundation shall be used to support projects only where matched by no less than one dollar of nonstate funding for each dollar of State funds provided by the Foundation.

The Bill provides the Foundation to have authority over the Education and Agriculture Research and Development Account (EARDA) under Section 99E.32, Subsection 1, Paragraph "b", effective July 1, 1990, and shall adopt rules for the administration of the Account to provide for financial assistance for research programs related to the Strategic Plan.

The Bill establishes a Science and Technology Research Council which shall study and review the growth of technology in the world economy and the role of Iowa in the specific area of science and technology. An applied technical referral service to provide assistance to the university consortia is created to assist in transferring research into commercial application. The Bill also abolishes the Iowa High Technology Council.

ASSUMPTIONS:

1. Highly qualified individuals must be recruited.
2. Office space and equipment must be secured.
3. Contractual services will be a necessary part of the Foundation's operations.

FISCAL IMPACT:

The Department of Management estimates that implementation of this Bill will result in salaries and support of \$500,000 for both FY 1990 and FY 1991.

Source: Department of Management

(LSB 1759hv, KNM)

NSB 259

ECONOMIC DEVELOPMENT

Now

HOUSE FILE 686

BY (PROPOSED GOVERNOR'S BILL)

Passed House, Date _____ Passed Senate, Date _____
 Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
 Approved _____

A BILL FOR

1 An Act establishing a science and technology foundation, and
 2 authorizing the issuance of bonds.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 15.108, subsection 1, paragraph d, Code
2 1989, is amended by striking the paragraph.

3 Sec. 2. NEW SECTION. 28.151 LEGISLATIVE FINDINGS.

4 The general assembly finds and declares that:

5 1. Successful participation in the emerging global economy
6 depends on continued development of Iowa's capacity for
7 scientific and technological innovation.

8 2. Iowa is in need of a mechanism to enhance growth
9 potential and to diversify Iowa's economy through attracting
10 and fostering the growth of science and technology-based
11 enterprises.

12 3. Iowa needs to enhance its image in the area of science
13 and technology in order to attract and retain scientists,
14 engineers, and research investments in the state.

15 4. The mechanism to attract dollars and talent should
16 focus on the state's strengths, focusing on long-term needs
17 and providing for maximum cooperation. Both public and
18 private investments must be made in carefully selected areas
19 which underpin the state's science infrastructure.

20 5. Iowa companies are in need of a mechanism which can
21 assist in solving research problems associated with potential
22 new products and ways of applying new technology to current
23 production processes. World competition demands the
24 application of new production technologies. A mechanism to
25 assist the state's existing industrial base is needed.

26 Sec. 3. NEW SECTION. 28.152 ESTABLISHMENT OF FOUNDATION
27 -- PURPOSE.

28 1. The Iowa science and technology foundation is
29 established to develop long-term plans, policies, and programs
30 designed to enhance the development of advanced sciences and
31 technologies and to facilitate their commercial exploitation
32 within the state. The foundation shall encourage the
33 development of Iowa's science infrastructure as well as foster
34 projects that will create, synthesize, store, and transfer new
35 technologies potentially important to Iowa's economic and

1 social future.

2 2. The foundation shall develop resources from state
3 appropriations and other sources for purposes including but
4 not limited to the following:

5 a. To sponsor research and development efforts which
6 involve collaboration of an Iowa college or university and a
7 private firm.

8 b. To undertake on its own behalf, market studies and
9 other analyses of commercial applications of existing or
10 potential research and development efforts.

11 c. To provide for management guidance for developmental
12 corporations with high growth potential.

13 d. To participate, through direct investment, or in a
14 partnership or joint venture with a commercial investor or
15 other financial source, in providing funds for development of
16 new or existing businesses in Iowa engaged in commercial
17 exploitation of products or technologies related to the
18 research interests of the foundation.

19 3. The foundation consists of a board of directors, an
20 executive director, and staff.

21 Sec. 4. NEW SECTION. 28.153 BOARD OF DIRECTORS.

22 1. The board of directors is established consisting of the
23 following standing members and governor-appointed members:

24 a. The following standing members from the academic
25 community:

26 (1) The president of the university of Iowa, or the
27 president's designee.

28 (2) The president of Iowa state university, or the
29 president's designee.

30 (3) The president of the university of northern Iowa, or
31 the president's designee.

32 (4) A designee of the Iowa association of independent
33 colleges and universities.

34 (5) The president of the state board of regents, or the
35 president's designee.

1 b. The following standing and appointed members from state
2 government:

3 (1) The director of the department of economic
4 development.

5 (2) The chairperson of the Iowa economic development
6 board.

7 (3) Three state department heads or division
8 administrators appointed by the governor.

9 c. The following members from the private sector appointed
10 by the governor:

11 (1) Four leaders from technology-based firms in the state
12 or Iowans with experience in technology development and
13 commercialization.

14 (2) One scientist or leader in technology development.

15 2. The terms of the appointed members shall be for six
16 years and shall be staggered as determined by the standing
17 members. Any vacancy shall be filled by the appointing
18 authority. Members are eligible for actual expense
19 reimbursement while fulfilling duties of the foundation. The
20 board shall elect a chairperson from among its members.

21 Sec. 5. NEW SECTION. 28.154 GENERAL POWERS AND DUTIES.

22 1. The board of directors shall have broad discretionary
23 authority in the administration of the foundation. The board
24 shall employ an executive director and other staff as needed
25 and establish the policy of the foundation.

26 2. Under the general direction of the board, the executive
27 director shall manage the foundation, hire and direct
28 foundation staff, and establish advisory subcommittees of
29 industry and academic specialists as needed. These
30 specialists shall be consulted as program areas are developed
31 and individual projects are selected for funding. The
32 executive director shall prepare and make an annual report,
33 which describes the foundation's activities, projects, and
34 funding, to the governor and the general assembly by November
35 1 of each year.

1 3. The board shall establish criteria and award grants or
2 loans based only on a competitive basis. The board shall
3 strive for maximum cooperation between Iowa's universities and
4 colleges and private industry in all cases where collaboration
5 would add value to any research project. The board shall
6 provide a means for Iowa industry to access and apply new
7 technology developed at the colleges and universities.

8 4. In order to leverage any state funds appropriated to
9 it, the foundation shall do all of the following:

10 a. Require a match from nonstate sources for all research
11 and technology development proposals.

12 b. Require industrial support for all projects.

13 c. Seek generic industrial support for the foundation.

14 d. Use foundation resources to the maximum extent possible
15 in order to seek matching funds, grants, or additional funding
16 sources.

17 Sec. 6. NEW SECTION. 28.155 BONDS AND NOTES --
18 AUTHORITY.

19 The foundation shall have bond authority for special
20 capital expenditures pursuant to section 220.26, subsection 2,
21 and section 220.27, subsection 1, as they pertain to this
22 division.

23 Sec. 7. Sections 28.51 through 28.55, Code 1989, are
24 repealed.

25 EXPLANATION

26 This bill establishes a science and technology foundation
27 to develop plans, policies, and programs between Iowa colleges
28 and universities and industry to enhance the position of the
29 state in science and technology-based economic development.
30 The bill establishes a board of directors consisting of
31 standing members and members appointed by the governor. The
32 terms of the appointed members are to be staggered six-year
33 terms. The bill authorizes the board to employ an executive
34 director and staff.

35 The bill provides for the board to award grants based only

1 on a competitive basis, require a match from nonstate sources
2 for all research and technology development proposals, require
3 industrial support for all projects, seek generic industrial
4 support for the foundation, and use foundation resources to
5 seek matching funds, grants, or additional funding sources.
6 The foundation is given bonding authority for special capital
7 expenditures through existing revenue bond mechanisms. The
8 bill also abolishes the Iowa high technology council.

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HOUSE FILE 686

H-3713

1 Amend House File 686 as follows:

2 1. Page 1, line 3, by striking the words
3 "LEGISLATIVE FINDINGS." and inserting the following:
4 "IOWA SCIENCE AND TECHNOLOGY FOUNDATION ESTABLISHED --
5 MISSION."

6 2. Page 1, line 6, by striking the words
7 "economy, which will require" and inserting the
8 following: "economy. An Iowa science and technology
9 foundation is established to formulate and implement
10 plans and programs for the development of advanced
11 sciences and technologies and to facilitate their com-
12 mercial application within the state, including
13 determining the needs of individual Iowa businesses
14 for scientific and technological innovations to
15 improve products and processes, and encouraging the
16 transfer of the technology from the laboratory to the
17 factory.

18 The mission of the foundation shall include but is
19 not limited to the following".

20 3. Page 1, by inserting before line 7 the follow-
21 ing:

22 "____. A program to identify barriers which may
23 hinder the development and exploitation of technology
24 in the global economy."

25 4. Page 1, line 13, by inserting after the word
26 "in" the following: "applied".

27 5. Page 1, line 18, by striking the words "out
28 and match the" and inserting the following: "and".

29 6. Page 1, line 19, by striking the words "needs
30 of individual Iowa businesses to".

31 7. Page 1, by striking lines 22 through 34.

32 8. Page 1, line 35, by striking the figure "2."

33 9. Page 1, line 35, by inserting after the word
34 "directors," the following: "an advisory council,".

35 10. Page 2, lines 15 and 16, by striking the
36 words "of the state university consortia" and
37 inserting the following: "state university's
38 consortium appointed by the president of each state
39 university".

40 11. Page 2, lines 17 and 18, by inserting after
41 the word "development" the following: "or the
42 director's designee".

43 12. Page 2, by striking lines 23 through 27 and
44 inserting the following: "velopment in private
45 industry. The five board members shall be appointed
46 from a list of candidates provided by the Iowa
47 business council which shall include persons in small
48 business manufacturing and persons in large business
49 manufacturing. Three of the five members shall be
50 appointed by the legislative council and two of the

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Page 2

1 members shall be appointed by the governor."

2 13. Page 2, line 29, by striking the word
3 "research" and inserting the following: "advisory".

4 14. Page 2, by striking line 31 and inserting the
5 following:

6 "(1) Four board members, with one board member
7 appointed by each of the following".

8 15. Page 3, by striking lines 1 and 2 and
9 inserting the following:

10 "(3) One board member appointed by a foreign trade
11 foundation if such a foundation is established by
12 enactment of the Seventy-third General Assembly."

13 16. Page 3, line 5, by striking the word "six"
14 and inserting the following: "four".

15 17. Page 3, line 9, by inserting after the word
16 "foundation." the following: "The governor and the
17 legislative council shall convene the initial meeting
18 of the board."

19 18. Page 3, by inserting before line 15 the
20 following:

21 "_____. To prepare and adopt a strategic plan as
22 defined in section 28.157.

23 "_____. To fund research projects as defined in
24 section 28.158."

25 19. Page 4, by inserting before line 3 the
26 following:

27 "_____. To convene the advisory council annually to
28 receive the board of director's recommendations."

29 20. Page 4, by striking line 3 and inserting the
30 following:

31 "_____. To establish an advisory committee of
32 business or academic specialists as necessary."

33 21. Page 4, by inserting before line 7 the
34 following:

35 "_____. To collaborate with the Iowa product
36 development corporation to acquire new technology
37 where appropriate."

38 22. Page 4, by striking lines 13 and 14.

39 23. Page 4, line 32, by inserting after the word
40 "activities" the following: "and receive copies of
41 the annual report made pursuant to section 262B.5".

42 24. By striking page 4, line 35, through page 5,
43 line 4, and inserting the following:

44 "6. Collect pertinent information on research in
45 process and funding requests where appropriate at Iowa
46 state university of science and technology, the
47 university of Iowa, and the university of northern
48 Iowa for the purpose of encouraging technology
49 transfer where appropriate."

50 25. Page 5, by inserting before line 18 the

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Page 3

1 following:

2 "____". The plan shall include findings and
3 recommendations for the coordination of activities of
4 technology centers operated by regents' universities,
5 the center for industrial research and service, the
6 small business development centers, and programs of
7 the department of economic development, all of which
8 shall cooperate with the foundation in formulation of
9 the plan."

10 26. Page 5, by striking lines 18 through 21.

11 27. Page 5, line 30, by inserting after the word
12 "firms." the following: "The plan shall include the
13 availability and possible acquisition of advanced
14 technology nationally and internationally for transfer
15 to Iowa technological projects."

16 28. By striking page 5, line 31, through page 6,
17 line 2, and inserting the following:

18 "5. The plan shall be formulated to provide for
19 the strengthening and expansion of existing industry,
20 the creation of new business where deemed necessary
21 and feasible, and the attraction of technology-based
22 businesses to the state."

23 29. Page 6, line 3, by striking the word
24 "PROJECTS" and inserting the following: "ACTIVITIES".

25 30. Page 6, line 8, by striking the word
26 "technology" and inserting the following:
27 "commercial".

28 31. Page 6, by striking lines 11 through 14 and
29 inserting the following: "private firm. The
30 foundation shall provide a peer review process for
31 projects and research funded by the foundation."

32 32. Page 6, lines 18 and 19, by striking the
33 words ", projects, services," and inserting the
34 following: "services".

35 33. Page 6, by striking lines 28 and 29.

36 34. Page 6, line 35, by inserting after the word
37 "plan." the following: "State funds awarded by the
38 foundation shall be matched by nonstate sources. The
39 foundation shall establish by administrative rule the
40 requirements for the matching of state funds by
41 nonstate sources. The rules shall include but are not
42 limited to the following nonstate sources for meeting
43 the matching requirements:

44 a. Laboratory space provided by the private sector
45 collaborator.

46 b. Financial assistance.

47 c. Personnel and technical services.

48 d. Machinery or equipment."

49 35. Page 7, lines 3 and 4, by striking the words
50 ", however it may contract with such federal sources

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Page 4

1 only".

2 36. Page 7, by striking lines 16 through 22 and
3 inserting the following:

4 "5. The foundation shall coordinate with other
5 state and federal entities the following activities:

6 a. The establishment of funding for the projects
7 under subsection 1.

8 b. The review of current research policy
9 direction.

10 c. The provision of technical outreach services to
11 existing Iowa business and industry.

12 The foundation may sponsor applications of or
13 formally recommend specific projects to any private,
14 state, federal, or local program."

15 37. Page 7, line 24, by striking the word
16 "RESEARCH" and inserting the following: "ADVISORY".

17 38. Page 7, by striking lines 25 through 35 and
18 inserting the following:

19 "1. There is established within the science and
20 technology foundation an advisory council. The
21 advisory council shall study and review the growth of
22 technology in the world economy. The council shall
23 annually review the foundation's strategic plan in
24 conjunction with federal research policy and the
25 federal research policy's effect on research in Iowa.
26 The council shall advise the board on the most
27 productive role for Iowa in the areas of science and
28 technology with an emphasis on determining Iowa's
29 strengths in technology."

30 39. Page 8, by striking lines 4 through 9 and
31 inserting the following:

32 "b. Three members appointed by the legislative
33 council from a list of candidates provided by the Iowa
34 business council.

35 c. Three members appointed by the governor from a
36 list of candidates provided by the Iowa business
37 council."

38 40. Page 8, by inserting before line 10 the
39 following:

40 "e. One member from each of the following:

41 (1) The national science foundation.

42 (2) The national institute of health.

43 (3) Any other appropriate federal agency as the
44 foundation deems appropriate."

45 41. Page 8, by striking lines 12 through 17 and
46 inserting the following:

47 "Sec. ____ . Section 262B.4, subsection 2, Code
48 1989, is amended by adding the following new
49 paragraph:

50 NEW PARAGRAPH. e. Provide applied technical

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Page 5

1 referral services, if appropriate, including but not
2 limited to the following duties:

3 (1) To determine and evaluate the research or
4 applied technology needs of businesses requesting
5 assistance.

6 (2) To recommend technology transfer strategies to
7 businesses for developing and testing new products,
8 adapting new technologies to manufacturing processes
9 or methods, conducting marketing analyses of new
10 products or processes, and identifying potential
11 financing on new technology-based products or
12 manufacturing processes.

13 (3) To refer businesses to universities, community
14 colleges, small business development centers, other
15 private businesses, and other research and technology
16 transfer activities and programs which are beneficial
17 to the development of new products and the application
18 of technology."

19 42. Page 8, by inserting after line 19 the
20 following:

21 "Sec. ____ . Sections 1 and 12 of this Act are
22 effective July 1, 1990."

23 43. Title page, line 1, by inserting after the
24 word "foundation" the following: "and providing an
25 effective date".

26 44. By renumbering and correcting internal
27 references as necessary.

By JESSE of Jasper
BENNETT of Ida
LYKAM of Scott

METCALF of Polk
OLLIE of Clinton

H-3713 FILED MARCH 29, 1989

adopted 3-31-89 (p. 1161)

HOUSE FILE 686

H-3750

1 Amend the amendment H-3723, to House File 686 as
2 follows:

3 1. Page 1, line 2, by striking the numerals "25"
4 and inserting the numerals "22".

By METCALF of Polk

H-3750 FILED MARCH 31, 1989

ADOPTED BY UNANIMOUS CONSENT

3-31-89 (p116)

HOUSE FILE 686
BY COMMITTEE ON ECONOMIC
DEVELOPMENT

(SUCCESSOR TO HSB 259)

(As Amended and Passed by the House March 31, 1989)

Re Passed House, Date 5-4-89 (P. 2418) Passed Senate, Date 4-27-89 (P. 1714)
Vote: Ayes 77 Nays 18 Vote: Ayes 48 Nays 0
Approved May 29, 1989

A BILL FOR

3648-1 An Act establishing a science and technology foundation and
2 providing an effective date.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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House Amendments _____
Deleted Language *

Conference Committee appointed 5/5/89
Representatives Swartz (Chair), Jensen, Hatch, Bennett & Metcalf (P. 2562)
Senators Kibler (Chair), Boswell, Bruning, Hagedorn, & Turkman (P. 2004)

Passed per Conference Committee Report 5/6/89
House 83-9 (P. 2646) Senate 48-1 (P. 2058)

1 Section 1. Section 15.108, subsection 1, paragraph d, Code
2 1989, is amended by striking the paragraph.

3 Sec. 2. NEW SECTION. 28.151 IOWA SCIENCE AND TECHNOLOGY
4 FOUNDATION ESTABLISHED --MISSION.

5 The general assembly finds and declares that the public
6 good requires that Iowa successfully participate and compete
7 in the emerging world economy. An Iowa science and technology
8 foundation is established to formulate and implement plans and
9 programs for the development of advanced sciences and
10 technologies and to facilitate their commercial application
11 within the state, including determining the needs of
12 individual Iowa businesses for scientific and technological
13 innovations to improve products and processes, and encouraging
14 the transfer of the technology from the laboratory to the
15 factory.

2738,

16 The mission of the foundation shall include but is not
17 limited to the following:

18 1. A program to identify barriers which may hinder the
19 development and exploitation of technology in the global
20 economy.

21 2. Continued development of Iowa's capacity for scientific
22 and technological innovation.

23 3. A cooperative, coordinated program of forecasting,
24 assessment, development, and commercial transfer involving
25 Iowa's capacity for scientific and technological innovation.

26 4. Formulation of a long-range strategic plan to guide
27 state investment in applied research, development, and
28 commercial transfer of selected scientific and technological
29 innovation.

348-

30 5. A mechanism to organize funding from a variety of
31 sources to support the development and commercial transfer of
32 scientific and technological innovation.

*33 6. An outreach program to actively seek and improve
34 products and processes with Iowa's scientific and
35 technological innovations.

2348
7. A study of the need for a seed capital fund which shall
2 be administered by the board to provide seed capital for the
3 commercialization of products, or the development of processes
4 or materials through research at Iowa colleges and
5 universities or by private industry. The study shall include
6 recommendations.

*7 The foundation consists of a board of directors, an
8 advisory council, an executive director, and staff.

9 Sec. 3. NEW SECTION. 28.153 AUTHORIZED CORPORATION.

10 The Iowa science and technology foundation shall be incor-
11 porated under chapter 504A. The foundation shall not be re-
12 garded as a state agency, except for purposes of chapter 17A.
13 A member of the board of directors is not considered a state
14 employee, except for purposes of chapter 25A. The executive
15 director is a state employee except for purposes of the merit
16 system provisions of chapter 19A and chapter 20. A natural
17 person employed by the executive director is a state employee.

18 Sec. 4. NEW SECTION. 28.154 BOARD OF DIRECTORS.

19 1. The board of directors is established consisting of the
20 following standing members and governor-appointed members:

3648-21 a. The following standing members:

22 (1) One board member to represent each state university's
23 consortium appointed by the president of each state
24 university.

25 (2) The director of the department of economic development
26 or the director's designee.

27 (3) The chairperson of the Iowa product development
28 corporation.

29 (4) Five board members from private industry with an
30 emphasis on persons involved directly in research and de-
31 velopment in private industry. The five board members shall
32 be appointed from a list of candidates provided by the Iowa
33 business council which shall include persons in small business
34 manufacturing and persons in large business manufacturing.

35 Three of the five members shall be appointed by the

1 legislative council and two of the members shall be appointed
2 by the governor.

3 (5) One board member elected by the science and technology
4 advisory council.

5 b. The following ex officio, nonvoting members:

6 (1) Four board members, with one board member appointed by
7 each of the following persons: the speaker of the house of
8 representatives, the minority leader of the house of
9 representatives, the majority leader of the senate, and the
10 minority leader of the senate.

11 (2) One board member appointed by the governor.

12 (3) One board member appointed by a foreign trade
13 foundation if such a foundation is established by enactment of
14 the Seventy-third General Assembly.

15 2. The board of directors shall be bipartisan and gender
16 balanced in accordance with sections 69.16 and 69.16A.

17 3. The terms of the appointed members shall be for four
18 years and shall be staggered as determined by the standing
19 members. Any vacancy shall be filled by the appointing
20 authority. Members are eligible for actual expense reim-
21 bursement while fulfilling duties of the foundation. The
22 governor and the legislative council shall convene the initial
23 meeting of the board. The board shall elect a chairperson
24 from among its members.

25 Sec. 5. NEW SECTION. 28.155 GENERAL POWERS AND DUTIES.

26 The board of directors shall have all the general powers
27 needed to carry out its mission and duties including but not
28 limited to the following:

29 1. To prepare and adopt a strategic plan as defined in
30 section 28.157.

31 2. To fund research projects as defined in section 28.158.

32 3. To sue and be sued in its own name.

33 4. To adopt a corporate seal.

34 5. To adopt bylaws for its management consistent with the
35 provisions of this division.

1 6. To make and execute agreements, contracts and other
2 instruments, with any public or private entity, including but
3 not limited to a state, federal, or other governmental agency.

4 7. To accept contributions, including but not limited to
5 appropriations, gifts, grants, loans, services, or other aid
6 or assistance from public or private entities. A record of
7 all contributions, stating the type, amount, and donor, shall
8 be clearly set forth in the board's annual report along with a
9 record of other receipts.

10 8. To establish policy in the general administration of
11 the affairs of the foundation.

12 9. To employ an executive director and authorize the
13 hiring of other employees as it deems necessary.

14 10. To seek to achieve through the powers of the board the
15 findings of section 28.151.

16 11. To collaborate with the consortia as established in
17 chapter 262B.

18 12. To provide as necessary, staff services for the
19 advisory council.

20 13. To convene the advisory council annually to receive
21 the board of director's recommendations.

3648-22 14. To establish an advisory committee of business or
23 academic specialists as necessary.

24 15. Submit an annual report to the governor, the secretary
25 of the senate, and the chief clerk of the house of
26 representatives, not later than November 1 of each year.

27 16. To collaborate with the Iowa product development
28 corporation to acquire new technology where appropriate.

37387 29 Sec. 6. NEW SECTION. 28.156 EXECUTIVE DIRECTOR --DUTIES.

30 Under the general direction of the board of directors, the
31 executive director shall have the following duties:

32 1. Manage and operate the foundation, including employing
33 and directing foundation staff.

34 2. Advise the board on matters relating to the mission of
35 the foundation, or finances and actions of the board.

- 1 3. Make an annual report to the board for its approval of
2 the foundation's activities and fiscal condition, including:
3 a. Matters relating to operations and accomplishments.
4 b. A summary of receipts and expenditures, in accordance
5 with the classifications the board establishes for its
6 operating accounts.
7 c. A summary of assets and liabilities and the status of
8 special accounts.
9 d. A statement of proposed and projected activities.
10 e. Recommendations to the general assembly.
11 f. An identification of performance goals of the
12 foundation and the extent of progress during the reporting
13 period in attaining the goals.
14 g. A written report by the auditor of state pursuant to
15 chapter 11.

16 4. Monitor the activities and receive copies of the annual
17 report made pursuant to section 262B.5 of the research
18 consortia located at Iowa state university of science and
19 technology, the university of Iowa, and the university of
20 northern Iowa.

* 21 5. Collect pertinent information on research in process
22 and funding requests where appropriate at Iowa state
23 university of science and technology, the university of Iowa,
24 and the university of northern Iowa for the purpose of
25 encouraging technology transfer where appropriate.

26 Sec. 7. NEW SECTION. 28.157 STRATEGIC PLAN FOR SCIENCE
27 AND TECHNOLOGY DEVELOPMENT.

28 1. The foundation shall prepare a strategic plan for
29 development of advanced technologies in Iowa. The plan shall
30 serve as the basis for general foundation activities.

31 2. The plan shall set forth the foundation's findings with
32 regard to fields of scientific research which offer the
33 greatest potential for commercial development within the
34 state. The plan shall propose programs to enhance the
35 effectiveness of Iowa university and college and private

1 sector research facility participation in such fields of
2 research and for improving the transfer of research technology
3 to the private sector.

* 4 3. The plan shall include findings and recommendations for
5 the coordination of activities of technology centers operated
6 by regents' universities, the center for industrial research
37387 and service, the small business development centers, and
8 programs of the department of economic development, all of
9 which shall cooperate with the foundation in formulation of
10 the plan.

11 4. The plan shall be formulated in cooperation with
12 university-based research consortia at the three regents'
13 universities, private colleges and universities, community
14 colleges, and private business. The plan shall include
15 findings with regard to research interest of private business,
16 on improving accessibility of private business to university
17 technology resources, identification of barriers to effective
18 technology transfer, and on fields of research having
19 potential for commercial utilization by Iowa firms. The plan
20 shall include the availability and possible acquisition of
21 advanced technology nationally and internationally for
22 transfer to Iowa technological projects.

23 5. The plan shall be formulated to provide for the
24 strengthening and expansion of existing industry, the creation
25 of new business where deemed necessary and feasible, and the
26 attraction of technology-based businesses to the state.

31048 27 Sec. 8. NEW SECTION. 28.158 FUNDING OF ACTIVITIES.

28 1. The foundation may receive state appropriations and
29 other resources for purposes including but not limited to the
30 following:

31 a. To provide financial assistance to research projects
32 which are consistent with the commercial development
33 objectives of the strategic plan and which involve
34 collaboration between an Iowa college or university and a
35 private firm. The foundation shall provide a peer review

1 process for projects and research funded by the foundation.

2 b. To undertake market studies and other analyses of
3 commercial applications of existing or potential research and
4 development efforts.

5 c. To provide applied technology outreach services and
6 programs.

7 d. To review existing licenses and patents and bring
8 potentially applicable information to the attention of the
9 board and the Iowa-based industries for which the patent and
10 license information might be applicable.

11 e. To review current research.

12 f. To regularly monitor the industrial base of Iowa and,
13 when possible, to encourage contact between research efforts
14 and appropriate industries.

* 15

2. The foundation shall have authority over the education
16 and agriculture research and development account under section
17 99E.32, subsection 1, paragraph "b", effective July 1, 1990,
18 and it shall adopt rules for the administration of the account
19 to provide for financial assistance for research programs
20 related to the strategic plan. State funds awarded by the
21 foundation shall be matched by nonstate sources. The
22 foundation shall establish by administrative rule the
23 requirements for the matching of state funds by nonstate
24 sources. The rules shall include but are not limited to the
25 following nonstate sources for meeting the matching
26 requirements:

27 a. Laboratory space provided by the private sector
28 collaborator.

29 b. Financial assistance.

30 c. Personnel and technical services.

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d. Machinery or equipment.

32 3. The foundation shall seek financial support for its
33 activities from private sources and from programs of the
*34 federal government for support of the research interests and
35 other activities set forth in the strategic plan.

1 4. The foundation is to encourage aggressive pursuit of
2 sponsored research by persons affiliated with Iowa colleges
3 and universities and by private business, without regard to
4 the relationship of such research to the foundation's program
5 or to the strategic plan. The foundation shall not control
6 research prerogatives of colleges or universities, their
7 faculty, or private persons, or businesses. The foundation
8 may, upon request, provide assistance to colleges and
9 universities for acquisition of financial support for research
10 activities from federal government and other sources.

* 11 5. The foundation shall coordinate with other state and
12 federal entities the following activities:

13 a. The establishment of funding for the projects under
14 subsection 1.

15 b. The review of current research policy direction.

16 c. The provision of technical outreach services to
17 existing Iowa business and industry.

18 The foundation may sponsor applications of or formally
19 recommend specific projects to any private, state, federal, or
20 local program.

3648
3648- 21 Sec. 9. NEW SECTION. 28.159 SCIENCE AND TECHNOLOGY
22 ADVISORY COUNCIL.

23 1. There is established within the science and technology
24 foundation an advisory council. The advisory council shall
25 study and review the growth of technology in the world
26 economy. The council shall annually review the foundation's
27 strategic plan in conjunction with federal research policy and
28 the federal research policy's effect on research in Iowa. The
29 council shall advise the board on the most productive role for
30 Iowa in the areas of science and technology with an emphasis
31 on determining Iowa's strengths in technology.

32 2. The council shall consist of the following members:

33 a. One member appointed by each member of the Iowa
34 congressional delegation.

35 b. Three members appointed by the legislative council from

1 a list of candidates provided by the Iowa business council.

2 c. Three members appointed by the governor from a list of
3 candidates provided by the Iowa business council.

4 d. One member from each of the following:

5 (1) The national science foundation.

6 (2) The national institute of health.

7 (3) Any other appropriate federal agency as the foundation
8 deems appropriate.

9 3. The council shall be bipartisan and gender balanced in
10 accordance with sections 69.16 and 69.16A.

11 Sec. 10. Section 262B.4, subsection 2, Code 1989, is
12 amended by adding the following new paragraph:

13 NEW PARAGRAPH. e. Provide applied technical referral
14 services, if appropriate, including but not limited to the
15 following duties:

16 (1) To determine and evaluate the research or applied
17 technology needs of businesses requesting assistance.

18 (2) To recommend technology transfer strategies to
19 businesses for developing and testing new products, adapting
20 new technologies to manufacturing processes or methods,
21 conducting marketing analyses of new products or processes,
22 and identifying potential financing on new technology-based
23 products or manufacturing processes.

24 (3) To refer businesses to universities, community
25 colleges, small business development centers, other private
26 businesses, and other research and technology transfer
27 activities and programs which are beneficial to the
28 development of new products and the application of technology.

29 Sec. 11. Sections 28.51 through 28.55, Code 1989, are
30 repealed.

31 Sec. 12. Sections 1 and 11 of this Act are effective July
32 1, 1990.

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35

HOUSE FILE 686

S-3648

1 Amend House File 686, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 1, line 29, by inserting after the word
4 "innovation" the following: "and in the development
5 of Iowa science infrastructure".

6 2. Page 2, line 1, by striking the words "A study
7 of the need for" and inserting the following:
8 "Establishment of".

9 3. Page 2, lines 5 and 6, by striking the words
10 "The study shall include recommendations."

11 4. By striking page 2, line 21 through page 3,
12 line 24 and inserting the following:

13 "a. The following standing and appointed members
14 from the academic community:

15 (1) The president of the university of Iowa, or
16 the president's designee.

17 (2) The president of Iowa state university, or the
18 president's designee.

19 (3) The president of the university of northern
20 Iowa, or the president's designee.

21 (4) A designee of the Iowa association of
22 independent colleges and universities.

23 (5) The president of the state board of regents,
24 or the president's designee.

25 (6) A president of a community college, or the
26 president's designee appointed by the governor.

27 b. The following standing and appointed members
28 from state government:

29 (1) The director of the department of economic
30 development, or the director's designee.

31 (2) The chairperson of the Iowa economic
32 development board, or the chairperson's designee.

33 (3) Three state department heads or division
34 administrators or their designees appointed by the
35 governor.

36 The membership designated and appointed under this
37 paragraph "b" shall be bipartisan and gender balanced
38 in accordance with sections 69.16 and 69.16A.

39 c. The following members from the private sector
40 appointed by the governor:

41 (1) Four leaders from technology-based firms in
42 the state or Iowans with experience in technology
43 development and commercialization.

44 (2) One scientist or leader in technology
45 development.

46 2. The terms of the appointed members shall be for
47 four years and shall be staggered as determined by the
48 standing members. Any vacancy shall be filled by the
49 appointing authority. Members are eligible for actual
50 expense reimbursement while fulfilling duties of the

S-3648

Page 2

1 foundation. The board shall elect a chairperson from
2 among its private sector members."

3 5. Page 4, by striking lines 22 and 23 and
4 inserting the following:

5 "14. To establish advisory committees of business
6 or academic specialists or others as deemed
7 necessary."

8 6. Page 6, by inserting before line 27 the
9 following:

10 "6. The plan shall include directions for
11 participation by the foundation, through direct
12 investment or in partnership or joint venture with a
13 commercial investor or other financial source, in
14 providing funds for development of new or existing
15 businesses in Iowa engaged in commercial exploitation
16 of products or technologies related to the research
17 interests of the foundation."

18 7. Page 6, line 34, by inserting after the word
19 "college" the following: ", community college,".

20 8. Page 8, line 2, by inserting after the word
21 "colleges" the following: ", community colleges,".

22 9. Page 8, by inserting before line 21, the
23 following:

24 "Sec. ____ . NEW SECTION. 28.158A BONDS AND NOTES
25 -- AUTHORITY.

26 1. The foundation may issue its own negotiable
27 bonds and notes in principal amounts as, in the
28 opinion of the foundation, are necessary to provide
29 sufficient funds for achievement of its corporate
30 purposes. The foundation shall issue bonds and notes
31 to the extent not inconsistent with the limitations
32 and restrictions of issuing bonds and notes under
33 sections 220.26, 220.27, and 220.28.

34 2. Bonds and notes issued by the foundation are
35 payable solely and only out of the moneys, assets, or
36 revenues of the foundation, and as provided in the
37 agreement with bondholders or noteholders pledging any
38 particular moneys, assets, or revenues. Bonds or
39 notes are not an obligation of this state or any
40 political subdivision of this state other than the
41 foundation within the meaning of any constitutional or
42 statutory debt limitations, but are special
43 obligations of the foundation payable solely and only
44 from the sources provided in this section, and the
45 foundation shall not pledge the credit or taxing power
46 of this state or any political subdivision of this
47 state other than the foundation, or make its debts
48 payable out of any moneys except those of the
49 foundation.

50 3. The foundation may create and establish one or

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Page 3

1 more special funds, to be known as "bond reserve
2 funds", and shall pay into each bond reserve fund any
3 moneys appropriated and made available by the state
4 for the purpose of the fund, any proceeds of sale of
5 notes or bonds to the extent provided in the
6 resolutions of the foundation authorizing their
7 issuance, and any other moneys which may be available
8 to the foundation for the purpose of the fund from any
9 other sources. All moneys held in a bond reserve fund
10 shall be used as required solely for the payment of
11 the principal of bonds secured in whole or in part by
12 the fund or of the sinking fund payments with respect
13 to the bonds, the purchase or redemption of the bonds,
14 the payment of interest on the bonds or the payments
15 of any redemption premium required to be paid when the
16 bonds are redeemed prior to maturity.

17 4. The use of proceeds of the sale of bonds or
18 notes shall be limited to the acquisition of machinery
19 and equipment relating to science and technology which
20 is identified in the strategic plan prepared pursuant
21 to section 28.157 and the use of proceeds shall be
22 limited to one million dollars for each machine or
23 piece of equipment."

24 10. By striking page 8, line 21 through page 9,
25 line 10.

26 11. Title page, line 1, by inserting after the
27 word "foundation" the following: ", authorizing the
28 issuance of bonds,".

29 12. By renumbering as necessary.

By JOHN P. KIBBIE
LEONARD BOSWELL

RICHARD V. RUNNING
JEAN LLOYD-JONES

S-3648 FILED APRIL 11, 1989

3859, 5797
Adopted 4-27-89 (p. 174)

HOUSE FILE 686

S-3738

1 Amend House File 686, as amended, passed, and re-
2 printed by the House, as follows:
3 1. Page 1, line 15, by inserting after the word
4 "factory" the following: "and the farm".
5 2. Page 2, by striking line 34 and inserting the
6 following: "manufacturing, persons in large business
7 manufacturing, and persons in agriculture."
8 3. Page 4, by inserting before line 29 the fol-
9 lowing:
10 "17. To consult with representatives of Iowa's
11 agricultural enterprise."
12 4. Page 6, line 7, by inserting after the word
13 "centers," the following: "the extension service of
14 Iowa state university of science and technology,".
15 5. Page 7, by striking line 31 and inserting the
16 following:
17 "d. Machinery, equipment, or livestock."
18 6. Page 7, by inserting before line 32 the
19 following:
20 "e. Agricultural land for research purposes."
21 7. Page 8, line 17, by striking the words "and
22 industry" and inserting the following: ", industry,
23 and agriculture".

By RICHARD VARN
LINN FUHRMAN
JOHN KIBBIE

S-3738 FILED APRIL 17, 1989

withdrawn 4-20-89 (p. 1589)

HOUSE FILE 686

S-3797

- 1 Amend amendment, S-3648, to House File 686, as
2 amended, passed, and reprinted by the House, as
3 follows:
4 1. Page 1, by inserting before line 3, the
5 following:
6 "_____. Page 1, line 12, by inserting after the
7 word "businesses" the following: "and farms".
8 _____. Page 1, line 15, by inserting after the word
9 "factory" the following: "and farm"."
10 2. Page 1, by striking lines 33 through 35, and
11 inserting the following:
12 "(3) The secretary of agriculture or the
13 secretary's designee.
14 (4) Two state department heads or division
15 administrators or their designees, appointed by the
16 governor."
17 3. Page 1, by striking lines 41 through 43, and
18 inserting the following:
19 "(1) Five persons from technology-based
20 enterprises in the state or Iowans with experience in
21 technology development and commercialization, two of
22 whom shall be actively engaged in agriculture."
23 4. Page 2, line 5, by inserting after the word
24 "business" the following: ", agriculture,".
25 5. Page 2, by inserting before line 8, the
26 following:
27 "_____. Page 4, by inserting before line 29 the
28 following:
29 "17. To consult with representatives of Iowa
30 agriculture."
31 _____. Page 6, line 7, by inserting after the word
32 "centers," the following: "the extension service of
33 Iowa state university of science and technology,".
34 _____. Page 6, line 15, by inserting after the word
35 "business" the following: "and agriculture".
36 _____. Page 6, line 19, by inserting after the word
37 "firms" the following: "and farms".
38 _____. Page 6, line 24, by inserting after the word
39 "industry" the following: "and agriculture"."
40 6. Page 2, by inserting before line 20, the
41 following:
42 "_____. Page 7, line 12, by inserting after the
43 word "industrial" the following: "and agricultural".
44 _____. Page 7, by striking line 31, and inserting
45 the following:
46 "d. Machinery, equipment, or livestock."
47 _____. Page 7, by inserting before line 32, the
48 following:
49 "e. Agricultural land for research purposes.""
50 7. Page 2, by inserting before line 22, the

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1 following:

2 "_____. Page 8, line 3, by striking the word
3 "business" and inserting the following: "parties".
4 _____. Page 8, line 17, by striking the words "and
5 industry" and inserting the following: ", industry,
6 and agriculture".

7 8. Page 3, by inserting before line 26, the
8 following:

9 "_____. Page 9, line 17, by inserting after the
10 word "businesses" the following: "and farms".

11 _____. Page 9, line 18, by inserting after the
12 words "strategies to" the following: "farms for more
13 efficient production of agricultural commodities, or
14 to".

15 _____. Page 9, line 24, by inserting after the word
16 "businesses" the following: "and farmers".

17 9. By renumbering as necessary.

By RICHARD VARN
LINN FUHRMAN

JOHN KIBBIE
LEONARD BOSWELL

S-3797 FILED APRIL 19, 1989

adopted 4-24-89 (p-16/17)

HOUSE FILE 686

S-3859

1 Amend the amendment, S-3648, to House File 686, as
 2 amended, passed, and reprinted by the House, as
 3 follows:
 4 1. Page 3, by inserting before line 26 the
 5 following:
 6 "_____. Page 9, by inserting before line 29 the
 7 following:
 8 "Sec. _____. Section 567.3, subsection 3, paragraph
 9 d, Code 1989, is amended by striking the paragraph and
 10 inserting in lieu thereof the following:
 11 d. Agricultural land acquired for research or
 12 experimental purposes. Agricultural land is used for
 13 research or experimental purposes if any of the
 14 following apply:
 15 (1) Research and experimental activities are
 16 undertaken on the agricultural land and no commercial
 17 sales are made of products produced from farming the
 18 agricultural land.
 19 (2) Research and experimental activities are
 20 undertaken on the agricultural land and the commercial
 21 sales of products produced from farming the
 22 agricultural land are incidental to the research or
 23 experimental purposes of the corporation. Commercial
 24 sales are incidental to the research or experimental
 25 purposes of the corporation when such sales are less
 26 than twenty-five percent of the gross sales of the
 27 primary product of the research.
 28 (3) The agricultural land is used for the primary
 29 purpose of testing, developing, or producing seeds,
 30 animals, or plants for sale or resale to farmers as
 31 seed stock or breeding stock."
 32 2. Page 3, by striking lines 27 and 28, and
 33 inserting the following: "word "Act" the following:
 34 "relating to scientific research, by authorizing the
 35 issuance of bonds, restricting certain research on
 36 agricultural land,"."
 37 3. By renumbering as necessary.

By BERL E. PRIEBE

S-3859 FILED APRIL 24, 1989

RULED OUT OF ORDER

4-24-89 (p. 1617)

HOUSE FILE 686

S-3886

1 Amend the amendment, S-3648, to House File 686, as
 2 amended, passed, and reprinted by the House, as
 3 follows:
 4 1. Page 2, line 30, by inserting after the word
 5 "purposes." the following: "The foundation shall
 6 coordinate the issuance of notes and bonds with the
 7 treasurer of state as set forth in section 12.30."

By PAT DELUHERY

JOHN KIBBIE

S-3886 FILED APRIL 24, 1989

Adopted 4-27-89 (p. 174)

SENATE AMENDMENT TO HOUSE FILE 686

H-4310

- 1 Amend House File 686, as amended, passed, and
2 reprinted by the House, as follows:
- 4424 3 1. Page 1, line 12, by inserting after the word
4 "businesses" the following: "and farms".
5 2. Page 1, line 15, by inserting after the word
6 "factory" the following: "and farm".
7 3. Page 1, line 29, by inserting after the word
8 "innovation" the following: "and in the development
9 of Iowa science infrastructure".
10 4. Page 2, line 1, by striking the words "A study
11 of the need for" and inserting the following:
12 "Establishment of".
13 5. Page 2, lines 5 and 6, by striking the words
14 "The study shall include recommendations."
4424 15 6. By striking page 2, line 21 through page 3,
16 line 24 and inserting the following:
17 "a. The following standing and appointed members
18 from the academic community:
19 (1) The president of the university of Iowa, or
20 the president's designee.
21 (2) The president of Iowa state university, or the
22 president's designee.
23 (3) The president of the university of northern
24 Iowa, or the president's designee.
25 (4) A designee of the Iowa association of
26 independent colleges and universities.
27 (5) The president of the state board of regents,
28 or the president's designee.
29 (6) A president of a community college, or the
30 president's designee appointed by the governor.
31 b. The following standing and appointed members
32 from state government:
33 (1) The director of the department of economic
34 development, or the director's designee.
35 (2) The chairperson of the Iowa economic
36 development board, or the chairperson's designee.
37 (3) The secretary of agriculture or the
38 secretary's designee.
39 (4) Two state department heads or division
40 administrators or their designees, appointed by the
41 governor.
42 The membership designated and appointed under this
43 paragraph "b" shall be bipartisan and gender balanced
44 in accordance with sections 69.16 and 69.16A.
45 c. The following members from the private sector
46 appointed by the governor:
47 (1) Five persons from technology-based enterprises
48 in the state or Iowans with experience in technology
49 development and commercialization, two of whom shall
50 be actively engaged in agriculture.

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1 (2) One scientist or leader in technology
2 development.

3 2. The terms of the appointed members shall be for
4 four years and shall be staggered as determined by the
5 standing members. Any vacancy shall be filled by the
6 appointing authority. Members are eligible for actual
7 expense reimbursement while fulfilling duties of the
8 foundation. The board shall elect a chairperson from
9 among its private sector members."

10 7. Page 4, by striking lines 22 and 23 and
11 inserting the following:

12 "14. To establish advisory committees of business,
13 agriculture, or academic specialists or others as
14 deemed necessary."

15 8. Page 4, by inserting before line 29 the
16 following:

17 "17. To consult with representatives of Iowa
18 agriculture."

19 9. Page 6, line 7, by inserting after the word
20 "centers," the following: "the extension service of
21 Iowa state university of science and technology,".

22 10. Page 6, line 15, by inserting after the word
23 "business" the following: "and agriculture".

24 11. Page 6, line 19, by inserting after the word
25 "firms" the following: "and farms".

26 12. Page 6, line 24, by inserting after the word
27 "industry" the following: "and agriculture".

28 13. Page 6, by inserting before line 27 the
29 following:

30 "6. The plan shall include directions for
31 participation by the foundation, through direct
32 investment or in partnership or joint venture with a
33 commercial investor or other financial source, in
34 providing funds for development of new or existing
35 businesses in Iowa engaged in commercial exploitation
36 of products or technologies related to the research
37 interests of the foundation."

38 14. Page 6, line 34, by inserting after the word
39 "college" the following: ", community college,".

40 15. Page 7, line 12, by inserting after the word
41 "industrial" the following: "and agricultural".

42 16. Page 7, by striking line 31, and inserting
43 the following:

44 "d. Machinery, equipment, or livestock."

45 17. Page 7, by inserting before line 32, the
46 following:

47 "a. Agricultural land for research purposes."

48 18. Page 8, line 2, by inserting after the word
49 "colleges" the following: ", community colleges,".

50 19. Page 8, line 3, by striking the word

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Page 3

1 "business" and inserting the following: "parties".

2 20. Page 8, line 17, by striking the words "and
3 industry" and inserting the following: ", industry,
4 and agriculture".

5 21. Page 8, by inserting before line 21, the
6 following:

7 "Sec. ____ . NEW SECTION. 28.158A BONDS AND NOTES

8 -- AUTHORITY.

9 1. The foundation may issue its own negotiable
10 bonds and notes in principal amounts as, in the
11 opinion of the foundation, are necessary to provide
12 sufficient funds for achievement of its corporate
13 purposes. The foundation shall coordinate the
14 issuance of notes and bonds with the treasurer of
15 state as set forth in section 12.30. The foundation
16 shall issue bonds and notes to the extent not
17 inconsistent with the limitations and restrictions of
18 issuing bonds and notes under sections 220.26, 220.27,
19 and 220.28.

20 2. Bonds and notes issued by the foundation are
21 payable solely and only out of the moneys, assets, or
22 revenues of the foundation, and as provided in the
23 agreement with bondholders or noteholders pledging any
24 particular moneys, assets, or revenues. Bonds or
25 notes are not an obligation of this state or any
26 political subdivision of this state other than the
27 foundation within the meaning of any constitutional or
28 statutory debt limitations, but are special
29 obligations of the foundation payable solely and only
30 from the sources provided in this section, and the
31 foundation shall not pledge the credit or taxing power
32 of this state or any political subdivision of this
33 state other than the foundation, or make its debts
34 payable out of any moneys except those of the
35 foundation.

36 3. The foundation may create and establish one or
37 more special funds, to be known as "bond reserve
38 funds", and shall pay into each bond reserve fund any
39 moneys appropriated and made available by the state
40 for the purpose of the fund, any proceeds of sale of
41 notes or bonds to the extent provided in the
42 resolutions of the foundation authorizing their
43 issuance, and any other moneys which may be available
44 to the foundation for the purpose of the fund from any
45 other sources. All moneys held in a bond reserve fund
46 shall be used as required solely for the payment of
47 the principal of bonds secured in whole or in part by
48 the fund or of the sinking fund payments with respect
49 to the bonds, the purchase or redemption of the bonds,
50 the payment of interest on the bonds or the payments

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1 of any redemption premium required to be paid when the
2 bonds are redeemed prior to maturity.

44243 4. The use of proceeds of the sale of bonds or
4 notes shall be limited to the acquisition of machinery
5 and equipment relating to science and technology which
6 is identified in the strategic plan prepared pursuant
7 to section 28.157 and the use of proceeds shall be
8 limited to one million dollars for each machine or
9 piece of equipment."

442410 22. By striking page 8, line 21 through page 9,
11 line 10.

442412 23. Page 9, line 17, by inserting after the word
13 "businesses" the following: "and farms".

14 24. Page 9, line 18, by inserting after the words
15 "strategies to" the following: "farms for more
16 efficient production of agricultural commodities, or
17 to".

18 25. Page 9, line 24, by inserting after the word
19 "businesses" the following: "and farmers".

442417 26. Title page, line 1, by inserting after the
21 word "foundation" the following: ", authorizing the
22 issuance of bonds,".

23 27. By renumbering as necessary.

RECEIVED FROM THE SENATE

H-4310 FILED APRIL 27, 1989

House Concurred 5-4-89 (p-2468)

HOUSE FILE 686

H-4424

1 Amend the Senate amendment, H-4310, to House File
2 686, as amended, passed, and reprinted by the House,
3 as follows:

4 1. Page 1, by inserting before line 3 the
5 following:

6 "_____. Page 1, by inserting before line 3 the
7 following:

8 "Section 100. NEW SECTION. 18B.1 DEFINITIONS.

9 As used in this chapter, unless the context
10 otherwise requires:

11 1. "Business" means a commercial enterprise
12 engaged in interstate or intrastate commerce for the
13 purpose of manufacturing, processing, or assembling
14 products, conducting research and development, or
15 providing services in interstate or intrastate
16 commerce, or the production of agricultural products
17 from farming as defined in section 175.2, but excludes
18 retail, health, or professional services. "Business"
19 includes a financial institution, including an insured
20 bank as defined in section 524.103, a credit union is
21 defined in section 533.1, and an association as
22 defined in section 534.102.

23 2. "Executive director" means the executive
24 director of the board as established in section 18B.8.

25 3. "Fund" means the international network on trade
26 fund created in section 18B.11.

27 4. "INTERNET" means the International network on
28 trade as established in section 18B.3.

29 Sec. 101. NEW SECTION. 18B.2 LEGISLATIVE
30 FINDINGS.

31 The general assembly finds and declares that:

32 1. The economic viability of the state depends
33 upon enhancing Iowa's participation in the emerging
34 global economy.

35 2. Iowa's successful participation in
36 international trade depends upon a commitment between
37 public and private sectors and between public agencies
38 to assist businesses in enhancing the export of Iowa
39 products.

40 3. Successful participation in international trade
41 depends upon public agencies reaching out to provide
42 special assistance to small and medium sized
43 businesses interested in beginning or increasing the
44 export of Iowa products.

45 4. Successful participation in international trade
46 depends upon fostering international business research
47 and training to expand opportunities by Iowa
48 businesses to increase trade in viable foreign
49 markets.

50 5. Iowa businesses are in need of a simple

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1 nonbureaucratic mechanism which serves as a key for
2 Iowa businesses to reach sources designed to assist
3 businesses in accessing foreign markets or increasing
4 foreign trade.

5 Sec. 102. NEW SECTION. 18B.3 ESTABLISHMENT OF
6 INTERNET -- MISSION. The international network on
7 trade is established to conduct long-range research
8 quantifying product and geographical opportunities for
9 Iowa producers in the global marketplace, including
10 determining actions necessary, by public or private
11 sector groups, to successfully exploit those
12 opportunities. Research shall be conducted in concert
13 with private sector members of INTERNET, higher
14 educational institutions, and existing export support
15 resources, including but not limited to the department
16 of economic development, the department of agriculture
17 and land stewardship, and the United States department
18 of commerce. INTERNET at all times shall avoid
19 duplication of resource programs. INTERNET shall
20 recommend a coordinated international trade policy
21 designed to substantially increase Iowa's global trade
22 benefits.

23 Sec. 103. NEW SECTION. 18B.4 AUTHORIZED
24 CORPORATION. The international network on trade shall
25 be incorporated under chapter 504A. INTERNET shall
26 not be regarded as a state agency, except for purposes
27 of chapter 17A. A member of the board of directors is
28 not considered a state employee, except for purposes
29 of chapter 25A. If the executive director is a
30 natural person acting as a salaried employee of the
31 board, the executive director is a state employee
32 except for purposes of the merit system provisions of
33 chapter 19A and chapter 20. A natural person hired by
34 the executive director who is a salaried employee of
35 the board is a state employee. However, if a person,
36 including a staff member of INTERNET, is an
37 independent contractor or an employee of an
38 independent contractor, the person is not a state
39 employee except for purposes of chapter 25A.

40 Sec. 104. NEW SECTION. 18B.5 BOARD OF DIRECTORS.

41 1. INTERNET shall be governed by a board of
42 directors consisting of the following:

43 a. The president of the university of Iowa, or the
44 president's designee.

45 b. The president of Iowa state university of
46 science and technology, or the president's designee.

47 c. The president of the university of northern
48 Iowa, or the president's designee.

49 d. The director of the department of economic
50 development, or the director's designee, who shall

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1 serve as an ex officio nonvoting member.

2 e. The chairperson of the agricultural products
3 advisory council, who shall serve as an ex officio
4 nonvoting member.

5 f. The secretary of agriculture or the secretary's
6 designee, who shall serve as an ex officio nonvoting
7 member.

8 g. Three designees of the Iowa association of
9 independent colleges and universities. The
10 association shall give preference to appointing
11 designees representing schools which are members of
12 INTERNET.

13 h. Three designees of the Iowa association of
14 community college presidents. A designee shall not
15 represent more than one community college.

16 i. Four designees who are elected from the
17 business membership. The designees must be business
18 persons actively engaged in international trade. At
19 least two of the persons must have experience in
20 exporting and at least one of the persons must have
21 experience in international finance. No two members
22 shall represent the same business.

23 j. Two designees who are elected from the business
24 membership. The designees must represent associations
25 operating not for profit to promote or facilitate
26 international trade on a local or regional basis. No
27 two designees shall be employees of the same
28 association.

29 2. The voting members of the board shall serve
30 staggered terms of four years except that of the first
31 terms, seven voting members shall serve terms of two
32 years. A person appointed to fill a vacancy for a
33 director shall serve only for the unexpired portion of
34 the term. A director is eligible for reappointment.
35 A director may be removed from office by a two-thirds
36 vote of the board for misfeasance, malfeasance, or
37 willful neglect of duty or other just cause after
38 notice and hearing, unless the notice and hearing is
39 expressly waived by the director in writing.

40 3. In designating or electing persons to serve on
41 the board, INTERNET members, to the extent
42 practicable, shall designate or elect a board
43 membership which is geographically and gender
44 balanced.

45 4. Eight voting members constitute a quorum and
46 the affirmative vote of a majority of the voting
47 members is necessary for substantive action taken by
48 the board. The majority shall not include a voting
49 member who has a conflict of interest and a statement
50 by a voting member that the voting has a conflict of

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1 interest is conclusive for this purpose. A vacancy in
2 the board's membership does not impair the right of a
3 quorum to exercise all rights and perform all duties
4 of the board.

4440 5 5. The directors actively engaged in international
6 trade, the directors representing international trade
7 associations, and the directors appointed by the Iowa
8 association of independent colleges and universities
9 are entitled to receive forty dollars per diem for
10 each day spent in performance of duties as directors,
11 and shall be reimbursed for all actual and necessary
12 expenses incurred in the performance of duties as
13 directors.

14 6. The board shall elect a chairperson from among
15 its directors.

16 7. Meetings of the board shall be held at the call
17 of the chairperson or at the written request of four
18 directors to the chairperson.

19 Sec. 105. NEW SECTION. 18B.6 GENERAL POWERS.

20 The board established pursuant to section 18.5
21 shall have all the general powers needed to carry out
22 its mission and duties, including but not limited to
23 the following powers:

24 1. To sue and be sued in its own name.

25 2. To adopt a corporate seal.

26 3. To adopt bylaws for its management consistent
27 with the provisions of this chapter.

28 4. To make and execute agreements, contracts and
29 other instruments, with any public or private entity,
30 including but not limited to a federal or governmental
31 agency, foreign nation, or another state in the union.
32 All political subdivisions, other public agencies and
33 state agencies may enter into contracts and otherwise
34 cooperate with the board.

35 5. To procure insurance against any loss in
36 connection with its operations and property interests.

37 6. To fix and collect fees and charges for its
38 services.

39 7. To accept contributions, including but not
40 limited to appropriations, gifts, grants, loans,
41 services, or other aid or assistance from public or
42 private entities. A record of all contributions,
43 stating the type, amount, and donor, shall be clearly
44 set forth in the board's annual report along with the
45 record of other receipts.

46 Sec. 106. NEW SECTION. 18B.7 INTERNET
47 MEMBERSHIP.

48 1. INTERNET shall include academic and business
49 members.

50 a. The academic members shall include the

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1 following:

2 (1) The university of Iowa.

3 (2) Iowa state university of science and
4 technology.

5 (3) The university of northern Iowa.

6 (4) Each area community college within a merged
7 area as established in chapter 280A.8 (5) A private college or university which agrees
9 to participate as an INTERNET member and is a member
10 of the Iowa association of independent colleges and
11 universities.12 b. The business members shall include any business
13 actively involved in international trade, including
14 export trade, export assistance, or international
15 finance.16 2. a. The academic members shall cooperate with
17 the board in accomplishing the mission and duties of
18 the board as provided in this chapter. Each member
19 shall execute a membership agreement with the board.
20 A member under the terms of the agreement shall
21 provide an annual contribution as provided by the
22 board. The contribution shall relate to supporting
23 programs administered by the board, and may include
24 financial or in-kind assistance such as office space,
25 personnel time, materials and supplies, or a
26 combination of financial or in-kind assistance. A
27 minimum contribution is required to become an academic
28 member.29 b. The business members shall cooperate with the
30 board in accomplishing the mission and duties of the
31 board as provided in a membership agreement executed
32 between the board and the members. A member under the
33 terms of the agreement shall make an annual
34 contribution as provided by the board. The
35 contribution shall relate to supporting programs
36 administered by the board and may include financial or
37 in-kind assistance such as office space, personnel
38 time, materials and supplies or a combination of
39 financial or in-kind assistance. A minimum
40 contribution is required to become a business member.41 3. A member, other than the university of Iowa,
42 Iowa state university of science and technology, the
43 university of northern Iowa, or a community college,
44 may withdraw from membership and all commitments
45 entered into between the board and the member after
46 one year following written notice by the member
47 delivered to the executive director. The terms of the
48 membership agreement executed between the board and
49 the member shall terminate one year following written
50 notice of the member's withdrawal, unless the board

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1 and the member otherwise agree in writing.

2 Sec. 107. NEW SECTION. 18B.8 EXECUTIVE DIRECTOR.

3 1. Under the general direction of the board, the
4 executive director shall do all of the following:

5 a. Manage and operate the INTERNET, including
6 hiring and directing INTERNET staff whether salaried
7 employees of the board or independent contractors.

8 b. Establish subcommittees of business and
9 academic specialists as needed. The specialists shall
10 be consulted as program areas are developed and
11 individual projects are selected for funding.

12 c. Keep the membership of INTERNET informed of
13 items of importance relating to programs or projects
14 of INTERNET, INTERNET finances, and actions by the
15 board.

16 d. Negotiate membership agreements, including
17 terms relating to the contribution of a member,
18 according to section 18B.7.

19 e. Advise the board on matters relating to the
20 mission of INTERNET, including programs and projects
21 under consideration or implementation by the board and
22 finances of INTERNET.

23 f. Recommend bylaws, and rules to be adopted by
24 the board.

25 g. Control INTERNET finances, including
26 appropriations, and contributions, and approve
27 expenses from the fund in a manner consistent with
28 rules and procedures of the treasurer of state.

29 h. Report to the board the condition of INTERNET
30 including programs, projects, and INTERNET finances,
31 at least once each three months. The executive
32 director shall prepare for board approval an annual
33 report provided in section 18B.10.

34 2. The executive director shall not, directly or
35 indirectly exert influence to induce any other officer
36 or employee of the state to adopt a political view, or
37 to favor a political candidate for office.

38 3. The executive director shall serve as secretary
39 to the board, and shall be custodian of all documents,
40 including books and papers filed with the authority of
41 the minutes of board meetings. The executive director
42 shall make copies of documents and provide
43 certificates under seal that the copies are true
44 copies and that all persons dealing with INTERNET may
45 rely upon the certificates.

46 Sec. 108. DUTIES. 18B.9 BOARD DUTIES.

47 The board shall carry out the mission of INTERNET
48 and shall have discretionary authority to perform the
49 following duties:

50 1. To appoint and direct an executive director and

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- 1 employ INTERNET staff, including the executive
- 2 director, as salaried employees of INTERNET or as
- 3 independent contractors.
- 4 2. To approve the budget of INTERNET for each
- 5 fiscal year.
- 6 3. To adopt goals and objectives of INTERNET,
- 7 including recommendations to the general assembly and
- 8 governor of a coordinated trade policy designed to
- 9 substantially increase Iowa's global trade benefits.
- 10 4. To target for assistance businesses or products
- 11 which indicate a high potential for expansion in
- 12 foreign markets.
- 13 5. To provide special assistance to small and
- 14 medium sized businesses interested in beginning or
- 15 increasing the export of Iowa products.
- 16 6. To conduct special research projects, including
- 17 product research in foreign markets.
- 18 7. To inventory and catalog international
- 19 resources of information, including experts and
- 20 programs, available to provide assistance to
- 21 businesses interested in foreign trade.
- 22 8. To establish a clearinghouse of information to
- 23 refer to appropriate resources businesses interested
- 24 in accessing foreign markets or expanding foreign
- 25 trade.
- 26 9. To establish criteria and award grants or loans
- 27 based only on a competitive basis for programs
- 28 relating to international training or research. In
- 29 making financial awards, preference shall be given to
- 30 members, as provided in section 18B.7.
- 31 10. To facilitate contact between businesses in
- 32 search of assistance in entering or expanding foreign
- 33 trade and persons able to assist the business.
- 34 11. To cooperate with Iowa universities and
- 35 colleges, governmental agencies, and businesses where
- 36 collaboration would add value to international trade
- 37 programs or increase opportunities in foreign markets
- 38 for increased trade.
- 39 12. To recruit business and colleges to become
- 40 INTERNET members as provided in section 18B.7.
- 41 13. In order to leverage state funds appropriated
- 42 to INTERNET, to actively seek financial support from
- 43 nonstate sources, including from the federal
- 44 government, and from businesses. The board may
- 45 require a match from nonstate sources for programs,
- 46 seek generic business support for INTERNET, seek
- 47 support from business in one or more industries for
- 48 programs which may benefit those businesses, or charge
- 49 fees for services provided under the authority of
- 50 INTERNET. The board shall use INTERNET resources to

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1 the maximum extent possible in order to seek matching
2 funds, gifts, grants or additional assets, including
3 funding sources.

4 14. To conduct international research according to
5 requests from INTERNET members.

6 15. To regularly disseminate to INTERNET members
7 information and issues relating to international
8 trade, including data and findings from market
9 studies.

10 16. To monitor changing world economic and
11 political conditions.

12 17. To report annually about INTERNET to the
13 governor and the general assembly as provided in
14 section 18B.10.

15 18. To oversee the progress of programs and
16 projects administered by INTERNET and monitor the
17 status of INTERNET assets, including finances.

18 19. To approve membership agreements, including
19 terms relating to contributions of members as provided
20 in section 18B.7.

21 20. To approve any contract or agreement
22 committing INTERNET to the substantial expenditure of
23 INTERNET assets.

24 21. To adopt bylaws for INTERNET, approve other
25 procedures relating to the day-to-day administration
26 of INTERNET, and adopt rules consistent with chapter
27 17A.

28 Sec. 109. NEW SECTION. 18B.10 ANNUAL REPORT.

29 1. The board shall approve and submit to the
30 governor and to the secretary of the senate and to the
31 chief clerk of the house of representatives, not later
32 than January 15 of each year, a report setting forth
33 information relating to INTERNET, including all of the
34 following:

35 a. Matters relating to operations and
36 accomplishments.

37 b. A summary of receipts and expenditures during
38 the fiscal year, in accordance with the
39 classifications it establishes for its operating
40 accounts.

41 c. A summary of assets and liabilities at the end
42 of the fiscal year and the status of special accounts.

43 d. A statement of proposed and projected
44 activities.

45 e. Recommendations to the general assembly and
46 governor, including recommendations related to a
47 coordinated trade policy designed to substantially
48 increase Iowa's global trade benefits.

49 2. The annual report shall identify performance
50 goals of INTERNET, and indicate the extent of progress

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1 during the reporting period, in attaining the goals.

2 Sec. 110. NEW SECTION. 18B.11 INTERNATIONAL

3 NETWORK ON TRADE FUND.

4 There is created within the state treasury, an
5 international network on trade fund. The fund is
6 composed of money appropriated by the general assembly
7 for that purpose, and moneys available to and obtained
8 or accepted by the board under this chapter, including
9 money from the United States, other states in the
10 union, foreign nations, state agencies, political
11 subdivisions, and private sources, and moneys from
12 fees charged under this chapter.

13 The fund shall be a revolving fund from which
14 moneys may be used for purposes described in this
15 chapter, including loans, grants, matching financing,
16 and administrative costs. All interest earned on
17 proceeds in the fund shall remain in the fund.

18 The auditor of state shall conduct regular audits
19 of the fund and shall make a certified report relating
20 to the condition of the fund to the treasurer of state
21 and to the executive director.

22 The board and executive director shall administer
23 the fund as in accordance with procedures of the
24 treasurer of state. In administering the fund, the
25 board may do all of the following:

26 1. Contract, sue and be sued, and adopt rules
27 necessary to carry out the provisions of this section,
28 but the board shall not in any manner, directly or
29 indirectly pledge the credit of the state.

30 2. Authorize payment from the fund, from fees and
31 from any income received by investment of money in the
32 fund, for cost, commissions, attorney fees, and other
33 reasonable expenses related to and necessary for
34 making and protecting direct loans under this section,
35 and for the recovery of moneys loaned or the
36 management of property acquired in connection with the
37 loans.

38 Section 8.33 shall not apply to moneys in the
39 fund."

40 2. Page 1, by inserting before line 3, the
41 following:

42 "____. Page 1, by striking lines 3 and 4, and
43 inserting the following:

44 443544 "Sec. ____ . NEW SECTION. 28.151 WALLACE
45 TECHNOLOGY TRANSFER FOUNDATION OF IOWA ESTABLISHED --
46 MISSION.

47 ____ . Page 1, lines 7 and 8, by striking the words
48 "An Iowa science and technology foundation" and
49 inserting the following: "A Wallace technology
50 transfer foundation of Iowa".

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1 3. Page 1, by inserting before line 15, the
2 following:

3 "_____. Page 2, line 10, by striking the words
4 "Iowa science and technology foundation" and inserting
4435 5 the following: "Wallace technology transfer
6 foundation of Iowa".

4435 7 4. By striking page 1, line 15, through page 2,
8 line 9, and inserting the following:

9 "_____. Page 2, by inserting after line 28 the
10 following:

11 "(_____) A president of a community college, or the
12 president's designee, appointed by the Iowa
13 association of community college presidents.

14 (_____) A designee of the Iowa association of
15 independent colleges and universities.

16 (_____) The secretary of agriculture or the
17 secretary's designee."

18 _____. By striking page 2, line 29, through page 3,
19 line 4, and inserting the following:

4445 20 "(_____) Five persons appointed by the governor,
21 subject to senate confirmation, with an emphasis on
22 persons involved directly in research and development
23 of technology-based industrial or agricultural
24 enterprises in the state or Iowans with experience in
25 technology development and commercialization. The
26 five persons shall be appointed from a list of
27 candidates provided by the Iowa business council which
28 shall include persons in small business manufacturing
29 and persons in large business manufacturing.

30 _____. Page 3, line 24, by inserting after the
31 word "its" the following: "private sector".

4435 32 5. Page 2, by inserting before line 42 the
33 following:

34 _____. Page 7, by striking lines 15 through 20 and
35 inserting the following:

36 "2. State funds awarded by the".

37 6. Page 2, by striking lines 42 through 44.

38 7. Page 4, line 4, by inserting after the word
39 "acquisition" the following: "or lease-purchase".

4435 40 8. Page 4, by striking lines 8 and 9 and
41 inserting the following: "limited in a fiscal year to
42 a total of one million dollars or an amount greater
43 than one million dollars if authorized by a resolution
44 of the general assembly and approved by the governor."

45 9. Page 4, by striking lines 10 and 11.

46 10. Page 4, by inserting before line 12 the
47 following:

48 _____. Page 8, lines 23 and 24, by striking the
49 words "science and technology foundation" and

4435 50 inserting the following: "Wallace technology transfer

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1 foundation of Iowa".

2 _____. By striking page 8, line 35 through page 9,
3 line 8.

4 _____. Page 9, by inserting before line 9 the
5 following:

6 "_____. A number of members equal to the number of
7 members of the Iowa congressional delegation appointed
8 by the Iowa business council."

9 11. Page 4, by inserting before line 20 the
10 following:

11 "_____. Page 9, by inserting before line 31 the
12 following:

13 "Sec. 111. ORGANIZING BOARD OF INTERNET. The
14 members of the board designated pursuant to section
15 18B.5, subsection 1, paragraphs "a" through "h", in
16 conjunction with the members of the world trade
17 institute study committee established pursuant to 1987
18 Acts, chapter 141, section 8, shall have all powers
19 and duties necessary to organize the board, including
20 the adoption of articles of incorporation, bylaws, and
21 rules. The organizing board shall be chaired by the
22 chairperson of the world trade institute study
23 committee. The organizing board shall be staffed by
24 the department of economic development. The
25 organizing board may contract for additional legal or
26 other assistance as deemed necessary by the organizing
27 board. The interdisciplinary working group on
28 international business may cooperate by assisting the
29 organizing board. The permanent board shall be
30 organized not later than January 1, 1990. Procedures
31 set forth in section 18B.5 shall be applicable to the
32 organizing board. After January 1, 1990, the
33 directors of the permanent board designated pursuant
34 to section 18B.5, paragraphs "a" through "h", shall
35 have all the powers necessary to carry out the mission
36 of INTERNET, until the directors representing business
37 members pursuant to section 18B.5, paragraphs "i" and
38 "j" have been elected. The election shall be held as
39 soon after January 1, 1990, as is reasonably
40 practicable, but shall be held not later than June 30,
41 1990.

42 Sec. 112. WORLD TRADE INSTITUTE STUDY COMMITTEE.

43 1. All equipment purchased and materials produced
44 under contracts between persons and the world trade
45 institute study committee, established pursuant to
46 1987 Acts, chapter 141, section 8, shall be
47 transferred to the custody of INTERNET.

48 2. The board of INTERNET shall consider the
49 materials and recommendations produced by the world
50 trade institute study committee. The board shall

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1 study methods to incorporate programs under study by
2 the committee into permanent programs administered by
3 the board.

4 Sec. 113. Sections 100 through 112 of this Act,
5 being deemed of immediate importance, take effect upon
6 enactment.""

7 12. Page 4, by striking lines 20 through 22, and
8 inserting the following:

9 "____. Title page, by striking lines 1 and 2, and
10 inserting the following: "An Act establishing an

11 international network on trade, establishing the

443.12 Wallace technology transfer foundation of Iowa,

13 authorizing the issuance of bonds, and providing an
14 effective date.""

15 13. By renumbering as necessary.

By JESSE of Jasper

H-4424 FILED MAY 4, 1989

ADOPTED 5-4-89 (p.2468)

HOUSE FILE 686

H-4435

- 1 Amend the amendment, H-4424, to the Senate
 2 amendment, H-4310, to House File 686, as amended,
 3 passed, and reprinted by the House, as follows:
 4 1. Page 9, line 44, by striking the word
 5 "WALLACE".
 6 2. Page 9, line 49, by striking the word
 7 "Wallace".
 8 3. Page 10, line 5, by striking the word
 9 "Wallace".
 10 4. Page 10, by striking lines 7 through 17 and
 11 inserting the following:
 12 "____. Page 1, by striking lines 29 and 30."
 13 5. Page 10, by striking lines 18 through 29 and
 14 inserting the following:
 15 "____. Page 1, by striking lines 47 through 50 and
 16 inserting the following:
 17 "(____) Five persons appointed by the governor,
 18 subject to senate confirmation, with an emphasis on
 19 persons involved directly in research and development
 20 of technology-based industrial or agricultural
 21 enterprises in the state or Iowans with experience in
 22 technology development and commercialization which
 23 shall include persons in small business manufacturing
 24 and persons in large business manufacturing."
 25 6. Page 10, by striking lines 32 through 36.
 26 7. Page 10, by striking lines 40 through 44 and
 27 inserting the following:
 28 "____. Page 4, by striking lines 7 through 9 and
 29 inserting the following: "to section 28.157."
 30 8. Page 10, line 50, by striking the word
 31 "Wallace".
 32 9. Page 12, line 12, by striking the word
 33 "Wallace".

By METCALF of Polk

H-4435 FILED MAY 4, 1989

LOST 5-4-89 (p. 2460)

HOUSE FILE 686

H-4445

- 1 Amend amendment, H-4424, to the Senate amendment,
 2 H-4310, to House File 686, as amended, passed, and
 3 reprinted by the House as follows:
 4 1. Page 10, by striking lines 21 through 25, and
 5 inserting the following: "subject to senate
 6 confirmation, three of whom are persons involved
 7 directly in research and development of technology-
 8 based industries or Iowans with experience in
 9 technology development and commercialization, two of
 10 whom are directly involved in agricultural-related
 11 enterprises. The".

By GRUHN of Dickinson
 SVOBODA of TamaFOGARTY of Palo Alto
 JESSE of Jasper

H-4445 FILED MAY 4, 1989

ADOPTED 5-4-89 (p. 2468)

HOUSE FILE 686

H-4440

1 Amend the amendment, H-4424, to the Senate
2 amendment, H-4310, to House File 686, as amended,
3 passed, and reprinted by the House, as follows:

4 1. By striking page 2, line 43 through page 3,
5 line 28 and inserting the following:

6 "a. One president, or the president's designee, of
7 the university of Iowa, Iowa state university of
8 science and technology, or the university of northern
9 Iowa, as designated by the state board of regents on a
10 rotating basis. Each president or designee shall
11 serve two years before being replaced by a successor
12 president or designee.

13 b. The director of the department of economic
14 development or the director's designee.

15 c. The secretary of agriculture or the secretary's
16 designee.

17 d. A designee of the Iowa association of
18 independent colleges and universities. The
19 association shall give preference to appointing
20 designees representing schools which are members of
21 INTERNET. The designee shall serve for two years.

22 e. Six persons actively engaged in international
23 trade appointed by the governor. The members shall be
24 appointed for staggered terms of six years. To the
25 extent practicable, appointments shall be
26 geographically and gender balanced."

27 2. Page 3, by striking lines 29 through 32 and
28 inserting the following:

29 "2. A person appointed to fill a vacancy for a".

30 3. Page 3, line 45, by striking the word "Eight"
31 and inserting the following: "Six".

32 4. Page 4, by striking lines 5 through 9 and
33 inserting the following:

34 "5. The director appointed as a designee by the
35 Iowa association of independent colleges and
36 universities and the directors appointed by the
37 governor are entitled to receive forty dollars per
38 diem for".

39 5. Page 7, line 13, by striking the words
40 "provide special assistance" and inserting the
41 following: "facilitate programming".

42 6. Renumber as necessary.

By METCALF of Polk

H-4440 FILED MAY 4, 1989

LOST

5-4-89 (p. 2468)

HOUSE AMENDMENT TO SENATE AMENDMENT TO
HOUSE FILE 686

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1 Amend the Senate amendment, H-4310, to House File
2 686, as amended, passed, and reprinted by the House,
3 as follows:

4 1. Page 1, by inserting before line 3 the
5 following:

6 " ". Page 1, by inserting before line 3 the
7 following:

8 "Section 100. NEW SECTION. 18B.1 DEFINITIONS.

9 As used in this chapter, unless the context
10 otherwise requires:

11 1. "Business" means a commercial enterprise
12 engaged in interstate or intrastate commerce for the
13 purpose of manufacturing, processing, or assembling
14 products, conducting research and development, or
15 providing services in interstate or intrastate
16 commerce, or the production of agricultural products
17 from farming as defined in section 175.2, but excludes
18 retail, health, or professional services. "Business"
19 includes a financial institution, including an insured
20 bank as defined in section 524.103, a credit union is
21 defined in section 533.1, and an association as
22 defined in section 534.102.

23 2. "Executive director" means the executive
24 director of the board as established in section 18B.8.

25 3. "Fund" means the international network on trade
26 fund created in section 18B.11.

27 4. "INTERNET" means the International network on
28 trade as established in section 18B.3.

29 Sec. 101. NEW SECTION. 18B.2 LEGISLATIVE
30 FINDINGS.

31 The general assembly finds and declares that:

32 1. The economic viability of the state depends
33 upon enhancing Iowa's participation in the emerging
34 global economy.

35 2. Iowa's successful participation in
36 international trade depends upon a commitment between
37 public and private sectors and between public agencies
38 to assist businesses in enhancing the export of Iowa
39 products.

40 3. Successful participation in international trade
41 depends upon public agencies reaching out to provide
42 special assistance to small and medium sized
43 businesses interested in beginning or increasing the
44 export of Iowa products.

45 4. Successful participation in international trade
46 depends upon fostering international business research
47 and training to expand opportunities by Iowa
48 businesses to increase trade in viable foreign
49 markets.

50 5. Iowa businesses are in need of a simple

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1 nonbureaucratic mechanism which serves as a key for
2 Iowa businesses to reach sources designed to assist
3 businesses in accessing foreign markets or increasing
4 foreign trade.

5 Sec. 102. NEW SECTION. 18B.3 ESTABLISHMENT OF
6 INTERNET -- MISSION. The international network on
7 trade is established to conduct long-range research
8 quantifying product and geographical opportunities for
9 Iowa producers in the global marketplace, including
10 determining actions necessary, by public or private
11 sector groups, to successfully exploit those
12 opportunities. Research shall be conducted in concert
13 with private sector members of INTERNET, higher
14 educational institutions, and existing export support
15 resources, including but not limited to the department
16 of economic development, the department of agriculture
17 and land stewardship, and the United States department
18 of commerce. INTERNET at all times shall avoid
19 duplication of resource programs. INTERNET shall
20 recommend a coordinated international trade policy
21 designed to substantially increase Iowa's global trade
22 benefits.

23 Sec. 103. NEW SECTION. 18B.4 AUTHORIZED
24 CORPORATION. The international network on trade shall
25 be incorporated under chapter 504A. INTERNET shall
26 not be regarded as a state agency, except for purposes
27 of chapter 17A. A member of the board of directors is
28 not considered a state employee, except for purposes
29 of chapter 25A. If the executive director is a
30 natural person acting as a salaried employee of the
31 board, the executive director is a state employee
32 except for purposes of the merit system provisions of
33 chapter 19A and chapter 20. A natural person hired by
34 the executive director who is a salaried employee of
35 the board is a state employee. However, if a person,
36 including a staff member of INTERNET, is an
37 independent contractor or an employee of an
38 independent contractor, the person is not a state
39 employee except for purposes of chapter 25A.

40 Sec. 104. NEW SECTION. 18B.5 BOARD OF DIRECTORS.

41 1. INTERNET shall be governed by a board of
42 directors consisting of the following:
43 a. The president of the university of Iowa, or the
44 president's designee.
45 b. The president of Iowa state university of
46 science and technology, or the president's designee.
47 c. The president of the university of northern
48 Iowa, or the president's designee.
49 d. The director of the department of economic
50 development, or the director's designee, who shall

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1 serve as an ex officio nonvoting member.

2 e. The chairperson of the agricultural products
3 advisory council, who shall serve as an ex officio
4 nonvoting member.

5 f. The secretary of agriculture or the secretary's
6 designee, who shall serve as an ex officio nonvoting
7 member.

8 g. Three designees of the Iowa association of
9 independent colleges and universities. The
10 association shall give preference to appointing
11 designees representing schools which are members of
12 INTERNET.

13 h. Three designees of the Iowa association of
14 community college presidents. A designee shall not
15 represent more than one community college.

16 i. Four designees who are elected from the
17 business membership. The designees must be business
18 persons actively engaged in international trade. At
19 least two of the persons must have experience in
20 exporting and at least one of the persons must have
21 experience in international finance. No two members
22 shall represent the same business.

23 j. Two designees who are elected from the business
24 membership. The designees must represent associations
25 operating not for profit to promote or facilitate
26 international trade on a local or regional basis. No
27 two designees shall be employees of the same
28 association.

29 2. The voting members of the board shall serve
30 staggered terms of four years except that of the first
31 terms, seven voting members shall serve terms of two
32 years. A person appointed to fill a vacancy for a
33 director shall serve only for the unexpired portion of
34 the term. A director is eligible for reappointment.
35 A director may be removed from office by a two-thirds
36 vote of the board for misfeasance, malfeasance, or
37 willful neglect of duty or other just cause after
38 notice and hearing, unless the notice and hearing is
39 expressly waived by the director in writing.

40 3. In designating or electing persons to serve on
41 the board, INTERNET members, to the extent
42 practicable, shall designate or elect a board
43 membership which is geographically and gender
44 balanced.

45 4. Eight voting members constitute a quorum and
46 the affirmative vote of a majority of the voting
47 members is necessary for substantive action taken by
48 the board. The majority shall not include a voting
49 member who has a conflict of interest and a statement
50 by a voting member that the voting has a conflict of

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1 interest is conclusive for this purpose. A vacancy in
2 the board's membership does not impair the right of a
3 quorum to exercise all rights and perform all duties
4 of the board.

5 5. The directors actively engaged in international
6 trade, the directors representing international trade
7 associations, and the directors appointed by the Iowa
8 association of independent colleges and universities
9 are entitled to receive forty dollars per diem for
10 each day spent in performance of duties as directors,
11 and shall be reimbursed for all actual and necessary
12 expenses incurred in the performance of duties as
13 directors.

14 6. The board shall elect a chairperson from among
15 its directors.

16 7. Meetings of the board shall be held at the call
17 of the chairperson or at the written request of four
18 directors to the chairperson.

19 Sec. 105. NEW SECTION. 18B.6 GENERAL POWERS.

20 The board established pursuant to section 18.5
21 shall have all the general powers needed to carry out
22 its mission and duties, including but not limited to
23 the following powers:

24 1. To sue and be sued in its own name.

25 2. To adopt a corporate seal.

26 3. To adopt bylaws for its management consistent
27 with the provisions of this chapter.

28 4. To make and execute agreements, contracts and
29 other instruments, with any public or private entity,
30 including but not limited to a federal or governmental
31 agency, foreign nation, or another state in the union.
32 All political subdivisions, other public agencies and
33 state agencies may enter into contracts and otherwise
34 cooperate with the board.

35 5. To procure insurance against any loss in
36 connection with its operations and property interests.

37 6. To fix and collect fees and charges for its
38 services.

39 7. To accept contributions, including but not
40 limited to appropriations, gifts, grants, loans,
41 services, or other aid or assistance from public or
42 private entities. A record of all contributions,
43 stating the type, amount, and donor, shall be clearly
44 set forth in the board's annual report along with the
45 record of other receipts.

46 Sec. 106. NEW SECTION. 18B.7 INTERNET
47 MEMBERSHIP.

48 1. INTERNET shall include academic and business
49 members.

50 a. The academic members shall include the

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1 following:

2 (1) The university of Iowa.

3 (2) Iowa state university of science and
4 technology.

5 (3) The university of northern Iowa.

6 (4) Each area community college within a merged
7 area as established in chapter 280A.8 (5) A private college or university which agrees
9 to participate as an INTERNET member and is a member
10 of the Iowa association of independent colleges and
11 universities.12 b. The business members shall include any business
13 actively involved in international trade, including
14 export trade, export assistance, or international
15 finance.16 2. a. The academic members shall cooperate with
17 the board in accomplishing the mission and duties of
18 the board as provided in this chapter. Each member
19 shall execute a membership agreement with the board.
20 A member under the terms of the agreement shall
21 provide an annual contribution as provided by the
22 board. The contribution shall relate to supporting
23 programs administered by the board, and may include
24 financial or in-kind assistance such as office space,
25 personnel time, materials and supplies, or a
26 combination of financial or in-kind assistance. A
27 minimum contribution is required to become an academic
28 member.29 b. The business members shall cooperate with the
30 board in accomplishing the mission and duties of the
31 board as provided in a membership agreement executed
32 between the board and the members. A member under the
33 terms of the agreement shall make an annual
34 contribution as provided by the board. The
35 contribution shall relate to supporting programs
36 administered by the board and may include financial or
37 in-kind assistance such as office space, personnel
38 time, materials and supplies or a combination of
39 financial or in-kind assistance. A minimum
40 contribution is required to become a business member.41 3. A member, other than the university of Iowa,
42 Iowa state university of science and technology, the
43 university of northern Iowa, or a community college,
44 may withdraw from membership and all commitments
45 entered into between the board and the member after
46 one year following written notice by the member
47 delivered to the executive director. The terms of the
48 membership agreement executed between the board and
49 the member shall terminate one year following written
50 notice of the member's withdrawal, unless the board

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1 and the member otherwise agree in writing.

2 Sec. 107. NEW SECTION. 18B.8 EXECUTIVE DIRECTOR.

3 1. Under the general direction of the board, the
4 executive director shall do all of the following:

5 a. Manage and operate the INTERNET, including
6 hiring and directing INTERNET staff whether salaried
7 employees of the board or independent contractors.

8 b. Establish subcommittees of business and
9 academic specialists as needed. The specialists shall
10 be consulted as program areas are developed and
11 individual projects are selected for funding.

12 c. Keep the membership of INTERNET informed of
13 items of importance relating to programs or projects
14 of INTERNET, INTERNET finances, and actions by the
15 board.

16 d. Negotiate membership agreements, including
17 terms relating to the contribution of a member,
18 according to section 18B.7.

19 e. Advise the board on matters relating to the
20 mission of INTERNET, including programs and projects
21 under consideration or implementation by the board and
22 finances of INTERNET.

23 f. Recommend bylaws, and rules to be adopted by
24 the board.

25 g. Control INTERNET finances, including
26 appropriations, and contributions, and approve
27 expenses from the fund in a manner consistent with
28 rules and procedures of the treasurer of state.

29 h. Report to the board the condition of INTERNET
30 including programs, projects, and INTERNET finances,
31 at least once each three months. The executive
32 director shall prepare for board approval an annual
33 report provided in section 18B.10.

34 2. The executive director shall not, directly or
35 indirectly exert influence to induce any other officer
36 or employee of the state to adopt a political view, or
37 to favor a political candidate for office.

38 3. The executive director shall serve as secretary
39 to the board, and shall be custodian of all documents,
40 including books and papers filed with the authority of
41 the minutes of board meetings. The executive director
42 shall make copies of documents and provide
43 certificates under seal that the copies are true
44 copies and that all persons dealing with INTERNET may
45 rely upon the certificates.

46 Sec. 108. DUTIES. 18B.9 BOARD DUTIES.

47 The board shall carry out the mission of INTERNET
48 and shall have discretionary authority to perform the
49 following duties:

50 1. To appoint and direct an executive director and

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- 1 employ INTERNET staff, including the executive
2 director, as salaried employees of INTERNET or as
3 independent contractors.
- 4 2. To approve the budget of INTERNET for each
5 fiscal year.
- 6 3. To adopt goals and objectives of INTERNET,
7 including recommendations to the general assembly and
8 governor of a coordinated trade policy designed to
9 substantially increase Iowa's global trade benefits.
- 10 4. To target for assistance businesses or products
11 which indicate a high potential for expansion in
12 foreign markets.
- 13 5. To provide special assistance to small and
14 medium sized businesses interested in beginning or
15 increasing the export of Iowa products.
- 16 6. To conduct special research projects, including
17 product research in foreign markets.
- 18 7. To inventory and catalog international
19 resources of information, including experts and
20 programs, available to provide assistance to
21 businesses interested in foreign trade.
- 22 8. To establish a clearinghouse of information to
23 refer to appropriate resources businesses interested
24 in accessing foreign markets or expanding foreign
25 trade.
- 26 9. To establish criteria and award grants or loans
27 based only on a competitive basis for programs
28 relating to international training or research. In
29 making financial awards, preference shall be given to
30 members, as provided in section 18B.7.
- 31 10. To facilitate contact between businesses in
32 search of assistance in entering or expanding foreign
33 trade and persons able to assist the business.
- 34 11. To cooperate with Iowa universities and
35 colleges, governmental agencies, and businesses where
36 collaboration would add value to international trade
37 programs or increase opportunities in foreign markets
38 for increased trade.
- 39 12. To recruit business and colleges to become
40 INTERNET members as provided in section 18B.7.
- 41 13. In order to leverage state funds appropriated
42 to INTERNET, to actively seek financial support from
43 nonstate sources, including from the federal
44 government, and from businesses. The board may
45 require a match from nonstate sources for programs,
46 seek generic business support for INTERNET, seek
47 support from business in one or more industries for
48 programs which may benefit those businesses, or charge
49 fees for services provided under the authority of
50 INTERNET. The board shall use INTERNET resources to

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- 1 the maximum extent possible in order to seek matching
2 funds, gifts, grants or additional assets, including
3 funding sources.
- 4 14. To conduct international research according to
5 requests from INTERNET members.
- 6 15. To regularly disseminate to INTERNET members
7 information and issues relating to international
8 trade, including data and findings from market
9 studies.
- 10 16. To monitor changing world economic and
11 political conditions.
- 12 17. To report annually about INTERNET to the
13 governor and the general assembly as provided in
14 section 18B.10.
- 15 18. To oversee the progress of programs and
16 projects administered by INTERNET and monitor the
17 status of INTERNET assets, including finances.
- 18 19. To approve membership agreements, including
19 terms relating to contributions of members as provided
20 in section 18B.7.
- 21 20. To approve any contract or agreement
22 committing INTERNET to the substantial expenditure of
23 INTERNET assets.
- 24 21. To adopt bylaws for INTERNET, approve other
25 procedures relating to the day-to-day administration
26 of INTERNET, and adopt rules consistent with chapter
27 17A.
- 28 Sec. 109. NEW SECTION. 18B.10 ANNUAL REPORT.
- 29 1. The board shall approve and submit to the
30 governor and to the secretary of the senate and to the
31 chief clerk of the house of representatives, not later
32 than January 15 of each year, a report setting forth
33 information relating to INTERNET, including all of the
34 following:
- 35 a. Matters relating to operations and
36 accomplishments.
- 37 b. A summary of receipts and expenditures during
38 the fiscal year, in accordance with the
39 classifications it establishes for its operating
40 accounts.
- 41 c. A summary of assets and liabilities at the end
42 of the fiscal year and the status of special accounts.
- 43 d. A statement of proposed and projected
44 activities.
- 45 e. Recommendations to the general assembly and
46 governor, including recommendations related to a
47 coordinated trade policy designed to substantially
48 increase Iowa's global trade benefits.
- 49 2. The annual report shall identify performance
50 goals of INTERNET, and indicate the extent of progress

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1 during the reporting period, in attaining the goals.

2 Sec. 110. NEW SECTION. 18B.11 INTERNATIONAL

3 NETWORK ON TRADE FUND.

4 There is created within the state treasury, an
5 international network on trade fund. The fund is
6 composed of money appropriated by the general assembly
7 for that purpose, and moneys available to and obtained
8 or accepted by the board under this chapter, including
9 money from the United States, other states in the
10 union, foreign nations, state agencies, political
11 subdivisions, and private sources, and moneys from
12 fees charged under this chapter.

13 The fund shall be a revolving fund from which
14 moneys may be used for purposes described in this
15 chapter, including loans, grants, matching financing,
16 and administrative costs. All interest earned on
17 proceeds in the fund shall remain in the fund.

18 The auditor of state shall conduct regular audits
19 of the fund and shall make a certified report relating
20 to the condition of the fund to the treasurer of state
21 and to the executive director.

22 The board and executive director shall administer
23 the fund as in accordance with procedures of the
24 treasurer of state. In administering the fund, the
25 board may do all of the following:

26 1. Contract, sue and be sued, and adopt rules
27 necessary to carry out the provisions of this section,
28 but the board shall not in any manner, directly or
29 indirectly pledge the credit of the state.

30 2. Authorize payment from the fund, from fees and
31 from any income received by investment of money in the
32 fund, for cost, commissions, attorney fees, and other
33 reasonable expenses related to and necessary for
34 making and protecting direct loans under this section,
35 and for the recovery of moneys loaned or the
36 management of property acquired in connection with the
37 loans.

38 Section 8.33 shall not apply to moneys in the
39 fund."

40 2. Page 1, by inserting before line 3, the
41 following:

42 "____. Page 1, by striking lines 3 and 4, and
43 inserting the following:

44 "Sec. ____ . NEW SECTION. 28.151 WALLACE
45 TECHNOLOGY TRANSFER FOUNDATION OF IOWA ESTABLISHED --
46 MISSION.

47 ____ . Page 1, lines 7 and 8, by striking the words
48 "An Iowa science and technology foundation" and
49 inserting the following: "A Wallace technology
50 transfer foundation of Iowa"."

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1 3. Page 1, by inserting before line 15, the
2 following:
3 "____. Page 2, line 10, by striking the words
4 "Iowa science and technology foundation" and inserting
5 the following: "Wallace technology transfer
6 foundation of Iowa"."
7 4. By striking page 1, line 15, through page 2,
8 line 9, and inserting the following:
9 "____. Page 2, by inserting after line 28 the
10 following:
11 "(____) A president of a community college, or the
12 president's designee, appointed by the Iowa
13 association of community college presidents.
14 (____) A designee of the Iowa association of
15 independent colleges and universities.
16 (____) The secretary of agriculture or the
17 secretary's designee."
18 _____. By striking page 2, line 29, through page 3,
19 line 4, and inserting the following:
20 "(____) Five persons appointed by the governor,
21 subject to senate confirmation, three of whom are
22 persons involved directly in research and development
23 of technology-based industries or Iowans with
24 experience in technology development and
25 commercialization, two of whom are directly involved
26 in agricultural-related enterprises. The five persons
27 shall be appointed from a list of candidates provided
28 by the Iowa business council which shall include
29 persons in small business manufacturing and persons in
30 large business manufacturing.
31 "____. Page 3, line 24, by inserting after the
32 word "its" the following: "private sector"."
33 5. Page 2, by inserting before line 42 the
34 following:
35 "____. Page 7, by striking lines 15 through 20 and
36 inserting the following:
37 "2. State funds awarded by the"."
38 6. Page 2, by striking lines 42 through 44.
39 7. Page 4, line 4, by inserting after the word
40 "acquisition" the following: "or lease-purchase".
41 8. Page 4, by striking lines 8 and 9 and
42 inserting the following: "limited in a fiscal year to
43 a total of one million dollars or an amount greater
44 than one million dollars if authorized by a resolution
45 of the general assembly and approved by the governor."
46 9. Page 4, by striking lines 10 and 11.
47 10. Page 4, by inserting before line 12 the
48 following:
49 "____. Page 8, lines 23 and 24, by striking the
50 words "science and technology foundation" and

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1 inserting the following: "Wallace technology transfer
2 foundation of Iowa".

3 _____. By striking page 8, line 35 through page 9,
4 line 8.

5 _____. Page 9, by inserting before line 9 the
6 following:

7 "_____. A number of members equal to the number of
8 members of the Iowa congressional delegation appointed
9 by the Iowa business council.""

10 11. Page 4, by inserting before line 20 the
11 following:

12 "_____. Page 9, by inserting before line 31 the
13 following:

14 "Sec. 111. ORGANIZING BOARD OF INTERNET. The
15 members of the board designated pursuant to section
16 18B.5, subsection 1, paragraphs "a" through "h", in
17 conjunction with the members of the world trade
18 institute study committee established pursuant to 1987
19 Acts, chapter 141, section 8, shall have all powers
20 and duties necessary to organize the board, including
21 the adoption of articles of incorporation, bylaws, and
22 rules. The organizing board shall be chaired by the
23 chairperson of the world trade institute study
24 committee. The organizing board shall be staffed by
25 the department of economic development. The
26 organizing board may contract for additional legal or
27 other assistance as deemed necessary by the organizing
28 board. The interdisciplinary working group on
29 international business may cooperate by assisting the
30 organizing board. The permanent board shall be
31 organized not later than January 1, 1990. Procedures
32 set forth in section 18B.5 shall be applicable to the
33 organizing board. After January 1, 1990, the
34 directors of the permanent board designated pursuant
35 to section 18B.5, paragraphs "a" through "h", shall
36 have all the powers necessary to carry out the mission
37 of INTERNET, until the directors representing business
38 members pursuant to section 18B.5, paragraphs "i" and
39 "j" have been elected. The election shall be held as
40 soon after January 1, 1990, as is reasonably
41 practicable, but shall be held not later than June 30,
42 1990.

43 Sec. 112. WORLD TRADE INSTITUTE STUDY COMMITTEE.

44 1. All equipment purchased and materials produced
45 under contracts between persons and the world trade
46 institute study committee, established pursuant to
47 1987 Acts, chapter 141, section 8, shall be
48 transferred to the custody of INTERNET.

49 2. The board of INTERNET shall consider the
50 materials and recommendations produced by the world

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1 trade institute study committee. The board shall
2 study methods to incorporate programs under study by
3 the committee into permanent programs administered by
4 the board.

5 Sec. 113. Sections 100 through 112 of this Act,
6 being deemed of immediate importance, take effect upon
7 enactment.""

8 12. Page 4, by striking lines 20 through 22, and
9 inserting the following:

10 "____. Title page, by striking lines 1 and 2, and
11 inserting the following: "An Act establishing an
12 international network on trade, establishing the
13 Wallace technology transfer foundation of Iowa,
14 authorizing the issuance of bonds, and providing an
15 effective date.""

16 13. By renumbering as necessary.

RECEIVED FROM THE HOUSE

S-4131 FILED MAY 5, 1989

REFUSED TO CONCUR

5-5-89 (p.1989)

House Insisted 5-5-89 (p.2568)

1 **REPORT OF THE CONFERENCE COMMITTEE**
2 **ON HOUSE FILE 686**

3 To the Speaker of the House of Representatives and the
4 President of the Senate:

5 We, the undersigned members of the conference committee
6 appointed to resolve the differences between the House of
7 Representatives and the Senate on House File 686, a bill for An
8 Act establishing a science and technology foundation and
9 providing an effective date, respectfully make the following
10 report:

- 11 1. That the House recedes from its amendment, S-4131.
12 2. That the Senate recedes from its amendment, H-4310.
13 3. That House File 686, as amended, passed, and reprinted
14 by the House, is amended as follows:

15 1. Page 1, by inserting before line 1 the following:
16 "Section 100. NEW SECTION. 18B.1 DEFINITIONS.

17 As used in this chapter, unless the context otherwise
18 requires:

19 1. "Business" means a commercial enterprise engaged in
interstate or intrastate commerce for the purpose of
21 manufacturing, processing, or assembling products, conducting
22 research and development, or providing services in interstate
23 or intrastate commerce, or the production of agricultural
24 products from farming as defined in section 175.2, but excludes
25 retail, health, or professional services. "Business" includes
26 a financial institution, including an insured bank as defined
27 in section 524.103, a credit union as defined in section 533.1,
28 and an association as defined in section 534.102.

29 2. "Executive director" means the executive director of the
30 board as established in section 18B.8.

31 3. "Fund" means the international network on trade fund
32 created in section 18B.11.

33 4. "INTERNET" means the International network on trade as
34 established in section 18B.3.

35 Sec. 101. NEW SECTION. 18B.2 LEGISLATIVE FINDINGS.

36 The general assembly finds and declares that:

37 1. The economic viability of the state depends upon

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1 enhancing Iowa's participation in the emerging global economy.
2 2. Iowa's successful participation in international trade
3 depends upon a commitment between public and private sectors
4 and between public agencies to assist businesses in enhancing
5 the export of Iowa products.

6 3. Successful participation in international trade depends
7 upon public agencies reaching out to provide special assistance
8 to small and medium sized businesses interested in beginning or
9 increasing the export of Iowa products.

10 4. Successful participation in international trade depends
11 upon fostering international business research and training to
12 expand opportunities by Iowa businesses to increase trade in
13 viable foreign markets.

14 5. Iowa businesses are in need of a simple nonbureaucratic
15 mechanism which serves as a key for Iowa businesses to reach
16 sources designed to assist businesses in accessing foreign
17 markets or increasing foreign trade.

18 Sec. 102. NEW SECTION. 18B.3 ESTABLISHMENT OF INTERNET --
19 MISSION. The international network on trade is established to
20 conduct long-range research quantifying product and
21 geographical opportunities for Iowa producers in the global
22 marketplace, including determining actions necessary, by public
23 or private sector groups, to successfully exploit those
24 opportunities. Research shall be conducted in concert with
25 private sector members of INTERNET, higher educational
26 institutions, and existing export support resources, including
27 but not limited to the department of economic development, the
28 department of agriculture and land stewardship, and the United
29 States department of commerce. INTERNET at all times shall
30 avoid duplication of resource programs. INTERNET shall
31 recommend a coordinated international trade policy designed to
32 substantially increase Iowa's global trade benefits.

33 Sec. 103. NEW SECTION. 18B.4 AUTHORIZED CORPORATION. The
34 international network on trade shall be incorporated under
35 chapter 504A. INTERNET shall not be regarded as a state
36 agency, except for purposes of chapter 17A. A member of the
37 board of directors is not considered a state employee, except

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1 for purposes of chapter 25A. If the executive director is a
2 natural person acting as a salaried employee of the board, the
3 executive director is a state employee except for purposes of
4 the merit system provisions of chapter 19A and chapter 20. A
5 natural person hired by the executive director who is a
6 salaried employee of the board is a state employee. However,
7 if a person, including a staff member of INTERNET, is an
8 independent contractor or an employee of an independent
9 contractor, the person is not a state employee except for
10 purposes of chapter 25A.

11 Sec. 104. NEW SECTION. 18B.5 BOARD OF DIRECTORS.

12 1. INTERNET shall be governed by a board of directors
13 consisting of the following:

14 a. The president of the university of Iowa, or the
15 president's designee.

16 b. The president of Iowa state university of science and
17 technology, or the president's designee.

18 c. The president of the university of northern Iowa, or the
19 president's designee.

20 d. The director of the department of economic development,
21 or the director's designee.

22 e. The chairperson of the agricultural products advisory
23 council, who shall serve as an ex officio nonvoting member.

24 f. The secretary of agriculture or the secretary's
25 designee.

26 g. Three designees of the Iowa association of independent
27 colleges and universities. The association shall give
28 preference to appointing designees representing schools which
29 are members of INTERNET.

30 n. Three designees of the Iowa association of community
31 college presidents. A designee shall not represent more than
32 one community college.

33 i. Four designees who are elected from the business
34 membership. The designees must be business persons actively
35 engaged in international trade. At least two of the persons
36 must have experience in exporting and at least one of the
37 persons must have experience in international finance. No two

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1 members shall represent the same business.

2 j. Two designees who are elected from the business
3 membership. The designees must represent associations
4 operating not for profit to promote or facilitate international
5 trade on a local or regional basis. No two designees shall be
6 employees of the same association.

7 2. The voting members of the board shall serve staggered
8 terms of four years except that of the first terms, seven
9 voting members shall serve terms of two years. A person
10 appointed to fill a vacancy for a director shall serve only for
11 the unexpired portion of the term. A director is eligible for
12 reappointment. A director may be removed from office by a two-
13 thirds vote of the board for misfeasance, malfeasance, or
14 willful neglect of duty or other just cause after notice and
15 hearing, unless the notice and hearing is expressly waived by
16 the director in writing.

17 3. In designating or electing persons to serve on the
18 board, INTERNET members, to the extent practicable, shall
19 designate or elect a board membership which is geographically
20 and gender balanced.

21 4. Nine voting members constitute a quorum and the
22 affirmative vote of a majority of the voting members is
23 necessary for substantive action taken by the board. The
24 majority shall not include a voting member who has a conflict
25 of interest and a statement by a voting member that the voting
26 has a conflict of interest is conclusive for this purpose. A
27 vacancy in the board's membership does not impair the right of
28 a quorum to exercise all rights and perform all duties of the
29 board.

30 5. The directors actively engaged in international trade,
31 the directors representing international trade associations,
32 and the directors appointed by the Iowa association of
33 independent colleges and universities are entitled to receive
34 forty dollars per diem for each day spent in performance of
35 duties as directors, and shall be reimbursed for all actual and
36 necessary expenses incurred in the performance of duties as
37 directors.

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- 1 6. The board shall elect a chairperson from among its
2 directors.
- 3 7. Meetings of the board shall be held at the call of the
4 chairperson or at the written request of four directors to the
5 chairperson.
- 6 Sec. 105. NEW SECTION. 18B.6 GENERAL POWERS.
- 7 The board established pursuant to section 18.5 shall have
8 all the general powers needed to carry out its mission and
9 duties, including but not limited to the following powers:
- 10 1. To sue and be sued in its own name.
- 11 2. To adopt a corporate seal.
- 12 3. To adopt bylaws for its management consistent with the
13 provisions of this chapter.
- 14 4. To make and execute agreements, contracts and other
15 instruments, with any public or private entity, including but
16 not limited to a federal or governmental agency, foreign
17 nation, or another state in the union. All political
18 subdivisions, other public agencies and state agencies may
19 enter into contracts and otherwise cooperate with the board.
- 20 5. To procure insurance against any loss in connection with
21 its operations and property interests.
- 22 6. To fix and collect fees and charges for its services.
- 23 7. To accept contributions, including but not limited to
24 appropriations, gifts, grants, loans, services, or other aid or
25 assistance from public or private entities. A record of all
26 contributions, stating the type, amount, and donor, shall be
27 clearly set forth in the board's annual report along with the
28 record of other receipts.
- 29 Sec. 106. NEW SECTION. 18B.7 INTERNET MEMBERSHIP.
- 30 1. INTERNET shall include academic and business members.
- 31 a. The academic members shall include the following:
- 32 (1) The university of Iowa.
- 33 (2) Iowa state university of science and technology.
- 34 (3) The university of northern Iowa.
- 35 (4) Each area community college within a merged area as
36 established in chapter 280A.
- 37 (5) A private college or university which agrees to

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1 participate as an INTERNET member and is a member of the Iowa
2 association of independent colleges and universities.

3 b. The business members shall include any business actively
4 involved in international trade, including export trade, export
5 assistance, or international finance.

6 2. a. The academic members shall cooperate with the board
7 in accomplishing the mission and duties of the board as
8 provided in this chapter. Each member shall execute a
9 membership agreement with the board. A member under the terms
10 of the agreement shall provide an annual contribution as
11 provided by the board. The contribution shall relate to
12 supporting programs administered by the board, and may include
13 financial or in-kind assistance such as office space, personnel
14 time, materials and supplies, or a combination of financial or
15 in-kind assistance. A minimum contribution is required to
16 become an academic member.

17 b. The business members shall cooperate with the board in
18 accomplishing the mission and duties of the board as provided
19 in a membership agreement executed between the board and the
20 members. A member under the terms of the agreement shall make
21 an annual contribution as provided by the board. The
22 contribution shall relate to supporting programs administered
23 by the board and may include financial or in-kind assistance
24 such as office space, personnel time, materials and supplies or
25 a combination of financial or in-kind assistance. A minimum
26 contribution is required to become a business member.

27 3. A member, other than the university of Iowa, Iowa state
28 university of science and technology, the university of
29 northern Iowa, or a community college, may withdraw from
30 membership and all commitments entered into between the board
31 and the member after one year following written notice by the
32 member delivered to the executive director. The terms of the
33 membership agreement executed between the board and the member
34 shall terminate one year following written notice of the
35 member's withdrawal, unless the board and the member otherwise
36 agree in writing.

37 Sec. 107. NEW SECTION. 18B.8 EXECUTIVE DIRECTOR.

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- 1 1. Under the general direction of the board, the executive
2 director shall do all of the following:
- 3 a. Manage and operate the INTERNET, including hiring and
4 directing INTERNET staff whether salaried employees of the
5 board or independent contractors.
- 6 b. Establish subcommittees of business and academic
7 specialists as needed. The specialists shall be consulted as
8 program areas are developed and individual projects are
9 selected for funding.
- 10 c. Keep the membership of INTERNET informed of items of
11 importance relating to programs or projects of INTERNET,
12 INTERNET finances, and actions by the board.
- 13 d. Negotiate membership agreements, including terms
14 relating to the contribution of a member, according to section
15 18B.7.
- 16 e. Advise the board on matters relating to the mission of
17 INTERNET, including programs and projects under consideration
18 or implementation by the board and finances of INTERNET.
- 19 f. Recommend bylaws, and rules to be adopted by the board.
- 20 g. Control INTERNET finances, including appropriations, and
21 contributions, and approve expenses from the fund in a manner
22 consistent with rules and procedures of the treasurer of state.
- 23 h. Report to the board the condition of INTERNET including
24 programs, projects, and INTERNET finances, at least once each
25 **three months**. The executive director shall prepare for board
26 **approval on** annual report provided in section 18B.10.
- 27 2. The executive director shall not, directly or indirectly
28 **exert influence** to induce any other officer or employee of the
29 state to adopt a political view, or to favor a political
30 **Candidate** for office.
- 31 3. The executive director shall serve as secretary to the
32 board, and shall be custodian of all documents, including books
33 and papers filed with the authority of the minutes of board
34 meetings. The executive director shall make copies of
35 documents and provide certificates under seal that the copies
36 are true copies and that all persons dealing with INTERNET may
37 rely upon the certificates.

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- 1 Sec. 108. DUTIES. 18B.9 BOARD DUTIES.
2 The board shall carry out the mission of INTERNET and shall
3 have discretionary authority to perform the following duties:
4 1. To appoint and direct an executive director and employ
5 INTERNET staff, including the executive director, as salaried
6 employees of INTERNET or as independent contractors.
7 2. To approve the budget of INTERNET for each fiscal year.
8 3. To adopt goals and objectives of INTERNET, including
9 recommendations to the general assembly and governor of a
10 coordinated trade policy designed to substantially increase
11 Iowa's global trade benefits.
12 4. To target for assistance businesses or products which
13 indicate a high potential for expansion in foreign markets.
14 5. To provide special assistance to small and medium sized
15 businesses interested in beginning or increasing the export of
16 Iowa products.
17 6. To conduct special research projects, including product
18 research in foreign markets.
19 7. To inventory and catalog international resources of
20 information, including experts and programs, available to
21 provide assistance to businesses interested in foreign trade.
22 8. To establish a clearinghouse of information to refer to
23 appropriate resources businesses interested in accessing
24 foreign markets or expanding foreign trade.
25 9. To establish criteria and award grants or loans based
26 only on a competitive basis for programs relating to
27 international training or research. In making financial
28 awards, preference shall be given to members, as provided in
29 section 18B.7.
30 10. To facilitate contact between businesses in search of
31 assistance in entering or expanding foreign trade and persons
32 able to assist the business.
33 11. To cooperate with Iowa universities and colleges,
34 governmental agencies, and businesses where collaboration would
35 add value to international trade programs or increase
36 opportunities in foreign markets for increased trade.
37 12. To recruit business and colleges to become INTERNET

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- 1 members as provided in section 18B.7.
- 2 13. In order to leverage state funds appropriated to
3 INTERNET, to actively seek financial support from nonstate
4 sources, including from the federal government, and from
5 businesses. The board may require a match from nonstate
6 sources for programs, seek generic business support for
7 INTERNET, seek support from business in one or more industries
8 for programs which may benefit those businesses, or charge fees
9 for services provided under the authority of INTERNET. The
10 board shall use INTERNET resources to the maximum extent
11 possible in order to seek matching funds, gifts, grants or
12 additional assets, including funding sources.
- 13 14. To conduct international research according to requests
14 from INTERNET members.
- 15 15. To regularly disseminate to INTERNET members
16 information and issues relating to international trade,
17 including data and findings from market studies.
- 18 16. To monitor changing world economic and political
19 conditions.
- 20 17. To report annually about INTERNET to the governor and
21 the general assembly as provided in section 18B.10.
- 22 18. To oversee the progress of programs and projects
23 administered by INTERNET and monitor the status of INTERNET
24 assets, including finances.
- 25 19. To approve membership agreements, including terms
26 relating to contributions of members as provided in section
27 18B.7.
- 28 20. To approve any contract or agreement committing
29 INTERNET to the substantial expenditure of INTERNET assets.
- 30 21. To adopt bylaws for INTERNET, approve other procedures
31 relating to the day-to-day administration of INTERNET, and
32 adopt rules consistent with chapter 17A.
- 33 Sec. 109. NEW SECTION. 18B.10 ANNUAL REPORT.
- 34 1. The board shall approve and submit to the governor and
35 to the secretary of the senate and to the chief clerk of the
36 house of representatives, not later than January 15 of each
37 year, a report setting forth information relating to INTERNET,

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1 including all of the following:

- 2 a. Matters relating to operations and accomplishments.
- 3 b. A summary of receipts and expenditures during the fiscal
- 4 year, in accordance with the classifications it establishes for
- 5 its operating accounts.
- 6 c. A summary of assets and liabilities at the end of the
- 7 fiscal year and the status of special accounts.
- 8 d. A statement of proposed and projected activities.
- 9 e. Recommendations to the general assembly and governor,
- 10 including recommendations related to a coordinated trade policy
- 11 designed to substantially increase Iowa's global trade
- 12 benefits.

13 2. The annual report shall identify performance goals of

14 INTERNET, and indicate the extent of progress during the

15 reporting period, in attaining the goals.

16 Sec. 110. NEW SECTION. 18B.11 INTERNATIONAL NETWORK ON

17 TRADE FUND.

18 There is created within the state treasury, an international

19 network on trade fund. The fund is composed of money

20 appropriated by the general assembly for that purpose, and

21 moneys available to and obtained or accepted by the board under

22 this chapter, including money from the United States, other

23 states in the union, foreign nations, state agencies, political

24 subdivisions, and private sources, and moneys from fees charged

25 under this chapter.

26 The fund shall be a revolving fund from which moneys may be

27 used for purposes described in this chapter, including loans,

28 grants, matching financing, and administrative costs. All

29 interest earned on proceeds in the fund shall remain in the

30 fund.

31 The auditor of state shall conduct regular audits of the

32 fund and shall make a certified report relating to the

33 condition of the fund to the treasurer of state and to the

34 executive director.

35 The board and executive director shall administer the fund

36 as in accordance with procedures of the treasurer of state. In

37 administering the fund, the board may do all of the following:

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1 1. Contract, sue and be sued, and adopt rules necessary to
2 carry out the provisions of this section, but the board shall
3 not in any manner, directly or indirectly pledge the credit of
4 the state.

5 2. Authorize payment from the fund, from fees and from any
6 income received by investment of money in the fund, for cost,
7 commissions, attorney fees, and other reasonable expenses
8 related to and necessary for making and protecting direct loans
9 under this section, and for the recovery of moneys loaned or
10 the management of property acquired in connection with the
11 loans.

12 Section 8.33 shall not apply to moneys in the fund."

13 2. Page 1, by striking lines 3 and 4 and inserting the
14 following:

15 "Sec. ____ . NEW SECTION. 28.151 WALLACE TECHNOLOGY
16 TRANSFER FOUNDATION OF IOWA ESTABLISHED -- MISSION."

17 3. Page 1, by striking lines 7 and 8 and inserting the
18 following: "in the emerging world economy. A Wallace
19 technology transfer foundation of Iowa is established to
20 formulate and implement plans and".

21 4. Page 1, line 12, by inserting after the word
22 "businesses" the following: "and farms".

23 5. Page 1, line 15, by inserting after the word "factory"
24 the following: "and farm".

25 6. Page 1, line 29, by inserting after the word
26 "innovation" the following: "and in the development of Iowa
27 science infrastructure".

28 7. Page 2, line 1, by striking the words "A study of the
29 need for" and inserting the following: "Establishment of".

30 8. Page 2, lines 5 and 6, by striking the words "The study
31 shall include recommendations."

32 9. Page 2, line 10, by striking the words "The Iowa
33 science and technology" and inserting the following: "A
34 Wallace technology transfer foundation of Iowa".

35 10. Page 2, by inserting before line 25 the following:

36 "____. A president of a merged area school, or the
37 president's designee, appointed by the Iowa association of

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1 community college presidents.

2 _____. A president of an Iowa independent college or
3 university, or the president's designee, appointed by the Iowa
4 association of independent colleges and universities."

5 11. By striking page 2, line 29, through page 3, line 4,
6 and inserting the following:

7 "_____. A shareholder member of the business development
8 finance corporation elected by the business development finance
9 corporation board.

10 _____. The secretary of agriculture or the secretary's
11 designee.

12 _____. The governor's science advisor.

13 _____. Five persons appointed by the governor, subject to
14 senate confirmation, three of whom shall be persons involved
15 directly in research and development of technology-based
16 industries or persons with experience in technology, and two of
17 whom shall be directly involved in agriculture-related
18 enterprises."

19 12. Page 3, line 6, by striking the figure "{1}".

20 13. Page 3, by striking lines 11 through 14.

21 14. Page 4, by striking lines 22 and 23, and inserting the
22 following:

23 "14. To establish committees of business, agriculture,
24 academic specialists, or others as deemed necessary."

25 15. Page 6, line 15, by inserting after the word
26 "business" the following: "and agriculture".

27 16. Page 6, line 19, by inserting after the word "firms"
28 the following: "and farms".

29 17. Page 6, line 24, by inserting after the word
30 "industry" the following: "and agriculture".

31 18. Page 6, by inserting before line 27 the following:

32 "6. The plan shall include directions for participation by
33 the foundation, through direct investment or in partnership or
34 joint venture with a commercial investor or other financial
35 source, in providing funds for development of existing or new
36 businesses in Iowa engaged in commercial exploitation of
37 products or technologies related to the research interests of

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1 the foundation."

2 19. Page 6, line 34, by inserting after the word "college"
3 the following: ", community college,".

4 20. Page 7, line 12, by inserting after the word
5 "industrial" the following: "and agricultural".

6 21. Page 7, by striking lines 15 through 20 and inserting
7 the following:

8 "2. The foundation shall have authority over state funds
9 appropriated to the foundation for research, development, and
10 technology transfer projects. State funds awarded by the".

11 22. Page 8, line 17, by striking the words "and industry"
12 and inserting the following: ", industry, and agriculture".

13 23. Page 8, by inserting before line 21 the following:

14 "Sec. ____ . NEW SECTION. 28.158A BONDS AND NOTES --
15 AUTHORITY.

16 1. The foundation may issue its own negotiable bonds and
17 notes in principal amounts as, in the opinion of the
18 foundation, are necessary to provide sufficient funds for
19 achievement of its corporate purposes. The foundation shall
20 coordinate the issuance of notes and bonds with the treasurer
21 of state as set forth in section 12.30. The foundation shall
22 issue bonds and notes to the extent not inconsistent with the
23 limitations and restrictions of issuing bonds and notes under
24 sections 220.26, 220.27, and 220.28.

25 2. Bonds and notes issued by the foundation are payable
26 solely and only out of the moneys, assets, or revenues of the
27 foundation, and as provided in the agreement with bondholders
28 or noteholders pledging any particular moneys, assets, or
29 revenues. Bonds or notes are not an obligation of this state
30 or any political subdivision of this state other than the
31 foundation within the meaning of any constitutional or
32 statutory debt limitations, but are special obligations of the
33 foundation payable solely and only from the sources provided in
34 this section, and the foundation shall not pledge the credit or
35 taxing power of this state or any political subdivision of this
36 state other than the foundation, or make its debts payable out
37 of any moneys except those of the foundation.

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1 3. The foundation may create and establish one or more
2 special funds, to be known as "bond reserve funds", and shall
3 pay into each bond reserve fund any moneys appropriated and
4 made available by the state for the purpose of the fund, any
5 proceeds of sale of notes or bonds to the extent provided in
6 the resolutions of the foundation authorizing their issuance,
7 and any other moneys which may be available to the foundation
8 for the purpose of the fund from any other sources. All moneys
9 held in a bond reserve fund shall be used as required solely
10 for the payment of the principal of bonds secured in whole or
11 in part by the fund or of the sinking fund payments with
12 respect to the bonds, the purchase or redemption of the bonds,
13 the payment of interest on the bonds or the payments of any
14 redemption premium required to be paid when the bonds are
15 redeemed prior to maturity.

16 4. The use of proceeds of the sale of bonds or notes shall
17 be limited to the acquisition or lease-purchase of machinery
18 and equipment relating to science and technology which is
19 identified in the strategic plan prepared pursuant to section
20 28.157 and the use of proceeds shall be limited to not more
21 than a total of one million dollars in any fiscal year unless
22 authorized by a resolution of the general assembly and approved
23 by the governor."

24 24. By striking page 8, line 33, through page 9, line 8,
25 and inserting the following:

26 "a. Each member of the Iowa congressional delegation, or
27 the member's designee.

28 b. Members appointed by the foundation upon consultation
29 with the congressional delegation."

30 25. Page 9, line 17, by inserting after the word
31 "businesses" the following: "and farms".

32 26. Page 9, line 18, by inserting after the words
33 "strategies to" the following: "farms for more efficient
34 production of agricultural commodities, or to".

35 27. Page 9, line 24, by inserting after the word
36 "businesses" the following: "and farmers".

37 28. Page 9, by inserting before line 29 the following:

1 "Sec. 111. ORGANIZING BOARD OF INTERNET. The members of
2 the board designated pursuant to section 18B.5, subsection 1,
3 paragraphs "a" through "h", in conjunction with the members of
4 the world trade institute study committee established pursuant
5 to 1987 Acts, chapter 141, section 8, shall have all powers and
6 duties necessary to organize the board, including the adoption
7 of articles of incorporation, bylaws, and rules. The
8 organizing board shall be chaired by the chairperson of the
9 world trade institute study committee. The organizing board
10 shall be staffed by the department of economic development.
11 The organizing board may contract for additional legal or other
12 assistance as deemed necessary by the organizing board. The
13 interdisciplinary working group on international business may
14 cooperate by assisting the organizing board. The permanent
15 board shall be organized not later than January 1, 1990.
16 Procedures set forth in section 18B.5 shall be applicable to
17 the organizing board. After January 1, 1990, the directors of
18 the permanent board designated pursuant to section 18B.5,
19 paragraphs "a" through "h", shall have all the powers necessary
20 to carry out the mission of INTERNET, until the directors
21 representing business members pursuant to section 18B.5,
22 paragraphs "i" and "j" have been elected. The election shall
23 be held as soon after January 1, 1990, as is reasonably
24 practicable, but shall be held not later than June 30, 1990.

25 Sec. 112. WORLD TRADE INSTITUTE STUDY COMMITTEE.

26 1. All equipment purchased and materials produced under
27 contracts between persons and the world trade institute study
28 committee, established pursuant to 1987 Acts, chapter 141,
29 section 8, shall be transferred to the custody of INTERNET.

30 2. The board of INTERNET shall consider the materials and
31 recommendations produced by the world trade institute study
32 committee. The board shall study methods to incorporate
33 programs under study by the committee into permanent programs
34 administered by the board."

35 29. Page 9, by inserting after line 32 the following:

36 "Sec. _____. Sections 100 through 112 of this Act, being
37 deemed of immediate importance, take effect upon enactment."

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- 1 30. Title page, by striking lines 1 and 2, and inserting
2 the following: "An Act establishing an international network
3 on trade, establishing the Wallace technology transfer
4 foundation of Iowa, authorizing the issuance of bonds, and
5 providing effective dates."
6 31. By renumbering as necessary.

ON THE PART OF THE HOUSE:

TOM SWARTZ, Chairperson
GLEN D. JESSE
JACK HATCH
WAYNE BENNETT
JANET METCALF

ON THE PART OF THE SENATE:

JOHN KIBBIE, Chairperson
LEONARD L. BOSWELL
RICHARD RUNNING
MARK R. HAGERLA
LINN FUHRMAN

CCR-686 FILED MAY 6, 1989
REPORT ADOPTED. (p. 2645)

Senate adopted 5/6/89 (p. 2058)

HOUSE FILE 686

AN ACT

ESTABLISHING AN INTERNATIONAL NETWORK ON TRADE, ESTABLISHING THE WALLACE TECHNOLOGY TRANSFER FOUNDATION OF IOWA, AUTHORIZING THE ISSUANCE OF BONDS, AND PROVIDING EFFECTIVE DATES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. NEW SECTION. 18B.1 DEFINITIONS.

As used in this chapter, unless the context otherwise requires:

1. "Business" means a commercial enterprise engaged in interstate or intrastate commerce for the purpose of manufacturing, processing, or assembling products, conducting research and development, or providing services in interstate or intrastate commerce, or the production of agricultural products from farming as defined in section 175.2, but excludes retail, health, or professional services. "Business" includes a financial institution, including an insured bank as defined in section 524.103, a credit union is defined in section 533.1, and an association as defined in section 534.102.

2. "Executive director" means the executive director of the board as established in section 18B.8.

3. "Fund" means the international network on trade fund created in section 18B.11.

4. "INTERNET" means the International network on trade as established in section 18B.3.

Sec. 2. NEW SECTION. 18B.2 LEGISLATIVE FINDINGS.

The general assembly finds and declares that:

1. The economic viability of the state depends upon enhancing Iowa's participation in the emerging global economy.

2. Iowa's successful participation in international trade depends upon a commitment between public and private sectors and between public agencies to assist businesses in enhancing the export of Iowa products.

3. Successful participation in international trade depends upon public agencies reaching out to provide special assistance to small and medium sized businesses interested in beginning or increasing the export of Iowa products.

4. Successful participation in international trade depends upon fostering international business research and training to expand opportunities by Iowa businesses to increase trade in viable foreign markets.

5. Iowa businesses are in need of a simple nonbureaucratic mechanism which serves as a key for Iowa businesses to reach sources designed to assist businesses in accessing foreign markets or increasing foreign trade.

Sec. 3. NEW SECTION. 18B.3 ESTABLISHMENT OF INTERNET -- MISSION. The international network on trade is established to conduct long-range research quantifying product and geographical opportunities for Iowa producers in the global marketplace, including determining actions necessary, by public or private sector groups, to successfully exploit those opportunities. Research shall be conducted in concert with private sector members of INTERNET, higher educational institutions, and existing export support resources, including but not limited to the department of economic development, the

department of agriculture and land stewardship, and the United States department of commerce. INTERNET at all times shall avoid duplication of resource programs. INTERNET shall recommend a coordinated international trade policy designed to substantially increase Iowa's global trade benefits.

Sec. 4. NEW SECTION. 18B.4 AUTHORIZED CORPORATION. The international network on trade shall be incorporated under chapter 504A. INTERNET shall not be regarded as a state agency, except for purposes of chapter 17A. A member of the board of directors is not considered a state employee, except for purposes of chapter 25A. If the executive director is a natural person acting as a salaried employee of the board, the executive director is a state employee except for purposes of the merit system provisions of chapter 19A and chapter 20. A natural person hired by the executive director who is a salaried employee of the board is a state employee. However, if a person, including a staff member of INTERNET, is an independent contractor or an employee of an independent contractor, the person is not a state employee except for purposes of chapter 25A.

Sec. 5. NEW SECTION. 18B.5 BOARD OF DIRECTORS.

1. INTERNET shall be governed by a board of directors consisting of the following:

- a. The president of the university of Iowa, or the president's designee.
- b. The president of Iowa state university of science and technology, or the president's designee.
- c. The president of the university of northern Iowa, or the president's designee.
- d. The director of the department of economic development, or the director's designee.
- e. The chairperson of the agricultural products advisory council, who shall serve as an ex officio nonvoting member.
- f. The secretary of agriculture or the secretary's designee.

g. Three designees of the Iowa association of independent colleges and universities. The association shall give preference to appointing designees representing schools which are members of INTERNET.

h. Three designees of the Iowa association of community college presidents. A designee shall not represent more than one community college.

i. Four designees who are elected from the business membership. The designees must be business persons actively engaged in international trade. At least two of the persons must have experience in exporting and at least one of the persons must have experience in international finance. No two members shall represent the same business.

j. Two designees who are elected from the business membership. The designees must represent associations operating not for profit to promote or facilitate international trade on a local or regional basis. No two designees shall be employees of the same association.

2. The voting members of the board shall serve staggered terms of four years except that of the first terms, seven voting members shall serve terms of two years. A person appointed to fill a vacancy for a director shall serve only for the unexpired portion of the term. A director is eligible for reappointment. A director may be removed from office by a two-thirds vote of the board for misfeasance, malfeasance, or willful neglect of duty or other just cause after notice and hearing, unless the notice and hearing is expressly waived by the director in writing.

3. In designating or electing persons to serve on the board, INTERNET members, to the extent practicable, shall designate or elect a board membership which is geographically and gender balanced.

4. Nine voting members constitute a quorum and the affirmative vote of a majority of the voting members is necessary for substantive action taken by the board. The majority shall not include a voting member who has a conflict

of interest and a statement by a voting member that the voting has a conflict of interest is conclusive for this purpose. A vacancy in the board's membership does not impair the right of a quorum to exercise all rights and perform all duties of the board.

5. The directors actively engaged in international trade, the directors representing international trade associations, and the directors appointed by the Iowa association of independent colleges and universities are entitled to receive forty dollars per diem for each day spent in performance of duties as directors, and shall be reimbursed for all actual and necessary expenses incurred in the performance of duties as directors.

6. The board shall elect a chairperson from among its directors.

7. Meetings of the board shall be held at the call of the chairperson or at the written request of four directors to the chairperson.

Sec. 6. NEW SECTION. 18B.6 GENERAL POWERS.

The board established pursuant to section 18.5 shall have all the general powers needed to carry out its mission and duties, including but not limited to the following powers:

1. To sue and be sued in its own name.
2. To adopt a corporate seal.
3. To adopt bylaws for its management consistent with the provisions of this chapter.
4. To make and execute agreements, contracts and other instruments, with any public or private entity, including but not limited to a federal or governmental agency, foreign nation, or another state in the union. All political subdivisions, other public agencies and state agencies may enter into contracts and otherwise cooperate with the board.
5. To procure insurance against any loss in connection with its operations and property interests.
6. To fix and collect fees and charges for its services.

7. To accept contributions, including but not limited to appropriations, gifts, grants, loans, services, or other aid or assistance from public or private entities. A record of all contributions, stating the type, amount, and donor, shall be clearly set forth in the board's annual report along with the record of other receipts.

Sec. 7. NEW SECTION. 18B.7 INTERNET MEMBERSHIP.

1. INTERNET shall include academic and business members.

a. The academic members shall include the following:

- (1) The university of Iowa.
- (2) Iowa state university of science and technology.
- (3) The university of northern Iowa.
- (4) Each area community college within a merged area as established in chapter 280A.

(5) A private college or university which agrees to participate as an INTERNET member and is a member of the Iowa association of independent colleges and universities.

b. The business members shall include any business actively involved in international trade, including export trade, export assistance, or international finance.

2. a. The academic members shall cooperate with the board in accomplishing the mission and duties of the board as provided in this chapter. Each member shall execute a membership agreement with the board. A member under the terms of the agreement shall provide an annual contribution as provided by the board. The contribution shall relate to supporting programs administered by the board, and may include financial or in-kind assistance such as office space, personnel time, materials and supplies, or a combination of financial or in-kind assistance. A minimum contribution is required to become an academic member.

b. The business members shall cooperate with the board in accomplishing the mission and duties of the board as provided in a membership agreement executed between the board and the members. A member under the terms of the agreement shall make an annual contribution as provided by the board. The

contribution shall relate to supporting programs administered by the board and may include financial or in-kind assistance such as office space, personnel time, materials and supplies or a combination of financial or in-kind assistance. A minimum contribution is required to become a business member.

3. A member, other than the university of Iowa, Iowa state university of science and technology, the university of northern Iowa, or a community college, may withdraw from membership and all commitments entered into between the board and the member after one year following written notice by the member delivered to the executive director. The terms of the membership agreement executed between the board and the member shall terminate one year following written notice of the member's withdrawal, unless the board and the member otherwise agree in writing.

Sec. 8. NEW SECTION. 18B.8 EXECUTIVE DIRECTOR.

1. Under the general direction of the board, the executive director shall do all of the following:

a. Manage and operate the INTERNET, including hiring and directing INTERNET staff whether salaried employees of the board or independent contractors.

b. Establish subcommittees of business and academic specialists as needed. The specialists shall be consulted as program areas are developed and individual projects are selected for funding.

c. Keep the membership of INTERNET informed of items of importance relating to programs or projects of INTERNET, INTERNET finances, and actions by the board.

d. Negotiate membership agreements, including terms relating to the contribution of a member, according to section 18B.7.

e. Advise the board on matters relating to the mission of INTERNET, including programs and projects under consideration or implementation by the board and finances of INTERNET.

f. Recommend bylaws, and rules to be adopted by the board.

g. Control INTERNET finances, including appropriations, and contributions, and approve expenses from the fund in a manner consistent with rules and procedures of the treasurer of state.

h. Report to the board the condition of INTERNET including programs, projects, and INTERNET finances, at least once each three months. The executive director shall prepare for board approval an annual report provided in section 18B.10.

2. The executive director shall not, directly or indirectly exert influence to induce any other officer or employee of the state to adopt a political view, or to favor a political candidate for office.

3. The executive director shall serve as secretary to the board, and shall be custodian of all documents, including books and papers filed with the authority of the minutes of board meetings. The executive director shall make copies of documents and provide certificates under seal that the copies are true copies and that all persons dealing with INTERNET may rely upon the certificates.

Sec. 9. DUTIES. 18B.9 BOARD DUTIES.

The board shall carry out the mission of INTERNET and shall have discretionary authority to perform the following duties:

1. To appoint and direct an executive director and employ INTERNET staff, including the executive director, as salaried employees of INTERNET or as independent contractors.

2. To approve the budget of INTERNET for each fiscal year.

3. To adopt goals and objectives of INTERNET, including recommendations to the general assembly and governor of a coordinated trade policy designed to substantially increase Iowa's global trade benefits.

4. To target for assistance businesses or products which indicate a high potential for expansion in foreign markets.

5. To provide special assistance to small and medium sized businesses interested in beginning or increasing the export of Iowa products.

6. To conduct special research projects, including product research in foreign markets.

7. To inventory and catalog international resources of information, including experts and programs, available to provide assistance to businesses interested in foreign trade.

8. To establish a clearinghouse of information to refer to appropriate resources businesses interested in accessing foreign markets or expanding foreign trade.

9. To establish criteria and award grants or loans based only on a competitive basis for programs relating to international training or research. In making financial awards, preference shall be given to members, as provided in section 18B.7.

10. To facilitate contact between businesses in search of assistance in entering or expanding foreign trade and persons able to assist the business.

11. To cooperate with Iowa universities and colleges, governmental agencies, and businesses where collaboration would add value to international trade programs or increase opportunities in foreign markets for increased trade.

12. To recruit business and colleges to become INTERNET members as provided in section 18B.7.

13. In order to leverage state funds appropriated to INTERNET, to actively seek financial support from nonstate sources, including from the federal government, and from businesses. The board may require a match from nonstate sources for programs, seek generic business support for INTERNET, seek support from business in one or more industries for programs which may benefit those businesses, or charge fees for services provided under the authority of INTERNET. The board shall use INTERNET resources to the maximum extent possible in order to seek matching funds, gifts, grants or additional assets, including funding sources.

14. To conduct international research according to requests from INTERNET members.

15. To regularly disseminate to INTERNET members information and issues relating to international trade, including data and findings from market studies.

16. To monitor changing world economic and political conditions.

17. To report annually about INTERNET to the governor and the general assembly as provided in section 18B.10.

18. To oversee the progress of programs and projects administered by INTERNET and monitor the status of INTERNET assets, including finances.

19. To approve membership agreements, including terms relating to contributions of members as provided in section 18B.7.

20. To approve any contract or agreement committing INTERNET to the substantial expenditure of INTERNET assets.

21. To adopt bylaws for INTERNET, approve other procedures relating to the day-to-day administration of INTERNET, and adopt rules consistent with chapter 17A.

Sec. 10. NEW SECTION. 18B.10 ANNUAL REPORT.

1. The board shall approve and submit to the governor and to the secretary of the senate and to the chief clerk of the house of representatives, not later than January 15 of each year, a report setting forth information relating to INTERNET, including all of the following:

a. Matters relating to operations and accomplishments.

b. A summary of receipts and expenditures during the fiscal year, in accordance with the classifications it establishes for its operating accounts.

c. A summary of assets and liabilities at the end of the fiscal year and the status of special accounts.

d. A statement of proposed and projected activities.

e. Recommendations to the general assembly and governor, including recommendations related to a coordinated trade policy designed to substantially increase Iowa's global trade benefits.

2. The annual report shall identify performance goals of INTERNET, and indicate the extent of progress during the reporting period, in attaining the goals.

Sec. 11. NEW SECTION. 18B.11 INTERNATIONAL NETWORK ON TRADE FUND.

There is created within the state treasury, an international network on trade fund. The fund is composed of money appropriated by the general assembly for that purpose, and moneys available to and obtained or accepted by the board under this chapter, including money from the United States, other states in the union, foreign nations, state agencies, political subdivisions, and private sources, and moneys from fees charged under this chapter.

The fund shall be a revolving fund from which moneys may be used for purposes described in this chapter, including loans, grants, matching financing, and administrative costs. All interest earned on proceeds in the fund shall remain in the fund.

The auditor of state shall conduct regular audits of the fund and shall make a certified report relating to the condition of the fund to the treasurer of state and to the executive director.

The board and executive director shall administer the fund as in accordance with procedures of the treasurer of state. In administering the fund, the board may do all of the following:

1. Contract, sue and be sued, and adopt rules necessary to carry out the provisions of this section, but the board shall not in any manner, directly or indirectly pledge the credit of the state.
2. Authorize payment from the fund, from fees and from any income received by investment of money in the fund, for cost, commissions, attorney fees, and other reasonable expenses related to and necessary for making and protecting direct loans under this section, and for the recovery of moneys loaned or the management of property acquired in connection with the loans.

Section 8.33 shall not apply to moneys in the fund.

Sec. 12. Section 15.108, subsection 1, paragraph d, Code 1989, is amended by striking the paragraph.

Sec. 13. NEW SECTION. 28.151 WALLACE TECHNOLOGY TRANSFER FOUNDATION OF IOWA ESTABLISHED -- MISSION.

The general assembly finds and declares that the public good requires that Iowa successfully participate and compete in the emerging world economy. A Wallace technology transfer foundation of Iowa is established to formulate and implement plans and programs for the development of advanced sciences and technologies and to facilitate their commercial application within the state, including determining the needs of individual Iowa businesses and farms for scientific and technological innovations to improve products and processes, and encouraging the transfer of the technology from the laboratory to the factory and farm.

The mission of the foundation shall include but is not limited to the following:

1. A program to identify barriers which may hinder the development and exploitation of technology in the global economy.
2. Continued development of Iowa's capacity for scientific and technological innovation.
3. A cooperative, coordinated program of forecasting, assessment, development, and commercial transfer involving Iowa's capacity for scientific and technological innovation.
4. Formulation of a long-range strategic plan to guide state investment in applied research, development, and commercial transfer of selected scientific and technological innovation and in the development of Iowa science infrastructure.
5. A mechanism to organize funding from a variety of sources to support the development and commercial transfer of scientific and technological innovation.
6. An outreach program to actively seek and improve products and processes with Iowa's scientific and technological innovations.

7. Establishment of a seed capital fund which shall be administered by the board to provide seed capital for the commercialization of products, or the development of processes or materials through research at Iowa colleges and universities or by private industry.

The foundation consists of a board of directors, an advisory council, an executive director, and staff.

Sec. 14. NEW SECTION. 28.153 AUTHORIZED CORPORATION.

A Wallace technology transfer foundation of Iowa foundation shall be incorporated under chapter 504A. The foundation shall not be regarded as a state agency, except for purposes of chapter 17A. A member of the board of directors is not considered a state employee, except for purposes of chapter 25A. The executive director is a state employee except for purposes of the merit system provisions of chapter 19A and chapter 20. A natural person employed by the executive director is a state employee.

Sec. 15. NEW SECTION. 28.154 BOARD OF DIRECTORS.

1. The board of directors is established consisting of the following standing members and governor-appointed members:

a. The following standing members:

(1) One board member to represent each state university's consortium appointed by the president of each state university.

(2) A president of a merged area school, or the president's designee, appointed by the Iowa association of community college presidents.

(3) A president of an Iowa independent college or university, or the president's designee, appointed by the Iowa association of independent colleges and universities.

(4) The director of the department of economic development or the director's designee.

(5) The chairperson of the Iowa product development corporation.

(6) A shareholder member of the business development finance corporation elected by the business development finance corporation board.

(7) The secretary of agriculture or the secretary's designee.

(8) The governor's science advisor.

(9) Five persons appointed by the governor, subject to senate confirmation, three of whom shall be persons involved directly in research and development of technology-based industries or persons with experience in technology, and two of whom shall be directly involved in agriculture-related enterprises.

b. The following ex officio, nonvoting members:

Four board members, with one board member appointed by each of the following persons: the speaker of the house of representatives, the minority leader of the house of representatives, the majority leader of the senate, and the minority leader of the senate.

2. The board of directors shall be bipartisan and gender balanced in accordance with sections 69.16 and 69.16A.

3. The terms of the appointed members shall be for four years and shall be staggered as determined by the standing members. Any vacancy shall be filled by the appointing authority. Members are eligible for actual expense reimbursement while fulfilling duties of the foundation. The governor and the legislative council shall convene the initial meeting of the board. The board shall elect a chairperson from among its members.

Sec. 16. NEW SECTION. 28.155 GENERAL POWERS AND DUTIES.

The board of directors shall have all the general powers needed to carry out its mission and duties including but not limited to the following:

1. To prepare and adopt a strategic plan as defined in section 28.157.

2. To fund research projects as defined in section 28.158.

3. To sue and be sued in its own name.

4. To adopt a corporate seal.

5. To adopt bylaws for its management consistent with the provisions of this division.

6. To make and execute agreements, contracts and other instruments, with any public or private entity, including but not limited to a state, federal, or other governmental agency.

7. To accept contributions, including but not limited to appropriations, gifts, grants, loans, services, or other aid or assistance from public or private entities. A record of all contributions, stating the type, amount, and donor, shall be clearly set forth in the board's annual report along with a record of other receipts.

8. To establish policy in the general administration of the affairs of the foundation.

9. To employ an executive director and authorize the hiring of other employees as it deems necessary.

10. To seek to achieve through the powers of the board the findings of section 28.151.

11. To collaborate with the consortia as established in chapter 262B.

12. To provide as necessary, staff services for the advisory council.

13. To convene the advisory council annually to receive the board of director's recommendations.

14. To establish committees of business, agriculture, academic specialists, or others as deemed necessary.

15. Submit an annual report to the governor, the secretary of the senate, and the chief clerk of the house of representatives, not later than November 1 of each year.

16. To collaborate with the Iowa product development corporation to acquire new technology where appropriate.

Sec. 17. NEW SECTION. 28.156 EXECUTIVE DIRECTOR -- DUTIES.

Under the general direction of the board of directors, the executive director shall have the following duties:

1. Manage and operate the foundation, including employing and directing foundation staff.

2. Advise the board on matters relating to the mission of the foundation, or finances and actions of the board.

3. Make an annual report to the board for its approval of the foundation's activities and fiscal condition, including:

a. Matters relating to operations and accomplishments.

b. A summary of receipts and expenditures, in accordance with the classifications the board establishes for its operating accounts.

c. A summary of assets and liabilities and the status of special accounts.

d. A statement of proposed and projected activities.

e. Recommendations to the general assembly.

f. An identification of performance goals of the foundation and the extent of progress during the reporting period in attaining the goals.

g. A written report by the auditor of state pursuant to chapter 11.

4. Monitor the activities and receive copies of the annual report made pursuant to section 262B.5 of the research consortia located at Iowa state university of science and technology, the university of Iowa, and the university of northern Iowa.

5. Collect pertinent information on research in process and funding requests where appropriate at Iowa state university of science and technology, the university of Iowa, and the university of northern Iowa for the purpose of encouraging technology transfer where appropriate.

Sec. 18. NEW SECTION. 28.157 STRATEGIC PLAN FOR SCIENCE AND TECHNOLOGY DEVELOPMENT.

1. The foundation shall prepare a strategic plan for development of advanced technologies in Iowa. The plan shall serve as the basis for general foundation activities.

2. The plan shall set forth the foundation's findings with regard to fields of scientific research which offer the greatest potential for commercial development within the state. The plan shall propose programs to enhance the effectiveness of Iowa university and college and private sector research facility participation in such fields of

research and for improving the transfer of research technology to the private sector.

3. The plan shall include findings and recommendations for the coordination of activities of technology centers operated by regents' universities, the center for industrial research and service, the small business development centers, and programs of the department of economic development, all of which shall cooperate with the foundation in formulation of the plan.

4. The plan shall be formulated in cooperation with university-based research consortia at the three regents' universities, private colleges and universities, community colleges, and private business. The plan shall include findings with regard to research interest of private business and agriculture, on improving accessibility of private business to university technology resources, identification of barriers to effective technology transfer, and on fields of research having potential for commercial utilization by Iowa firms and farms. The plan shall include the availability and possible acquisition of advanced technology nationally and internationally for transfer to Iowa technological projects.

5. The plan shall be formulated to provide for the strengthening and expansion of existing industry and agriculture, the creation of new business where deemed necessary and feasible, and the attraction of technology-based businesses to the state.

6. The plan shall include directions for participation by the foundation, through direct investment or in partnership or joint venture with a commercial investor or other financial source, in providing funds for development of existing or new businesses in Iowa engaged in commercial exploitation of products or technologies related to the research interests of the foundation.

Sec. 19. NEW SECTION. 28.158 FUNDING OF ACTIVITIES.

1. The foundation may receive state appropriations and other resources for purposes including but not limited to the following:

a. To provide financial assistance to research projects which are consistent with the commercial development objectives of the strategic plan and which involve collaboration between an Iowa college, community college, or university and a private firm. The foundation shall provide a peer review process for projects and research funded by the foundation.

b. To undertake market studies and other analyses of commercial applications of existing or potential research and development efforts.

c. To provide applied technology outreach services and programs.

d. To review existing licenses and patents and bring potentially applicable information to the attention of the board and the Iowa-based industries for which the patent and license information might be applicable.

e. To review current research.

f. To regularly monitor the industrial and agricultural base of Iowa and, when possible, to encourage contact between research efforts and appropriate industries.

2. The foundation shall have authority over state funds appropriated to the foundation for research, development, and technology transfer projects. State funds awarded by the foundation shall be matched by nonstate sources. The foundation shall establish by administrative rule the requirements for the matching of state funds by nonstate sources. The rules shall include but are not limited to the following nonstate sources for meeting the matching requirements:

a. Laboratory space provided by the private sector collaborator.

b. Financial assistance.

c. Personnel and technical services.

d. Machinery or equipment.

3. The foundation shall seek financial support for its activities from private sources and from programs of the

federal government for support of the research interests and other activities set forth in the strategic plan.

4. The foundation is to encourage aggressive pursuit of sponsored research by persons affiliated with Iowa colleges and universities and by private business, without regard to the relationship of such research to the foundation's program or to the strategic plan. The foundation shall not control research prerogatives of colleges or universities, their faculty, or private persons, or businesses. The foundation may, upon request, provide assistance to colleges and universities for acquisition of financial support for research activities from federal government and other sources.

5. The foundation shall coordinate with other state and federal entities the following activities:

- a. The establishment of funding for the projects under subsection 1.
- b. The review of current research policy direction.
- c. The provision of technical outreach services to existing Iowa business, industry, and agriculture.

The foundation may sponsor applications of or formally recommend specific projects to any private, state, federal, or local program.

Sec. 20. NEW SECTION. 28.158A BONDS AND NOTES --
AUTHORITY.

1. The foundation may issue its own negotiable bonds and notes in principal amounts as, in the opinion of the foundation, are necessary to provide sufficient funds for achievement of its corporate purposes. The foundation shall coordinate the issuance of notes and bonds with the treasurer of state as set forth in section 12.30. The foundation shall issue bonds and notes to the extent not inconsistent with the limitations and restrictions of issuing bonds and notes under sections 220.26, 220.27, and 220.28.

2. Bonds and notes issued by the foundation are payable solely and only out of the moneys, assets, or revenues of the foundation, and as provided in the agreement with bondholders

or noteholders pledging any particular moneys, assets, or revenues. Bonds or notes are not an obligation of this state or any political subdivision of this state other than the foundation within the meaning of any constitutional or statutory debt limitations, but are special obligations of the foundation payable solely and only from the sources provided in this section, and the foundation shall not pledge the credit or taxing power of this state or any political subdivision of this state other than the foundation, or make its debts payable out of any moneys except those of the foundation.

3. The foundation may create and establish one or more special funds, to be known as "bond reserve funds", and shall pay into each bond reserve fund any moneys appropriated and made available by the state for the purpose of the fund, any proceeds of sale of notes or bonds to the extent provided in the resolutions of the foundation authorizing their issuance, and any other moneys which may be available to the foundation for the purpose of the fund from any other sources. All moneys held in a bond reserve fund shall be used as required solely for the payment of the principal of bonds secured in whole or in part by the fund or of the sinking fund payments with respect to the bonds, the purchase or redemption of the bonds, the payment of interest on the bonds or the payments of any redemption premium required to be paid when the bonds are redeemed prior to maturity.

4. The use of proceeds of the sale of bonds or notes shall be limited to the acquisition or lease-purchase of machinery and equipment relating to science and technology which is identified in the strategic plan prepared pursuant to section 28.157 and the use of proceeds shall be limited to not more than a total of one million dollars in any fiscal year unless authorized by a resolution of the general assembly and approved by the governor.

Sec. 21. NEW SECTION. 28.159 SCIENCE AND TECHNOLOGY
ADVISORY COUNCIL.

1. There is established within the science and technology foundation an advisory council. The advisory council shall study and review the growth of technology in the world economy. The council shall annually review the foundation's strategic plan in conjunction with federal research policy and the federal research policy's effect on research in Iowa. The council shall advise the board on the most productive role for Iowa in the areas of science and technology with an emphasis on determining Iowa's strengths in technology.

2. The council shall consist of the following members:

a. Each member of the Iowa congressional delegation, or the member's designee.

b. Members appointed by the foundation upon consultation with the congressional delegation.

3. The council shall be bipartisan and gender balanced in accordance with sections 69.16 and 69.16A.

Sec. 22. Section 262B.4, subsection 2, Code 1989, is amended by adding the following new paragraph:

NEW PARAGRAPH. e. Provide applied technical referral services, if appropriate, including but not limited to the following duties:

(1) To determine and evaluate the research or applied technology needs of businesses and farms requesting assistance.

(2) To recommend technology transfer strategies to farms for more efficient production of agricultural commodities, or to businesses for developing and testing new products, adapting new technologies to manufacturing processes or methods, conducting marketing analyses of new products or processes, and identifying potential financing on new technology-based products or manufacturing processes.

(3) To refer businesses and farmers to universities, community colleges, small business development centers, other private businesses, and other research and technology transfer activities and programs which are beneficial to the development of new products and the application of technology.

Sec. 23. ORGANIZING BOARD OF INTERNET. The members of the board designated pursuant to section 18B.5, subsection 1, paragraphs "a" through "h", in conjunction with the members of the world trade institute study committee established pursuant to 1987 Acts, chapter 141, section 8, shall have all powers and duties necessary to organize the board, including the adoption of articles of incorporation, bylaws, and rules. The organizing board shall be chaired by the chairperson of the world trade institute study committee. The organizing board shall be staffed by the department of economic development. The organizing board may contract for additional legal or other assistance as deemed necessary by the organizing board. The interdisciplinary working group on international business may cooperate by assisting the organizing board. The permanent board shall be organized not later than January 1, 1990. Procedures set forth in section 18B.5 shall be applicable to the organizing board. After January 1, 1990, the directors of the permanent board designated pursuant to section 18B.5, paragraphs "a" through "h", shall have all the powers necessary to carry out the mission of INTERNET, until the directors representing business members pursuant to section 18B.5, paragraphs "i" and "j" have been elected. The election shall be held as soon after January 1, 1990, as is reasonably practicable, but shall be held not later than June 30, 1990.

Sec. 24. WORLD TRADE INSTITUTE STUDY COMMITTEE.

1. All equipment purchased and materials produced under contracts between persons and the world trade institute study committee, established pursuant to 1987 Acts, chapter 141, section 8, shall be transferred to the custody of INTERNET.

2. The board of INTERNET shall consider the materials and recommendations produced by the world trade institute study committee. The board shall study methods to incorporate programs under study by the committee into permanent programs administered by the board.

Sec. 25. Sections 28.51 through 28.55, Code 1989, are repealed.

Sec. 26. Sections 12 and 25 of this Act are effective July 1, 1990.

Sec. 27. Sections 1 through 11, 23 and 24 of this Act, being deemed of immediate importance, take effect upon enactment.

DONALD D. AVENSON
Speaker of the House

JO ANN ZIMMERMAN
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 686, Seventy-third General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved May 29, 1989

TERRY E. BRANSTAD
Governor