

Senate Study Bill 3216

SENATE/HOUSE FILE _____
BY (PROPOSED GOVERNOR'S BILL)

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

A BILL FOR

1 An Act relating to technology transfer and commercialization in
2 certain core platform areas.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 5790XL 81
5 tm/cf/24

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1 1 Section 1. NEW SECTION. 262B.21 RESEARCH AND DEVELOPMENT
1 2 PLATFORMS.
1 3 1. For purposes of this section, and sections 262B.22 and
1 4 262B.23, "core platform areas" means the areas of advanced
1 5 manufacturing, biosciences, information solutions, and
1 6 financial services.
1 7 2. The state board of regents shall do all of the
1 8 following:
1 9 a. Recruit employees, build capacity, and invest moneys to
1 10 ensure rapid scientific progress in the core platform areas.
1 11 b. Create endowed chair positions and employ persons with
1 12 entrepreneurial expertise.
1 13 c. Invest in technology development infrastructure to
1 14 strengthen and accelerate the scientific and commercialization
1 15 work in the core platform areas.
1 16 d. Provide financial assistance in the form of grants for
1 17 purposes of accelerating the transformation of new and ongoing
1 18 research and development initiatives in the core platform
1 19 areas into commercial opportunities.
1 20 e. Actively participate in advisory groups dedicated to
1 21 the areas of bioscience advanced manufacturing, and
1 22 information solutions.
1 23 Sec. 2. NEW SECTION. 262B.22 TECHNOLOGY AND
1 24 COMMERCIALIZATION RESOURCE ORGANIZATION.
1 25 1. The general assembly finds and declares that the public
1 26 good requires that Iowa successfully participate and compete
1 27 in the emerging world economy. A technology and
1 28 commercialization resource organization is established to
1 29 formulate and implement plans and programs for the core
1 30 platform areas and to facilitate their commercial application
1 31 within the state.
1 32 2. The technology and commercialization resource
1 33 organization shall receive recommendations for research
1 34 projects which have commercialization potential from
1 35 institutions of higher learning under the control of the state
2 1 board of regents. In cooperation with commercialization
2 2 experts in the private sector, the organization shall analyze
2 3 research project submissions and make recommendations
2 4 regarding which projects should receive funding and how much
2 5 funding such projects should receive. The recommendations of
2 6 the organization shall be forwarded to the state board of
2 7 regents. The state board of regents shall review the
2 8 recommendations and may approve, deny, or modify the
2 9 recommendations. If the state board of regents modifies a
2 10 recommendation, the modified recommendation shall be returned
2 11 to the technology and commercialization resource organization
2 12 for consideration and for recommendation. The state board of
2 13 regents may award financial assistance to approved research
2 14 projects.
2 15 3. A technology and commercialization resource
2 16 organization shall be incorporated under chapter 504. The
2 17 organization shall not be regarded as a state agency, except
2 18 for purposes of chapter 17A. A member of the board of

2 19 directors is not considered a state employee, except for
2 20 purposes of chapter 669. A natural person employed by the
2 21 organization is a state employee for purposes of the Iowa
2 22 public employees' retirement system, state health and dental
2 23 plans, and other state employee benefit plans and chapter 669.
2 24 Chapters 8, 8A, and 20, and other provisions of law that
2 25 relate to requirements or restrictions dealing with state
2 26 personnel or state funds, do not apply to the organization or
2 27 any employees of the board of directors or the organization
2 28 except to the extent provided in this chapter.

2 29 4. The board of directors of the organization shall
2 30 consist of eight voting members as follows:

2 31 a. The president of the state board of regents.

2 32 b. The three members of the economic development

2 33 subcommittee of the state board of regents.

2 34 c. The chief technology officer of the state.

2 35 d. One member selected by a biosciences development

3 1 organization designated by the department of economic

3 2 development pursuant to section 15G.111, subsection 2.

3 3 e. The chairperson of the advanced manufacturing steering

3 4 group of the department of economic development.

3 5 f. The chairperson of the information solutions steering

3 6 group of the department of economic development.

3 7 5. The members of the board of directors shall annually

3 8 elect a president of the board from the board membership. A

3 9 vacancy shall be filled by the appointing authority. Members

3 10 are eligible for actual expense reimbursement while fulfilling

3 11 duties of the board.

3 12 Sec. 3. NEW SECTION. 262B.23 VENTURE RESOURCES

3 13 CORPORATION.

3 14 1. A venture resources corporation shall be selected

3 15 through a request for proposals process. The request for

3 16 proposals shall be developed and administered by a single

3 17 biosciences development organization designated by the

3 18 department of economic development pursuant to section

3 19 15G.111, subsection 2. The biosciences development

3 20 organization designated by the department of economic

3 21 development pursuant to section 15G.111, subsection 2, shall

3 22 review the responses to the request for proposals and shall

3 23 select the venture resources corporation and enter into an

3 24 agreement with the corporation for purposes of performing the

3 25 duties provided in subsection 2.

3 26 2. The venture resources corporation selected pursuant to

3 27 subsection 1 must be incorporated under chapter 490 and shall

3 28 do all of the following:

3 29 a. Establish a seed fund for early-stage investment in

3 30 emerging opportunities in this state.

3 31 b. Develop a partnership with an experienced venture fund

3 32 willing to manage the seed fund and coinvest in the seed fund.

3 33 c. Coordinate efforts with existing seed funds located in

3 34 this state and leverage moneys in such funds into investments

3 35 in entities with a higher value.

4 1 d. Establish partnerships with large venture capital funds

4 2 for purposes of funding of start-up companies after the

4 3 initial start-up moneys have been invested in the companies.

4 4 e. Support regional venture funds in raising moneys.

4 5 f. Establish extensive nonventure capital sources of

4 6 funding.

4 7 g. Be self-sustaining through equity-based venture

4 8 investments.

4 9 EXPLANATION

4 10 This bill relates to technology transfer and

4 11 commercialization in certain core platform areas.

4 12 The bill defines the term "core platform areas" to mean the

4 13 areas of advanced manufacturing, biosciences, information

4 14 solutions, and financial services.

4 15 The bill requires the state board of regents to recruit

4 16 employees, build capacity, and invest moneys to ensure rapid

4 17 scientific progress in the core platform areas; create endowed

4 18 chair positions and employ persons with entrepreneurial

4 19 expertise; invest in technology development infrastructure to

4 20 strengthen and accelerate the scientific and commercialization

4 21 work in the core platform areas; provide financial assistance

4 22 in the form of grants for purposes of accelerating the

4 23 transformation of new and ongoing research and development

4 24 initiatives in the core platform areas into commercial

4 25 opportunities; and actively participate in advisory groups

4 26 dedicated to the areas of bioscience, advanced manufacturing,

4 27 and information solutions.

4 28 The bill establishes a technology and commercialization

4 29 resource organization to formulate and implement plans and

4 30 programs for the core platform areas and to facilitate their
4 31 commercial application within the state.
4 32 The bill provides that the technology and commercialization
4 33 resource organization shall receive recommendations for
4 34 research projects which have commercialization potential from
4 35 institutions of higher learning under the control of the state
5 1 board of regents. The bill provides that, in cooperation with
5 2 commercialization experts in the private sector, the
5 3 organization shall analyze research project submissions and
5 4 make recommendations regarding which projects should receive
5 5 funding and how much funding such projects should receive.
5 6 The bill provides that recommendations of the organization
5 7 shall be forwarded to the state board of regents. The bill
5 8 requires the state board of regents to review the
5 9 recommendations and may approve, deny, or modify the
5 10 recommendations. The bill allows the state board of regents
5 11 to award financial assistance to approved research projects.
5 12 The bill provides that the organization shall be organized as
5 13 a nonprofit corporation and shall not be regarded as a state
5 14 agency, except for purposes of Code chapter 17A.
5 15 The bill provides that a venture resources corporation
5 16 shall be selected through a request for proposals process.
5 17 The bill provides that a biosciences development organization
5 18 and the selected venture resources corporation shall enter
5 19 into an agreement for purposes of establishing a seed fund for
5 20 early-stage investment in emerging opportunities in this
5 21 state, developing a partnership with an experienced venture
5 22 fund willing to manage the seed fund and coinvest in the seed
5 23 fund, coordinating efforts with existing seed funds located in
5 24 this state, establishing partnerships with large venture
5 25 capital funds for purposes of funding start-up companies after
5 26 the initial start-up moneys have been invested in the
5 27 companies, supporting regional venture funds in raising
5 28 moneys, establishing extensive nonventure capital sources of
5 29 funding, and being self-sustaining through equity-based
5 30 venture investments.
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