

SECOND REGULAR SESSION

# SENATE BILL NO. 1182

93RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR GRIESHEIMER.

Read 1st time March 1, 2006, and ordered printed.

TERRY L. SPIELER, Secretary.

5386S.011

## AN ACT

To repeal sections 348.251, 348.253, 348.256, 348.261, 348.262, 348.263, 348.264, 348.266, 348.271, 348.272, and 348.275, RSMo, and to enact in lieu thereof twelve new sections relating to the Missouri discovery alliance.

*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Sections 348.251, 348.253, 348.256, 348.261, 348.262, 348.263, 348.264, 348.266, 348.271, 348.272, and 348.275, RSMo, are repealed and twelve new sections enacted in lieu thereof, to be known as sections 348.251, 348.253, 348.256, 348.261, 348.262, 348.263, 348.264, 348.266, 348.271, 348.273, 348.274, and 348.275, to read as follows:

**348.251. 1. As used in sections 348.251 to 348.275, the following terms mean:**

**(1) "Alliance", the Missouri discovery alliance authorized by this section;**

**(2) "Technology application", the introduction and adaptation of refined management practices in fields such as scheduling, inventory management, marketing, product development, and training in order to improve the quality, productivity, and profitability of an existing firm. Technology application shall be considered a component of business modernization;**

**(3) "Technology business recruitment", assisting the department of economic development with the recruitment, relocation, and expansion of technology businesses to locate in the state of Missouri;**

**(4) "Technology commercialization", the process of moving investment-grade technology from a business, university, or laboratory**

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

16 into the marketplace for application;

17 (5) "Technology development", strategically focused research  
18 directed at developing investment-grade technologies which are  
19 important for market competitiveness.

20 2. There is hereby created within the department of economic  
21 development the "Missouri Discovery Alliance" which shall constitute  
22 a body corporate and politic. The Missouri discovery alliance shall  
23 carry out the provisions of sections 348.251 to 348.275.

348.253. 1. The Missouri discovery alliance may contract with  
2 not-for-profit organizations to carry out the provisions of sections  
3 348.251 to 348.275. By entering into such contracts, the alliance shall  
4 attempt to achieve the following objectives:

5 (1) The enhancement of technology application, as defined in  
6 subdivision (2) of section 348.251;

7 (2) Technology commercialization, as defined in subdivision (4)  
8 of section 348.251;

9 (3) The enhancement of technology development, as defined in  
10 subdivision (5) of section 348.251; and

11 (4) The enhancement of technology business recruitment as  
12 defined in subdivision (3) of section 348.251.

13 2. Any contract signed between the alliance and any not-for-  
14 profit organization, including innovation centers as defined in section  
15 348.271, shall require that the not-for-profit organization must provide  
16 no less than a one hundred percent match for any funding received  
17 from the alliance through the Missouri discovery fund, as established  
18 in section 348.264.

348.256. The articles of incorporation and bylaws of the Missouri  
2 discovery alliance shall provide that:

3 (1) The purposes of the alliance are to: contribute to the  
4 strengthening of the economy of the state through the development of  
5 science and technology; to promote the modernization of Missouri  
6 businesses by supporting the transfer of science, technology, and  
7 quality improvement methods to the workplace; and to enhance the  
8 productivity and modernization of Missouri businesses by providing  
9 leadership in the establishment of methods of technology application,  
10 technology commercialization, technology development, and technology  
11 business recruitment;

12           **(2) The board of directors of the alliance is composed of thirteen**  
13 **persons. The board shall consist of the following members:**

14           **(a) One member, appointed by the governor with the advice and**  
15 **consent of the senate, to act as chairperson;**

16           **(b) Twelve members appointed by the governor, with the advice**  
17 **and consent of the senate, at least four of which shall be from research**  
18 **institutions, universities, or colleges in Missouri, and at least four of**  
19 **which shall be from technology-based businesses in Missouri;**

20 **Each of the directors of the alliance appointed by the governor shall**  
21 **serve for a term of four years and until a successor is duly appointed;**  
22 **except that, of the directors serving on the alliance as of August 28,**  
23 **2006, four directors shall be designated by the governor to serve a term**  
24 **of four years, four directors shall be designated to serve a term of three**  
25 **years, and four directors shall be designated to serve a term of two**  
26 **years. Each director shall continue to serve until a successor is duly**  
27 **appointed by the governor.**

28           **(3) The alliance may: receive money from any source, borrow**  
29 **money, enter into contracts, and expend money for any activities**  
30 **appropriate to its purpose;**

31           **(4) The alliance may appoint staff and do all other things**  
32 **necessary or incidental to carrying out the functions listed in section**  
33 **348.261;**

34           **(5) Any changes in the articles of incorporation or bylaws must**  
35 **be approved by the governor;**

36           **(6) The alliance shall submit an annual report to the governor**  
37 **and to the Missouri general assembly. The report shall be due on the**  
38 **first day of November for each year and shall include detailed**  
39 **information on the structure, operation, and financial status of the**  
40 **alliance; and**

41           **(7) The alliance shall be subject to an annual audit by the state**  
42 **auditor the alliance shall bear the full cost of the audit.**

**348.261. The alliance may:**

2           **(1) Establish a statewide business modernization network to**  
3 **assist Missouri businesses in identifying ways to enhance productivity**  
4 **and market competitiveness;**

5           **(2) Identify scientific and technological problems and**  
6 **opportunities related to the economy of Missouri and formulate**

7 **proposals to overcome such problems or realize opportunities;**

8 **(3) Identify specific areas where scientific research and**  
9 **technological investigation will contribute to the improvement of**  
10 **productivity of Missouri manufacturers and farmers;**

11 **(4) Determine specific areas in which financial investment in**  
12 **scientific and technological research and development from private**  
13 **businesses located in Missouri could be enhanced or increased if state**  
14 **resources were made available to assist in financing activities;**

15 **(5) Assist in establishing cooperative associations of universities**  
16 **in Missouri and of private enterprises for the purpose of coordinating**  
17 **research and development programs that will, consistent with the**  
18 **primary educational function of the universities, aid in the creation of**  
19 **new jobs in Missouri;**

20 **(6) Assist in financing the establishment and continued**  
21 **development of technology-intensive businesses in Missouri;**

22 **(7) Advise universities of the research needs of Missouri business**  
23 **and improve the exchange of scientific and technological information**  
24 **for the mutual benefit of universities and private business;**

25 **(8) Coordinate programs established by universities to provide**  
26 **Missouri businesses with scientific and technological information;**

27 **(9) Establish programs in scientific education which will support**  
28 **the accelerated development of technology-intensive businesses in**  
29 **Missouri;**

30 **(10) Provide financial assistance through contracts, grants, and**  
31 **loans to programs of scientific and technological research and**  
32 **development;**

33 **(11) Determine how public universities can increase income**  
34 **derived from the sale or licensure of products or processes having**  
35 **commercial value that are developed as a result of university sponsored**  
36 **research programs;**

37 **(12) Contract with innovation centers, as established in section**  
38 **348.271, small business development corporations, as established in**  
39 **sections 620.1000 to 620.1007, RSMo, and other entities or organizations**  
40 **for the provision of technology application, technology**  
41 **commercialization, technology development services, and technology**  
42 **business recruitment. Such contracting procedures shall not be subject**  
43 **to the provisions of chapter 34, RSMo;**

44           **(13) Make direct seed capital or venture capital investments in**  
45 **Missouri business investment funds or businesses which demonstrate**  
46 **the promise of growth and job creation. Investments from the alliance**  
47 **may be in the form of debt or equity in the respective businesses; and**

48           **(14) Authorize tax credits as established in section 348.273.**

**348.262. In order to assist the alliance in achieving the objectives**  
2 **identified in section 348.261, the department of economic development**  
3 **may contract with the alliance for activities consistent with the**  
4 **alliance's purpose, as specified in section 348.256. When contracting**  
5 **with the alliance under the provisions of this section, the department**  
6 **of economic development may directly enter into agreements with the**  
7 **alliance and shall not be bound by the provisions of chapter 34, RSMo.**

**348.263. The Missouri discovery alliance shall replace the**  
2 **Missouri technology corporation. All moneys, property, or any other**  
3 **assets remaining with the Missouri technology corporation after all**  
4 **obligations are satisfied on August 28, 2006, shall be transferred to the**  
5 **Missouri discovery alliance. All powers, duties, and functions**  
6 **performed by the Missouri technology corporation on August 28, 2006,**  
7 **shall be transferred to the Missouri discovery alliance.**

**348.264. 1. There is hereby established in the state treasury a**  
2 **special fund to be known as the "Missouri Discovery Fund", which shall**  
3 **consist of all moneys which may be appropriated to it by the general**  
4 **assembly, and also any gifts, contributions, grants, or bequests received**  
5 **from federal, private, or other sources. Such moneys shall include, but**  
6 **not be limited to, federal funds which may be received from the**  
7 **National Institute for Science and Technology, the Small Business**  
8 **Administration and the Department of Defense through its Technology**  
9 **Reinvestment Program. Money in the Missouri discovery fund shall be**  
10 **used to carry out the provisions of sections 348.251 to 348.275. Moneys**  
11 **for technology application programs, technology commercialization**  
12 **programs, technology development programs, and technology business**  
13 **recruitment programs established pursuant to the provisions of**  
14 **sections 348.251 to 348.275 shall be available from appropriations made**  
15 **by the general assembly from the Missouri discovery fund. Any moneys**  
16 **remaining in the Missouri discovery fund at the end of any fiscal year**  
17 **shall not revert to the credit of the general revenue fund, as provided**  
18 **in section 33.080, RSMo, but shall remain in the Missouri discovery**

19 **fund.**

20           **2. Notwithstanding the provisions of sections 173.500 to 173.565,**  
21 **RSMo, the Missouri discovery fund shall be utilized to fund projects**  
22 **which would previously have been funded through the Missouri**  
23 **technology investment fund.**

**348.266. 1. Debts incurred by the Missouri discovery alliance**  
2 **established pursuant to the authority of sections 348.251 to 348.275 do**  
3 **not represent or constitute a debt of this state within the meaning of**  
4 **the provisions of the constitution or statutes of this state.**

5           **2. The Missouri discovery alliance established pursuant to**  
6 **sections 348.251 to 348.275 shall be subject to all provisions of chapter**  
7 **355, RSMo, which do not conflict with the provisions of sections 348.251**  
8 **to 348.275.**

**348.271. 1. In order to foster the growth of Missouri's economy**  
2 **and to stimulate the creation of new jobs in technology-based industry**  
3 **for the state's work force, the department of economic development, on**  
4 **behalf of the Missouri discovery alliance, in accordance with the**  
5 **provisions of this section and within the limits of appropriations**  
6 **therefor, is authorized to contract with Missouri not-for-profit**  
7 **corporations for the operation of innovation centers within the**  
8 **state. The primary emphasis of some, if not of all innovation centers,**  
9 **shall be in the areas of technology commercialization, finance, and**  
10 **business modernization. Innovation centers operated under the**  
11 **provisions of this section shall provide assistance to individuals and**  
12 **business organizations during the early stages of the development of**  
13 **new technology-based business ventures. Such assistance may include**  
14 **the provision of facilities, equipment, administrative and managerial**  
15 **support, planning assistance, and such other services and programs**  
16 **that enhance the development of such ventures and such assistance**  
17 **may be provided for fees or other consideration.**

18           **2. The innovation centers operated under this section shall**  
19 **counsel and assist new technology-based business ventures in finding**  
20 **a suitable site in the state of Missouri for location of the business upon**  
21 **its graduation from the incubator facility. Each innovation center shall**  
22 **annually submit a report of its activities to the department of economic**  
23 **development and the Missouri discovery alliance no later than the first**  
24 **of October of each year. The mission and goals of the innovation center**

25 program will be outlined annually by the Missouri discovery alliance  
26 and shall include, but not be limited to, the number of businesses  
27 having a technology commercialized into a viable product or services,  
28 the number of new jobs created by the business client of the center, the  
29 success rate of the businesses graduating from the incubator, the  
30 progress and locations of businesses which have graduated from the  
31 incubator, the number and types of businesses assisted by the center,  
32 and the location of businesses assisted by the center. The report shall  
33 also include an operational plan to detail the coordination between the  
34 innovation centers and the small business development center, if one  
35 exists in the same city or region, in order to maximize the services to  
36 small businesses and entrepreneurs. The report shall be approved by  
37 the department of economic development and the Missouri discovery  
38 alliance.

39 3. The innovation center shall be required to provide no less  
40 than a one hundred percent match for any funding received from the  
41 technology investment fund, as established in section 348.264.

42 4. If the innovation center's annual reports or operational plans  
43 do not meet the requirements of the department of economic  
44 development and the Missouri discovery alliance, the department of  
45 economic development may withhold allocated center funds in an  
46 amount equal to seventy-five percent of the state allocated center  
47 funding until such report is made accurate and complete per the  
48 approval of the department of economic development and the Missouri  
49 discovery alliance.

50 5. As of July 1, 2008, any existing innovation center shall receive  
51 funding through the technology investment fund, as established in  
52 section 348.264, for no more than five additional years. Any innovation  
53 center established after July 1, 2008, shall receive funding through the  
54 technology investment fund, as established in section 348.264, for no  
55 more than five years.

348.273. As used in sections 348.273 to 348.274, the following  
2 terms shall mean:

3 (1) "Venture capital", risk capital provided to a qualified  
4 Missouri company for research, development, operating capital,  
5 commercialization activities, or marketing thereof in exchange for  
6 some level of ownership and control of the business;

7           (2) "Qualifying company", an independently owned and operated  
8 business which is headquartered and located in Missouri and which is  
9 in need of venture capital and cannot obtain conventional  
10 financing. Such business shall have no more than two hundred  
11 employees, eighty percent of which are employed in Missouri. Such  
12 business shall be involved in commerce for the purpose of  
13 manufacturing, processing or assembling products, conducting research  
14 and development, or providing services in interstate commerce, but  
15 excluding retail, real estate, real estate development, insurance, and  
16 professional services provided by accountants, lawyers, or physicians.  
17 At the time approval is sought, such business shall be a small business  
18 concern that meets the requirements of the United States Small  
19 Business Administration's qualification size standards for its venture  
20 capital program, as defined in Section 13 CFR 121.301(c) of the Small  
21 Business Investment Act of 1958, as amended;

22           (3) "Taxpayer", any person, partnership, corporations, trust, or  
23 limited liability company;

24           (4) "Rural area", any city, town, or village having a population of  
25 fewer than fifteen thousand inhabitants located in a county that is not  
26 part of a standard metropolitan statistical area as defined by the  
27 United States Department of Commerce or its successor  
28 agency. However, any such city, town, or village located in a county so  
29 defined as a standard metropolitan statistical area may be designated  
30 a rural community by the office of rural development if a substantial  
31 number of persons in such county derive their income from agriculture  
32 and in any county where there is only one city within the county which  
33 has a population of more than fifteen thousand and which classifies as  
34 a standard metropolitan statistical area. All other cities, towns, and  
35 villages in that county having a population of less than fifteen thousand  
36 shall be designated as a rural community;

37           (5) "Distressed community", as defined by section 135.530, RSMo;

38           (6) "Technology commercialization infrastructure project", the  
39 construction of or improvements to an incubator, accelerator, or  
40 instrument center;

41           (7) "Collaborative research project", a research project conducted  
42 by a public research institution or private, not-for-profit research  
43 institution on behalf of, and funded by, a private company.



348.274. 1. The Missouri discovery alliance may authorize up to  
2 ten million dollars in tax credits per fiscal year. The tax credits may  
3 be allotted to one or more of the categories listed in this section.

4 2. If a qualifying company is approved by the Missouri discovery  
5 alliance, the investors who contribute the first five hundred thousand  
6 dollars in venture capital to the qualifying company may be issued a  
7 tax credit for thirty percent of such investment in the year the  
8 investment is made. However, if the company invested in is located in  
9 a rural area or a distressed community, the taxpayer may be issued a  
10 tax credit for forty percent of such investment.

11 3. If a qualifying company is approved by the Missouri discovery  
12 alliance, the alliance may reserve tax credits for investors who  
13 contributed the initial five million dollars in venture capital to the  
14 company. The credit shall be thirty percent of the amount invested,  
15 unless the company is located in a rural or distressed company in  
16 which case the credit shall be equal to forty percent of the amount  
17 invested. No credits shall be reserved with respect to investors who  
18 received a credit under subsection 2 of this section. The reserved  
19 credits shall be issued only for net loss of investment within five years  
20 of investing in the qualified company. No credits shall be issued if the  
21 company relocates to another state.

22 4. If a technology commercialization infrastructure project is  
23 approved by the Missouri discovery alliance, a taxpayer may be issued  
24 a tax credit in an amount equal to fifty percent of any amount  
25 contributed to the project.

26 5. If a collaborative research project is approved by the Missouri  
27 discovery alliance, a business firm may receive a tax credit of up to  
28 fifty percent of expenditures for industrial research conducted at a  
29 public research institution or a private not-for-profit research  
30 institution.

31 6. The credit may be used against the tax otherwise due pursuant  
32 to chapter 143, RSMo, not including sections 143.191 to 143.265,  
33 RSMo. The tax credit may be used in the tax year issued, or any of the  
34 next three consecutive tax years.

35 7. Tax credits issued pursuant to this section may be sold,  
36 assigned, exchanged, or otherwise transferred.

348.275. 1. The department of economic development may

2 promulgate rules and regulations consistent with the provisions of  
3 sections 348.251 to 348.275 as are necessary or useful to carry out the  
4 provisions of those sections.

5       2. Any rule or portion of a rule, as that term is defined in section  
6 536.010, RSMo, that is created under the authority delegated in this  
7 section shall become effective only if it complies with and is subject to  
8 all of the provisions of chapter 536, RSMo, and, if applicable, section  
9 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable  
10 and if any of the powers vested with the general assembly pursuant to  
11 chapter 536, RSMo, to review, to delay the effective date, or to  
12 disapprove and annul a rule are subsequently held unconstitutional,  
13 then the grant of rulemaking authority and any rule proposed or  
14 adopted after August 28, 2006, shall be invalid and void.

15       3. Upon filing any proposed rule with the secretary of state, the  
16 department shall concurrently submit such proposed rule to the joint  
17 committee on administrative rule, which may hold hearings upon any  
18 proposed rule or portion thereof at any time.

19       4. A final order of rulemaking shall not be filed with the  
20 secretary of state until thirty days after such final order of rulemaking  
21 has been received by the joint committee on administrative rules. The  
22 joint committee on administrative rules may hold one or more hearings  
23 upon such final order of rulemaking during the thirty-day period. If  
24 the joint committee on administrative rules does not disapprove such  
25 order of rulemaking within the thirty-day period, the department may  
26 file such order of rulemaking with the secretary of state and the order  
27 of rulemaking shall be deemed approved.

28       5. The joint committee on administrative rules may, by majority  
29 vote of the members, suspend the order of rulemaking or portion  
30 thereof by action taken prior to the filing of the final order of  
31 rulemaking only for one or more of the following grounds:

- 32       (1) An absence of statutory authority for the proposed rule;  
33       (2) An emergency relating to public health, safety, or welfare;  
34       (3) The proposed rule is in conflict with state law;  
35       (4) A substantial change in circumstance since enactment of the  
36 law upon which the proposed rule is based.

37       6. If the joint committee on administrative rules disapproves any  
38 rule or portion thereof, the department shall not file such disapproved

39 **portion of any rule with the secretary of state and the secretary of state**  
40 **shall not publish in the Missouri Register any final order of rulemaking**  
41 **containing the disapproved portion.**

42 **7. If the joint committee on administrative rules disapproves any**  
43 **rule or portion thereof, the joint committee on administrative rules**  
44 **shall report its findings to the senate and the house of representatives.**  
45 **No rule or portion thereof disapproved by the joint committee on**  
46 **administrative rules shall take effect so long as the senate and the**  
47 **house of representatives ratify the act of the joint committee by**  
48 **resolution adopted in each house within thirty legislative days after**  
49 **such rule or portion thereof has been disapproved by the joint**  
50 **committee.**

51 **8. Upon adoption of a rule as provided in this section, any such**  
52 **rule or portion thereof may be suspended or revoked by the general**  
53 **assembly either by bill or, pursuant to section 8, article IV of the**  
54 **Constitution of Missouri, by concurrent resolution upon**  
55 **recommendation of the joint committee on administrative rules. The**  
56 **joint committee on administrative rules shall be authorized to hold**  
57 **hearings and make recommendations pursuant to the provisions of**  
58 **section 536.037, RSMo. The secretary of state shall publish in the**  
59 **Missouri Register, as soon as practicable, notice of the suspension or**  
60 **revocation.**

[348.251. 1. As used in sections 348.251 to 348.266, the  
2 following terms mean:

3 (1) "Technology application", the introduction and  
4 adaptation of refined management practices in fields such as  
5 scheduling, inventory management, marketing, product  
6 development, and training in order to improve the quality,  
7 productivity and profitability of an existing firm. Technology  
8 application shall be considered a component of business  
9 modernization;

10 (2) "Technology commercialization", the process of moving  
11 investment-grade technology from a business, university or  
12 laboratory into the marketplace for application;

13 (3) "Technology development", strategically focused research  
14 directed at developing investment-grade technologies which are

15 important for market competitiveness.

16 2. The governor may, on behalf of the state and in  
17 accordance with chapter 355, RSMo, establish a private  
18 not-for-profit corporation named the "Missouri Technology  
19 Corporation", to carry out the provisions of sections 348.251 to  
20 348.266. As used in sections 348.251 to 348.266 the word  
21 "corporation" means the Missouri technology corporation authorized  
22 by this section. Before certification by the governor, the  
23 corporation shall conduct a public hearing for the purpose of giving  
24 all interested parties an opportunity to review and comment upon  
25 the articles of incorporation, bylaws and method of operation of the  
26 corporation. Notice of the hearing shall be given at least fourteen  
27 days prior to the hearing.]

[348.253. 1. The Missouri technology corporation may  
2 contract with not-for-profit organizations to carry out the  
3 provisions of sections 348.251 to 348.275. By entering into such  
4 contracts, the corporation shall attempt to achieve the following  
5 objectives:

6 (1) The establishment of a research alliance which shall  
7 advance technology development, as defined in subdivision (3) of  
8 section 348.251. The corporation, in this capacity, shall have the  
9 authority to contract directly with centers for advanced technology,  
10 as established by section 348.272, and other not-for-profit entities.  
11 In proceeding with this objective, the corporation and centers for  
12 advanced technology shall utilize the results of targeted industry  
13 studies commissioned by the department of economic development;

14 (2) Technology commercialization, as defined in subdivision  
15 (2) of section 348.251;

16 (3) The establishment of a finance corporation to assist in  
17 the implementation of section 348.261; and

18 (4) The enhancement of technology application, as defined  
19 in subdivision (1) of section 348.251.

20 2. Any contract signed between the corporation and any  
21 not-for-profit organization, including innovation centers as defined  
22 in section 348.271, shall require that the not-for-profit organization  
23 must provide at least one-hundred-percent match for any funding

24 received from the corporation through the technology investment  
25 fund, as established in section 348.264.]

[348.256. The articles of incorporation and bylaws of the  
2 Missouri technology corporation shall provide that:

3 (1) The purposes of the corporation are to contribute to the  
4 strengthening of the economy of the state through the development  
5 of science and technology, to promote the modernization of Missouri  
6 businesses by supporting the transfer of science, technology and  
7 quality improvement methods to the workplace, and to enhance the  
8 productivity and modernization of Missouri businesses by providing  
9 leadership in the establishment of methods of technology  
10 application, technology commercialization and technology  
11 development;

12 (2) The board of directors of the corporation is composed of  
13 fifteen persons. The governor shall annually appoint one of its  
14 members, who must be from the private sector, as chairman. The  
15 board shall consist of the following members:

16 (a) The director of the department of economic development,  
17 or the director's designee;

18 (b) The president of the University of Missouri system, or  
19 the president's designee;

20 (c) A member of the state senate, appointed by the  
21 president pro tem of the senate;

22 (d) A member of the house of representatives, appointed by  
23 the speaker of the house;

24 (e) Eleven members appointed by the governor, two of  
25 which shall be from the public sector and nine members from the  
26 private sector who shall include, but shall not be limited to,  
27 individuals who represent technology-based businesses and  
28 industrial interests;

29 (f) Each of the directors of the corporation who is appointed  
30 by the governor shall serve for a term of four years and until a  
31 successor is duly appointed; except that, of the directors serving on  
32 the corporation as of August 28, 1995, three directors shall be  
33 designated by the governor to serve a term of four years, three  
34 directors shall be designated to serve a term of three years, three

35 directors shall be designated to serve a term of two years, and two  
36 directors shall be designated to serve a term of one year. Each  
37 director shall continue to serve until a successor is duly appointed  
38 by the governor;

39 (3) The corporation may receive money from any source,  
40 may borrow money, may enter into contracts, and may expend  
41 money for any activities appropriate to its purpose;

42 (4) The corporation may appoint staff and do all other  
43 things necessary or incidental to carrying out the functions listed  
44 in section 348.261;

45 (5) Any changes in the articles of incorporation or bylaws  
46 must be approved by the governor;

47 (6) The corporation shall submit an annual report to the  
48 governor and to the Missouri general assembly. The report shall  
49 be due on the first day of November for each year and shall include  
50 detailed information on the structure, operation and financial  
51 status of the corporation. The corporation shall conduct an annual  
52 public hearing to receive comments from interested parties  
53 regarding the report, and notice of the hearing shall be given at  
54 least fourteen days prior to the hearing; and

55 (7) The corporation is subject to an annual audit by the  
56 state auditor and that the corporation shall bear the full cost of the  
57 audit.]

[348.261. The corporation, after being certified by the  
2 governor as provided by section 348.251, may:

3 (1) Establish a statewide business modernization network  
4 to assist Missouri businesses in identifying ways to enhance  
5 productivity and market competitiveness;

6 (2) Identify scientific and technological problems and  
7 opportunities related to the economy of Missouri and formulate  
8 proposals to overcome those problems or realize those  
9 opportunities;

10 (3) Identify specific areas where scientific research and  
11 technological investigation will contribute to the improvement of  
12 productivity of Missouri manufacturers and farmers;

13 (4) Determine specific areas in which financial investment

14 in scientific and technological research and development from  
15 private businesses located in Missouri could be enhanced or  
16 increased if state resources were made available to assist in  
17 financing activities;

18 (5) Assist in establishing cooperative associations of  
19 universities in Missouri and of private enterprises for the purpose  
20 of coordinating research and development programs that will,  
21 consistent with the primary educational function of the  
22 universities, aid in the creation of new jobs in Missouri;

23 (6) Assist in financing the establishment and continued  
24 development of technology-intensive businesses in Missouri;

25 (7) Advise universities of the research needs of Missouri  
26 business and improve the exchange of scientific and technological  
27 information for the mutual benefit of universities and private  
28 business;

29 (8) Coordinate programs established by universities to  
30 provide Missouri businesses with scientific and technological  
31 information;

32 (9) Establish programs in scientific education which will  
33 support the accelerated development of technology-intensive  
34 businesses in Missouri;

35 (10) Provide financial assistance through contracts, grants  
36 and loans to programs of scientific and technological research and  
37 development;

38 (11) Determine how public universities can increase income  
39 derived from the sale or licensure of products or processes having  
40 commercial value that are developed as a result of university  
41 sponsored research programs;

42 (12) Contract with innovation centers, as established in  
43 section 348.271, small business development corporations, as  
44 established in sections 620.1000 to 620.1007, RSMo, centers for  
45 advanced technology, as established in section 348.272, and other  
46 entities or organizations for the provision of technology application,  
47 technology commercialization and technology development  
48 services. Such contracting procedures shall not be subject to the  
49 provisions of chapter 34, RSMo; and

50           (13) Make direct seed capital or venture capital investments  
51           in Missouri business investment funds or businesses which  
52           demonstrate the promise of growth and job creation. Investments  
53           from the corporation may be in the form of debt or equity in the  
54           respective businesses.]

          [348.262. In order to assist the corporation in achieving the  
2           objectives identified in section 348.261, the department of economic  
3           development may contract with the corporation for activities  
4           consistent with the corporation's purpose, as specified in section  
5           348.256. When contracting with the corporation under the  
6           provisions of this section, the department of economic development  
7           may directly enter into agreements with the corporation and shall  
8           not be bound by the provisions of chapter 34, RSMo.]

          [348.263. 1. The Missouri business modernization and  
2           technology corporation shall replace the corporation for science and  
3           technology. All moneys, property or any other assets remaining  
4           with the corporation for science and technology after all obligations  
5           are satisfied on August 28, 1993, shall be transferred to the  
6           Missouri business modernization and technology corporation. All  
7           powers, duties and functions performed by the Missouri corporation  
8           of science and technology on August 28, 1993, shall be transferred  
9           to the Missouri business modernization and technology corporation.

10           2. The Missouri technology corporation shall replace the  
11           Missouri business modernization and technology corporation. All  
12           moneys, property or any other assets remaining with the Missouri  
13           business modernization and technology corporation after all  
14           obligations are satisfied on August 28, 1994, shall be transferred  
15           to the Missouri technology corporation. All powers, duties and  
16           functions performed by the Missouri business modernization and  
17           technology corporation on August 28, 1994, shall be transferred to  
18           the Missouri technology corporation.]

          [348.264. 1. There is hereby established in the state  
2           treasury a special fund to be known as the "Missouri Technology  
3           Investment Fund", which shall consist of all moneys which may be  
4           appropriated to it by the general assembly, and also any gifts,  
5           contributions, grants or bequests received from federal, private or



6 other sources. Such moneys shall include federal funds which may  
7 be received from the National Institute for Science and Technology,  
8 the Small Business Administration and the Department of Defense  
9 through its Technology Reinvestment Program. Money in the  
10 Missouri technology investment program shall be used to carry out  
11 the provisions of sections 348.251 to 348.275. Moneys for business  
12 modernization programs, technology application programs,  
13 technology commercialization programs and technology  
14 development programs established pursuant to the provisions of  
15 sections 348.251 to 348.275 shall be available from appropriations  
16 made by the general assembly from the Missouri technology  
17 investment fund. Any moneys remaining in the Missouri  
18 technology investment fund at the end of any fiscal year shall not  
19 lapse to the general revenue fund, as provided in section 33.080,  
20 RSMo, but shall remain in the Missouri technology investment  
21 fund.

22 2. Notwithstanding the provisions of sections 173.500 to  
23 173.565, RSMo, the Missouri technology investment fund shall be  
24 utilized to fund projects which would previously have been funded  
25 through the higher education applied projects fund.]

[348.266. 1. Debts incurred by the Missouri technology  
2 corporation established pursuant to the authority of sections  
3 348.251 to 348.275 do not represent or constitute a debt of this  
4 state within the meaning of the provisions of the constitution or  
5 statutes of this state.

6 2. The Missouri technology corporation established  
7 pursuant to sections 348.251 to 348.275 shall be subject to all  
8 provisions of chapter 355, RSMo, which do not conflict with the  
9 provisions of sections 348.251 to 348.275.]

[348.271. 1. In order to foster the growth of Missouri's  
2 economy and to stimulate the creation of new jobs in  
3 technology-based industry for the state's work force, the Missouri  
4 technology corporation, in accordance with the provisions of this  
5 section and within the limits of appropriations therefor is  
6 authorized to contract with Missouri not-for-profit corporations for  
7 the operation of innovation centers within the state. The primary

8 emphasis of some, if not of all innovation centers, shall be in the  
9 areas of technology commercialization, finance and business  
10 modernization. Innovation centers operated under the provisions  
11 of this section shall provide assistance to individuals and business  
12 organizations during the early stages of the development of new  
13 technology-based business ventures. Such assistance may include  
14 the provision of facilities, equipment, administrative and  
15 managerial support, planning assistance, and such other services  
16 and programs that enhance the development of such ventures and  
17 such assistance may be provided for fees or other consideration.

18 2. The innovation centers operated under this section shall  
19 counsel and assist the new technology-based business ventures in  
20 finding a suitable site in the state of Missouri for location of the  
21 business upon its graduation from the innovation program. Each  
22 innovation center shall annually submit a report of its activities to  
23 the department of economic development and the Missouri  
24 technology corporation which shall include, but not be limited to,  
25 the success rate of the businesses graduating from the center, the  
26 progress and locations of businesses which have graduated from  
27 the center, the types of businesses which have graduated from the  
28 center, and the number of jobs created by the businesses involved  
29 in the center.]

[348.272. 1. In order to encourage greater collaboration  
2 between private industry and the universities of this state in the  
3 development and application of new technologies, the director of  
4 the department of economic development is authorized to designate  
5 centers for advanced technology. Each center so designated shall  
6 conduct research in specific technological areas identified by the  
7 Missouri business modernization and technology corporation as  
8 having significant potential for economic growth in Missouri, or in  
9 which the application of new technologies could significantly  
10 enhance the productivity and stability of Missouri  
11 businesses. Such designations shall be made in accordance with  
12 the standards and criteria set forth in subsection 3 of this  
13 section. Centers so designated shall be eligible for support from  
14 the department of economic development in the manner provided

15 for in subsection 4 of this section, and for such additional support  
16 as may otherwise be provided by law.

17 2. As used in this section, the following terms shall mean:

18 (1) "Applicant", a university or university-affiliated  
19 research institute, or a consortium of such institutions, which  
20 requests designation as a center in accordance with such  
21 requirements as are established by the corporation for this  
22 purpose;

23 (2) "Center for advanced technology" or "center", a  
24 university or university-affiliated research institute, or a  
25 consortium of such institutions, designated by the foundation,  
26 which conducts a continuing program of basic and applied research,  
27 development, and technology transfer in one or more technological  
28 areas, in collaboration with and through the support of private  
29 business and industry;

30 (3) "Corporation", the Missouri business modernization and  
31 technology corporation;

32 (4) "University", any institution of postsecondary education,  
33 including public and private universities, colleges, junior colleges,  
34 vocational and technical schools, and other postsecondary  
35 institutions.

36 3. The corporation shall:

37 (1) Identify technological areas for which centers should be  
38 designated, including, but not limited to, technological areas that  
39 are related to industries with significant potential for economic  
40 growth and development in Missouri and technological areas that  
41 are related to the enhancement of productivity in various  
42 industries located in Missouri;

43 (2) Establish criteria that applicants must satisfy for  
44 designation as a center, including, but not limited to, the following:

45 (a) An established record of research, development and  
46 instruction in the area or areas of technology involved;

47 (b) The capacity to conduct research and development  
48 activities in collaboration with business and industry;

49 (c) The capacity to secure substantial private and other  
50 governmental funding for the proposed center;

51 (d) The ability and willingness to cooperate with other  
52 institutions in this state in conducting research and development  
53 activities, and in disseminating research results; and to work with  
54 technical and community colleges in this state to enhance the  
55 quality of technical education in the area or areas of technology  
56 involved;

57 (e) The ability and willingness to cooperate with the  
58 corporation, the department of economic development, and other  
59 economic development agencies in promoting the growth and  
60 development in Missouri of industries based upon or benefiting  
61 from the area or areas of technology involved;

62 (3) Establish such requirements as it deems appropriate for  
63 the format, content and filing of applications for designation as  
64 centers for advanced technology;

65 (4) Establish such procedures as it deems appropriate for  
66 the evaluation of applications for designation as centers for  
67 advanced technology, including the establishment of peer review  
68 panels composed of nationally recognized experts in the  
69 technological areas and industries to which the application is  
70 related.

71 4. From such funds as may be appropriated for this purpose  
72 by the general assembly, the department of economic development  
73 may provide financial support, through contracts or other means,  
74 to designated centers for advanced technology in order to enhance  
75 and accelerate the development of such centers. Funds received  
76 pursuant to this subsection may be used for the purchase of  
77 equipment and fixtures, employment of faculty and support staff,  
78 provision of graduate fellowships, and other purposes approved by  
79 the department of economic development, but may not be used for  
80 capital construction.

81 5. From such funds as may be appropriated for this purpose  
82 by the general assembly, the department of economic development  
83 may provide grants to any one university or university-affiliated  
84 research institution for purposes of planning and program  
85 development aimed at enabling such university or  
86 university-affiliated research institution to qualify for designation

87 as a center. Such grants shall be awarded on a competitive basis,  
88 and shall be available only to those applicants which, in the  
89 judgment of the corporation and department of economic  
90 development, may reasonably be expected to be designated as  
91 centers.]

[348.275. 1. The department of economic development may  
2 draft and promulgate rules and regulations consistent with the  
3 provisions of sections 348.251 to 348.272 as are necessary or useful  
4 to carry out the provisions of those sections.

5 2. No rule or portion of a rule promulgated under the  
6 authority of sections 348.251 to 348.272 shall become effective until  
7 it has been approved by the joint committee on administrative  
8 rules in accordance with the procedures provided in this section,  
9 and the delegation of the legislative authority to enact law by the  
10 adoption of such rules is dependent upon the power of the joint  
11 committee on administrative rules to review and suspend rules  
12 pending ratification by the senate and the house of representatives  
13 as provided in this section.

14 3. Upon filing any proposed rule with the secretary of state,  
15 the department shall concurrently submit such proposed rule to the  
16 committee, which may hold hearings upon any proposed rule or  
17 portion thereof at any time.

18 4. A final order of rulemaking shall not be filed with the  
19 secretary of state until thirty days after such final order of  
20 rulemaking has been received by the committee. The committee  
21 may hold one or more hearings upon such final order of rulemaking  
22 during the thirty-day period. If the committee does not disapprove  
23 such order of rulemaking within the thirty-day period, the  
24 department may file such order of rulemaking with the secretary  
25 of state and the order of rulemaking shall be deemed approved.

26 5. The committee may, by majority vote of the members,  
27 suspend the order of rulemaking or portion thereof by action taken  
28 prior to the filing of the final order of rulemaking only for one or  
29 more of the following grounds:

- 30 (1) An absence of statutory authority for the proposed rule;  
31 (2) An emergency relating to public health, safety or

32 welfare;

33 (3) The proposed rule is in conflict with state law;

34 (4) A substantial change in circumstance since enactment  
35 of the law upon which the proposed rule is based.

36 6. If the committee disapproves any rule or portion thereof,  
37 the department shall not file such disapproved portion of any rule  
38 with the secretary of state and the secretary of state shall not  
39 publish in the Missouri Register any final order of rulemaking  
40 containing the disapproved portion.

41 7. If the committee disapproves any rule or portion thereof,  
42 the committee shall report its findings to the senate and the house  
43 of representatives. No rule or portion thereof disapproved by the  
44 committee shall take effect so long as the senate and the house of  
45 representatives ratify the act of the joint committee by resolution  
46 adopted in each house within thirty legislative days after such rule  
47 or portion thereof has been disapproved by the joint committee.

48 8. Upon adoption of a rule as provided in this section, any  
49 such rule or portion thereof may be suspended or revoked by the  
50 general assembly either by bill or, pursuant to section 8, article IV  
51 of the Constitution of Missouri, by concurrent resolution upon  
52 recommendation of the joint committee on administrative  
53 rules. The committee shall be authorized to hold hearings and  
54 make recommendations pursuant to the provisions of section  
55 536.037, RSMo. The secretary of state shall publish in the  
56 Missouri Register, as soon as practicable, notice of the suspension  
57 or revocation.]

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