

FIRST REGULAR SESSION

SENATE BILL NO. 79

96TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR JUSTUS.

Read 1st time January 6, 2011, and ordered printed.

TERRY L. SPIELER, Secretary.

0437S.011

AN ACT

To repeal sections 196.1115, 348.251, 348.253, 348.256, 348.261, 348.262, 348.263, 348.264, and 348.271, RSMo, and to enact in lieu thereof eleven new sections relating to science and innovation.

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

Section A. Sections 196.1115, 348.251, 348.253, 348.256, 348.261, 348.262, 348.263, 348.264, and 348.271, RSMo, are repealed and eleven new sections enacted in lieu thereof, to be known as sections 196.1115, 348.250, 348.251, 348.256, 348.261, 348.262, 348.263, 348.264, 348.265, 348.269, and 348.271, to read as follows:

196.1115. 1. The moneys appropriated to the life sciences research board that are not distributed by the board in any fiscal year to a center for excellence or a center for excellence endorsed program pursuant to section 196.1112, if any, shall be held in reserve by the board or shall be awarded on the basis of peer review panel recommendations for capacity building initiatives proposed by public and private not-for-profit academic, research, or health care institutions or organizations, or individuals engaged in competitive research in targeted fields consistent with the provisions of sections 196.1100 to 196.1130.

2. The life sciences research board may, in view of the limitations expressed in section 196.1130:

(1) Award and enter into grants or contracts relating to increasing Missouri's research capacity at public or private not-for-profit institutions;

(2) Make provision for peer review panels to recommend and review research projects;

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

- 15 (3) Contract for administrative and support services;
16 (4) Lease or acquire facilities and equipment;
17 (5) Employ administrative staff; and
18 (6) Receive, retain, hold, invest, disburse or administer any moneys that
19 it receives from appropriations or from any other source.

20 **3. The Missouri technology corporation, established under**
21 **section 348.251, shall serve as the administrative agent for the life**
22 **sciences research board.**

23 4. The life sciences research board shall utilize as much of the moneys as
24 reasonably possible for building capacity at public and private not-for-profit
25 institutions to do research rather than for administrative expenses. The board
26 shall not in any fiscal year expend more than two percent of the total moneys
27 appropriated to it and of the moneys that it has in reserve or has received from
28 other sources for its own administrative expenses; provided, however, that the
29 general assembly by appropriation from the life sciences research trust fund may
30 authorize a limited amount of additional moneys to be expended for
31 administrative costs.

348.250. Sections 348.250 to 348.275, may be cited as the "Missouri
2 **Science and Innovation Reinvestment Act".**

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

3 (1) **"Applicable percentage", six percent for the fiscal year**
4 **beginning July 1, 2012, and the next fourteen consecutive fiscal years;**
5 **five percent for the immediately subsequent five fiscal years; and four**
6 **percent for the immediately subsequent five fiscal years;**

7 (2) **"Applied research", any activity that seeks to utilize,**
8 **synthesize, or apply existing knowledge, information, or resources to**
9 **the resolution of a specific problem, question, or issue of science and**
10 **innovation, including but not limited to translational research;**

11 (3) **"Base year", fiscal year ending June 30, 2011;**

12 (4) **"Base year gross wages", gross wages paid by science and**
13 **innovation companies to science and innovation employees during**
14 **fiscal year ending June 30, 2011;**

15 (5) **"Basic research", any original investigation for the**
16 **advancement of scientific or technical knowledge;**

17 (6) "Commercialization", any of the full spectrum of activities
18 required for a new technology, product, or process to be developed
19 from the basic research or conceptual stage through applied research
20 or development to the marketplace, including without limitation, the
21 steps leading up to and including licensing, sales, and service;

22 (7) "Corporation", the Missouri technology corporation
23 established under this section;

24 (8) "Fields of applicable expertise", any of the following fields:
25 science and innovation research, development, or commercialization,
26 including basic research and applied research; corporate finance,
27 venture capital, and private equity related to science and innovation;
28 the business and management of science and innovation companies;
29 education related to science and innovation; or civic or corporate
30 leadership in areas related to science and innovation;

31 (9) "Inherent conflict of interest", a fundamental or systematic
32 conflict of interest that prevents a person from serving as a
33 disinterested director of the corporation and from routinely performing
34 his or her duties as a director of the corporation;

35 (10) "NAICS industry groups" or "NAICS codes", the North
36 American Industry Classification System developed under the auspices
37 of the United States Office of Management and Budget and adopted in
38 1997, as may be amended, revised, or replaced by similar classification
39 systems for similar uses from time to time;

40 (11) "Science and innovation", the use of compositions and
41 methods in research, development, and manufacturing processes for
42 such diverse areas as agriculture-biotechnology, animal health,
43 biochemistry, bioinformatics, energy, environment, forestry, homeland
44 security, information technology, medical devices, medical diagnostics,
45 medical instruments, medical therapeutics, microbiology,
46 nanotechnology, pharmaceuticals, plant biology, and veterinary
47 medicine, including future developments in such areas;

48 (12) "Science and innovation company", a corporation, limited
49 liability company, S corporation, partnership, registered limited
50 liability partnership, foundation, association, non-profit entity, sole
51 proprietorship, business trust, person, group, or other entity that is:

52 (a) Engaged in the research, development, commercialization, or

53 **business of science and innovation in the state, including, without**
54 **limitation, research, development, or production directed toward**
55 **developing or providing science and innovation products, processes, or**
56 **services for specific commercial or public purposes, including**
57 **hospitals, nonprofit research institutions, incubators, accelerators, and**
58 **universities currently located, or involved, in the research,**
59 **development, commercialization, or business of science and innovation**
60 **in the state; or**

61 **(b) Identified by the following NAICS industry groups or NAICS**
62 **codes: 3251; 3253; 3254; 3391; 51121; 621311; 62231; 54138; 54171; 333298;**
63 **424910; 311119; 311221; 311222; 311223; 325193; 325199; 325221; 325222;**
64 **325611; 325612; 325613; 325311; 325312; 325314; 325320; 325414; 325411;**
65 **325412; 325414; 334510; 334516; 334517; 339111; 339112; 339113; 339114;**
66 **339115; 339116; 541380; 541710; 621511; 621512; 111191; 111421; 111920;**
67 **111998; and 311211. Each of the above listed four-digit codes shall**
68 **include all six-digit codes in such four-digit industry; however, each**
69 **six-digit code shall stand alone and not indicate the inclusion of other,**
70 **omitted six-digit codes that also are subsets of the pertinent four-digit**
71 **industry to which the included six-digit code belongs;**

72 **(13) "Science and innovation employee", any employee, officer, or**
73 **director of a science and innovation company who is a state income**
74 **taxpayer and any employee of a university who is associated with or**
75 **supports the research, development, commercialization, or business of**
76 **science and technology in the state and is obligated to pay state income**
77 **tax to the state;**

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

83 **[(2)] (15) "Technology commercialization", the process of moving**
84 **investment-grade technology from a business, university or laboratory into the**
85 **marketplace for application;**

86 **[(3)] (16) "Technology development", strategically focused research**
87 **directed at developing investment-grade technologies which are important for**

88 market competitiveness.

89 2. The governor may, on behalf of the state and in accordance with
90 chapter 355, RSMo, establish a private not-for-profit corporation named the
91 "Missouri Technology Corporation", to carry out the provisions of sections 348.251
92 to 348.266. As used in sections 348.251 to 348.266 the word "corporation" means
93 the Missouri technology corporation authorized by this section. Before
94 certification by the governor, the corporation shall conduct a public hearing for
95 the purpose of giving all interested parties an opportunity to review and comment
96 upon the articles of incorporation, bylaws and method of operation of the
97 corporation. Notice of the hearing shall be given at least fourteen days prior to
98 the hearing.

 348.256. 1. The articles of incorporation [and], bylaws, **and methods** of
2 the Missouri technology corporation shall **be consistent with the provisions**
3 **of sections 348.250 to 348.275 and** provide that:

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

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

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

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

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

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

23 (e) Eleven members appointed by the governor, [two of which shall be
24 from the public sector and nine members from the private sector who shall

25 include, but shall not be limited to, individuals who represent technology-based
26 businesses and industrial interests;] **with the advice and consent of the**
27 **senate, who are recognized for outstanding knowledge, leadership, and**
28 **expertise in one or more of the fields of applicable expertise. Each of**
29 **the directors of the corporation who is appointed by the governor shall**
30 **serve for a term of four years and until a successor is duly appointed.**

31 (f) Each of the directors of the corporation who is appointed by the
32 governor shall serve for a term of four years and until a successor is duly
33 appointed; except that, of the directors serving on the corporation as of August
34 28, 1995, three directors shall be designated by the governor to serve a term of
35 four years, three directors shall be designated to serve a term of three years,
36 three directors shall be designated to serve a term of two years, and two directors
37 shall be designated to serve a term of one year. Each director shall continue to
38 serve until a successor is duly appointed by the governor;

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

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

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

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

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

55 **2. Each of the directors of the corporation provided for in**
56 **paragraphs (a) and (b) of subdivision (2) of subsection 1 of this section**
57 **shall remain a director until the designating individual specified in**
58 **such subdivisions designates a replacement by sending a written**
59 **communication to the governor and the chairperson of the board of the**

60 corporation; provided however, that if the director of economic
61 development or the president of the University of Missouri system
62 designates himself or herself to the corporation board, such person's
63 service as a corporation director shall cease immediately when that
64 person no longer serves as the director of economic development or as
65 the president of the University of Missouri system. Each of the
66 directors of the corporation provided for in paragraphs (c) and (d) of
67 subdivision (2) of subsection 1 of this section shall remain a director
68 until the appointing member of the general assembly specific in such
69 subdivisions appoints a replacement by sending a written
70 communication to the governor and the chairperson of the corporation
71 board; provided however, that if the speaker of the house or the
72 president pro tem of the senate appoints himself or herself to the
73 corporation board, such person's service as a corporation director shall
74 cease immediately when that person no longer serves as the speaker of
75 the house or the president pro tem of the senate.

76 3. Each of the eleven members of the board appointed by the
77 governor shall:

78 (1) Hold office for the term of appointment and until the
79 governor duly appoints his or her successor; provided that if a vacancy
80 is created by the death, permanent disability, resignation, or removal
81 of a director, such vacancy shall become immediately effective;

82 (2) Be eligible for reappointment, but members of the board shall
83 not be eligible to serve more than two consecutive four-year terms and
84 may not be reappointed to the board until they have not served on the
85 board for a period of at least four interim years;

86 (3) Not have a known inherent conflict of interest at the time of
87 appointment; and

88 (4) Not have served in an elected office or a cabinet position in
89 state government for a period of two years prior to appointment, unless
90 otherwise provided in this section.

91 4. Any member of the board may be removed by affirmative vote
92 of eleven members of the board for malfeasance or misfeasance in
93 office, regularly failing to attend meetings, failure to comply with the
94 corporation's conflicts of interest policy, conviction of a felony, or for
95 any cause that renders the member incapable of, or unfit to, discharge

96 the duties of a director of the corporation.

97 5. The board shall meet at least four times per year and at such
98 other times as it deems appropriate, or upon call by the president or
99 the chairperson, or upon written request of a majority of the directors
100 of the board. Unless otherwise restricted by Missouri law, the directors
101 may participate in a meeting of the board by means of telephone
102 conference or other electronic communications equipment whereby all
103 persons participating in the meeting can communicate clearly with
104 each other, and participation in a meeting in such manner will
105 constitute presence in person at such meeting.

106 6. A majority of the total voting membership of the board shall
107 constitute a quorum for meetings. The board may act by a majority of
108 those at any meeting where a quorum is present, except upon such
109 issues as the board may determine shall require a vote of more
110 members of the board for approval or as required by law. All
111 resolutions and orders of the board shall be recorded and
112 authenticated by the signature of the secretary or any assistant
113 secretary of the board.

114 7. Members of the board shall serve without
115 compensation. Members of the board attending meetings of the board,
116 or attending committee or advisory meetings thereof, shall be paid
117 mileage and all other applicable expenses, provided that such expenses
118 are reasonable, consistent with policies established from time to time
119 by the board, and not otherwise inconsistent with law.

120 8. The board may adopt, repeal, and amend such articles of
121 incorporation, bylaws, and methods of operation that are not contrary
122 to law or inconsistent with sections 348.250 to 348.275, as it deems
123 expedient for its own governance and for the governance and
124 management of the corporation and its committees and advisory
125 boards; provided that any changes in the articles of incorporation or
126 bylaws approved by the board must also be approved by the governor.

127 9. A president shall direct and supervise the administrative
128 affairs and the general management of the corporation. The president
129 shall be a person of national prominence that has expertise and
130 credibility in one or more of the fields of applicable expertise with a
131 demonstrated track record of success in leading a mission-driven

132 organization. The president's salary and other terms and conditions of
133 employment shall be set by the board. The board may negotiate and
134 enter into an employment agreement with the president of the
135 corporation, which may provide for compensation, allowances, benefits,
136 and expenses. The president of the corporation shall not be eligible to
137 serve as a member of the board until two years after the end of his or
138 her employment with the corporation. The president of the corporation
139 shall be bound by, and agree to obey, the corporation's conflicts of
140 interest policy, including annually completing and submitting to the
141 board a disclosure and compliance certificate in accordance with such
142 conflicts of interest policy.

143 10. The corporation may employ such employees as it may
144 require and upon such terms and conditions as it may establish that
145 are consistent with state and federal law. The corporation may
146 establish personnel, payroll, benefit, and other such systems as
147 authorized by the board, and provide death and disability
148 benefits. Corporation employees, including the president, shall be
149 considered state employees for the purposes of membership in the
150 Missouri state employees retirement system and the Missouri
151 consolidated health care plan. The corporation may also adopt, in
152 accordance with requirements of the federal Internal Revenue Code, a
153 retirement plan or plans sponsored by the corporation with respect to
154 employees, including the president, employed by the
155 corporation. Nothing in sections 348.250 to 348.275 shall be construed
156 as placing any officer or employee of the corporation or member of the
157 board in the classified or the unclassified service of the state of
158 Missouri under Missouri laws and regulations governing civil service.
159 No employee of the corporation shall be eligible to serve as a member
160 of the board until two years immediately following the end of his or her
161 employment with the corporation. All employees of the corporation
162 shall be bound by, and agree to obey, the corporation's conflicts of
163 interest policy, including annually completing and submitting to the
164 board a disclosure and compliance certificate in accordance with such
165 conflicts of interest policy.

166 11. No later than the first day of January each year, the
167 corporation shall submit a report to the governor and to the Missouri

168 general assembly which shall include:

169 (1) A complete and detailed description of the operating and
170 financial conditions of the corporation during the prior fiscal year;

171 (2) Complete and detailed information about the distributions
172 from the Missouri science and innovation reinvestment fund and from
173 any income of the corporation;

174 (3) Information about the growth of science and innovation
175 research and industry in the state; and

176 (4) Information regarding financial or performance audits
177 performed in such year, including any recommendations with reference
178 to additional legislation or other action that may be necessary to carry
179 out the purposes of the corporation.

180 12. The corporation shall keep its books and records in
181 accordance with generally accepted accounting procedures. Within
182 four months following the end of each fiscal year, the corporation shall
183 cause a firm of independent certified public accountants of national
184 repute to conduct, and deliver to the board, an audit of the financial
185 statements of the corporation and an opinion thereon.

186 13. Within four months following the end of every odd numbered
187 fiscal year, beginning with fiscal year 2016, the corporation shall cause
188 an independent firm of national repute that has expertise in science
189 and innovation research and industry to conduct, and deliver to the
190 board, an audit of the performance of the corporation for the prior two
191 fiscal years, including detailed recommendations for improving the
192 performance of the corporation.

193 14. The corporation shall provide the state auditor a copy of the
194 financial and performance audit reports prepared pursuant to this
195 section.

196 15. The corporation shall have perpetual existence until an act
197 of law expressly dissolves the corporation; provided that no such law
198 shall take effect so long as the corporation has obligations or bonds
199 outstanding unless adequate provision has been made for the payment
200 or retirement of such debts or obligations. Upon any such dissolution
201 of the corporation, all property, funds, and assets thereof shall be
202 vested in the state.

203 16. Except as provided under section 348.266, the state hereby

204 **pledges to, and agrees with, recipients of corporation funding or**
205 **beneficiaries of corporation programs under sections 348.250 to 348.275**
206 **that the state shall not limit or alter the rights vested in the**
207 **corporation under sections 348.250 to 348.275 to fulfill the terms of any**
208 **agreements made or obligations incurred by the corporation with or to**
209 **such third parties, or in any way impair the rights and remedies of**
210 **such third parties until the obligations of the corporation and the state**
211 **are fully met and discharged in accordance with sections 348.250 to**
212 **348.275.**

213 **17. No funds of the corporation shall be distributed to its**
214 **employees or members of the board, except that the corporation may**
215 **make reasonable payments for expenses incurred on its behalf relating**
216 **to any of its lawful purposes and the corporation shall be authorized**
217 **and empowered to pay reasonable compensation for services rendered**
218 **to, or for, its benefit relating to any of its lawful purposes, including to**
219 **pay its employees reasonable compensation.**

220 **18. The corporation shall adopt and maintain a conflicts of**
221 **interest policy to protect the corporation's interests by requiring**
222 **disclosure by an interested party, appropriate recusal by such person,**
223 **and appropriate action by the interested party or the board where a**
224 **conflict of interest may exist or arise between the corporation and a**
225 **director, officer, employee, or agent of the corporation.**

348.261. The corporation[, after being certified by the governor as
2 provided by section 348.251, may] **shall have all of the powers necessary or**
3 **convenient to carry out the purposes and provisions of sections 348.250**
4 **to 348.275, including, but not limited to, the power to:**

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

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

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

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

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

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

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

27 (8) Coordinate programs established by universities to provide Missouri
28 businesses with scientific and technological information;

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

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

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

36 (12) Contract with innovation centers, as established in section 348.271,
37 small business development corporations, as established in sections 620.1000 to
38 620.1007, RSMo, centers for advanced technology, as established in section
39 348.272, and other entities or organizations for the provision of technology
40 application, technology commercialization and technology development
41 services. Such contracting procedures shall not be subject to the provisions of
42 chapter 34, RSMo; [and]

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

47 (14) **Assume all moneys, property, or other assets remaining with**
48 **the Missouri seed capital investment board, established in section**

49 **620.641. All powers, duties, and functions performed by the Missouri**
50 **seed capital investment board on August 28, 2011, shall be transferred**
51 **to the Missouri technology corporation;**

52 **(15) Establish a proof of concept finance program to make proof**
53 **of concept loans to early-stage science and innovation companies;**

54 **(16) Establish an angel investment finance program to make**
55 **angel co-investments in science and innovation companies that meets**
56 **the requirements of the United States Small Business Administration's**
57 **qualification size standards for its business loan program, as defined**
58 **in 13 CFR 121.301(a) of the Small Business Investment Act of 1958, as**
59 **amended. An investment may be in the form of a traditional**
60 **commercial loan, a loan convertible to equity, equity, a loan with stock**
61 **subscription or similar warrants that are beneficially owned by the**
62 **Missouri technology corporation, or such other form that is consistent**
63 **with sections 348.250 to 348.275; and**

64 **(17) Establish a venture capital co-investment fund to make**
65 **investments in professionally managed venture capital funds, including**
66 **providing for the costs of organizing and promoting such a fund. Any**
67 **such fund must set forth a clear investment strategy substantially**
68 **focused on investing in science and innovation companies. Any such**
69 **investments made pursuant to this subdivision by the corporation shall**
70 **be leveraged at least three times by investments from sources other**
71 **than those controlled by the corporation.**

348.262. In order to assist the corporation in achieving the objectives
2 identified in section 348.261, the department of economic development may
3 contract with the corporation for activities consistent with the corporation's
4 purpose, as specified in [section 348.256] **sections 348.250 to 348.275**. When
5 contracting with the corporation under the provisions of this section, the
6 department of economic development may directly enter into agreements with the
7 corporation and shall not be bound by the provisions of chapter 34, RSMo.

348.263. 1. The Missouri business modernization and technology
2 corporation shall replace the corporation for science and technology. All moneys,
3 property or any other assets remaining with the corporation for science and
4 technology after all obligations are satisfied on August 28, 1993, shall be
5 transferred to the Missouri business modernization and technology corporation.

6 All powers, duties and functions performed by the Missouri corporation of science
7 and technology on August 28, 1993, shall be transferred to the Missouri business
8 modernization and technology corporation.

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

17 3. **Except as otherwise provided in sections 348.250 to 348.275,**
18 **the corporation shall be subject to requirements applicable to**
19 **governmental bodies and records contained in sections 610.010 to**
20 **610.225.**

21 4. **In addition to the exceptions available under sections 610.010**
22 **to 610.225, the records of the corporation shall not be subject to the**
23 **provisions of sections 610.010 to 610.225, when, in the opinion of the**
24 **corporation, the disclosure of the information in the records would be**
25 **harmful to the competitive position of the corporation and such records**
26 **contain:**

27 (1) **Proprietary information gathered by, or in the possession of,**
28 **the corporation from third parties pursuant to a promise of**
29 **confidentiality;**

30 (2) **Contract cost estimates prepared for confidential use in**
31 **awarding contracts for research, development, construction,**
32 **renovation, commercialization, or the purchase of goods or services;**

33 (3) **Data, records, or information of a proprietary nature**
34 **produced or collected by, or for, the corporation, its employees,**
35 **officers, or members of its board;**

36 (4) **Third party financial statements, records, and related data**
37 **not publicly available that may be shared with the corporation;**

38 (5) **Consulting or other reports paid for by the corporation to**
39 **assist the corporation in connection with its strategic planning and**
40 **goals; or**

41 **(6) The determination of marketing and operational strategies**
42 **where disclosure of such strategies would be harmful to the**
43 **competitive position of the corporation.**

44 **5. In addition to the exceptions available under sections 610.010**
45 **to 610.225, the corporation, may discuss, consider, and take action on**
46 **any of the following in closed session, when in the opinion of the**
47 **corporation, disclosure of such items would be harmful to the**
48 **competitive position of the corporation:**

49 **(1) Plans that could affect the value, condition, acquisition, use,**
50 **or disposition of property, real or personal, owned, or desirable for**
51 **ownership by the corporation; or**

52 **(2) Contracts for applied research; basic research; science and**
53 **innovation product development, manufacturing, or commercialization;**
54 **construction and renovation of science and innovation facilities; or**
55 **marketing or operational strategies.**

348.264. [1.] There is hereby established in the state treasury a special
2 fund to be known as the "Missouri [Technology Investment] **Science and**
3 **Innovation Reinvestment** Fund", which shall consist of all moneys which may
4 be appropriated to it by the general assembly **based on the applicable**
5 **percentage of the amount by which science and innovation employees'**
6 **gross wages for the year exceeds the base year gross wages pursuant**
7 **to section 348.265; other funds appropriated to it by the general**
8 **assembly**, and also any gifts, contributions, grants or bequests received from
9 federal, private or other sources. [Such moneys shall include federal funds which
10 may be received from the National Institute for Science and Technology, the
11 Small Business Administration and the Department of Defense through its
12 Technology Reinvestment Program.] Money in the Missouri [technology
13 investment program] **science and innovation reinvestment fund** shall be
14 used to carry out the provisions of sections 348.251 to 348.275. Moneys for
15 business modernization programs, technology application programs, technology
16 commercialization programs and technology development programs established
17 pursuant to the provisions of sections 348.251 to 348.275 shall be available from
18 appropriations made by the general assembly from the Missouri [technology
19 investment] **science and innovation reinvestment** fund. Any moneys
20 remaining in the Missouri [technology investment] **science and innovation**

21 **reinvestment** fund at the end of any fiscal year shall not lapse to the general
22 revenue fund, as provided in section 33.080, RSMo, but shall remain in the
23 Missouri technology investment fund.

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

348.265. 1. As soon as practicable after August 28, 2011, the
2 director of the department of economic development, with the
3 assistance of the director of the department of revenue, shall establish
4 the base year gross wages and report the amount of the base year gross
5 wages to the board of the corporation, the governor, and the general
6 assembly. Within one hundred eighty days after the end of each fiscal
7 year beginning with the fiscal year ending June 30, 2011, and for each
8 subsequent fiscal year prior to the end of the last funding year, the
9 director of economic development, with the assistance of the director
10 of the department of revenue, shall determine and report to the
11 governor and the general assembly the amount by which aggregate
12 science and innovation employees' gross wages for the fiscal year
13 exceeds the base year gross wages. The director of economic
14 development and the director of the department of revenue may
15 consider any verifiable evidence, including but not limited to the
16 NAICS codes assigned or recorded by the United States Department of
17 Labor for companies with employees in the state, when determining
18 which organizations should be classified as science and innovation
19 companies.

20 2. Local political subdivisions may contribute to the Missouri
21 science and innovation reinvestment fund through a grant, contract, or
22 loan by dedicating a portion of any sales tax or property tax increase
23 resulting from increases in science and innovation company economic
24 activity occurring after August 28, 2011, or other such taxes or fees as
25 such local political subdivisions may establish.

26 3. The corporation shall prepare a strategic plan for the use of
27 the monies in the fund, and may consult with science and innovation
28 partners, including the life sciences research board established in

29 section 196.1003; and the innovation centers or centers for advanced
30 technology, as established in section 348.272. The corporation shall
31 make a draft strategic plan available for public comment prior to
32 publication of the final strategic plan.

33 4. In order to receive a proof of concept loan, seed capital
34 investment, or angel investments, established pursuant to section
35 348.261, the corporation shall require an application that contains:

36 (1) A business plan including a description of the company and
37 its management, product, and market;

38 (2) A statement of the amount, timing, and projected use of the
39 capital required;

40 (3) A statement of the potential economic impact of the
41 enterprise, including the number, location, and types of jobs expected
42 to be created;

43 (4) A statement of any contribution made by local political
44 subdivisions in which the company is located; and

45 (5) Such other information as the Missouri technology
46 corporation shall request.

47 5. Approval of a loan or investment by the corporation, shall only
48 be made following a finding by the board that the recipient:

49 (1) Is a science and innovation company that is sufficiently
50 innovative to, or likely to, secure a competitive advantage in the
51 marketplace;

52 (2) Has the potential for significant growth and the ability to
53 create high-quality jobs in Missouri;

54 (3) Currently has, or will locate due to investment, fifty percent
55 or more of its employees and assets in Missouri;

56 (4) Will provide average wages that are at least thirty-five
57 percent higher than the average county wage as determined by the
58 department of economic development for the most recently completed
59 full calendar year;

60 (5) Will only use the proceeds to finance the proof of concept or
61 seed capital needs of the science and innovation company;

62 (6) Has a reasonable probability of success;

63 (7) Requires the corporation's participation and assistance for
64 the success of the company and its recruitment to, or retention within,

65 the state;

66 (8) Has leveraged the corporation's loan or investment by at least
67 one additional equity investment, debt investment, or grant in the
68 company in an amount equal to or greater than the corporation's
69 investment;

70 (9) Has registered any securities to be purchased, if required by
71 law;

72 (10) Has demonstrated a reasonable probability that the Missouri
73 technology corporation will be repaid the loan, or recoup at least its
74 initial investment or financial commitment; and

75 (11) Has made binding commitments to the Missouri technology
76 corporation for adequate reporting of financial data to the corporation,
77 which shall include an annual report, or if required by the board, an
78 annual audit of the financial and operational records of the company,
79 and for such control on the part of the Missouri technology corporation
80 as the board of directors shall consider prudent over the management
81 of the company, so as to protect the investment or financial
82 commitment of the corporation, including in the discretion of the
83 board, right of access to financial and other records of the company,
84 and membership or representation on the board of directors of the
85 company.

348.269. 1. Nothing contained in sections 348.250 to 348.275 shall
2 be construed as a restriction or limitation upon any powers that the
3 corporation might otherwise have under other laws of this state, and
4 the provisions of sections 348.250 to 348.275 are cumulative to such
5 powers.

6 2. Nothing in sections 348.250 to 348.275 should be construed as
7 allowing the board to sell the corporation or substantially all of the
8 assets of the corporation, or to merge the corporation with another
9 institution, without prior authorization by the general assembly.

10 3. Notwithstanding the provisions of section 23.253 to the
11 contrary, the provisions of sections 348.250 to 348.275 shall not
12 sunset. The provisions of sections 348.250 to 348.275 shall not terminate
13 before the satisfaction of all outstanding obligations, notes, and bonds
14 provided for under sections 348.250 to 348.275.

348.271. 1. In order to foster the growth of Missouri's economy and to

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

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

27 **3. Any contract signed between the corporation and any not-for-**
28 **profit organization to operate an innovation center in accordance with**
29 **the provisions of this section shall require that the not-for-profit**
30 **organization must provide at least a one-hundred-percent match for the**
31 **funding received from the corporation pursuant to appropriation**
32 **therefor.**

[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.]

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