

CENTERS OF EXCELLENCE AMENDMENTS

2006 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Thomas V. Hatch

House Sponsor: Peggy Wallace

LONG TITLE

General Description:

This bill modifies provisions related to the Centers of Excellence Act.

Highlighted Provisions:

This bill:

▶ recommends that the governor consider the allocation of economic development funds for Centers of Excellence to be matched by industry and federal grants on at least a two-for-one basis for colleges and universities in the state that ~~award at least 50 doctoral degrees per year across at least 15 different disciplines~~ offer any doctoral degrees ;

▶ requires the Governor's Office of Economic Development to develop a process to determine whether to require the return of economic development Centers of Excellence grant moneys from a higher education institution if the technology that is developed from grant proceeds is licensed to a licensee that does not maintain a manufacturing or service location in the state from which the technology is exploited or transfers the manufacturing or service location out of state within a five-year period after the issuance of the license; and

▶ makes certain technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:



28 AMENDS:

29 **63-38f-701**, as renumbered and amended by Chapter 148, Laws of Utah 2005

30 **63-38f-704**, as renumbered and amended by Chapter 148, Laws of Utah 2005

31

32 *Be it enacted by the Legislature of the state of Utah:*

33 Section 1. Section **63-38f-701** is amended to read:

34 **63-38f-701. Purpose.**

35 (1) (a) The Legislature recognizes that the growth of new industry and expansion of
36 existing industry requires a strong technology base, new ideas, concepts, innovations, and
37 prototypes.

38 (b) These generally come from strong research colleges and universities.

39 (c) Technical research in Utah's colleges and universities should be enhanced and
40 expanded, particularly in those areas targeted by the state for economic development.

41 (d) Most states are enhancing their research base by direct funding, usually on a
42 matching basis.

43 (e) The purpose of this part is to catalyze and enhance the growth of these technologies
44 by encouraging interdisciplinary research activities in targeted areas.

45 (f) The Legislature recognizes that one source of funding is in matching state funds
46 with federal funds and industrial support to provide the needed new technologies.

47 (2) The Legislature recommends that the governor consider the allocation of economic
48 development funds for Centers of Excellence to be matched by industry and federal grants on at
49 least a two-for-one basis for colleges and universities in the state that ~~§~~ → [award at least 50 doctoral
50 degrees per year across at least 15 different disciplines] offer any doctoral degrees ←~~§~~ .

51 (3) (a) The Legislature recommends that the funds be allocated on a competitive basis
52 to the various colleges and universities in the state.

53 (b) The funds made available should be used to support interdisciplinary research in
54 specialized Centers of Excellence in technologies that are considered to have potential for
55 economic development in this state.

56 Section 2. Section **63-38f-704** is amended to read:

57 **63-38f-704. Administration -- Grants.**

58 (1) [~~This part shall be administered by the~~] The Governor's Office of Economic

59 Development shall administer this part.

60 (2) (a) The office may award grants to the various colleges and universities in the state
61 for the purposes of this part.

62 (b) ~~§~~ → [A] The Governor's Office of Economic Development shall develop a process to
62a determine whether a ← ~~§~~ college or university that receives a grant under this part must return the
62b grant
63 proceeds if the technology that is developed with the grant proceeds is licensed to a licensee
64 that:

65 (i) does not maintain a manufacturing or service location in the state from which the
66 licensee or a sublicensee exploits the technology; or

67 (ii) initially maintains a manufacturing or service location in the state from which the
68 licensee or a sublicensee exploits the technology, but within five years after issuance of the
69 license the licensee or sublicensee transfers the manufacturing or service location for the
70 technology to a location out of the state.

71 (3) (a) Funding allocations shall be made by the office with the advice of the State
72 Advisory Council for Science and Technology and the board.

73 (b) Each proposal shall receive the best available outside review.

74 (4) (a) In considering each proposal, the office shall weigh technical merit, the level of
75 matching funds from private and federal sources, and the potential for job creation and
76 economic development.

77 (b) Proposals or consortia that combine and coordinate related research at two or more
78 colleges and universities shall be encouraged.

79 (5) The State Advisory Council on Science and Technology shall review the activities
80 and progress of individual centers on a regular basis and assist the office in preparing an annual
81 report on the accomplishments and direction of the Centers of Excellence Program.

Legislative Review Note
as of 12-13-05 9:04 AM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

Office of Legislative Research and General Counsel

Fiscal Note
Bill Number SB0112

Centers of Excellence Amendments

14-Jan-06

8:09 PM

State Impact

No net fiscal impact. There could be a potential shift in Centers of Excellence Funding to additional higher education institutions.

Individual and Business Impact

No fiscal impact.

Office of the Legislative Fiscal Analyst