

**CENTERS OF EXCELLENCE AMENDMENTS**

2006 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Thomas V. Hatch**

House Sponsor: Peggy Wallace

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**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 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:**

AMENDS:

30           **63-38f-701**, as renumbered and amended by Chapter 148, Laws of Utah 2005

31           **63-38f-704**, as renumbered and amended by Chapter 148, Laws of Utah 2005

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

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

35           **63-38f-701. Purpose.**

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

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

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

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

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

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

48           (2) The Legislature recommends that the governor consider the allocation of economic  
49 development funds for Centers of Excellence to be matched by industry and federal grants on at  
50 least a two-for-one basis for colleges and universities in the state that offer any doctoral  
51 degrees.

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

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

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

58           **63-38f-704. Administration -- Grants.**

59           (1) [~~This part shall be administered by the~~] The Governor's Office of Economic  
60 Development shall administer this part.

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

63           (b) The governor's Office of Economic Development shall develop a process to  
64 determine whether a college or university that receives a grant under this part must return the  
65 grant proceeds if the technology that is developed with the grant proceeds is licensed to a  
66 licensee that:

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

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

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

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

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

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

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