

1                                   **CENTERS OF EXCELLENCE AMENDMENTS**

2   2006 GENERAL SESSION

3   STATE OF UTAH

4                                   **Chief Sponsor: Thomas V. Hatch**

5                                   House Sponsor: Peggy Wallace

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7 **LONG TITLE**

8 **General Description:**

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

10 **Highlighted Provisions:**

11           This bill:

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

16           ▶ requires the return of economic development Centers of Excellence grant moneys  
17 from a higher education institution if the technology that is developed from grant  
18 proceeds is licensed to a licensee that does not maintain a manufacturing or service  
19 location in the state from which the technology is exploited or transfers the  
20 manufacturing or service location out of state within a five-year period after the  
21 issuance of the license; and

22           ▶ makes certain technical changes.

23 **Monies Appropriated in this Bill:**

24           None

25 **Other Special Clauses:**

26           None

27 **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

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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.

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 college or university that receives a grant under this part must return the 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.

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**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**