

59 (3) (a) The Legislature recommends that the funds be allocated on a competitive basis  
 60 to the various colleges and universities in the state and to companies working in partnership  
 61 with colleges and universities to commercialize their technologies.

62 (b) The funds made available should be used to support interdisciplinary research in  
 63 ~~[specialized Centers of Excellence]~~ the Technology Commercialization and Innovation  
 64 Program in technologies that are considered to have potential for economic development in this  
 65 state and to help transition these technologies out of the colleges and universities into industry.

66 Section 3. Section **63M-1-703** is amended to read:

67 **63M-1-703. Definitions.**

68 As used in this part:

69 (1) "Business team consultant" means an experienced technology executive,  
 70 entrepreneur, or business person who:

71 (a) is recruited by the office through a request for proposal process to work directly  
 72 with a college or university in the ~~[Centers for Excellence program]~~ Technology  
 73 Commercialization and Innovation Program; and

74 (b) works with the institution to facilitate the transition of its technology into industry  
 75 by assisting the institution in developing strategies, including spin out strategies when  
 76 appropriate, and go-to-market plans, and identifying and working with potential customers and  
 77 partners.

78 ~~[(2) "Centers of excellence" means university-based, federal and industry-supported,  
 79 cooperative research and development programs.]~~

80 ~~[(3)]~~ (2) "Direct license" means the licensing between a company and a Utah college or  
 81 university of technology developed at the college or university for the intent of  
 82 commercializing the technology or facilitating its transition into industry.

83 ~~[(4)]~~ (3) "Licensee" means:

84 (a) a company that executes or is in the process of executing a direct license; or

85 (b) a sublicensee of the technology from a direct license.

86 (4) "Technology Commercialization and Innovation Program" means university-based,  
 87 federal- and industry-supported cooperative research and development programs.

88 Section 4. Section **63M-1-704** is amended to read:

89 **63M-1-704. Administration -- Grants ~~§~~→ and loans ←~~§~~ .**

90 (1) The Governor's Office of Economic Development shall administer this part.

91 (2) (a) ~~§→ (i) ←§~~ The office may award [~~Centers of Excellence~~] Technology

91a Commercialization

92 and Innovation Program grants ~~§→~~ or issue loans ~~←§~~ to the various colleges, universities, and  
92a licensees in the state

93 for the purposes of this part.

93a ~~§→~~ **(ii) If loans are issued under Subsection (2)(a)(i), the Division of Finance may set up a**  
93b **fund or account as necessary for the the proper accounting of the loans.** ~~←§~~

94 (b) The Governor's Office of Economic Development shall develop a process to  
95 determine whether a college or university that receives a grant under this part must return the  
96 grant proceeds or a portion of the grant proceeds if the technology that is developed with the  
97 grant proceeds is licensed to a licensee that:

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

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

104 (c) A repayment by a college or university of grant proceeds or a portion of the grant  
105 proceeds shall come only from the proceeds of the license established between the licensee and  
106 the college or university.

107 (d) (i) A licensee that receives a grant under this part shall return the grant proceeds or  
108 a portion of the grant proceeds to the office if the licensee:

109 (A) does not maintain a manufacturing or service location in the state from which the  
110 licensee exploits the technology; or

111 (B) initially maintains a manufacturing or service location in the state from which the  
112 licensee exploits the technology, but within five years after issuance of the grant the licensee  
113 transfers the manufacturing or service location for the technology to an out of state location.

114 (ii) A repayment by a licensee that receives a grant shall come only from the proceeds  
115 of the license to that licensee.

116 (iii) A repayment by a licensee shall be prorated based only on the number of full years  
117 the licensee operated in the state from the date of the awarded grant.

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

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