

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass and Be Referred to the Committee on Ways and Means by Prior Reference
Vote:	6 - 0 - 0
Yeas:	Edwards, Girod, Monroe, Starr, Thomsen, Beyer
Nays:	0
Exc.:	0
Prepared By:	Patrick Brennan, Administrator
Meeting Dates:	3/7, 4/15

WHAT THE MEASURE DOES: Directs Oregon Business Development Department to develop and implement program to assist technology-based start-up businesses whose primary purpose is commercialization of university research. Establishes Oregon University Research Commercialization Fund and appropriates moneys in Fund to Department for program purposes. Requires report to legislative committees on economic development during 2015 Legislative Session regarding program implementation.

ISSUES DISCUSSED:

- Importance of business incubation for economic growth
- Examples of industry-intensive research at Oregon campuses
- Public-private partnerships
- Current system is scattered and would benefit from better coordination
- Importance of involvement of surrounding communities
- Importance of access to capital for startup companies
- Educational benefits of program
- Keeping highly educated individuals from leaving Oregon to start businesses
- Benefiting both individuals and the system as a whole

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Research performed at the university level generates ideas and breakthroughs that represent potential commercial and societal value, particularly in the areas of science and technology. The transition from academic research to commercially-viable business opportunity can benefit from management expertise, information resources, appropriate facilities and improved access to capital for fledgling companies. While the traditional model involved licensing university research, the “business accelerator” concept offers a more robust support structure for ventures building on university research.

Senate Bill 241 establishes the Oregon University Research Commercialization Fund, which will be used by the Oregon Business Development Department, in cooperation with the University of Oregon and Oregon State University, to provide financial assistance, proof of concept funding, subsidized office and laboratory space in proximity to university research facilities, execution and repayment of loan guarantees or extensions of credit for eligible businesses, purchase of technology and supplies, and provision for training and technical assistance, as well as assistance in identifying and connecting venture capital investment. The Fund is to be seeded by donations, moneys appropriated by the Legislative Assembly, investment earnings, and moneys from other sources.

4/18/2013 9:55:00 AM

This summary has not been adopted or officially endorsed by action of the committee.

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 241

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

***Only Impacts on Original or Engrossed
Versions are Considered Official***

Prepared by: Krista McDowell
Reviewed by: Paul Siebert, Steve Bender
Date: 3/7/2103

Measure Description:

Directs Oregon Business Development Department to develop and implement program to assist technology-based, start-up businesses whose primary purpose is commercialization of university research.

Government Unit(s) Affected:

Oregon University System (OUS), Business Development Department (Business Oregon)

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

This fiscal impact statement is for the purpose of transmitting the measure from the Senate Committee on Business and Transportation to the Joint Committee on Ways and Means. The agency anticipates having a fiscal impact associated with this bill, the amount of this impact is still being determined. A more complete fiscal analysis on the bill will be prepared as the measure is considered in the Joint Committee on Ways and Means

Further Analysis Required

Senate Bill 241

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Senate Interim Committee on Business, Transportation and Economic Development)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Directs Oregon Business Development Department to develop and implement program to assist technology-based, start-up businesses whose primary purpose is commercialization of university research.

Establishes Oregon University Research Commercialization Fund. Continuously appropriates moneys in fund to department for purposes of program.

Requires department to report to Legislative Assembly.

A BILL FOR AN ACT

1
2 Relating to commercialization of university-based research; and appropriating money.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. (1) The Oregon Business Development Department shall, in cooperation with**
5 **the University of Oregon and Oregon State University, develop and implement a program to**
6 **assist technology-based, start-up businesses in Oregon whose primary purpose is to**
7 **commercialize university research.**

8 (2) Assistance provided by the program may include:

9 (a) Financial assistance, including grants, loans and seed capital;

10 (b) Proof of concept funding;

11 (c) Subsidization of lease, rental or construction costs for office and laboratory space in
12 close proximity to university research facilities, faculty and students;

13 (d) Execution and repayment of loan guarantees or other extensions of credit made to
14 or on behalf of eligible businesses;

15 (e) Purchase and maintenance of fixtures, furnishings, equipment, materials, supplies,
16 computer hardware and software, inventory and research apparatus;

17 (f) Provision of training and technical assistance to enhance business development, asset
18 building, business planning, marketing, management skills and access to financial services;
19 **and**

20 (g) Assistance obtaining angel investors and venture capital.

21 (3) The department shall establish qualifications for eligible businesses, which must in-
22 clude a minimum match requirement.

23 (4) The department shall adopt rules, in consultation with the University of Oregon and
24 Oregon State University, to develop and implement the program.

25 **SECTION 2. (1) There is created within the State Treasury, separate and distinct from**
26 **the General Fund, the Oregon University Research Commercialization Fund. Interest earned**
27 **by the Oregon University Research Commercialization Fund shall be credited to the fund.**

28 (2) Moneys in the Oregon University Research Commercialization Fund shall consist of:

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.
New sections are in **boldfaced** type.

1 **(a) Amounts donated to the fund;**

2 **(b) Amounts appropriated or otherwise transferred to the fund by the Legislative As-**
3 **sembly;**

4 **(c) Investment earnings received on moneys in the fund; and**

5 **(d) Other amounts deposited in the fund from any source.**

6 **(3) Moneys in the fund are continuously appropriated to the Oregon Business Develop-**
7 **ment Department for the purpose of carrying out the provisions of section 1 of this 2013 Act.**

8 **(4) The department may use moneys in the fund to pay the administrative costs associ-**
9 **ated with the fund.**

10 **SECTION 3.** **The Oregon Business Development Department shall report to the commit-**
11 **tees of the 2015 regular session of the Legislative Assembly related to economic development**
12 **regarding the development and implementation of the program under section 1 of this 2013**
13 **Act.**

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