



## **SB: 241**

### **Business Oregon to assist technology-based, start-up businesses which are commercializing university research**

Testimony for Senate Business and Transportation 3.7.2013 Jody Wisner

Senate Bill 241 sets up a new program to assist the growth of home-grown, university research based businesses. There is no doubt that start-ups need capital, a location to work in, equipment and connection to angel investors, and professional assistance. They also need mentors.

But there is no investor except parents that might simply give this to the new hopeful business initiators as SB 241 proposes. And even most parents would get an ownership interest.

Section 1 of the bill outlines a list of investments that the state would be making. It doesn't however have any wording about the equity that the state will receive in return.

Some have said, "But the state can't own an equity interest." But of course it can. The state's equity interest should be equivalent to what any other investor would expect. Shares or ownership interest vested in PERS. There is will fail or grow for the benefit of the state.

Hopefully, some of these ventures will succeed, and in addition to the royalty income that the university will receive, the taxpayers of the state will get their 100, 200, or 800% return for their equity interest.