A-Engrossed

House Bill 4039

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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.

Requires state agency that grants or lends moneys for capital costs of research center to obtain right to receive portion of revenue derived from patents obtained from work by research center. Provides that revenues derived from patents be used for grant programs related to emergency preparedness, innovation-based economic development, energy-related innovation, regionally determined innovation priorities and capital costs related to emergency preparedness.

Requires Office of Emergency Management to develop and administer grant program to purchase emergency preparedness equipment throughout state. Establishes Critical Priority Resiliency Grant Fund to fund grant program.

Requires Oregon Business Development Department to develop and administer grant program to promote innovation-based economic development in this state. Establishes Critical Priority Innovation Grant Fund to fund grant program.

Requires Department of Education to develop and administer grant program to promote research and development of energy-related technologies. Establishes Critical Technology Capitalization Fund to fund grant program.

A BILL FOR AN ACT

Relating to use of patent revenues for critical investments.

SECTION 1. (1) If a state agency lends or grants moneys to a private entity to be used for capital costs of a research center, the state agency shall, before lending or granting the moneys, enter into an agreement with the private entity that grants the Oregon Department of Administrative Services a right to receive some or all of the revenues derived from any patents obtained as a result of work performed at or enabled by the research center.

(2) The agreement may use any commercially reasonable method of allocating revenues. In negotiating the agreement, the state agency shall consider at least the following goals:

(a) Maximization of the total revenue granted to the state under the agreement; and

(b) Promotion of technological innovation.

(3) The state agency shall consult with the Department of Justice when negotiating the agreement. The state agency may not execute the agreement unless the agreement is first approved by the Department of Justice.

(4) As used in this section:

(a) "Private entity" means any entity that is not a public body as defined in ORS 174.109, but does not include the Oregon Health and Science University.

(b) "Research center" means any facility designed, in whole or in part, for research or development of technology or other innovations, but does not include a facility that is owned...
by a public university or the Oregon Health and Science University.

(c) “State agency” has the meaning given that term in ORS 276A.230.

SECTION 2. (1) When the Oregon Department of Administrative Services, pursuant to an agreement under section 1 of this 2018 Act, receives revenues derived from a patent, the department shall deposit the revenues in the Patent Revenue Account established under subsection (2) of this section and shall distribute the revenues as follows:

(a) The department shall deposit 10 percent of the revenues in the Critical Priority Resiliency Grant Fund established under section 4 of this 2018 Act.

(b) The department shall deposit 25 percent of the revenues in the Critical Priority Innovation Grant Fund established under section 6 of this 2018 Act.

(c) The department shall deposit 25 percent of the revenues in the Critical Technology Capitalization Fund established under section 8 of this 2018 Act.

(d) The department shall, in consultation with the Regional Solutions Program established under ORS 284.754, distribute 25 percent of the revenues for purposes that will further innovation in the geographic region or regions in which the patent originated.

(e) The department may expend up to five percent of the revenues for necessary costs of administration of this section and section 1 of this 2018 Act.

(f) The department shall transfer the remaining portion of the revenues to the General Fund to be used for general governmental purposes. It is the intent of the Legislative Assembly that moneys described in this paragraph be expended for capital costs related to emergency preparedness.

(2) The Patent Revenue Account is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Patent Revenue Account must be credited to the account. The account consists of moneys deposited in the account under subsection (1) of this section and may include moneys appropriated, allocated, deposited or transferred to the fund by the Legislative Assembly or otherwise and interest earned on moneys in the account. The moneys in the account are continuously appropriated to the Oregon Department of Administrative Services for the purposes specified in subsection (1) of this section.

SECTION 3. (1) The Office of Emergency Management shall, by rule, develop and administer a grant program to distribute preparedness equipment, or moneys to purchase preparedness equipment, to applicants throughout this state.

(2) Pursuant to the grant program:

(a) Any entity with responsibility for or expertise in emergency preparedness, including local governments and private entities, may apply to receive a grant. Applicants must demonstrate a need for the specific preparedness equipment requested.

(b) In consultation with the Oregon Homeland Security Council, the office shall determine which requests from applicants, if fulfilled, will maximize the state's ability to respond in case of emergency, taking into account considerations including but not limited to the following:

(A) The level of need for the requested preparedness equipment demonstrated by the applicant;

(B) The types of emergencies most likely to occur in the region where the applicant is located; and

(C) Whether the applicant has alternative means of acquiring the requested preparedness equipment.
equipment.

(c) The office shall issue grants to the applicants identified under paragraph (b) of this subsection. The office may either purchase the requested preparedness equipment for distribution to the recipient or issue cash to the recipient to purchase the requested preparedness equipment.

(d) The office may impose reasonable conditions on grant recipients, including conditions under which grants must be repaid.

(3) The office may adopt rules to administer this section.

(4) As used in this section:

(a) “Emergency” has the meaning given that term in ORS 401.025.

(b) “Preparedness equipment” means equipment, tools, vehicles, fixtures or improvements upon real property, or other property that may be used to decrease the risk to life and property resulting from an emergency.

SECTION 4. The Critical Priority Resiliency Grant Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Critical Priority Resiliency Grant Fund must be credited to the fund. The fund consists of moneys deposited in the fund under section 2 of this 2018 Act and may include moneys appropriated, allocated, deposited or transferred to the fund by the Legislative Assembly or otherwise and interest earned on moneys in the account. The moneys in the account are continuously appropriated to the Office of Emergency Management for the purposes of making grants under section 3 of this 2018 Act and to pay the administrative costs associated with the fund and with making grants from the fund.

SECTION 5. (1) The Oregon Business Development Department shall, by rule, develop and administer a grant program to fund proposals that are intended to promote innovation-based economic development in this state.

(2) Pursuant to the grant program:

(a) Any individual or public or private entity may apply to receive a grant. An applicant for a grant must submit a proposal to the department that describes the proposed use of the grant moneys and includes any additional information required by the department by rule.

(b) The department may impose reasonable conditions on grant recipients, including conditions under which grants must be repaid.

(3) The department may adopt rules to administer this section.

SECTION 6. The Critical Priority Innovation Grant Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Critical Priority Innovation Grant Fund must be credited to the fund. The fund consists of moneys deposited in the fund under section 2 of this 2018 Act and may include moneys appropriated, allocated, deposited or transferred to the fund by the Legislative Assembly or otherwise and interest earned on moneys in the account. The moneys in the account are continuously appropriated to the Oregon Business Development Department for the purposes of making grants under section 5 of this 2018 Act and to pay the administrative costs associated with the fund and with making grants from the fund.

SECTION 7. (1) The Department of Education shall, by rule adopted by the State Board of Education, develop and administer a grant program to fund proposals that are intended to promote research and development of energy-related technologies.

(2) Pursuant to the grant program:
(a) Any individual or public or private entity may apply to receive a grant. An applicant for a grant must submit a proposal to the department that describes the proposed use of the grant moneys and includes any additional information required by the department by rule.

(b) The department may impose reasonable conditions on grant recipients, including conditions under which grants must be repaid.

(3) The board may adopt rules to administer this section.

SECTION 8. The Critical Technology Capitalization Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Critical Technology Capitalization Fund must be credited to the fund. The fund consists of moneys deposited in the fund under section 2 of this 2018 Act and may include moneys appropriated, allocated, deposited or transferred to the fund by the Legislative Assembly or otherwise and interest earned on moneys in the account. The moneys in the account are continuously appropriated to the Department of Education for the purposes of making grants under section 7 of this 2018 Act and to pay the administrative costs associated with the fund and with making grants from the fund.

SECTION 9. Section 1 of this 2018 Act applies to grants or loans that are first authorized on or after the effective date of this 2018 Act.