

ENGROSSED HOUSE
BILL NO. 2435

BY: McCORKELL, VAUGHN
(George), LARASON,
HANSEN and BEGLEY of the
HOUSE

and

HELTON, CAPPS and HANEY
of the SENATE

(STATE GOVERNMENT - PRODUCT DEVELOPMENT ACT -
CODIFICATION -

EMERGENCY)

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 5084.1 of Title 74, unless there
is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Product
Development Act".

SECTION 2. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 5084.2 of Title 74, unless there
is created a duplication in numbering, reads as follows:

The Legislature recognizes that economic development through
business expansion and start-ups requires capital for new product
development. Therefore, the Legislature recognizes a need to
encourage and assist Oklahoma businesses in new product development
utilizing their excess manufacturing and marketing capacity and
assets.

SECTION 3. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 5084.3 of Title 74, unless there
is created a duplication in numbering, reads as follows:

As used in this act, unless otherwise indicated:

1. "Commercial stage" means the point at which the product has advanced beyond the theoretical and prototype stage and is capable of being manufactured or reduced to practice commercially;
2. "Intellectual property" means a patent, patent pending, trademark, copyright or trade secret;
3. "Licensor" means the person who owns the intellectual property rights of a product;
4. "Licensee" means the person to whom the intellectual properties related to a product have been licensed or assigned;
5. "Person" means any individual, sole proprietor, partnership or corporation;
6. "Product" means any device, technique or process;
7. "Royalties" means all things of value received by a licensor in connection with the licensing, rental or sale of a product patented, patent pending, copyrighted or trademarked pursuant to federal law; and
8. "Strategic alliance" means a business agreement, including an agreement relating to licensing or a joint venture partnership agreement, between two or more persons.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5084.4 of Title 74, unless there is created a duplication in numbering, reads as follows:

The Oklahoma Department of Commerce shall establish a program to provide product development assistance to any Oklahoma manufacturing and marketing business including agriculture. The program shall:

1. Identify, characterize and catalogue Oklahoma businesses interested in and committed to expansion by commercialization of new products utilizing their available capital, knowledge and human assets;

2. Identify new product opportunities on a worldwide basis that match the current or expanding manufacturing, agriculture and marketing base of Oklahoma businesses;

3. Provide assistance to make new products available to Oklahoma businesses, which shall include assistance in forming strategic alliances, market and product analysis, business counseling and other assistance necessary to develop the products to the commercial stage; and

4. Facilitate the formation of a product development investment fund.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5084.5 of Title 74, unless there is created a duplication in numbering, reads as follows:

The Oklahoma Department of Commerce may:

1. Enter into contracts with public and private agencies, institutions, organizations and individuals for the purpose of providing assistance to and services for Oklahoma manufacturing and marketing firms as required by this act, and to contract for the management and administration of the program in whole or in part.

2. Solicit the support and contributions of public and private agencies, organizations, institutions and individuals;

3. Receive and administer funds for the purpose of operating the product development program;

4. Advertise and promote the product development program; and

5. Promulgate rules and regulations to implement the provisions of this act.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5084.6 of Title 74, unless there is created a duplication in numbering, reads as follows:

The Department of Commerce may enter into an agreement with a potential licensor to receive a fee not to exceed an amount equal to twenty percent (20%) of all royalties from any product

commercialized under the product development program for the life of the license.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5084.7 of Title 74, unless there is created a duplication in numbering, reads as follows:

There is hereby created in the State Treasury a revolving fund for the Oklahoma Department of Commerce to be designated as the "Product Development Program Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations and shall consist of all monies received by the Department for implementation of the Product Development Act, legislative appropriations, fees received pursuant to the Product Development Act, any federal funds, gifts, private and matching funds and all contributions dedicated thereto from any source. All monies accruing to the credit of said fund are subject to appropriation and may be budgeted and expended by the Department to implement the provisions of the Product Development Act. Any unexpended and unencumbered sum existing in the fund as of June 30 of each year shall be transferred to the General Revenue Fund of the state. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5084.7 of Title 74, unless there is created a duplication in numbering, reads as follows:

The Director of the Oklahoma Department of Commerce shall submit an annual report on or before December 31 of each year to the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate and the chairperson of the Economic Development Committee of each house of the Legislature which shall include, but not be limited to:

1. The number of products developed to the commercial stage and a description thereof; and

2. The total fees collected and donations received pursuant to the Product Development Act.

SECTION 9. This act shall become effective July 1, 1992.

SECTION 10. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 5th day of March, 1992.

Speaker of the House of Representatives

Passed the Senate the ____ day of _____, 1992.

President of the Senate