

ENGROSSED HOUSE  
BILL NO. 2356

By: Liotta, Askins, Braddock,  
Covey, Deutschendorf,  
Gilbert, Hyman, Kiesel,  
Lindley, McCarter, Nations,  
Roan, Shelton, Shoemake,  
Staggs and Walker of the  
House

and

Capps of the Senate

An Act relating to economic development; amending 74 O.S. 2001, Section 5060.4, as amended by Section 5, Chapter 484, O.S.L. 2002 (74 O.S. Supp. 2005, Section 5060.4), which relates to the Oklahoma Center for the Advancement of Science and Technology; modifying definitions; authorizing development and implementation of Oklahoma Nanotechnology Applications Project; designating certain areas of focus for purposes of program; authorizing Board of Directors to make awards of funds or professional service contracts based upon certain findings; providing for purpose of awards; providing for codification; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 74 O.S. 2001, Section 5060.4, as amended by Section 5, Chapter 484, O.S.L. 2002 (74 O.S. Supp. 2005, Section 5060.4), is amended to read as follows:

Section 5060.4 As used in the Oklahoma Science and Technology Research and Development Act:

1. "Applied research" means those research activities occurring at institutions of higher education, nonprofit research foundations, and in private enterprises which have potential commercial application;

2. "Basic research" means any original investigation for the advancement of scientific knowledge not having a specific commercial

objective, but having potential long-range value to commercial interests;

3. "Board" means the Oklahoma Science and Technology Research and Development Board;

4. "Center" or "OCAST" means the Oklahoma Center for the Advancement of Science and Technology;

5. "Enterprise" means a firm with its principal place of business in Oklahoma;

6. "Health research project" means a specific examination, experimentation or investigation, or initiative to provide research resources oriented principally toward basic, applied, and developmental scientific inquiry related to the causes, diagnosis, prevention, and treatment of human diseases and disabilities and mental health and emotional disorders, and the rehabilitation of persons afflicted with such diseases, disabilities, and disorders; new knowledge, better understanding, and innovative methods to improve the processes by which health care services are made available and how they may be provided more efficiently, more effectively and at a lower cost, for all the citizens of this state; and the development of new products and services which shall form the basis of new high-technology health research and care industry for this state;

7. "Industrial Extension System" means a coordinated network of public and private manufacturing modernization resources, the purpose of which is to stimulate the competitiveness of Oklahoma small and medium-sized manufacturing firms;

8. "Institute" means the Oklahoma Institute of Technology;

9. "Institutional Review Board" means a committee composed of investigators, lay representatives, and legal counsel, which is established at each institution of higher learning and each nonprofit research institution receiving funds from a health

research project, for the express purpose of determining the appropriateness of any research involving human subjects;

10. "Institutions of higher education" means public and private colleges and universities in the state;

11. "Investigator" means a person who proposes research projects and is primarily responsible for the execution of the proposed projects and is employed by or affiliated with an institution of higher education, a nonprofit research institution in this state, or a private enterprise;

12. "Nanotechnology" means technology development at the molecular range (1nm to 100nm) to create and use structures, devices, and systems that have novel properties because of their small size;

13. "New technology" means methods, products, processes and procedures developed through science or research;

~~13.~~ 14. "Nonprofit research institution" means any not-for-profit public or private facility in this state which has the capabilities for research projects and which is not a subsidiary of any corporation, partnership, or association organized for profit, nor is its stock or assets owned or controlled by a corporation, partnership, or association organized for profit;

~~14.~~ 15. "OAME" means the Oklahoma Alliance for Manufacturing Excellence, Inc., a corporation to be formed pursuant to the provisions of Title 18 of the Oklahoma Statutes and Section 5060.26 of this title;

~~15.~~ 16. "ONAP" means the Oklahoma Nanotechnology Applications Project;

17. "Person" means any individual, partnership, corporation or joint venture carrying on business or proposing to carry on business within the state;

~~16.~~ 18. "Product" means any outcome, device, technique or process, which is or may be developed or marketed commercially and

which has advanced beyond the theoretical stage and is in a prototype or practice stage;

~~17.~~ 19. "Professional service contract" means a written agreement providing funds for the performance of a research project; for salaries and fringe benefits of personnel associated with research programs; for research equipment; for operating expenses associated with a research program; or for services provided in connection with the evaluation of applications submitted to the Center;

~~18.~~ 20. "Qualified security" means any public or private financial arrangement, involving any note, security, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, preorganization certificate or subscription, transferable security, investment contract, certificate of deposit for a security, certificate of interest or participation in a patent or application therefor, or in royalty or other payments under such a patent or application, or, in general, any interest or instrument commonly known as a "security" or any certificate for, receipt for, guarantee of, or option, warrant or right to subscribe to or purchase any of the foregoing to the extent allowed by law;

~~19.~~ 21. "Seed-capital" means financing that is provided for the development, refinement and commercialization of a product, process or innovation, whether for the startup of a new firm or the expansion or the restructuring of a small firm; and

~~20.~~ 22. "Technology transfer" means a two-way process by which ideas or inventions for processes or products (developed in research programs usually on a laboratory or pilot-plant scale) are converted to commercial use.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5060.43 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. The Oklahoma Center for the Advancement of Science and Technology may develop and implement a nanotechnology pilot project to assist qualified Oklahoma companies in the process of applying nanotechnology through research, development, and manufacturing to improve current products or create new, cutting-edge products. The project shall be known as the "Oklahoma Nanotechnology Applications Project" (ONAP). The Oklahoma Center for the Advancement of Science and Technology may employ established program processes to award nanotechnology funds or may contract with other qualified entities to operate this pilot project.

B. The Oklahoma Nanotechnology Applications Project is designed to provide Oklahoma with the ability to respond quickly to opportunities in the following technology focuses:

1. Advanced materials/nanotechnology;
2. Agricultural sciences;
3. Aviation/aerospace;
4. Biotechnology and life sciences;
5. Energy and energy-related;
6. Information technology and telecommunications;
7. Sensors and sensor-related; and
8. Meteorological science.

C. The Board shall award nanotechnology funding or professional service contracts only after finding that:

1. The project is technically sound and will produce measurable results;
2. The project leads to innovation, new knowledge, new devices, new products, or processes with preferences given to applications of nanotechnology leading to commercialization;
3. The project has a reasonable probability to enhance employment opportunities within Oklahoma; and

4. The project will enhance services to Oklahoma manufacturers or Oklahoma companies that are in the process of applying nanotechnology.

D. ONAP awards are designed to enable new and existing applications in nanotechnology and to encourage nanotechnology collaboration between industry, institutions of higher education, and nonprofit research institutions.

SECTION 3. This act shall become effective July 1, 2006.

SECTION 4. 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 16th day of March, 2006.

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Presiding Officer of the House of  
Representatives

Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2006.

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Presiding Officer of the Senate