

EHB 2356

1 THE STATE SENATE
2 Monday, April 10, 2006

3 ENGROSSED

4 House Bill No. 2356

5 ENGROSSED HOUSE BILL NO. 2356 - By: LIOTTA, ASKINS, BRADDOCK, COVEY,
6 DEUTSCHENDORF, GILBERT, HYMAN, KIESEL, LINDLEY, McCARTER, NATIONS,
7 ROAN, SHELTON, SHOEMAKE, STAGGS and WALKER of the House and CAPPS of
8 the Senate.

9 An Act relating to economic development; amending 74 O.S.
10 2001, Section 5060.4, as amended by Section 5, Chapter 484,
11 O.S.L. 2002 (74 O.S. Supp. 2005, Section 5060.4), which
12 relates to the Oklahoma Center for the Advancement of
13 Science and Technology; modifying definitions; authorizing
14 development and implementation of Oklahoma Nanotechnology
15 Applications Project; designating certain areas of focus for
16 purposes of program; authorizing Board of Directors to make
17 awards of funds or professional service contracts based upon
18 certain findings; providing for purpose of awards; providing
19 for codification; providing an effective date; and declaring
20 an emergency.

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

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

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

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

1 2. "Basic research" means any original investigation for the
2 advancement of scientific knowledge not having a specific commercial
3 objective, but having potential long-range value to commercial
4 interests;

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

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

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

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

1 the basis of new high-technology health research and care industry
2 for this state;

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

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

8 9. "Institutional Review Board" means a committee composed of
9 investigators, lay representatives, and legal counsel, which is
10 established at each institution of higher learning and each
11 nonprofit research institution receiving funds from a health
12 research project, for the express purpose of determining the
13 appropriateness of any research involving human subjects;

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

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

21 12. "Nanotechnology" means technology development at the
22 molecular range (1nm to 100nm) to create and use structures,

1 devices, and systems that have novel properties because of their
2 small size;

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

5 ~~13.~~ 14. "Nonprofit research institution" means any not-for-
6 profit public or private facility in this state which has the
7 capabilities for research projects and which is not a subsidiary of
8 any corporation, partnership, or association organized for profit,
9 nor is its stock or assets owned or controlled by a corporation,
10 partnership, or association organized for profit;

11 ~~14.~~ 15. "OAME" means the Oklahoma Alliance for Manufacturing
12 Excellence, Inc., a corporation to be formed pursuant to the
13 provisions of Title 18 of the Oklahoma Statutes and Section 5060.26
14 of this title;

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

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

20 ~~16.~~ 18. "Product" means any outcome, device, technique or
21 process, which is or may be developed or marketed commercially and
22 which has advanced beyond the theoretical stage and is in a
23 prototype or practice stage;

1 ~~17.~~ 19. "Professional service contract" means a written
2 agreement providing funds for the performance of a research project;
3 for salaries and fringe benefits of personnel associated with
4 research programs; for research equipment; for operating expenses
5 associated with a research program; or for services provided in
6 connection with the evaluation of applications submitted to the
7 Center;

8 ~~18.~~ 20. "Qualified security" means any public or private
9 financial arrangement, involving any note, security, debenture,
10 evidence of indebtedness, certificate of interest or participation
11 in any profit-sharing agreement, preorganization certificate or
12 subscription, transferable security, investment contract,
13 certificate of deposit for a security, certificate of interest or
14 participation in a patent or application therefor, or in royalty or
15 other payments under such a patent or application, or, in general,
16 any interest or instrument commonly known as a "security" or any
17 certificate for, receipt for, guarantee of, or option, warrant or
18 right to subscribe to or purchase any of the foregoing to the extent
19 allowed by law;

20 ~~19.~~ 21. "Seed-capital" means financing that is provided for the
21 development, refinement and commercialization of a product, process
22 or innovation, whether for the startup of a new firm or the
23 expansion or the restructuring of a small firm; and

1 ~~20.~~ 22. "Technology transfer" means a two-way process by which
2 ideas or inventions for processes or products (developed in research
3 programs usually on a laboratory or pilot-plant scale) are converted
4 to commercial use.

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

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

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

- 21 1. Advanced materials/nanotechnology;
- 22 2. Agricultural sciences;
- 23 3. Aviation/aerospace;

- 1 4. Biotechnology and life sciences;
- 2 5. Energy and energy-related;
- 3 6. Information technology and telecommunications;
- 4 7. Sensors and sensor-related; and
- 5 8. Meteorological science.

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

- 8 1. The project is technically sound and will produce measurable
9 results;
- 10 2. The project leads to innovation, new knowledge, new devices,
11 new products, or processes with preferences given to applications of
12 nanotechnology leading to commercialization;
- 13 3. The project has a reasonable probability to enhance
14 employment opportunities within Oklahoma; and
- 15 4. The project will enhance services to Oklahoma manufacturers
16 or Oklahoma companies that are in the process of applying
17 nanotechnology.

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

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

1 SECTION 4. It being immediately necessary for the preservation
2 of the public peace, health and safety, an emergency is hereby
3 declared to exist, by reason whereof this act shall take effect and
4 be in full force from and after its passage and approval.

5 COMMITTEE REPORT BY: COMMITTEE ON AEROSPACE, COMMUNICATIONS &
6 TECHNOLOGY, dated 4-4-06 - DO PASS.