

CS for EHB 2819

1 THE STATE SENATE
2 Monday, April 10, 2006

3 Committee Substitute for
4 ENGROSSED
5 House Bill No. 2819

6 COMMITTEE SUBSTITUTE FOR ENGROSSED HOUSE BILL NO. 2819 - By: BANZ,
7 CALVEY, WESSELHOFT and CASE of the House and CAPPS and ALDRIDGE of
8 the Senate.

9 An Act relating to state government; creating new
10 partnership within the Oklahoma Center for the Advancement
11 of Science and Technology; providing purpose; authorizing
12 the Oklahoma Center for the Advancement of Science and
13 Technology to employ certain programs and enter contracts;
14 stating purpose of the Center of Excellence for Aerospace
15 Technology; stating purpose of the Center for Aerospace
16 Supplier Quality; requiring the award of funding under
17 certain circumstances; providing for board approval of
18 certain proposals under certain circumstances; requiring
19 certain research be subject to negotiations and policies of
20 the act; amending 74 O.S. 2001, Section 5060.4, as amended
21 by Section 5, Chapter 484, O.S.L. 2002 (74 O.S. Supp. 2005,
22 Section 5060.4), which relates to the Oklahoma Center for
23 the Advancement of Science and Technology; adding certain
24 definitions; providing for codification; providing an
25 effective date; and declaring an emergency.

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

27 SECTION 1. NEW LAW A new section of law to be codified
28 in the Oklahoma Statutes as Section 5060.3a of Title 74, unless
29 there is created a duplication in numbering, reads as follows:

30 A. There is hereby created within the Oklahoma Center for the
31 Advancement of Science and Technology (OCAST), the Oklahoma
32 Aerospace Institute (OAI) to serve as a strategic partnership that

1 will focus available resources to promote cooperation and
2 collaboration among Oklahoma businesses, manufacturers, military
3 installations, commercial aviation, higher education institutions,
4 nonprofit research institutions, and state government for the
5 purpose of strengthening Oklahoma's economy. Contingent upon the
6 availability of funds, OCAST may employ established program
7 processes or may contract with other qualified entities to operate
8 OAI which will consist of the following initiatives:

- 9 1. Center of Excellence for Aerospace Technology (COEAT); and
- 10 2. Center for Aerospace Supplier Quality (CASQ).

11 B. The CASQ is designed to serve as a conduit between
12 Oklahoma's military installations and aerospace industry to promote
13 quick response to opportunities that will:

- 14 1. Increase Department of Defense awards in Oklahoma;
- 15 2. Create and retain more high-wage, high-skill jobs;
- 16 3. Strengthen collaborations between businesses and aerospace
17 interests;
- 18 4. Reduce the flow of federal defense contract dollars to out-
19 of-state businesses;
- 20 5. Increase Oklahoma's small aerospace firms;
- 21 6. Provide engineering/technical assistance;
- 22 7. Provide more manufacturing sources for Oklahoma military
23 installations and aerospace industry; and

1 8. Reduce costs and increase competitiveness for Oklahoma
2 military installations and aerospace industry.

3 C. The COEAT will be a center of excellence for applied
4 research and will primarily undertake applied research, development
5 and technology transfer that has long-term potential for commercial
6 development. The center should build on institutional strengths and
7 conduct activity in areas of research in which the participating
8 research institutions and businesses have achieved or have true
9 promise of attaining a standard of excellence in applied research
10 and development.

11 D. OCAST shall award funding to the Aerospace/Aviation Center
12 of Excellence contingent on the availability of funds and only
13 after:

14 1. Developing, adopting and publishing the criteria it shall
15 use when evaluating centers of excellence; and

16 2. Reviewing proposals for new or established centers of
17 excellence containing:

18 a. documentation that not less than fifty percent (50%)
19 of the center's total funding will be provided by
20 sources other than OCAST and other than
21 state-appropriated money,

- 1 b. a description of the proposed center's potential
- 2 contribution to the state's economic development
- 3 interests,
- 4 c. an itemized operations budget, and
- 5 d. other information that may be required by the OCAST
- 6 board.

7 E. The board may approve proposals to establish the Center of
8 Excellence for Aerospace Technology (COEAT) only after the board
9 finds, based upon the proposal submitted, external peer reviews, and
10 such additional investigation as the staff of OCAST shall make and
11 incorporate in its minutes that:

12 1. The proposed center of excellence involves higher education
13 institution(s), nonprofit research institution(s), and private
14 enterprise;

15 2. The proposed center of excellence is funded at Nine Hundred
16 Thousand Dollars (\$900,000.00), or so much thereof as is needed, per
17 year for five (5) years, above the annual appropriation for OCAST;

18 3. The proposed center of excellence has the potential to
19 stimulate economic development in Oklahoma by fostering partnership
20 between Oklahoma military installations, higher education
21 institutions, nonprofit research institutions, and businesses; and

1 4. The proposed center has the long-term potential to benefit
2 Oklahoma's military installations and the state's aerospace industry
3 through innovation and development of new technology.

4 F. Any commercialized research that results from the funding of
5 the Center of Excellence for Aerospace Technology shall be subject
6 to negotiations and policies pursuant to the provisions of this act.

7 SECTION 2. AMENDATORY 74 O.S. 2001, Section 5060.4, as
8 amended by Section 5, Chapter 484, O.S.L. 2002 (74 O.S. Supp. 2005,
9 Section 5060.4), is amended to read as follows:

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

12 1. "COEAT" means Center of Excellence for Aerospace Technology,
13 an initiative within the Oklahoma Aerospace Institute that
14 undertakes applied research, development and technology transfer
15 that has long-term potential for commercial development;

16 2. "CASQ" means Center of Aerospace Supplier Quality, an
17 initiative within the Oklahoma Aerospace Institute that serves as a
18 conduit between Oklahoma's military installations and the aerospace
19 industry;

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

1 ~~2.~~ 4. "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.~~ 5. "Board" means the Oklahoma Science and Technology
6 Research and Development Board;

7 ~~4.~~ 6. "Center" or "OCAST" means the Oklahoma Center for the
8 Advancement of Science and Technology;

9 ~~5.~~ 7. "Enterprise" means a firm with its principal place of
10 business in Oklahoma;

11 ~~6.~~ 8. "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.~~ 9. "Industrial Extension System" means a coordinated network
4 of 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.~~ 10. "Institute" means the Oklahoma Institute of Technology;

8 ~~9.~~ 11. "Institutional Review Board" means a committee composed
9 of 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.~~ 12. "Institutions of higher education" means public and
15 private colleges and universities in the state;

16 ~~11.~~ 13. "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.~~ 14. "New technology" means methods, products, processes and
22 procedures developed through science or research;

1 ~~13.~~ 15. "Nonprofit research institution" means any not-for-
2 profit public or private facility in this state which has the
3 capabilities for research projects and which is not a subsidiary of
4 any corporation, partnership, or association organized for profit,
5 nor is its stock or assets owned or controlled by a corporation,
6 partnership, or association organized for profit;

7 ~~14.~~ 16. "OAI" means Oklahoma Aerospace Institute, a strategic
8 partnership that will focus available resources to promote
9 cooperation and collaboration among Oklahoma businesses,
10 manufacturers, military installations, commercial aviation, higher
11 education institutions, nonprofit research institutions, and state
12 government;

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

17 ~~15.~~ 18. "Person" means any individual, partnership, corporation
18 or joint venture carrying on business or proposing to carry on
19 business within the state;

20 ~~16.~~ 19. "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.~~ 20. "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.~~ 21. "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.~~ 22. "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.~~ 23. "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 3. This act shall become effective July 1, 2006.

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

10 COMMITTEE REPORT BY: COMMITTEE ON AEROSPACE, COMMUNICATIONS &
11 TECHNOLOGY, dated 4-4-06 - DO PASS, As Amended.