

House Bill 1095

By: Representatives Byrd of the 20th, Lewis of the 15th, Day of the 163rd, Rogers of the 26th, Amerson of the 9th, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 50 of the Official Code of Georgia Annotated, relating to state government,
2 so as to provide for the Georgia Innovation Center Act; to provide for legislative findings and
3 intent; to provide a short title; to create the Board of Innovation and provide for a director
4 for the Georgia Innovation Center; to provide for certain duties of the board and director; to
5 establish the Georgia Venture Capital Fund; to provide for the supervision and management
6 of the venture capital fund; to provide for the authority of the center to make direct
7 investments related to scientific innovations and early stage investment projects by means
8 of equity investments, loans, or grants; to establish a funding mechanism for certain facilities
9 and equipment for scientific research and science innovative businesses; to provide for the
10 authority to issue matching funds for investments, grants, or scholarship projects that require
11 matching funds whether private or public; to provide for the issuance of grants and
12 scholarships from the fund; to authorize the Innovation Center to issue bonds and tax credits;
13 to provide for definitions; to provide for the issuance of bonds; to provide for related matters;
14 to repeal conflicting laws; and for other purposes.

15 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

16 **SECTION 1.**

17 The General Assembly finds that legislation is needed to help make Georgia a national leader
18 in the area of science innovation and a desirable location for innovative educational and
19 business entities to locate and grow. Georgia is lacking an innovation center for the
20 coordination of venture capital investment and the support of scientific research,
21 development, and commercialization. High-paying quality jobs and health improving
22 commercial products result from science innovation industries which require an educated
23 work force with advanced technical skills. The establishment of the Georgia Innovation
24 Center will provide job growth, promote research and development, and encourage
25 investments that will lead to scientific discoveries and products to enhance the quality of life
26 for all Georgians. Universities, colleges, nonprofit institutions, and private enterprises in the

1 State of Georgia are better able to educate and train scientists, health care professionals, and
 2 technicians and to provide a supportive environment for scientific research, development,
 3 and product commercialization activities through increased targeted investments.
 4 Manufacturing, licensing, and commercialization of products derived from scientific
 5 innovative industries will benefit the state's economy and facilitate the development of all
 6 industry and associated educational institutions in Georgia. A need exists to increase the
 7 availability of venture capital for emerging, expanding, and restructuring enterprises in
 8 Georgia, including enterprises in science innovation, advanced manufacturing, information
 9 technology, and alternative and renewable energy. Such investments will not only create
 10 jobs for the citizens of Georgia but will also help diversify the state's economic base. Focus
 11 marketing and commercialization efforts are needed to promote Georgia's resources,
 12 including its vast wealth of intellectual property and agricultural and forestry products.
 13 Coordination of information and informational resources is also needed to attract businesses
 14 to Georgia. It is the intent of the General Assembly to utilize venture equity capital for
 15 investment in such a manner as to result in a significant potential to create new businesses
 16 and jobs in this state that are based on high growth potential technologies, products, or
 17 services and that will further diversify the economy of this state as well as provide for the
 18 long-term health and welfare of Georgia's citizens.

19 **SECTION 2.**

20 Title 50 of the Official Code of Georgia Annotated, relating to state government, is amended
 21 by revising Chapter 31, which is reserved, as follows:

22 "CHAPTER 31

23 50-31-1.

24 This chapter shall be known and may be cited as the 'Georgia Innovation Center Act.'

25 50-31-2.

26 There is established the Georgia Innovation Center, a body corporate and politic, which
 27 shall be a state authority and deemed to be an instrumentality of this state and a public
 28 corporation; and by that name the center may contract and be contracted with and bring and
 29 defend actions.

30 50-31-3.

31 As used in this chapter, the term:

1 (1) 'Board' means the Board of Innovation and its individual members which shall be the
2 supervising and decision-making body for the center.

3 (2) 'Center' means the Georgia Innovation Center created by this chapter and
4 acknowledged and authorized to administer the Georgia Venture Capital Fund.

5 (3) 'Director' means the director of the Georgia Innovation Center.

6 (4) 'Facility' means any new construction of a building or structure or necessary building
7 improvements for the purpose of conducting research or producing or developing new
8 scientific innovations and any unique equipment, as determined by the center, that is
9 necessary for the research, production, or development of new scientific innovations.

10 (5) 'Fund' means the Georgia Venture Capital Fund, which shall be under the control and
11 supervision of the board and managed by the director as established in Code Section
12 50-31-10.

13 (6) 'Investment project' means a corporation, partnership, limited liability company, or
14 other legal entity that has its principal place of business in this state and that is engaged
15 in science innovation or the investment of venture capital for scientific innovation,
16 including, but not limited to, a tenant of an incubator or a person or entity attempting to
17 establish an entrepreneurial business or otherwise conducting scientific innovative
18 research, development, or commercialization. For the purposes of this chapter, an
19 enterprise shall not be considered to be engaged in an entrepreneurial business unless it
20 is engaged in scientific innovative work. In addition, an enterprise shall be required to
21 be in the early stages of formation or transferring into new areas of scientific innovation,
22 or transferring to Georgia from another state as determined by the center.

23 (7) 'Science innovation' and 'scientific innovation' means research, development, and
24 commercialization directly related to the use of compositions, methods, and organisms
25 in cellular and molecular research, development, and manufacturing processes in areas
26 such as pharmaceuticals, agriculture, homeland security, medical therapeutics, medical
27 diagnostics, medical devices, veterinary medicine, plant biology, microbiology; includes
28 development and qualitative improvement in the areas of medical sciences,
29 pharmaceutical sciences, environmental protection, biological sciences, zoology, botany,
30 horticulture, ecology, toxicology, organic chemistry, physical chemistry, and physiology;
31 and includes those fields focusing on technological developments in the areas of
32 molecular biology, genomics, proteomics, physiomics, nanotechnology, biodefense,
33 biocomputing, bioinformatics, and other developments associated with biotechnology.

34 50-31-4.

35 (a) The Georgia Innovation Center shall be under the direction and supervision of the
36 Board of Innovation. Except those powers which are expressly reserved to the board, all

1 powers and authority of the board may be exercised by the center, with the approval of the
2 board.

3 (b) The purpose of the center is to enhance the quality of life for all of the citizens of
4 Georgia by providing increased availability of and accessibility to capital for science
5 innovation businesses, particularly at the early investment stage, thereby encouraging
6 wealth creation through new jobs and increasing the wage base by promoting new
7 businesses in the scientific innovative industries and by encouraging persons and entities
8 to invest in Georgia and the Georgia Venture Capital Fund. The center shall:

9 (1) Serve as the center for science innovation entrepreneurs seeking business assistance
10 and financing options in Georgia by providing a seamless resource center clearinghouse
11 and referral source, to include establishment of a website and a toll-free telephone
12 number;

13 (2) Provide a centralized marketing effort for the commercialization of intellectual
14 property and other related resources this state has to offer entrepreneurs;

15 (3) Recruit early stage companies from other states through the promotion of Georgia
16 resources and by offering incentives for transferring to small, lower risk companies in the
17 beginning stages of development;

18 (4) Create and review policies that support and grow businesses which rely upon
19 scientific innovations;

20 (5) Provide expert administrative support in areas pertaining to science innovation which
21 support may include providing instruction in areas of patent development or grant
22 proposal preparation;

23 (6) Manage the Georgia Venture Capital Fund and develop policies and procedures to
24 assure that funds are distributed to qualified entrepreneurs, researchers, and students;

25 (7) Lead collaborative efforts among education, research, and outreach services to serve
26 potential entrepreneurs across the state;

27 (8) Support technology and research development centers, incubators, new science
28 innovation businesses, and emerging science innovation industries; and

29 (9) Review existing agencies and programs for purposes of enhancing investment best
30 practices, communication, and organized use of this state's resources by and among
31 agencies impacting scientific innovation development.

32 50-31-5.

33 (a) The Board of Innovation shall elect a chairperson of the board from among its
34 members. The chairperson shall not serve as a voting member unless a vote is needed to
35 decide a simple majority vote or create a quorum.

36 (b) In addition to the chairperson, the board shall consist of the following voting members:

1 (1) Members of the executive branch who shall be designated by virtue of their position
2 as follows: the State School Superintendent, the Commissioner of Agriculture, the
3 director of the State Forestry Commission, the chairman of the Board of Regents of the
4 University System of Georgia, the chairman of the State Board of Technical and Adult
5 Education, the chairman of the State Board of Education, the commissioner of economic
6 development, and the commissioner of community affairs;

7 (2) Five members who shall be appointed by the Governor, to include at least one of each
8 of the following: a representative of a public or private university with experience in the
9 area of scientific research, a member of the Georgia Research Alliance or similar
10 organization, an employee of the executive branch having an understanding of
11 government operations in the area of health care, and an experienced business person in
12 the area of science technology commercialization or related venture capital investment;

13 (3) Five members who shall be appointed by the Speaker of the House of
14 Representatives, at least two of whom shall have experience in the business of science
15 innovative technology and venture capital funding; and

16 (4) Five members who shall be appointed by the President of the Senate, at least two of
17 whom shall have experience in the business of science innovative technology and venture
18 capital funding.

19 Board members shall be permitted to appoint a person to represent their interest at any
20 meeting of the board, and such representative shall be permitted to act as a voting member
21 on behalf of the board member.

22 (c) In addition to the voting members of the board, the President of the Senate and the
23 Speaker of the House of Representatives shall each be authorized to appoint two advisory
24 members to the board. The advisory members shall be members of the Georgia General
25 Assembly and shall not be permitted to vote on any matters before the board.

26 (d) In addition to the voting members of the board, the Governor shall be permitted to
27 appoint two investment advisory members who shall be experts in the area of venture
28 capital funding of investment projects. The advisory members appointed by the Governor
29 shall not be voting members but shall be authorized to review all activities, documents, and
30 records of the board, director, and the center that relate to the fund and provide a report of
31 the same to the governor.

32 (e) The board shall meet quarterly, not less than once every three months; provided,
33 however, that upon majority vote of the board, the board may meet more frequently.
34 Fifteen members of the board shall constitute a quorum for the transaction of business.
35 That portion of a meeting of the board at which information is discussed which is
36 confidential and exempt from public disclosure shall not be considered a public meeting.

1 (f) The board shall be the policy-determining body for the center and shall have the duties,
2 powers, authority, and jurisdiction provided in this chapter, including the authority to make
3 rules and regulations for its own government.

4 (g) The first members appointed under this Code section shall be appointed for terms
5 which begin July 1, 2008, and shall serve three-year terms; provided, however, that where
6 a member is appointed by virtue of holding an office or position in state government, he
7 or she shall remain on the board so long as he or she continues to hold the designated office
8 or position. A vacancy on the board occurring other than by expiration of a term shall be
9 filled in the same manner as the original appointment for the balance of the unexpired term.
10 Except as otherwise provided in this subsection, board members shall be appointed to
11 three-year terms. A member of the board shall hold office until a successor has been
12 appointed and qualified. A member of the board is eligible for reappointment.

13 (h) The board shall meet in person or by means of electronic communication devices that
14 enable all participants in the meeting to communicate with each other.

15 (i) No business of the board shall be transacted except at a regular or special meeting at
16 which a quorum is present. Any action of the board shall require the affirmative vote of
17 a majority of those at any meeting of the board at which a quorum is present. All decisions
18 of the board, the identity of the board member voting, and the manner that the vote was cast
19 shall be recorded in writing. The absence or abstention of any board member shall likewise
20 be recorded.

21 (j) The members of the board shall receive no compensation for their services but shall be
22 entitled to receive expenses incurred by them in the performance of their duties. The
23 expenses of nonlegislative members, including mileage, shall be paid on the same basis as
24 for other state officials and employees. Such expenses and costs shall be paid from funds
25 appropriated or otherwise available to the center. The legislative members of the board
26 shall receive the allowances authorized for legislative members of interim legislative
27 committees from the funds appropriated to the House of Representatives and the Senate.

28 50-31-6.

29 (a) The powers of the Georgia Innovative Center shall be vested in the board. The center
30 shall have any and all powers necessary or convenient to its usefulness in carrying out and
31 effectuating the purposes and provisions of this chapter which are not in conflict with the
32 Constitution of this state, including, but without limiting the generality of the foregoing,
33 the following powers:

- 34 (1) To sue and be sued in contract and in tort and to complain and defend in all courts;
- 35 (2) To adopt and alter a corporate seal;

1 (3) To adopt, amend, and repeal bylaws, rules and regulations, and policies and
2 procedures for the regulation of its affairs and the conduct of its business, the
3 appointment and duties of officers and employees of the center, and such other matters
4 as the board or director may determine;

5 (4) To appoint and select officers, agents, and employees, including professional and
6 administrative staff and personnel, financial advisers, consultants, fiscal agents, trustees,
7 and accountants and to fix their compensation and pay their expenses, including the
8 power to contract with any other department, agency, board, commission, or authority of
9 state government for professional, technical, clerical, and administrative support as may
10 be required;

11 (5) To procure or to provide insurance against any loss in connection with its programs,
12 property, and other assets;

13 (6) To borrow money and to issue notes and bonds and other obligations to accomplish
14 its public purposes and to provide for the rights of the lenders or holders thereof;

15 (7) To pledge, mortgage, convey, assign, hypothecate securities, or otherwise encumber
16 any property of the center, including, but not limited to, real property, fixtures, personal
17 property, intangible property, revenues, income, charges, fees, or other funds and to
18 execute any lease, trust indenture, trust agreement, resolution, agreement for the sale of
19 the center's bonds, loan agreement, mortgage, deed to secure debt, trust deed, security
20 agreement, assignment, or other agreement or instrument as may be necessary or
21 desirable, in the judgment of the center, to secure any such bonds, which instruments or
22 agreements may provide for foreclosure or forced sale of any property of the center upon
23 default in any obligation of the center, either in payment of principal, premium, if any,
24 or interest or in the performance of any term or condition contained in any such
25 agreement or instrument; the state, on behalf of itself and each political subdivision,
26 public body corporate and politic, or taxing district therein, waives any right it or such
27 political subdivision, public body corporate and politic, or taxing district may have to
28 prevent the forced sale or foreclosure of any property of the center upon such default and
29 agrees that any agreement or instrument encumbering such property may be foreclosed
30 in accordance with law and the terms thereof;

31 (8) To extend credit, to make loans, to participate in the making of loans, to provide
32 credit enhancement, and to provide or procure insurance;

33 (9) To collect fees and charges in connection with its bonds, loans, commitments,
34 insurance, credit enhancement, and servicing, including, but not limited to,
35 reimbursement of costs of financing;

36 (10) To sell loans, security interests, and other obligations of the center at public or
37 private sale; to negotiate modifications or alterations in loans, security interests, and other

1 obligations of the center; to foreclose on any security interest in default or commence any
2 action to protect or enforce any right conferred upon it by any law, security agreement,
3 deed of trust, deed to secure debt, contract, or other agreement; to bid for and purchase
4 property which was the subject of such loan, security interest, or other obligation of the
5 center at any foreclosure or at any other sale; to acquire or take possession of such
6 property; and to exercise any and all rights as provided by law or contract for the benefit
7 or protection of the center or holders of the center's notes, bonds, or other obligations;

8 (11) To procure or to make and execute contracts, agreements, and other instruments,
9 including interest rate swap or currency swap agreements, letters of credit, or other credit
10 facilities or agreements, and to take such other actions and do such other things as the
11 center may deem appropriate to secure the payment of any loan, lease, or purchase
12 payment owed to the center or any bonds or other obligations issued by the center,
13 including the power to pay the cost of obtaining any such contracts, agreements, and
14 other instruments;

15 (12) To receive and use the proceeds of any tax levied by the state or a local government
16 or taxing district of the state enacted for the purposes of providing credit enhancement
17 or for any other purpose for which the center may use its own funds pursuant to this
18 chapter;

19 (13) To receive and administer gifts, grants, and devises of money and property of any
20 kind; to administer trusts; to receive venture capital funds appropriated by the General
21 Assembly; and to sell, convey, or otherwise encumber such moneys appropriated by
22 capitalizing or securitizing the same and entering into contracts pertaining thereto in order
23 to enable the center to better accomplish the purposes of this chapter;

24 (14) To acquire real and personal property in its own name to promote any of the public
25 purposes of the center or for the administration and operation of the center;

26 (15) To provide and administer grant moneys for any of the public purposes of the center
27 and to comply with all conditions attached thereto;

28 (16) To contract for any period, not exceeding 50 years, with the state, any institution,
29 department, agency, or authority of the state, or any local government within the state for
30 the use by the center of any facilities or services of any such entity or for the use by any
31 such entity of any facilities or services of the center, provided that such contracts shall
32 deal with such activities and transactions as the center is authorized by law to undertake;

33 (17) To invest any accumulation of its funds, including, but without limiting the
34 generality of the foregoing, funds received from the issuance of bonds and any sinking
35 funds or reserves in any manner as it determines is in its best interests and to purchase its
36 own bonds and notes;

37 (18) To hold title to any project financed by it, but it shall not be required to do so;

- 1 (19) To maintain an equity interest in any investment project or facility financed using
2 moneys from the fund, but it shall not be required to do so;
- 3 (20) To establish eligibility standards for financing, financial assistance, investment,
4 scholarships, and technical assistance authorized for projects or individuals under this
5 chapter;
- 6 (21) To sell or otherwise dispose of unneeded or obsolete equipment or property of every
7 nature and every kind;
- 8 (22) To lease as lessor any facility or any project for such rentals and upon such terms
9 and conditions as the center considers advisable and not in conflict with this chapter;
- 10 (23) To sell by installment or otherwise to sell by option or contract for sale and to
11 convey all or any part of any item of any project or facility for such price and upon such
12 terms and conditions as the center considers advisable and which are not in conflict with
13 this chapter;
- 14 (24) To manage property, intangible, real, and personal, owned by the center or under
15 its control by lease or by other means;
- 16 (25) To engage in matching grant activities, including federal, private, and foundation
17 awards for the extension of scientific innovation including technology extension, science
18 and technology development, research, and commercialization activities;
- 19 (26) To do any and all things necessary, desirable, convenient, or incidental for the
20 accomplishment of the objectives of this chapter and to exercise any power usually
21 possessed by private corporations performing similar functions which is not in conflict
22 with the public purposes of the center or the Constitution and laws of this state, including:
- 23 (A) The power to retain accounting and other financial services;
- 24 (B) The power to purchase all kinds of insurance, including, without limitation,
25 insurance against tort liability and against risks of damage to property;
- 26 (C) The power to indemnify and hold harmless any parties contracting with the center
27 or its agents from damage to persons or property; and
- 28 (D) The power to act as self-insurer with respect to any loss or liability and to create
29 insurance reserves;
- 30 (27) To lease any center owned facilities or property or any state owned facilities or
31 property which the center is managing under contract with the state; and no such lease
32 agreement shall be deemed to be a contract subject to any law requiring that contracts
33 shall be let only after receipt of competitive bids;
- 34 (28) To provide advisory, technical, consultative, training, management, educational,
35 project assistance, and other services related to the purposes of the center to the state and
36 any institution, department, agency, or authority of the state, to any local government, or

1 to any nonprofit or for profit business, corporation, partnership, association, sole
2 proprietorship, or other entity or enterprise and to enter into contracts with the foregoing;

3 (29) To impose restrictive covenants which shall be deemed to be running with the land
4 to any person, corporation, partnership, or other form of business entity which receives
5 financial assistance from the center, which form of financial assistance shall include tax
6 credits, bond financing, grants, guarantees of the center, guarantees of the state, insurance
7 of the center, and all other forms of financial assistance, regardless of whether the center
8 enjoys privity of estate or whether the covenant touches and concerns the property
9 burdened; and such restrictive covenants shall be valid for a period of up to the later of
10 40 years or the termination or satisfaction of such financial assistance, notwithstanding
11 any other provision of law;

12 (30) To enter into partnership agreements, to sell and purchase partnership interests, and
13 to serve as general or limited partner of a partnership created to further the public
14 purposes of the center;

15 (31) To allocate and issue any federal or state tax credits for which the center is
16 designated as the state allocating agency;

17 (32) To make and execute contracts and all other instruments necessary or convenient
18 for the performance of its duties and the exercise of its powers and functions under this
19 chapter;

20 (33) To cooperate with and exchange services, personnel, and information with any
21 federal, state, or local governmental agency;

22 (34) To adopt regulations, with the approval of the board, for its own governance
23 regarding cost-effective distribution of venture capital funds and prioritization of projects,
24 subject to the direction of the General Assembly with regard to funds appropriated for the
25 purposes of the center; and

26 (35) To enhance the venture capital culture and infrastructure in the state so as to
27 increase venture capital investment within the state and to accomplish these purposes in
28 such a manner as to minimize any appropriations by the state.

29 (b) No personal financial information, patent information, or trade secret submitted to the
30 center in connection with any of its programs shall be subject to public disclosure.
31 Information submitted to the center from other governmental agencies or public businesses
32 which is not subject to public disclosure while being held with such other agency or
33 business shall remain protected from public disclosure while being held by the center. In
34 addition, the following records shall not be subject to public disclosure: a peer review or
35 analysis or other document related to the evaluation of an application or proposal; a record
36 that contains proprietary information, trade secrets, or commercial or financial information,
37 the release of which could be competitively harmful to the submitter of the information,

1 could impair the center's ability to obtain similar necessary information through the
2 voluntary provision of such information, or could negatively affect other interests of the
3 center, such as program effectiveness and compliance; and a financial statement, credit
4 report, criminal history, or tax return of any person or other record obtained or developed
5 by the board, the disclosure of which would constitute an invasion of personal privacy as
6 determined by the board.

7 50-31-7.

8 (a) The board shall appoint an executive director of the center whose compensation shall
9 be fixed by the board. The director shall have a minimum of ten years' experience in the
10 area of scientific technology innovation, commercialization of such innovation, and venture
11 capital investment. The board shall appoint, remove, and replace the director by agreement
12 of 16 or more voting members.

13 (b) Except for the authorization of the issuance of bonds and the adoption of rules and
14 regulations, the board may delegate to the director such powers and duties as it may deem
15 proper. The director shall be responsible for all matters pertaining to the administration of
16 the center.

17 (c) The director shall appoint a manager who shall be responsible for managing the
18 Georgia Venture Capital Fund and all matters pertaining to the administration of the fund.
19 The fund manager shall have demonstrated experience in design, structure, implementation,
20 and management of investments in early stage scientific innovation enterprises. The fund
21 manager shall invest the moneys in the fund in a manner that best promotes the growth of
22 scientific innovation businesses in Georgia and make reports to the director and board
23 regarding all such investments.

24 (d) The director shall have the authority to employ staff deemed necessary and appropriate
25 to conduct the duties and responsibilities of the center. In order to staff the center in a
26 manner that least expands state government, each agency represented in paragraph (1) of
27 subsection (b) of Code Section 50-31-5 shall be required to immediately transfer one
28 budgeted employee position to the center. Each position transferred shall be equivalent to
29 not less than \$200,000.00 of the agency's budgeted funds for any position; provided,
30 however, that the Board of Regents of the University System of Georgia shall be required
31 to transfer seven such positions.

32 (e) The director shall provide a quarterly report to the board at each of the regularly
33 scheduled meetings of the board.

1 50-31-8.

2 (a) The center shall be assigned for administrative purposes only to the Department of
3 Administrative Services, as provided for in Code Section 50-4-3.

4 (b) The Attorney General shall provide legal services, including legal representation, for
5 the center, the board, and employees of the center and board.

6 (c) Neither the members of the board nor any officer or employee of the center acting in
7 behalf thereof, while acting within the scope of his or her authority, are subject to any
8 liability resulting from the construction, ownership, maintenance, or operation of any
9 project financed with the assistance or other support of the center or carrying out any of the
10 powers given in this chapter.

11 (d) It shall be the duty of the center, as custodian of the fund, to collect the interest or other
12 income on, and the principal of, such investments as the sums become due and payable and
13 to pay the same, when so collected, into the appropriate investment account of the fund.
14 Where any party fails to relinquish any amounts past due and owing to the fund or center,
15 the office of the Attorney General shall be authorized, on behalf of the center, to take any
16 and all collection action against such party and shall receive all costs and reasonable
17 attorney fees expended to collect moneys owing.

18 (e) Any action to protect or enforce any rights under this chapter shall be brought in the
19 Superior Court of Fulton County, Georgia, and any action pertaining to validation of any
20 bonds issued under this chapter shall likewise be brought in such court, which shall have
21 exclusive, original jurisdiction of such actions.

22 50-31-9.

23 (a) Technical and supportive assistance provided by the center shall include:

24 (1) Providing professional support services including grant writers, referrals to grant
25 writers, attorneys, legal opinion letters pertaining to tax and patent information, and
26 examples of standardized contracts and grant proposals;

27 (2) Providing a networking program for scientists and conducting seminars and training
28 on the commercialization of science innovation;

29 (3) Supporting best-practice studies and providing technical assistance on a contractual
30 basis to enhance the capacity of the targeted investment projects to develop into industry
31 clusters;

32 (4)(A) Maintaining the existence and operation of a single searchable website,
33 accessible by the public at no charge, that provides a listing of this state's available
34 intellectual property. Intellectual property listed shall include all intellectual property
35 available for commercialization, including such property for which a patent application
36 is pending, a patent has been obtained, or there is no exclusive licensing agreement for

1 such property. The center shall utilize best commercial practices to timely and
2 accurately post information about all of this state's intellectual property available for
3 sale or licensing;

4 (B) Each university, school, college, or other institution receiving state funding shall
5 cooperate with the center by timely providing information concerning the institution's
6 intellectual property available for commercialization. No such institution shall post on
7 its own website any information about an intellectual property until such time as
8 information pertaining to such intellectual property has been provided to the center;

9 (C) The website shall make contact information readily available so that an interested
10 person may contact the appropriate institution or person for the purchase or licensing
11 of posted intellectual property; and

12 (D) The website shall also provide additional information regarding public resources
13 available to persons and entities interested in establishing businesses in this state,
14 including any such reasonable information requested to be posted by another state
15 agency or educational institution;

16 (5) Facilitating meetings between prospective investors and eligible organizations; and

17 (6) Organizing and facilitating communication regarding regulation and policy
18 requirements of other state agencies applicable to scientific innovative businesses.

19 (b) Support by the center of existing commercialization efforts and research at state
20 universities and schools, including the maintenance of a website, shall be conducted free
21 of charge. Charges for other services may be required to the extent reasonably necessary
22 to cover the costs of providing such service.

23 50-31-10.

24 (a) There is created the Georgia Venture Capital Fund which shall be managed by the
25 center under the supervision of the board who shall be trustees of the fund. The purpose
26 of the fund shall be to increase science and technology investment through partnerships
27 among the state government, private enterprise, the federal government, and private and
28 public research institutions. The fund shall be dedicated and used solely as authorized in
29 this chapter. Contributions to the fund shall be divided into separately managed funding
30 programs and accounts as provided for in this chapter.

31 (b) The center may accept moneys and assets for the fund from any lawful source. The
32 funding source may include appropriated funds, bond revenue, gifts or donations, grants,
33 repayment of funds, payments from equity interests, or such other sources as approved by
34 the board. Other funding sources include earnings, royalties, return on investments, return
35 of principal, payments made, or other moneys received by or payable to the fund under

1 agreements related to grants, loans, investments, or expenditures by the fund under this
2 chapter.

3 (c) The fund shall be maintained in interest bearing accounts and at all times held in trust
4 on behalf of the state. The net income of the fund may be expended by the center only for
5 purposes authorized under this chapter. There shall be a separate account for each of the
6 program funds provided for in this chapter which funds are being held pending investment.
7 In addition, individual accounts shall be maintained for each investment from a program
8 fund made in any investment project, facility, or other venture capital investment initiative
9 for so long as the investment initiative is pending.

10 (d) All distributions made by an investment project allocable to the Venture Capital Fund
11 shall be deposited in the appropriate account for future investment in another investment
12 project or facility or to pay the cost of administration of the fund as provided in this
13 chapter.

14 (e) The center shall be authorized to make a transaction from the fund that consists of the
15 investment of cash and results in the acquisition of equity in an investment project or
16 facility.

17 (f) The center may authorize transfers from the fund to make unsecured or secured loans
18 for an investment project or facility. With respect to such loans, the center, acting on
19 behalf of the board and the fund, shall have the authority to do all things necessary to
20 manage the loan.

21 (g) An investment project or facility financed under this chapter shall not be subject to any
22 statutory requirement of competitive bidding or other restriction imposed on the procedure
23 for the award of contracts or the lease, sale, or other disposition of property with regard to
24 any action taken under authority of this chapter.

25 (h) Without limiting the generality of the findings and intent of the General Assembly or
26 any provision of this chapter, the center shall enable economic development for investment
27 projects and facilities throughout the state through the utilization of the fund by means that
28 shall include, without limitation, the issuance of bonds, with or without such credit
29 enhancement as the center may deem appropriate; the collection of and accumulation of
30 fees and other revenues; the award of grants or scholarships which may be matching fund
31 awards; the establishment of debt service reserves and sinking funds; and the use of the
32 proceeds from such bonds, funds, and reserves to make loans to enterprises, either directly
33 to such enterprises or indirectly through a financial institution, a political subdivision, or
34 otherwise; to acquire loans made by others to such enterprises; to establish revolving or
35 other funds from which short-term or long-term loans can be made to such businesses; to
36 guarantee the payment of loans or other obligations of such enterprises; and to do all things

1 deemed by the center to be necessary, convenient, and desirable for and incident to the
2 efficient and proper development and operation of such types of undertakings.

3 (i) The amounts of the revenues generated by the investment of moneys contained in the
4 fund may be used to pay the center's operating expenses associated with the operation of
5 the fund.

6 (j) The fund shall not be a part of the state treasury and the moneys in the fund shall
7 belong exclusively to the center. Moneys in the investment fund at the close of the fiscal
8 year shall remain in the investment fund and shall not lapse to the general fund. The center
9 is not authorized to transfer the investment fund to another governmental entity or a
10 separate public or private legal entity.

11 50-31-11.

12 (a) The center shall establish an equitable process to award grants, issue bonds, and make
13 loans and other investments from the fund to encourage research, development, and
14 commercialization of scientific innovation and by rule and regulation provide notice of all
15 procedures pertaining thereto.

16 (b) The center shall develop quantifiable measures of performance to which it shall hold
17 all investment grantees accountable and shall require all recipients to report regularly to the
18 center on those measures during the investment period and for a time following the
19 investment period as deemed appropriate to maintain data and records of the results of
20 investments.

21 (c) Any funding or investment decision shall first be reviewed by a committee of experts
22 designated by the director which shall be no fewer than five qualified persons.
23 Applications shall be reviewed by experts based on the scientific and technical merit,
24 personnel expertise, commercial merit, and the ability to leverage additional funding of the
25 application. A preference shall be given for proposals that are likely to significantly
26 contribute to the development of Georgia's economy or to employment opportunities in
27 this state. Any investment project or facility investment shall have a potential business
28 valuation as approved by the review committee. When an applicant is approved and a
29 grant, loan, or other investment is made, the center shall state the specific objective reasons
30 the applicant was selected over other applicants.

31 (d) Every contract for an investment project or facility investment made pursuant to this
32 chapter shall provide that the center may inspect and review any and all aspects, activities,
33 documents, and records and may conduct employee interviews, as deemed reasonably
34 necessary by the director, for monitoring and protecting the center's investment. As a
35 condition of receiving venture capital funds, the receiving person or entity shall agree to

1 provide to the center the information necessary for the fund to produce the annual reports
2 required under this chapter.

3 (e) Every investment project or facility investment made to a business entity shall first
4 require that the recipient have a significant existing or proposed business presence in this
5 state. A business located in another state shall have a proposed plan to transfer to Georgia
6 as a condition of receiving any funding, grant, or other valuable service offered by the
7 center.

8 (f) A preference may be given for proposals that include collaboration with Georgia's
9 institutions of higher education, Georgia nonprofit research institutions, Georgia nonprofit
10 corporations, and other qualified businesses.

11 (g) The center shall not approve any application for investment where the applicant has
12 a conflict of interest or potential conflict of interest. Nor shall any applications be
13 considered where the applicant or any person with more than 20 percent interest in the
14 business applying has a felony conviction or has been investigated by the Internal Revenue
15 Service, the Securities and Exchange Commission, or any other federal or state taxing or
16 securities regulatory body, or similar investigation for misconduct regarding fraud, theft
17 of services or funds or similar such misconduct, or other misfeasance or malfeasance of
18 funds as reasonably determined by the center.

19 50-31-12.

20 (a) There is established the Direct Investment Program account which shall be a portion
21 of the fund and which shall be separately maintained for purposes of auditing and
22 reviewing such funds used for investment projects which do not require matching funds.
23 By means of such investment the center shall assist very early stage investment projects in
24 developing or achieving a sound business plan; market research; marketing plans;
25 development of laboratory, preclinical, or other testing procedures and results; attaining
26 proof of a concept; building of experimental or pilot-scale models of products or facilities;
27 or achieving other similar milestones required for the advancement of early stage scientific
28 innovations.

29 (b)(1) Direct investments for an investment project may also be conducted as loans. The
30 fund shall create a loan guarantee program that:

31 (A) Provides a loan guarantee mechanism to financial institutions located in this state
32 that provide commercial loans to scientific innovation businesses for investment
33 projects; and

34 (B) Provides direct capital access to moneys from the fund for start-up companies.

35 (2) Loans may only be to businesses with a documented growth opportunity. The terms
36 of any loan shall provide repayment provisions or a guarantee where the business

1 receiving the loan leaves Georgia within three years of the provision of the loan or
2 guarantee or otherwise breaches the terms of an agreement with the center. Loans may
3 be secured or unsecured as determined by the reasonable discretion of the board. The
4 loan access program shall operate on a market-driven basis and provide for premium
5 payments by borrowers into a designated account or accounts which shall be a part of the
6 fund.

7 50-31-13.

8 (a) There is established the Facilities and Equipment account which shall be a portion of
9 the fund and which shall be separately maintained for purposes of auditing and reviewing
10 such funds used for investments for facilities and equipment.

11 (b) The center shall be authorized to make facilities investments, which authority shall
12 include, but not be limited to, making loans for facilities, providing rental subsidy
13 agreements for investment projects, and investing in investment project access to
14 universities and wet lab space.

15 (c) The center may authorize transfers from the fund to make equity contributions through
16 the direct purchase of qualified securities of enterprises.

17 (d) The center may authorize transfers directly from the fund or indirectly, from an
18 investment entity as to which the state is the sole limited liability owner, to make equity
19 contributions to one or more investment projects whose structures, purposes, and
20 operations are consistent with the criteria specified in this chapter for the purpose of
21 investing in identified facilities. Investment projects to which the state, directly or
22 indirectly, makes an equity contribution for a facility shall not expend any of the funds
23 invested by the state unless and until the center has determined that specified prerequisite
24 conditions have been satisfied by such investment project.

25 (e) The center may authorize transfers from the fund to make equity contributions to one
26 or more investment projects as to which the state is the sole limited liability owner for the
27 purpose of purchasing, constructing, or leasing facilities. Any such investment project as
28 to which the state is the sole limited liability owner shall be assigned for administrative
29 purposes to the center within the meaning of Code Section 50-4-3. Such investment project
30 may make investments in other investment projects which make equity contributions
31 pursuant to subsection (d) of this Code section. Such investment project may also make
32 equity contributions through direct purchases of qualified securities of enterprises.

33 50-31-14.

34 (a) There is established the Matching Fund Program account which shall be a portion of
35 the fund and which shall be separately maintained for purposes of auditing and reviewing

1 such funds used for investment, grant, or scholarship projects which require matching
2 funds. Matching funds for scientific innovation research and commercialization shall be
3 available to match research dollars from federal, private, and other sources of funding. The
4 matching fund program shall be used to promote scientific innovation research and to
5 recruit, employ, fund, and endow faculty, research positions, and scientists at universities,
6 colleges, and technical and vocational schools. The matching fund program shall also be
7 used to assist early stage technology based enterprises in augmenting the investments made
8 or proposed to be made in such investment project from angel investors and other
9 individual or institutional investors where established dates of completion for further
10 development are set forth in a business plan to be approved by the center.

11 (b) In order to qualify for the scientific innovation research and development matching
12 funds, an applicant shall provide the center with the research grant proposal for federal,
13 state, or private funds submitted with a letter of intent to apply for a match. Requests for
14 matching funds shall be considered only following official notice of the grant award and
15 budget approval from the funding entity. The request shall be made in accordance with the
16 rules and procedures adopted by the center.

17 (c) Upon receipt of an application to receive matching funds, the center shall determine
18 the eligibility for matching funds based on a finding that the research or business enterprise
19 will have economic or commercial value to the state. Matching fund grants which are used
20 to match federal funds and attract federal funds to this state may be approved for multiyear
21 grants. The center shall promptly review applications for matching funds. The center shall
22 ensure that no commitments for matching funds shall be made in excess of funds available
23 for any given year. Matching funds may also be used to match individual educational
24 scholarships for educational programs directly related to scientific innovation.

25 50-31-15.

26 There is established the Research Grant and Scholarship Program account which shall be
27 a portion of the fund and which shall be separately maintained for purposes of auditing and
28 reviewing such funds used for the issuance of educational and research grants and
29 scholarships that do not have matching funds. The board is authorized to award grants,
30 scholarships, and similar assistance to students, professors, teachers, and noted scholars
31 enrolled, attending, applying for, or working with any university, college, technical, or
32 vocational program in this state; provided, however, that such award shall be valid only for
33 so long as such person is attending or working on an approved scientific innovative
34 educational program or research project in a school within this state.

1 50-31-16.

2 (a) There is established the Bond Program account which shall be a portion of the fund and
3 which shall be separately maintained for purposes of auditing and reviewing such funds
4 used for the issuance of bonds or collection of revenue from the same. The center is
5 authorized to issue bonds to:

- 6 (1) Finance investment projects and facilities;
- 7 (2) Finance science innovation programs, activities, and research; and
- 8 (3) Provide funds to the center necessary or convenient to carry out the center's purposes
9 and powers under this chapter.

10 Bonds may be issued pursuant to this Code section only upon the written approval of the
11 board as determined by a majority vote of the board members at a regularly scheduled
12 meeting of the board. The board's authorization to issue bonds may contain such
13 requirements, parameters, and provisions as deemed appropriate by the board for the
14 purpose of carrying out the center's purposes and may also authorize such contracts or
15 obligations of the center deemed appropriate by the board to secure the payment of such
16 bonds, including a pledge of all or any part of the revenues and assets of the center.

17 (b) The bonds authorized by this chapter are securities in which:

- 18 (1) All public officers and bodies of this state;
- 19 (2) All local governments of this state;
- 20 (3) All insurance companies and associations and other persons carrying on an insurance
21 business;
- 22 (4) All banks, bankers, trust companies, saving banks, and savings associations,
23 including savings and loan associations, building and loan associations, investment
24 companies, and other persons carrying on a banking business;
- 25 (5) All administrators, guardians, executors, trustees, and other fiduciaries; and
- 26 (6) All other persons who are authorized to invest in bonds or other obligations of this
27 state

28 may properly and legally invest funds, including capital in their control or belonging to
29 them. Such bonds are also securities which may be deposited with and shall be received
30 by all public officers and bodies of this state and local governments for any purpose for
31 which deposit of the bonds or other obligations of this state is authorized.

32 (c) All or any part of the gross or net revenues and earnings derived from any particular
33 loan or loans and any and all revenues, earnings, and funds received by the center,
34 regardless of whether such revenues and earnings were produced by a particular loan or
35 loans for which bonds have been issued, may be pledged by the center to the payment of
36 the principal of and interest on bonds of the center as may be provided in any resolution

1 authorizing the issuance of such bonds or in any indenture or trust agreement pertaining to
2 such bonds.

3 (d) Any issue of bonds may be secured by a trust agreement or indenture made by the
4 center with a corporate trustee, which may be any trust company or bank having the power
5 of a trust company inside or outside this state. Such trust agreement or indenture may
6 pledge or assign all revenue, receipts, and earnings to be received by the center from any
7 source and any proceeds which may derive from the disposition of any real or personal
8 property of the center or proceeds of insurance carried thereon.

9 (e) The resolution providing for the issuance of bonds and such trust agreement or
10 indenture may contain provisions for protecting and enforcing the rights and remedies of
11 the bondholders, including the right of appointment of a receiver on default in the payment
12 of any principal or interest obligation and the right of any receiver or trustee to enforce
13 collection of any rates, fees, and charges pertaining to any loan, any overdue principal and
14 interest on any loan, any overdue principal of and interest on all bonds in the issue, all costs
15 of collection, and all other costs reasonably necessary to accomplish the collection of such
16 sums in the event of any default of the center.

17 (f) Such resolution, trust agreement, or indenture may include covenants setting forth the
18 duties to the center regarding the custody, safeguarding, and application of all funds of the
19 center, including any proceeds derived from the disposition of any real or personal property
20 of the center or proceeds of insurance carried thereon. In addition, such resolution, trust
21 agreement, or indenture may include covenants providing for the operation, maintenance,
22 repair, and insurance of any facility or capital improvements constructed or acquired with
23 loan proceeds.

24 (g) All expenses incurred in carrying out any trust agreement or indenture under this Code
25 section may be treated as a part of the cost of financing and administering the loans that
26 will be funded or acquired with the proceeds of the bonds governed by such trust
27 agreement or indenture.

28 (h) The center, or any authority or body which has succeeded or which may succeed to the
29 powers, duties, and liabilities vested in the center created by this chapter, shall have power
30 and is authorized at one time, or from time to time, to provide by resolution of the board
31 for the issuance of negotiable revenue bonds for the purpose of paying all or any part of the
32 cost of any one or combination of projects. The principal and interest of such revenue
33 bonds shall be payable solely from the fund. The bonds of each issue shall be dated; shall
34 bear interest at the lowest obtainable rate, payable in such medium of payment as to both
35 principal and interest as may be determined by the center; and may be made redeemable
36 before maturity, at the option of the center, at such price or prices and under such terms and

1 conditions as may be fixed by the center in the resolution providing for the issuance of the
2 bonds.

3 (i) The center shall determine the form of the bonds, including any interest coupons to be
4 attached thereto, and shall fix the denomination or denominations of the bonds and the
5 place or places of payment of principal and interest thereof, which may be at any bank or
6 trust company inside or outside this state. The bonds may be issued in coupon or registered
7 form, or both, as the center may determine, and provision may be made for the registration
8 of any coupon bond as to principal alone and also as to both principal and interest.

9 (j) In case any officer whose signature shall appear on any bonds or whose facsimile
10 signature shall appear on any coupon shall cease to be such officer before the delivery of
11 such bonds, such signature shall nevertheless be valid and sufficient for all purposes the
12 same as if he or she had remained in office until such delivery. All such bonds shall be
13 signed by the chairperson of the board, and the official seal of the center shall be affixed
14 thereto and attested by the secretary of the board; and any coupons attached thereto shall
15 bear the signature or facsimile signature of the chairperson of the board. Any coupon may
16 bear the facsimile signature of such person, and any bond may be signed, sealed, and
17 attested on behalf of the center by such persons, as at the actual time of the execution of
18 such bonds shall be duly authorized to so sign, seal, or attest or shall hold the proper office,
19 although at the date of such bonds such persons may not have been so authorized or shall
20 not have held such office.

21 (k) The proceeds of such bonds shall be used solely for the payment of the cost of the
22 investment project or facility or combined project and shall be disbursed upon requisition
23 or order of the chairperson of the board under such restrictions, if any, as the resolution
24 authorizing the issuance of the bonds or the trust indenture may provide. If the proceeds
25 of such bonds, by error of calculation or otherwise, shall be less than the cost of the
26 investment project or facility or combined project, then unless otherwise provided in the
27 resolution authorizing the issuance of the bonds or in the trust indenture, additional bonds
28 may in like manner be issued to provide the amount of such deficit, which bonds, unless
29 otherwise provided in the resolution authorizing the issuance of the bonds or in the trust
30 indenture, shall be deemed to be of the same issue and shall be entitled to payment from
31 the same fund without preference or priority of the bonds first issued for the same purpose.
32 If the proceeds of the bonds of any issue shall exceed the amount required for the purpose
33 for which such are issued, the surplus shall be paid into the fund.

34 (l) Prior to the preparation of definitive bonds, the center may issue interim receipts,
35 interim certificates, or temporary bonds, with or without coupons, which receipts,
36 certificates, or temporary bonds shall be exchangeable for definitive bonds upon the

1 issuance of the latter. The center may provide for the replacement of any bond which
2 becomes mutilated or is destroyed or lost.

3 (m) Revenue bonds issued under this Code section shall not be deemed to constitute a debt
4 of the State of Georgia or a pledge of the faith and credit of the state, but such bonds shall
5 be payable solely from the fund, and the issuance of such revenue bonds shall not directly,
6 indirectly, or contingently obligate the state to levy or to pledge any form of taxation
7 whatever therefor or to make any appropriation for their payment. All such bonds shall
8 contain recitals on their face covering substantially the foregoing provisions of this Code
9 section.

10 (n) In the discretion of the board, any issue of such revenue bonds may be secured by a
11 trust indenture by and between the center and a corporate trustee, which may be any trust
12 company or bank having the powers of a trust company within or outside of the state. Such
13 trust indenture may pledge or assign rents, revenues, and earnings to be received by the
14 center. All expenses incurred in carrying out the trust indenture may be treated as a part
15 of the cost of maintenance, operation, and repair of the project affected by the indenture.
16 The board shall, in the resolution providing for issuance of revenue bonds or in the trust
17 indenture, provide for the payment of the proceeds of the sale of the bonds to any officer,
18 person, agency, bank, or trust company. The recipient so designated by the board shall act
19 as trustee of such funds and shall hold and apply the same to the purposes enumerated in
20 this Code section, subject to such regulations as this Code section and such resolution or
21 trust indenture may provide.

22 (o) While any of the bonds issued by the center remain outstanding, the powers, duties, or
23 existence of the center, or of its officers, employees, or agents, or of any department, board,
24 commission, or agency of the state, shall not be diminished or impaired in any manner that
25 will affect adversely the interests and rights of the holders of such bonds. No other entity,
26 department, agency, or authority shall be created which will compete with the center to
27 such an extent as to affect adversely the interests and rights of the holders of such bonds,
28 nor shall the state itself so compete with the center. This Code section shall be for the
29 benefit of the state, the center, and the holders of any such bonds and, upon the issuance
30 of bonds under the provisions of this Code section, shall constitute a contract with the
31 holders of such bonds.

32 (p) Bonds of the center shall be confirmed and validated in accordance with the procedure
33 provided by Article 3 of Chapter 82 of Title 36. The petition for validation shall also make
34 party defendant to such action any authority, subdivision, instrumentality, or agency of the
35 State of Georgia which has contracted with the center for the use of any building, structure,
36 business, or facilities for which bonds have been issued and sought to be validated. Such
37 authority, subdivision, instrumentality, or agency shall be required to show cause, if any,

1 why such contract or contracts and the terms and conditions thereof should not be inquired
2 into by the court, the validity of the terms thereof determined, and the contract adjudicated
3 as security for the payment of any such bonds of the center. The bonds when validated and
4 the judgment of validation shall be final and conclusive with respect to such bonds and
5 against the center issuing the same and any authority, subdivision, instrumentality,
6 department, or agency contracting with the center.

7 50-31-17.

8 The center may issue certificates of tax credits to persons or entities that make significant
9 gifts or grants to or investments in the Georgia Venture Capital Fund. Such certificates for
10 tax credits, if redeemed for the maximum possible amount, shall not exceed a total
11 aggregate of \$100 million of tax credits. The certificates shall be issued
12 contemporaneously with a commitment to invest or donate to the fund by a designated
13 investor or grantor. A certificate issued by the center shall have a specific maturity date
14 or dates designated by the center, and shall be redeemable only in accordance with the
15 contingencies reflected on the certificate or incorporated therein by reference. A certificate
16 and the related tax credit shall be transferable by the designated investor or grantor. A tax
17 credit shall not be claimed or redeemed except by a designated investor, grantor, or
18 transferee in accordance with the terms of a certificate from the center. A tax credit shall
19 not be claimed for a tax year that begins earlier than the maturity date or dates stated on the
20 certificate. The center shall, in cooperation with the department of revenue, establish
21 criteria and procedures for the allocation and issuance of tax credits to designated investors
22 and grantors by means of certificates issued by the center. The center shall, in conjunction
23 with the department of revenue, develop a system for registration of any certificate and
24 related tax credit issued or transferred pursuant to this Code section and a system that
25 permits verification that any tax credit claimed upon a tax return is valid and that any
26 transfers of the certificate and related tax credit are made in accordance with the
27 requirements of this chapter.

28 50-31-18.

29 It is found, determined, and declared that the creation of the center and the carrying out of
30 its corporate purpose are in all respects for the benefit of the people of this state and
31 constitute a public purpose and that the center will be performing an essential governmental
32 function in the exercise of the power conferred upon it by this chapter. This state
33 covenants with the holders of the bonds that the center shall be required to pay no taxes or
34 assessments upon any of the property, assets, or funds acquired or leased by it, or under its
35 jurisdiction, control, possession, or supervision or upon any fees, rentals, or other charges

1 received by the center for the use of such property, assets, or funds, or upon other income
2 received by the center and that the center shall be exempt from all sales and use taxes.
3 Further, this state covenants that the bonds of the center, their transfer, and the income
4 therefrom shall at all times be exempt from all taxation within the state.

5 50-31-19.

6 (a) The center shall review and evaluate related investment funds and economic
7 development programs under the management of other state agencies or authorities or
8 private investors funded in whole or in part with state funds and provide advice related to
9 such funds and programs, including:

10 (1) The Emerging Crops Fund as provided for in Chapter 8A of Title 2;

11 (2) The Georgia Seed Development Commission as provided for in Chapter 4 of Title 2;

12 (3) The Seed-Capital Fund as provided for in Chapter 10 of Title 10;

13 (4) The Department of Economic Development as provided for in Chapter 7 of Title 50;

14 (5) The Department of Community Affairs as provided for in Chapter 8 of Title 50;

15 (6) The Georgia Development Authority as provided for in Chapter 10 of Title 50;

16 (7) The Georgia State Financing and Investment Commission as provided for in Chapter
17 17 of Title 50;

18 (8) The OneGeorgia Authority as provided for in Chapter 34 of Title 50;

19 (9) The Georgia Cancer Coalition or similar organization; and

20 (10) The Georgia Research Alliance or similar organization.

21 (b) The evaluation of each such investing and economic marketing agency or organization
22 shall include an assessment of the operations of the funding programs and practices of each
23 agency or organization as these relate to the use of state funds to promote economic growth
24 in this state. All departments, state agencies, committees, commissioners, or officers of
25 this state shall give the director of the center any necessary assistance required in the
26 performance of the duties required by this chapter. All departments, state agencies,
27 committees, commissioners, or officers of this state shall provide the director, or his or her
28 designee, free access to any book, record, or document in their custody, relating to the
29 matters within the scope of the director's duties as required by this Code section.

30 (c) A summary report of the center's review and evaluation of related state investment
31 funds shall be prepared annually within three months of the close of each fiscal year.
32 Copies of the report shall be provided to the members of the board, Governor, Speaker of
33 the House of Representatives, President of the Senate, and any other member of the
34 General Assembly requesting a copy of the report.

1 50-31-20.

2 (a) The Department of Audits shall conduct and report a financial postaudit of the center's
3 investments and all financial activity relating to the fund for the immediately preceding
4 fiscal year within three months of the close of each fiscal year.

5 (b) The board shall prepare a comprehensive annual report to the Governor and the
6 General Assembly detailing the operational and fund activity of the center and other
7 agencies and recommending a legislative agenda that will continue to encourage growth
8 in entrepreneurship throughout the state.

9 (c) The report shall be published annually within three months after the close of each fiscal
10 year.

11 (d) The annual report shall specifically account for the ways in which the need, mission,
12 and programs of the center described in this chapter have been carried out. The report shall
13 include the following information regarding the center's activities:

14 (1) A detailed audit of all accounts and account activities for the preceding year;

15 (2) A list of entities and persons that received funding, the amount received, and the type
16 of funding;

17 (3) A description of the benefits to this state resulting from the fund including the
18 number of new patents, licensing agreements, copyrights, or trademarks applied for and
19 issued, the number of new products commercialized, the number of new start-up
20 scientific innovative businesses, and the number of new jobs and projected new job
21 growth;

22 (4) Amounts of other funds leveraged to Georgia;

23 (5) Money or other revenue or property returned to the investment fund; and

24 (6) The number of new licensing agreements by institution and new licensing agreements
25 entered into with Georgia based firms.

26 (e) The report shall summarize the progress of the center in implementing investments and
27 financial assistance authorized by this chapter.

28 50-31-21.

29 No part of the fund shall inure to the benefit of or be distributed to its members or officers
30 or other private persons, except that the board shall be authorized and empowered to pay
31 reasonable compensation for services rendered and to reimburse expenses incurred. No
32 loans, grants, or financial assistance shall be made to, no credits shall be allocated to, and
33 no property shall be purchased or leased from or sold, leased, or otherwise disposed of to
34 any member of the board or officer or employee of the center in his or her individual
35 capacity or by virtue of partnership or ownership of a for profit corporation. A member of
36 the board or director or employee of the center or his or her family member shall not gain

1 from any investment of funds or assets of the fund, nor shall he or she or any such family
2 member have any direct or indirect interest in an investment of funds or assets of the fund.
3 Failure to comply with this Code section constitutes misconduct in office subjecting the
4 member or employee to removal from office."

5 **SECTION 2.**

6 All laws and parts of laws in conflict with this Act are repealed.