

## Committee on Commerce and Tourism

### **CS/HB 705 — Targeted Economic Development**

by the Economic Development and Tourism Subcommittee and Rep. Workman (CS/SB 546 by Commerce and Tourism Committee and Senator Ring)

The bill amends s. 288.9625, F.S., to expand the purpose of the Institute for the Commercialization of Public Research (the institute) to include the commercialization of products developed by “innovation businesses,” as defined under current law. The bill allows the institute to provide services to private companies and affiliated organizations for a fee, provided such services do not interfere with the institute’s core mission.

The bill creates s. 288.9625, F.S. The bill directs the institute to create a corporate subsidiary called the Florida Technology Seed Capital Fund (the fund). The fund is guided by an investor advisory board and must employ individuals with expertise to manage the fund’s activity.

The fund may make seed-stage equity investments in companies that meet certain qualifications. Once a company’s proposal has been approved by the institute, an investment of between \$50,000 and \$300,000 can be made if the company provides a one-to-one private sector match. Additional seed investments require a two-to-one private sector match, and can reach a cumulative total investment of up to \$500,000 for a single company.

Proceeds resulting from the sale of any equity in a company must be reinvested by the fund. The institute is also permitted to provide certain other value-added services to participating companies, and to support marketing and economic development in Florida.

If approved by the Governor, these provisions take effect July 1, 2013.

*Vote: Senate 37-1; House 116-0*