

# MAINE STATE LEGISLATURE

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**BUSINESS AND ECONOMIC DEVELOPMENT**

Reported by: Senator CIANCHETTE of Somerset for the Committee.

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**STATE OF MAINE  
SENATE  
117TH LEGISLATURE  
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT " A " to S.P. 511, L.D. 1370, Bill, "An Act to Promote Long-term Economic Development through the Establishment of the Maine Technology Investment Fund"

Amend the bill by striking out all of the emergency preamble.

Further amend the bill by inserting after the enacting clause and before section 1 the following:

'Sec. 1. 5 MRSA §13122-I is enacted to read:

**§13122-I. Plan**

The foundation shall develop and submit to the Governor and the Legislature by January 1, 1996 and the first day of the first legislative session of each biennium thereafter:

1. Action plan. An action plan for the application of science and technology to improve the State's position in the global economy. The plan must be based on the State's overall economic development strategy as determined by the Commissioner of Economic and Community Development. The action plan must identify specific steps that public and private institutions must implement to improve the State's science and technology infrastructure. The plan must also identify action steps that could be implemented immediately without new state appropriations and resources and action steps that will require new state appropriations or major reallocation of state appropriations and resources.

The action plan must include numerical objectives, costs and an evaluation protocol. The plan must also include a provision for assigning and ensuring accountability for those who receive state funds through the foundation. In the preparation of this plan,

2 the foundation shall seek the advice of state agencies, the Maine  
3 Economic Growth Council, the University of Maine System and the  
4 business, education and research communities; and

6 2. Report card. A report card that:

8 A. Compares the State's science and technology  
9 infrastructure standing to that of other states, based on  
10 the results of all independent organizations or reports that  
11 make such comparisons and on any other appropriate  
12 comparisons as determined by the foundation and those  
13 agencies with which the foundation is directed by this  
14 section to consult;

16 B. Assesses the performance of the State and those who  
17 receive state funds in meeting the goals, objectives and  
18 action steps outlined in the action plan; and

20 C. Makes recommendations for improving the results shown on  
21 the report card.'

22 Further amend the bill in section 1 in that part designated  
23 "~~§13131.~~" in subsection 1 in paragraph A in the first line (page  
24 2, line 9 in L.D.) by striking out the following: "with its  
25 principal place of" and inserting in its place the following:  
26 'doing'

28 Further amend the bill in section 1 in that part designated  
29 "~~§13131.~~" in subsection 1 by inserting after paragraph B the  
30 following:

32 'C. "Intellectual property" means any legal protectable  
33 materials, including any new information, technologies,  
34 inventions, designs, works of authorship, any strain,  
35 variety or culture of an organism, or any portion,  
36 modification, translation or extension of these items, any  
37 processes, mineral discoveries and other legally protectable  
38 materials, including know-how and trade secrets, that are  
39 generated as a direct and indirect result of investments  
40 made by the foundation through contracts, grants or any  
41 other legal agreement.

42  
43 D. "Protection of intellectual property rights" means  
44 protecting the foundation's rights to intellectual property  
45 through intellectual property protection mechanisms,  
46 including, but not limited to, patents, copyrights,  
47 trademarks, trade secrets and licensing rights.'

48  
49 Further amend the bill in section 1 in that part designated  
50 "~~§13131.~~" in subsection 1 in paragraph C in the first line (page

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2, line 17 in L.D.) by striking out the following: "C." and inserting in its place the following: 'E.'

Further amend the bill in section 1 in that part designated "§13131." in subsection 1 in paragraph D in the first line (page 2, line 22 in L.D.) by striking out the following: "D." and inserting in its place the following: 'F.'

Further amend the bill in section 1 in that part designated "§13131." in subsection 1 in paragraph E in the first line (page 2, line 30 in L.D.) by striking out the following: "E." and inserting in its place the following: 'G.'

Further amend the bill in section 1 in that part designated "§13131." in subsection 2 in paragraph E in the last line (page 3, line 17 in L.D.) by striking out the following: "and"

Further amend the bill in section 1 in that part designated "§13131." in subsection 2 in paragraph F in subparagraph (4) in the last line (page 3, line 35 in L.D.) by striking out the following: "subsection 3." and inserting in its place the following: 'subsection 3 and federal and nonstate matching funds;'

Further amend the bill in section 1 in that part designated "§13131." in subsection 2 by inserting at the end the following:

'G. Owning intellectual property, licensing intellectual property, and negotiating for and collecting royalty rights or otherwise realizing a return on investment made under the fund and all programs of the foundation when appropriate in order to promote the interests and investments of the State in furthering science and technology; and

H. Protecting all proprietary information contained in proposals, contracts and grants or any other legal agreement only when such information is likely to involve patentable material that loses its protectable nature when presented in a public forum.'

Further amend the bill in section 1 in that part designated "§13131." in subsection 3 in paragraph A in the last line (page 3, line 50 in L.D.) by inserting after the following: "electronics;" the following: 'and'

Further amend the bill in section 1 in that part designated "§13131." in subsection 3 in paragraph B in subparagraph (1) in the 3rd line (page 4, line 12 in L.D.) by striking out the following: "value-added"

**COMMITTEE AMENDMENT**

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2 Further amend the bill in section 1 in that part designated  
"§13131." in subsection 3 in paragraph B in subparagraph (1) in  
4 the last line (page 4, line 17 in L.D.) by striking out the  
following: "value-added"

6 Further amend the bill in section 1 in that part designated  
"§13131." in subsection 3 in paragraph B in subparagraph (4) in  
8 the last line (page 4, line 41 in L.D.) by striking out the  
following: "solicitation;" and inserting in its place the  
10 following: 'solicitation.'

12 Further amend the bill in section 1 in that part designated  
"§13131." in subsection 3 by striking out all of paragraphs C and  
14 D.

16 Further amend the bill in section 1 in that part designated  
"§13131." by inserting after subsection 3 the following:

18 '4. Guidelines. The board of directors of the foundation  
shall establish guidelines for:

20 A. The amounts of the revenues generated by the investment  
22 of money contained in the fund that may be used to pay the  
24 foundation's operating expenses associated with the  
operation of the fund. The operating expenses may not  
26 exceed the indirect cost rate negotiated between the  
foundation and its cognizant federal agency; and

28 B. Cash and in-kind match requirements based on the  
30 activities to be supported with the fund. The foundation  
shall strive to achieve a minimum match of 1:1, on an annual  
32 basis, for matching grant activities supported under the  
fund.

34 5. Liquidation and dissolution. In the event of  
36 liquidation or dissolution of the foundation or the fund, any  
rights or interests in a qualified security or portion of a  
38 qualified security purchased with money invested by the State  
vest in the State. The State is entitled to, in proportion to  
40 the amount of investment in the fund by the State, any balance of  
money remaining in the fund after payment of all debts and  
42 obligations upon liquidation or dissolution of the foundation or  
the fund.'

44 Further amend the bill by striking out all of the emergency  
46 clause.

48 Further amend the bill by relettering or renumbering any  
50 nonconsecutive Part letter or section number to read  
consecutively.

# COMMITTEE AMENDMENT

2 Further amend the bill by inserting at the end before the  
statement of fact the following:

4  
6 **FISCAL NOTE**

8 This bill will require additional General Fund  
appropriations or other funding sources to capitalize the Maine  
Technology Investment Fund. The Governor's proposed  
10 supplemental, Part 2, budget includes General Fund appropriations  
of \$500,000 in each of fiscal years 1995-96 and 1996-97 to the  
12 Maine Science and Technology Foundation for this capitalization.'

14  
16 **STATEMENT OF FACT**

18 The bill sets up a multi-source technology investment fund  
to match federal grants and to invest directly in technology.  
20 The amendment provides authority to own intellectual property  
rights and to protect proprietary associated with contracts,  
22 grants and investments; provides for a limit to the amount the  
foundation can charge against the fund for operation expenses;  
24 provides for a minimum match requirement for grants made under  
the matching grants activities; and includes a provision for  
26 reporting matching funds.

28 The amendment requires the foundation to develop a biennial  
statewide science and technology plan that is based on the  
30 State's economic development strategy. The plan must contain  
objectives, costs and provisions for evaluation and assigning and  
32 ensuring accountability. The amendment also requires the  
foundation to develop and release a biennial report card that  
34 describes how the State's science and technology infrastructure  
compares nationally and assesses the performance of the State and  
36 recipients of state funds in meeting the goals and objectives in  
the biennial plan.