

SECOND REGULAR SESSION

# HOUSE BILL NO. 1208

## 97TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE BERRY.

4156L.011

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To repeal sections 348.250, 348.253, 348.257, 348.265, 348.269, and 348.280, RSMo, sections 196.1109, 196.1115, 348.251, 348.256, 348.261, 348.262, 348.263, 348.264, 348.271, and 348.300 as enacted by senate substitute for senate committee substitute for senate bill no. 7, ninety-sixth general assembly, first extraordinary session, sections 196.1109 and 196.1115 as enacted by senate committee substitute for house committee substitute for house bill no. 688, ninety-second general assembly, first regular session, sections 348.251, 348.262, and 348.263 as enacted by conference committee substitute for senate substitute for senate committee substitute for house substitute for house committee substitute for house bill nos. 1248 & 1048, eighty-seventh general assembly, second regular session, sections 348.256, 348.264, and 348.271 as enacted by conference committee substitute for senate substitute for senate committee substitute for house substitute for house bill no. 414, eighty-eighth general assembly, first regular session, section 348.261 as enacted by senate committee substitute for house committee substitute for house bill no. 574, eighty-eighth general assembly, first regular session, and section 348.300 as enacted by senate committee substitute for house committee substitute for house bill no. 1, ninety-fourth general assembly, first extraordinary session, and to enact in lieu thereof fourteen new sections relating to encouraging investment in science and technology, with an emergency clause.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Sections 348.250, 348.253, 348.257, 348.265, 348.269, and 348.280, RSMo,  
2 sections 196.1109, 196.1115, 348.251, 348.256, 348.261, 348.262, 348.263, 348.264, 348.271,  
3 and 348.300 as enacted by senate substitute for senate committee substitute for senate bill no.

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

4 7, ninety-sixth general assembly, first extraordinary session, sections 196.1109 and 196.1115 as  
5 enacted by senate committee substitute for house committee substitute for house bill no. 688,  
6 ninety-second general assembly, first regular session, sections 348.251, 348.262, and 348.263  
7 as enacted by conference committee substitute for senate substitute for senate committee  
8 substitute for house substitute for house committee substitute for house bill nos. 1248 & 1048,  
9 eighty-seventh general assembly, second regular session, sections 348.256, 348.264, and 348.271  
10 as enacted by conference committee substitute for senate substitute for senate committee  
11 substitute for house substitute for house bill no. 414, eighty-eighth general assembly, first regular  
12 session, section 348.261 as enacted by senate committee substitute for house committee  
13 substitute for house bill no. 574, eighty-eighth general assembly, first regular session, and section  
14 348.300 as enacted by senate committee substitute for house committee substitute for house bill  
15 no. 1, ninety-fourth general assembly, first extraordinary session, are repealed and fourteen new  
16 sections enacted in lieu thereof, to be known as sections 196.1109, 196.1115, 348.250, 348.251,  
17 348.256, 348.257, 348.261, 348.262, 348.263, 348.264, 348.265, 348.269, 348.271, and 348.300,  
18 to read as follows:

2 [196.1109. All moneys that are appropriated by the general assembly  
3 from the life sciences research trust fund shall be appropriated to the life sciences  
4 research board to increase the capacity for quality of life sciences research at  
5 public and private not-for-profit institutions in the state of Missouri and to  
6 thereby:

7 (1) Improve the quantity and quality of life sciences research at public  
8 and private not-for-profit institutions, including but not limited to basic research  
9 (including the discovery of new knowledge), translational research (including  
10 translating knowledge into a usable form), and clinical research (including the  
11 literal application of a therapy or intervention to determine its efficacy), including  
12 but not limited to health research in human development and aging, cancer,  
13 endocrine, cardiovascular, neurological, pulmonary, and infectious disease, and  
14 plant sciences, including but not limited to nutrition and food safety; and

15 (2) Enhance technology transfer and technology commercialization  
16 derived from research at public and private not-for-profit institutions within the  
17 centers for excellence. For purposes of sections 196.1100 to 196.1130,  
18 "technology transfer and technology commercialization" includes stages of the  
19 regular business cycle occurring after research and development of a life science  
20 technology, including but not limited to reduction to practice, proof of concept,  
21 and achieving federal Food and Drug Administration, United States Department  
22 of Agriculture, or other regulatory requirements in addition to the definition in  
23 section 348.251.

24 Funds received by the board may be used for purposes authorized in sections  
25 196.1100 to 196.1130 and shall be subject to the restrictions of sections 196.1100  
to 196.1130, including but not limited to the costs of personnel, supplies,

26 equipment, and renovation or construction of physical facilities; provided that in  
27 any single fiscal year no more than thirty percent of the moneys appropriated  
28 shall be used for the construction of physical facilities and further provided that  
29 in any fiscal year up to eighty percent of the moneys shall be appropriated to  
30 build research capacity at public and private not-for-profit institutions and at least  
31 twenty percent and no more than fifty percent of the moneys shall be appropriated  
32 for grants to public or private not-for-profit institutions to promote life science  
33 technology transfer and technology commercialization. Of the moneys  
34 appropriated to build research capacity, twenty percent of the moneys shall be  
35 appropriated to promote the development of research of tobacco-related  
36 illnesses.]  
37

196.1109. All moneys that are appropriated by the general assembly from the life  
2 sciences research trust fund shall be appropriated to the life sciences research board to increase  
3 the capacity for quality of life sciences research at public and private not-for-profit institutions  
4 in the state of Missouri and to thereby:

5 (1) Improve the quantity and quality of life sciences research at public and private  
6 not-for-profit institutions, including but not limited to basic research (including the discovery  
7 of new knowledge), translational research (including translating knowledge into a usable form),  
8 and clinical research (including the literal application of a therapy or intervention to determine  
9 its efficacy), including but not limited to health research in human development and aging,  
10 cancer, endocrine, cardiovascular, neurological, pulmonary, and infectious disease, and plant  
11 sciences, including but not limited to nutrition and food safety; and

12 (2) Enhance technology transfer and technology commercialization derived from  
13 research at public and private not-for-profit institutions within the centers for excellence. For  
14 purposes of sections 196.1100 to 196.1130, "technology transfer and technology  
15 commercialization" includes stages of the regular business cycle occurring after research and  
16 development of a life science technology, including but not limited to reduction to practice, proof  
17 of concept, and achieving federal Food and Drug Administration, United States Department of  
18 Agriculture, or other regulatory requirements in addition to the definition in section 348.251.  
19

20 Funds received by the board may be used for purposes authorized in sections 196.1100 to  
21 196.1130 and shall be subject to the restrictions of sections 196.1100 to 196.1130, including but  
22 not limited to the costs of personnel, supplies, equipment, and renovation or construction of  
23 physical facilities; provided that in any single fiscal year no more than [ten] **thirty** percent of the  
24 moneys appropriated shall be used for the construction of physical facilities and further provided  
25 that in any fiscal year **up to** eighty percent of the moneys shall be appropriated to build research  
26 capacity at public and private not-for-profit institutions and **no less than** twenty percent of the

27 moneys **and no more than fifty percent of the moneys** shall be appropriated for grants to  
28 public or private not-for-profit institutions to promote life science technology transfer and  
29 technology commercialization. Of the moneys appropriated to build research capacity, twenty  
30 percent of the moneys shall be appropriated to promote the development of research of  
31 tobacco-related illnesses.

32

2 [196.1115. 1. The moneys appropriated to the life sciences research  
3 board that are not distributed by the board in any fiscal year to a center for  
4 excellence or a center for excellence endorsed program pursuant to section  
5 196.1112, if any, shall be held in reserve by the board or shall be awarded on the  
6 basis of peer review panel recommendations for capacity building initiatives  
7 proposed by public and private not-for-profit academic, research, or health care  
8 institutions or organizations, or individuals engaged in competitive research in  
9 targeted fields consistent with the provisions of sections 196.1100 to 196.1130.

10 2. The life sciences research board may, in view of the limitations  
11 expressed in section 196.1130:

12 (1) Award and enter into grants or contracts relating to increasing  
13 Missouri's research capacity at public or private not-for-profit institutions;

14 (2) Make provision for peer review panels to recommend and review  
15 research projects;

16 (3) Contract for support services;

17 (4) Lease or acquire facilities and equipment;

18 (5) Employ administrative staff; and

19 (6) Receive, retain, hold, invest, disburse or administer any moneys that  
20 it receives from appropriations or from any other source.

21 3. The Missouri technology corporation, established under section  
22 348.251, shall serve as the administrative agent for the life sciences research  
23 board.

24 4. The life sciences research board shall utilize as much of the moneys  
25 as reasonably possible for building capacity at public and private not-for-profit  
26 institutions to do research rather than for administrative expenses. The board  
27 shall not in any fiscal year expend more than two percent of the total moneys  
28 appropriated to it and of the moneys that it has in reserve or has received from  
29 other sources for its own administrative expenses for appropriations equal to or  
30 greater than twenty million dollars; three percent for appropriations less than  
31 twenty million dollars but equal to or greater than fifteen million dollars; four  
32 percent for appropriations less than fifteen million dollars but equal to or greater  
33 than ten million dollars; five percent for appropriations less than ten million  
34 dollars; provided, however, that the general assembly by appropriation from the  
35 life sciences research trust fund may authorize a limited amount of additional  
36 moneys to be expended for administrative costs.]

196.1115. 1. The moneys appropriated to the life sciences research board that are not distributed by the board in any fiscal year to a center for excellence or a center for excellence endorsed program pursuant to section 196.1112, if any, shall be held in reserve by the board or shall be awarded on the basis of peer review panel recommendations for capacity building initiatives proposed by public and private not-for-profit academic, research, or health care institutions or organizations, or individuals engaged in competitive research in targeted fields consistent with the provisions of sections 196.1100 to 196.1130.

2. The life sciences research board may, in view of the limitations expressed in section 196.1130:

(1) Award and enter into grants or contracts relating to increasing Missouri's research capacity at public or private not-for-profit institutions;

(2) Make provision for peer review panels to recommend and review research projects;

(3) Contract for [administrative and] support services;

(4) Lease or acquire facilities and equipment;

(5) Employ administrative staff; and

(6) Receive, retain, hold, invest, disburse or administer any moneys that it receives from appropriations or from any other source.

3. **The administrative agent for the life sciences research board shall be the Missouri technology corporation, established under section 348.251.**

4. The life sciences research board shall utilize as much of the moneys as reasonably possible for building capacity at public and private not-for-profit institutions to do research rather than for administrative expenses. The board shall not in any fiscal year expend more than two percent of the total moneys appropriated to it and of the moneys that it has in reserve or has received from other sources for its own administrative expenses **for appropriations not less than twenty million dollars; three percent for appropriations less than twenty million dollars but equal to or greater than fifteen million dollars; four percent for appropriations less than fifteen million dollars but equal to or greater than ten million dollars; five percent for appropriations less than ten million dollars;** provided, however, that the general assembly by appropriation from the life sciences research trust fund may authorize a limited amount of additional moneys to be expended for administrative costs.

**348.250. Sections 348.250 to 348.275 shall be known and may be cited as the "Missouri Science and Innovation Reinvestment Act".**

[348.251. 1. As used in sections 348.251 to 348.266, the following terms mean:

(1) "Applicable percentage", six percent for the fiscal year beginning July 1, 2012, and the next fourteen consecutive fiscal years; five percent for the

5 immediately subsequent five fiscal years; and four percent for the immediately  
6 subsequent five fiscal years;

7 (2) "Applied research", any activity that seeks to utilize, synthesize, or  
8 apply existing knowledge, information, or resources to the resolution of a specific  
9 problem, question, or issue of science and innovation, including but not limited  
10 to translational research;

11 (3) "Base year", fiscal year ending June 30, 2010;

12 (4) "Base year gross wages", gross wages paid by science and innovation  
13 companies to science and innovation employees during fiscal year ending June  
14 30, 2010;

15 (5) "Basic research", any original investigation for the advancement of  
16 scientific or technical knowledge of science and innovation;

17 (6) "Commercialization", any of the full spectrum of activities required  
18 for a new technology, product, or process to be developed from the basic research  
19 or conceptual stage through applied research or development to the marketplace,  
20 including without limitation, the steps leading up to and including licensing,  
21 sales, and service;

22 (7) "Corporation", the Missouri technology corporation established under  
23 this section;

24 (8) "Fields of applicable expertise", any of the following fields: science  
25 and innovation research, development, or commercialization, including basic  
26 research and applied research; corporate finance, venture capital, and private  
27 equity related to science and innovation; the business and management of science  
28 and innovation companies; education related to science and innovation; or civic  
29 or corporate leadership in areas related to science and innovation;

30 (9) "Inherent conflict of interest", a fundamental or systematic conflict  
31 of interest that prevents a person from serving as a disinterested director of the  
32 corporation and from routinely performing his or her duties as a director of the  
33 corporation;

34 (10) "NAICS industry groups" or "NAICS codes", the North American  
35 Industry Classification System developed under the auspices of the United States  
36 Office of Management and Budget and adopted in 1997, as may be amended,  
37 revised, or replaced by similar classification systems for similar uses from time  
38 to time;

39 (11) "Science and innovation", the use of compositions and methods in  
40 research, development, and manufacturing processes for such diverse areas as  
41 agriculture-biotechnology, animal health, biochemistry, bioinformatics, energy,  
42 environment, forestry, homeland security, information technology, medical  
43 devices, medical diagnostics, medical instruments, medical therapeutics,  
44 microbiology, nanotechnology, pharmaceuticals, plant biology, and veterinary  
45 medicine, including future developments in such areas;

46 (12) "Science and innovation company", a corporation, limited liability  
47 company, S corporation, partnership, registered limited liability partnership,

48 foundation, association, nonprofit entity, sole proprietorship, business trust,  
49 person, group, or other entity that is:

50 (a) Engaged in the research, development, commercialization, or business  
51 of science and innovation in the state, including, without limitation, research,  
52 development, or production directed toward developing or providing science and  
53 innovation products, processes, or services for specific commercial or public  
54 purposes, including hospitals, nonprofit research institutions, incubators,  
55 accelerators, and universities currently located or involved in the research,  
56 development, commercialization, or business of science and innovation in the  
57 state; or

58 (b) Identified by the following NAICS industry groups or NAICS codes  
59 or any amended or successor code sections covering such areas of research,  
60 development, and commercial endeavors: 3251; 3253; 3254; 3391; 51121;  
61 54138; 54171; 62231; 111191; 111421; 111920; 111998; 311119; 311211;  
62 311221; 311222; 311223; 325193; 325199; 325221; 325222; 325611; 325612;  
63 325613; 325311; 325312; 325314; 325320; 325411; 325412; 325414; 333298;  
64 334510; 334516; 334517; 339111; 339112; 339113; 339114; 339115; 339116;  
65 424910; 541710; 621511; and 621512.

66 Each of the above listed four-digit and five-digit codes shall include all six-digit  
67 codes in such four-digit and five-digit industry; however, each six-digit code  
68 shall stand alone and not indicate the inclusion of other omitted six-digit codes  
69 that also are subsets of the pertinent four-digit or five-digit industry to which the  
70 included six-digit code belongs;

71 (13) "Science and innovation employee", any employee, officer, or  
72 director of a science and innovation company who is a state income taxpayer and  
73 any employee of a university who is associated with or supports the research,  
74 development, commercialization, or business of science and technology in the  
75 state and is obligated to pay state income tax to the state;

76 (14) "Technology application", the introduction and adaptation of refined  
77 management practices in fields such as scheduling, inventory management,  
78 marketing, product development, and training in order to improve the quality,  
79 productivity and profitability of an existing firm. Technology application shall  
80 be considered a component of business modernization;

81 (15) "Technology development", strategically focused research directed  
82 at developing investment-grade technologies which are important for market  
83 competitiveness.

84 2. The governor may, on behalf of the state and in accordance with  
85 chapter 355, establish a private not-for-profit corporation named the "Missouri  
86 Technology Corporation", to carry out the provisions of sections 348.251 to  
87 348.266. As used in sections 348.250 to 348.275 the word "corporation" means  
88 the Missouri technology corporation authorized by this section. Before  
89 certification by the governor, the corporation shall conduct a public hearing for  
90 the purpose of giving all interested parties an opportunity to review and comment

91 on the articles of incorporation, bylaws and methods of operation of the  
92 corporation. Notice of the hearing shall be given at least fourteen days prior to  
93 the hearing.]  
94

348.251. 1. As used in sections 348.251 to 348.266, the following terms mean:

- 2 (1) **"Applicable percentage", six percent for the fiscal year beginning July 1, 2012,**  
3 **and the next fourteen consecutive fiscal years; five percent for the immediately subsequent**  
4 **five fiscal years; and four percent for the immediately subsequent five fiscal years;**
- 5 (2) **"Applied research", any activity that seeks to utilize, synthesize, or apply**  
6 **existing knowledge, information, or resources to the resolution of a specific problem,**  
7 **question, or issue of science and innovation, including but not limited to translational**  
8 **research;**
- 9 (3) **"Base year", the fiscal year ending June 30, 2010;**
- 10 (4) **"Base year gross wages", gross wages paid by science and innovation companies**  
11 **to science and innovation employees during the fiscal year ending June 30, 2010;**
- 12 (5) **"Basic research", any original investigation for the advancement of scientific**  
13 **or technical knowledge of science and innovation;**
- 14 (6) **"Commercialization", any of the full spectrum of activities required for a new**  
15 **technology, product, or process to be developed from the basic research or conceptual stage**  
16 **through applied research or development to the marketplace, including without limitation,**  
17 **the steps leading up to and including licensing, sales, and service;**
- 18 (7) **"Corporation", the Missouri technology corporation established under this**  
19 **section;**
- 20 (8) **"Fields of applicable expertise", any of the following fields:**
  - 21 (a) **Science and innovation research, development, or commercialization, including**  
22 **basic research and applied research;**
  - 23 (b) **Corporate finance, venture capital, and private equity related to science and**  
24 **innovation;**
  - 25 (c) **The business and management of science and innovation companies;**
  - 26 (d) **Education related to science and innovation; or**
  - 27 (e) **Civic or corporate leadership in areas related to science and innovation;**
- 28 (9) **"Inherent conflict of interest", a fundamental or systematic conflict of interest**  
29 **that prevents a person from serving as a disinterested director of the corporation and from**  
30 **routinely performing the person's duties as a director of the corporation;**
- 31 (10) **"NAICS industry groups" or "NAICS codes", the North American Industry**  
32 **Classification System developed under the auspices of the United States Office of**

33 Management and Budget and adopted in 1997, as may be amended, revised, or replaced  
34 by similar classification systems for similar uses from time to time;

35 (11) "Science and innovation", the use of compositions and methods in research,  
36 development, and manufacturing processes for such diverse areas as  
37 agriculture-biotechnology, animal health, biochemistry, bioinformatics, energy,  
38 environment, forestry, homeland security, information technology, medical devices,  
39 medical diagnostics, medical instruments, medical therapeutics, microbiology,  
40 nanotechnology, pharmaceuticals, plant biology, and veterinary medicine, including future  
41 developments in such areas;

42 (12) "Science and innovation company", a corporation, limited liability company,  
43 S corporation, partnership, registered limited liability partnership, foundation, association,  
44 nonprofit entity, sole proprietorship, business trust, person, group, or other entity that is:

45 (a) Engaged in the research, development, commercialization, or business of science  
46 and innovation in this state, including without limitation, research, development, or  
47 production directed toward developing or providing science and innovation products,  
48 processes, or services for specific commercial or public purposes, including hospitals,  
49 nonprofit research institutions, incubators, accelerators, and universities currently located  
50 or involved in the research, development, commercialization, or business of science and  
51 innovation in this state; or

52 (b) Identified by the following NAICS industry groups or NAICS codes or any  
53 amended or successor code sections covering such areas of research, development, and  
54 commercial endeavors: 3251, 3253, 3254, 3391, 51121, 54138, 54171, 62231, 111191,  
55 111421, 111920, 111998, 311119, 311211, 311221, 311222, 311223, 325193, 325199, 325221,  
56 325222, 325611, 325612, 325613, 325311, 325312, 325314, 325320, 325411, 325412, 325414,  
57 333298, 334510, 334516, 334517, 339111, 339112, 339113, 339114, 339115, 339116, 424910,  
58 541710, 621511, and 621512.

59

60 Each of the above listed four-digit and five-digit codes shall include all six-digit codes in  
61 such four-digit and five-digit industry; however, each six-digit code shall stand alone and  
62 not indicate the inclusion of other omitted six-digit codes that also are subsets of the  
63 pertinent four-digit or five-digit industry to which the included six-digit code belongs;

64 (13) "Science and innovation employee", any employee, officer, or director of a  
65 science and innovation company who is a state income taxpayer and any employee of a  
66 university who is associated with or supports the research, development,  
67 commercialization, or business of science and technology in the state and is obligated to pay  
68 state income tax to the state;

69           (14) "Technology application", the introduction and adaptation of refined management  
70 practices in fields such as scheduling, inventory management, marketing, product development,  
71 and training in order to improve the quality, productivity, and profitability of an existing firm.  
72 Technology application shall be considered a component of business modernization;

73           [(2) "Technology commercialization", the process of moving investment-grade  
74 technology from a business, university or laboratory into the marketplace for application;

75           (3)] (15) "Technology development", strategically focused research directed at  
76 developing investment-grade technologies which are important for market competitiveness.

77           2. The governor may, on behalf of the state and in accordance with chapter 355, establish  
78 a private not-for-profit corporation named the "Missouri Technology Corporation", to carry out  
79 the provisions of sections 348.251 to 348.266. As used in sections [348.251 to 348.266] **348.250**  
80 **to 348.275** the word "corporation" means the Missouri technology corporation authorized by this  
81 section. Before certification by the governor, the corporation shall conduct public hearing for  
82 the purpose of giving all interested parties an opportunity to review and comment [upon] **on** the  
83 articles of incorporation, bylaws, and [method] **methods** of operation of the corporation. Notice  
84 of the hearing shall be given at least fourteen days prior to the hearing.

2                       [348.256. 1. The articles of incorporation, bylaws, and methods of  
3 operation of the Missouri technology corporation shall be consistent with the  
4 provisions of sections 348.250 to 348.275.

5                       2. The purposes of the corporation are to contribute to the strengthening  
6 of the economy of the state through the development of science and innovation,  
7 to promote the modernization of Missouri businesses by supporting the transfer  
8 of science, technology and quality improvement methods to the workplace; to  
9 enhance the productivity and modernization of Missouri businesses by providing  
10 leadership in the establishment of methods of technology application, technology  
11 commercialization and technology development; to make Missouri businesses,  
12 institutions, and universities more competitive and increase their likelihood of  
13 success; to support and enhance local and regional strategies and initiatives that  
14 capitalize on the unique science and innovation assets across the state; to make  
15 Missouri a highly desirable state in which to conduct, facilitate, support, fund,  
16 and perform science and innovation research, development, and  
17 commercialization; to facilitate and effect the creation, attraction, retention,  
18 growth, and enhancement of both existing and new science and innovation  
19 companies in the state; to make Missouri a national and international leader in  
20 economic activity based on science and innovation; to enhance workforce  
21 development; to create and retain quality jobs; to advance scientific knowledge;  
22 and to improve the quality of life for the citizens of the state of Missouri in both  
23 urban and rural communities.

24                       3. The board of directors of the corporation shall be composed of fifteen  
persons. The governor shall annually appoint one of its members, who must be

from the private sector, as chairperson. The board shall consist of the following members:

(1) The director of the department of economic development, or the director's designee;

(2) The president of the University of Missouri system, or the president's designee;

(3) A member of the state senate, appointed by the president pro tem of the senate;

(4) A member of the house of representatives, appointed by the speaker of the house;

(5) Eleven members appointed by the governor, with the advice and consent of the senate, who are recognized for outstanding knowledge, leadership, and expertise in one or more of the fields of applicable expertise.

Each of the directors of the corporation who is appointed by the governor shall serve for a term of four years and until a successor is duly appointed.

4. Any changes in the articles of incorporation or bylaws must be approved by the governor.

5. At the discretion of the state auditor, the corporation is subject to an audit by the state auditor and the corporation shall bear the full cost of the audit.

6. Each of the directors of the corporation provided for in subdivisions (1) and (2) of subsection 3 of this section shall remain a director until the designating individual specified in such subdivisions designates a replacement by sending a written communication to the governor and the chairperson of the board of the corporation; provided, however, that if the director of economic development or the president of the University of Missouri system designates himself or herself to the corporation board, such person's service as a corporation director shall cease immediately when that person no longer serves as the director of economic development or as the president of the University of Missouri system. Each of the directors of the corporation provided for in subdivisions (3) and (4) of subsection 3 of this section shall remain a director until the appointing member of the general assembly specified in such subdivisions appoints a replacement by sending a written communication to the governor and the chairperson of the corporation board; provided, however, that if the speaker of the house or the president pro tem of the senate appoints himself or herself to the corporation board, such person's service as a corporation director shall cease immediately when that person no longer serves as the speaker of the house or the president pro tem of the senate.

7. Each of the eleven members of the board appointed by the governor shall:

(1) Hold office for the term of appointment and until the governor duly appoints his or her successor; provided that if a vacancy is created by the death, permanent disability, resignation, or removal of a director, such vacancy shall become immediately effective;

68 (2) Be eligible for reappointment, but members of the board shall not be  
69 eligible to serve more than two consecutive four-year terms and shall not be  
70 reappointed to the board until they have not served on the board for a period of  
71 at least four interim years;

72 (3) Not have a known inherent conflict of interest at the time of  
73 appointment; and

74 (4) Not have served in an elected office or a cabinet position in state  
75 government for a period of two years prior to appointment, unless otherwise  
76 provided in this section.

77 8. Any member of the board may be removed by affirmative vote of  
78 eleven members of the board for malfeasance or misfeasance in office, regularly  
79 failing to attend meetings, failure to comply with the corporation's conflicts of  
80 interest policy, conviction of a felony, or for any cause that renders the member  
81 incapable of or unfit to discharge the duties of a director of the corporation.

82 9. The board shall meet at least four times per year and at such other  
83 times as it deems appropriate, or upon call by the president or the chairperson, or  
84 upon written request of a majority of the directors of the board. Unless otherwise  
85 restricted by Missouri law, the directors may participate in a meeting of the board  
86 by means of telephone conference or other electronic communications equipment  
87 whereby all persons participating in the meeting can communicate clearly with  
88 each other, and participation in a meeting in such manner will constitute presence  
89 in person at such meeting.

90 10. A majority of the total voting membership of the board shall  
91 constitute a quorum for meetings. The board may act by a majority of those at  
92 any meeting where a quorum is present, except upon such issues as the board  
93 may determine shall require a vote of more members of the board for approval  
94 or as required by law. All resolutions and orders of the board shall be recorded  
95 and authenticated by the signature of the secretary or any assistant secretary of the  
96 board.

97 11. Members of the board shall serve without compensation. Members  
98 of the board attending meetings of the board, or attending committee or advisory  
99 meetings thereof, shall be paid mileage and all other applicable expenses,  
100 provided that such expenses are reasonable, consistent with policies established  
101 from time to time by the board, and not otherwise inconsistent with law.

102 12. The board may adopt, repeal, and amend such articles of  
103 incorporation, bylaws, and methods of operation that are not contrary to law or  
104 inconsistent with sections 348.250 to 348.275, as it deems expedient for its own  
105 governance and for the governance and management of the corporation and its  
106 committees and advisory boards; provided that any changes in the articles of  
107 incorporation or bylaws approved by the board must also be approved by the  
108 governor.

109 13. A president shall direct and supervise the administrative affairs and  
110 the general management of the corporation. The president shall be a person of

national prominence that has expertise and credibility in one or more of the fields of applicable expertise with a demonstrated track record of success in leading a mission-driven organization. The president's salary and other terms and conditions of employment shall be set by the board. The board may negotiate and enter into an employment agreement with the president of the corporation, which may provide for compensation, allowances, benefits, and expenses. The president of the corporation shall not be eligible to serve as a member of the board until two years after the end of his or her employment with the corporation. The president of the corporation shall be bound by, and agree to obey, the corporation's conflicts of interest policy, including annually completing and submitting to the board a disclosure and compliance certificate in accordance with such conflicts of interest policy.

14. The corporation may employ such employees as it may require and upon such terms and conditions as it may establish that are consistent with state and federal law. The corporation may establish personnel, payroll, benefit, and other such systems as authorized by the board, and provide death and disability benefits. Corporation employees, including the president, shall be considered state employees for the purposes of membership in the Missouri state employees' retirement system and the Missouri consolidated health care plan. Compensation paid by the corporation shall constitute pay from a department for purposes of accruing benefits under the Missouri state employees' retirement system. The corporation may also adopt, in accordance with requirements of the federal Internal Revenue Code of 1986, as amended, a defined contribution plan sponsored by the corporation with respect to employees, including the president, employed by the corporation. Nothing in sections 348.250 to 348.275 shall be construed as placing any officer or employee of the corporation or member of the board in the classified or the unclassified service of the state of Missouri under Missouri laws and regulations governing civil service. No employee of the corporation shall be eligible to serve as a member of the board until two years immediately following the end of his or her employment with the corporation. All employees of the corporation shall be bound by, and agree to obey, the corporation's conflicts of interest policy, including annually completing and submitting to the board a disclosure and compliance certificate in accordance with such conflicts of interest policy.

15. No later than the first day of January each year, the corporation shall submit an annual report to the governor and to the Missouri general assembly which the corporation may contract with a third party to prepare and which shall include:

(1) A complete and detailed description of the operating and financial conditions of the corporation during the prior fiscal year;

(2) Complete and detailed information about the distributions from the Missouri science and innovation reinvestment fund and from any income of the corporation;

154 (3) Information about the growth of science and innovation research and  
155 industry in the state;

156 (4) Information regarding financial or performance audits performed in  
157 such year, including any recommendations with reference to additional legislation  
158 or other action that may be necessary to carry out the purposes of the corporation;  
159 and

160 (5) Whether or not the corporation made any distribution during the prior  
161 fiscal year to a research project or other project for which a report shall be filed  
162 under subsection 4 of section 38(d) of article III of the Constitution of the State  
163 of Missouri. If such a distribution was made, the corporation shall disclose in the  
164 annual report the amount of the distribution, the recipient of the distribution, and  
165 the project description.

166 16. The corporation shall keep its books and records in accordance with  
167 generally accepted accounting procedures. Within four months following the end  
168 of each fiscal year, the corporation shall cause a firm of independent certified  
169 public accountants of national repute to conduct and deliver to the board an audit  
170 of the financial statements of the corporation and an opinion thereon, to be  
171 conducted in accordance with generally accepted audit standards, provided,  
172 however, that this section shall be inapplicable if the board of directors of the  
173 corporation determines that insufficient funds have been appropriated to pay for  
174 the costs of compliance with these requirements.

175 17. Within four months following the end of every odd numbered fiscal  
176 year, beginning with fiscal year 2016, the corporation shall cause an independent  
177 firm of national repute that has expertise in science and innovation research and  
178 industry to conduct and deliver to the board an evaluation of the performance of  
179 the corporation for the prior two fiscal years, including detailed recommendations  
180 for improving the performance of the corporation, provided, however, that this  
181 section shall be inapplicable if the board of directors of the corporation  
182 determines that insufficient funds have been appropriated to pay for the costs of  
183 compliance with these requirements.

184 18. The corporation shall provide the state auditor a copy of the financial  
185 and performance evaluations prepared under subsections 16 and 17 of this  
186 section.

187 19. The corporation shall have perpetual existence until an act of law  
188 expressly dissolves the corporation; provided that no such law shall take effect  
189 so long as the corporation has obligations or bonds outstanding unless adequate  
190 provision has been made for the payment or retirement of such debts or  
191 obligations. Upon any such dissolution of the corporation, all property, funds,  
192 and assets thereof shall be vested in the state.

193 20. Except as provided under section 348.266, the state hereby pledges  
194 to, and agrees with, recipients of corporation funding or beneficiaries of  
195 corporation programs under sections 348.250 to 348.275 that the state shall not  
196 limit or alter the rights vested in the corporation under sections 348.250 to

348.275 to fulfill the terms of any agreements made or obligations incurred by the corporation with or to such third parties, or in any way impair the rights and remedies of such third parties until the obligations of the corporation and the state are fully met and discharged in accordance with sections 348.250 to 348.275.

21. The corporation shall be exempt from:

(1) Any general ad valorem taxes upon any property of the corporation acquired and used for its public purposes;

(2) Any taxes or assessments upon any projects or upon any operations of the corporation or the income therefrom;

(3) Any taxes or assessments upon any project or any property or local obligation acquired or used by the corporation under the provisions of sections 348.250 to 348.275, or upon income therefrom.

Purchases by the corporation to be used for its public purposes shall not be subject to sales or use tax under chapter 144. The exemptions hereby granted shall not extend to persons or entities conducting business on the corporation's property for which payment of state and local taxes would otherwise be required.

22. No funds of the corporation shall be distributed to its employees or members of the board; except that, the corporation may make reasonable payments for expenses incurred on its behalf relating to any of its lawful purposes and the corporation shall be authorized and empowered to pay reasonable compensation for services rendered to, or for, its benefit relating to any of its lawful purposes, including to pay its employees reasonable compensation.

23. The corporation shall adopt and maintain a conflicts of interest policy to protect the corporation's interests by requiring disclosure by an interested party, appropriate recusal by such person, and appropriate action by the interested party or the board where a conflict of interest may exist or arise between the corporation and a director, officer, employee, or agent of the corporation.]

348.256. 1. The articles of incorporation [and] , bylaws, **and methods of operation** of the [Missouri technology] corporation shall [provide that:

(1)] **be consistent with the provisions of sections 348.250 to 348.275.**

2. The purposes of the corporation are:

(1) To contribute to the strengthening of the economy of the state through the development of science and [technology,] **innovation;**

(2) To promote the modernization of Missouri businesses by supporting the transfer of science, technology, and quality improvement methods to the workplace[, and] ;

(3) To enhance the productivity and modernization of Missouri businesses by providing leadership in the establishment of methods of technology application, technology commercialization, and technology development;

(4) **To make Missouri businesses, institutions, and universities more competitive and increase their likelihood of success;**

14           **(5) To support and enhance local and regional strategies and initiatives that**  
15 **capitalize on the unique science and innovation assets across the state;**

16           **(6) To make Missouri a highly desirable state in which to conduct, facilitate,**  
17 **support, fund, and perform science and innovation research, development, and**  
18 **commercialization;**

19           **(7) To facilitate and effect the creation, attraction, retention, growth, and**  
20 **enhancement of both existing and new science and innovation companies in the state;**

21           **(8) To make Missouri a national and international leader in economic activity based**  
22 **on science and innovation;**

23           **(9) To enhance workforce development;**

24           **(10) To create and retain quality jobs;**

25           **(11) To advance scientific knowledge; and**

26           **(12) To improve the quality of life for the citizens of the state of Missouri in both**  
27 **urban and rural communities.**

28           [(2)] **3.** The board of directors of the corporation [is] **shall be** composed of fifteen  
29 persons. The governor shall annually appoint one of its members, who [must] **shall** be from the  
30 private sector, as [chairman] **chair**. The board shall consist of the following members:

31           [(a)] **(1)** The director of the department of economic development, or the director's  
32 designee;

33           [(b)] **(2)** The president of the University of Missouri system, or the president's designee;

34           [(c)] **(3)** A member of the state senate, appointed by the president pro tem of the senate;

35           [(d)] **(4)** A member of the house of representatives, appointed by the speaker the house;

36           [(e)] **(5)** Eleven members appointed by the governor, [two of which shall be from the  
37 public sector and nine members from the private sector who shall include, but shall not be  
38 limited to, individuals who represent technology-based businesses and industrial interests;

39           [(f)] **with the advice and consent of the senate, who are recognized for outstanding**  
40 **knowledge, leadership, and expertise in one or more of the fields of applicable expertise.**

41

42 Each of the directors of the corporation who is appointed by the governor shall serve for a term  
43 of four years and until a successor is duly appointed[; except that, of the directors serving on the  
44 corporation as of August 28, 1995, three directors shall be designated by the governor to serve  
45 a term of four years, three directors shall be designated to serve a term of three years, three  
46 directors shall be designated to serve a term of two years, and two directors shall be designated  
47 to serve a term of one year. Each director shall continue to serve until a successor is duly  
48 appointed by the governor;

49           (3) The corporation may receive money from any source, may borrow money, may enter  
50 into contracts, and may expend money for any activities appropriate to its purpose;

51           (4) The corporation may appoint staff and do all other things necessary or incidental to  
52 carrying out the functions listed in section 348.261;

53           (5)] .

54           **4.** Any changes in the articles of incorporation or bylaws [must] **shall** be approved by  
55 the governor[;

56           (6) The corporation shall submit an annual report to the governor and to the Missouri  
57 general assembly. The report shall be due on the first day of November for each year and shall  
58 include detailed information on the structure, operation and financial status of the corporation.  
59 The corporation shall conduct an annual public hearing to receive comments from interested  
60 parties regarding the report, and notice of the hearing shall be given at least fourteen days prior  
61 to the hearing; and

62           (7)] .

63           **5.** **At the discretion of the state auditor,** the corporation is subject to an [annual] audit  
64 by the state auditor and [that] the corporation shall bear the full cost of the audit.

65           **6.** **Each of the directors of the corporation provided for in subdivisions (1) and (2)**  
66 **of subsection 3 of this section shall remain a director until the designating individual**  
67 **specified in subdivisions (1) and (2) of subsection 3 designates a replacement by sending**  
68 **a written communication to the governor and the chair of the board of the corporation;**  
69 **provided, however, that if the director of economic development or the president of the**  
70 **University of Missouri system designates himself or herself to the corporation board, such**  
71 **person's service as a corporation director shall cease immediately when that person no**  
72 **longer serves as the director of economic development or as the president of the University**  
73 **of Missouri system. Each of the directors of the corporation provided for in subdivisions**  
74 **(3) and (4) of subsection 3 of this section shall remain a director until the appointing**  
75 **member of the general assembly specified in subdivisions (3) and (4) of subsection 3 of this**  
76 **section appoints a replacement by sending a written communication to the governor and**  
77 **the chair of the corporation board; provided, however, that if the speaker of the house or**  
78 **representatives or the president pro tem of the senate appoints himself or herself to the**  
79 **corporation board, such person's service as a corporation director shall cease immediately**  
80 **when that person no longer serves as the speaker of the house or the president pro tem of**  
81 **the senate.**

82           **7.** Each of the eleven members of the board appointed by the governor shall:

(1) Hold office for the term of appointment and until the governor duly appoints a successor; provided that if a vacancy is created by the death, permanent disability, resignation, or removal of a director, such vacancy shall become immediately effective;

(2) Be eligible for reappointment, but members of the board shall not be eligible to serve more than two consecutive four-year terms and shall not be reappointed to the board until they have not served on the board for a period of at least four interim years;

(3) Not have a known inherent conflict of interest at the time of appointment; and

(4) Not have served in an elected office or a cabinet position in state government for a period of two years prior to appointment, unless otherwise provided in this section.

8. Any member of the board may be removed by affirmative vote of eleven members of the board for malfeasance or misfeasance in office, regularly failing to attend meetings, failure to comply with the corporation's conflict of interest policy, conviction of a felony, or for any cause that renders the member incapable of or unfit to discharge the duties of a director of the corporation.

9. The board shall meet at least four times per year and at such other times as it deems appropriate, or upon call by the president or the chair, or upon written request of a majority of the directors of the board. Unless otherwise restricted by Missouri law, the directors may participate in a meeting of the board by means of telephone conference or other electronic communications equipment whereby all persons participating in the meeting can communicate clearly with each other, and participation in a meeting in such manner shall constitute presence in person at such meeting.

10. A majority of the total voting membership of the board shall constitute a quorum for meetings. The board may act by a majority of those at any meeting where a quorum is present, except upon such issues as the board may determine shall require a vote of more members of the board for approval or as required by law. All resolutions and orders of the board shall be recorded and authenticated by the signature of the secretary or any assistant secretary of the board.

11. Members of the board shall serve without compensation. Members of the board attending meetings of the board, or attending committee or advisory meetings thereof, shall be paid mileage and all other applicable expenses, provided that such expenses are reasonable, consistent with policies established from time to time by the board, and not otherwise inconsistent with law.

12. The board may adopt, repeal, and amend such articles of incorporation, bylaws, and methods of operation that are not contrary to law or inconsistent with sections 348.250 to 348.275, as it deems expedient for its own governance and for the governance and management of the corporation and its committees and advisory boards; provided that any

119 changes in the articles of incorporation or bylaws approved by the board shall also be  
120 approved by the governor.

121       13. A president shall direct and supervise the administrative affairs and the general  
122 management of the corporation. The president shall be a person of national prominence  
123 that has expertise and credibility in one or more of the fields of applicable expertise with  
124 a demonstrated track record of success in leading a mission-driven organization. The  
125 president's salary and other terms and conditions of employment shall be set by the board.  
126 The board may negotiate and enter into an employment agreement with the president of  
127 the corporation, which may provide for compensation, allowances, benefits, and expenses.  
128 The president of the corporation shall not be eligible to serve as a member of the board  
129 until two years after the end of the person's employment with the corporation. The  
130 president of the corporation shall be bound by, and agree to obey, the corporation's  
131 conflict of interest policy, including annually completing and submitting to the board a  
132 disclosure and compliance certificate in accordance with such conflict of interest policy.

133       14. The corporation may employ such employees as it may require and upon such  
134 terms and conditions as it may establish that are consistent with state and federal law. The  
135 corporation may establish personnel, payroll, benefit, and other such systems as authorized  
136 by the board, and provide death and disability benefits. Corporation employees, including  
137 the president, shall be considered state employees for the purposes of membership in the  
138 Missouri state employees' retirement system and the Missouri consolidated health care  
139 plan. Compensation paid by the corporation shall constitute pay from a department for  
140 purposes of accruing benefits under the Missouri state employees' retirement system. The  
141 corporation may also adopt, in accordance with requirements of the federal Internal  
142 Revenue Code of 1986, as amended, a defined contribution plan sponsored by the  
143 corporation with respect to employees, including the president, employed by the  
144 corporation. Nothing in sections 348.250 to 348.275 shall be construed as placing any  
145 officer or employee of the corporation or member of the board in the classified or the  
146 unclassified service of the state of Missouri under Missouri laws and regulations governing  
147 civil service. No employee of the corporation shall be eligible to serve as a member of the  
148 board until two years immediately following the end of the employee's employment with  
149 the corporation. All employees of the corporation shall be bound by, and agree to obey,  
150 the corporation's conflict of interest policy, including annually completing and submitting  
151 to the board a disclosure and compliance certificate in accordance with such conflict of  
152 interest policy.

153           **15. No later than the first day of January each year, the corporation shall submit**  
154 **an annual report to the governor and to the Missouri general assembly which the**  
155 **corporation may contract with a third party to prepare and which shall include:**

156           **(1) A complete and detailed description of the operating and financial conditions**  
157 **of the corporation during the prior fiscal year;**

158           **(2) Complete and detailed information about the distributions from the Missouri**  
159 **science and innovation reinvestment fund and from any income of the corporation;**

160           **(3) Information about the growth of science and innovation research and industry**  
161 **in the state;**

162           **(4) Information regarding financial or performance audits performed in such year,**  
163 **including any recommendations with reference to additional legislation or other action that**  
164 **may be necessary to carry out the purposes of the corporation; and**

165           **(5) Whether or not the corporation made any distribution during the prior fiscal**  
166 **year to a research project or other project for which a report shall be filed under**  
167 **subsection 4 of Section 38(d) of Article III of the Constitution of the State of Missouri. If**  
168 **such a distribution was made, the corporation shall disclose in the annual report the**  
169 **amount of the distribution, the recipient of the distribution, and the project description.**

170           **16. The corporation shall keep its books and records in accordance with generally**  
171 **accepted accounting procedures. Within four months following the end of each fiscal year,**  
172 **the corporation shall cause a firm of independent certified public accountants of national**  
173 **repute to conduct and deliver to the board an audit of the financial statements of the**  
174 **corporation and an opinion thereon, to be conducted in accordance with generally accepted**  
175 **audit standards, provided, however, that this section shall be inapplicable if the board of**  
176 **directors of the corporation determines that insufficient funds have been appropriated to**  
177 **pay for the costs of compliance with these requirements.**

178           **17. Within four months following the end of every odd numbered fiscal year,**  
179 **beginning with fiscal year 2016, the corporation shall cause an independent firm of**  
180 **national repute that has expertise in science and innovation research and industry to**  
181 **conduct and deliver to the board an evaluation of the performance of the corporation for**  
182 **the prior two fiscal years, including detailed recommendations for improving the**  
183 **performance of the corporation, provided, however, that this section shall be inapplicable**  
184 **if the board of directors of the corporation determines that insufficient funds have been**  
185 **appropriated to pay for the costs of compliance with these requirements.**

186           **18. The corporation shall provide the state auditor a copy of the financial and**  
187 **performance evaluations prepared under subsections 16 and 17 of this section.**

188           **19. The corporation shall have perpetual existence until an act of law expressly**  
189 **dissolves the corporation; provided that no such law shall take effect so long as the**  
190 **corporation has obligations or bonds outstanding unless adequate provision has been made**  
191 **for the payment or retirement of such debts or obligations. Upon any such dissolution of**  
192 **the corporation, all property, funds, and assets thereof shall be vested in the state.**

193           **20. Except as provided under section 348.266, the state hereby pledges to, and**  
194 **agrees with, recipients of corporation funding or beneficiaries of corporation programs**  
195 **under sections 348.250 to 348.275 that the state shall not limit or alter the rights vested in**  
196 **the corporation under sections 348.250 to 348.275 to fulfill the terms of any agreements**  
197 **made or obligations incurred by the corporation with or to such third parties, or in any**  
198 **way impair the rights and remedies of such third parties until the obligations of the**  
199 **corporation and the state are fully met and discharged in accordance with sections 348.250**  
200 **to 348.275.**

201           **21. The corporation shall be exempt from:**

202           **(1) Any general ad valorem taxes upon any property of the corporation acquired**  
203 **and used for its public purposes;**

204           **(2) Any taxes or assessments upon any projects or upon any operations of the**  
205 **corporation or the income therefrom;**

206           **(3) Any taxes or assessments upon any project or any property or local obligation**  
207 **acquired or used by the corporation under the provisions of sections 348.250 to 348.275,**  
208 **or upon income therefrom.**

209  
210 **Purchases by the corporation to be used for its public purposes shall not be subject to sales**  
211 **or use tax under chapter 144. The exemptions hereby granted shall not extend to persons**  
212 **or entities conducting business on the corporation's property for which payment of state**  
213 **and local taxes would otherwise be required.**

214           **22. No funds of the corporation shall be distributed to its employees or members**  
215 **of the board; except that, the corporation may make reasonable payments for expenses**  
216 **incurred on its behalf relating to any of its lawful purposes and the corporation shall be**  
217 **authorized and empowered to pay reasonable compensation for services rendered to, or**  
218 **for, its benefit relating to any of its lawful purposes, including to pay its employees**  
219 **reasonable compensation.**

220           **23. The corporation shall adopt and maintain a conflict of interest policy to protect**  
221 **the corporation's interests by requiring disclosure by an interested party, appropriate**  
222 **recusal by such person, and appropriate action by the interested party or the board where**

223 a conflict of interest may exist or arise between the corporation and a director, officer,  
224 employee, or agent of the corporation.

348.257. 1. The board shall establish an executive committee of the corporation,  
2 to be composed of the chair, the vice chair, and the secretary of the corporation, and two  
3 additional directors. The chair of the corporation shall serve as the chair of the executive  
4 committee.

5 2. The executive committee, in intervals between meetings of the board, may  
6 transact any business of the board that has been expressly delegated to the executive  
7 committee by the board. If so stipulated by the board, action delegated to the executive  
8 committee may be subject to subsequent ratification by the board; provided, however, that  
9 until ratified or rejected by the board, any action delegated to, and taken by, the executive  
10 committee between meetings of the board shall be binding upon the corporation as if  
11 ratified, and may be relied upon by third parties.

12 3. The board shall establish an audit committee of the corporation, to be composed  
13 of the chair of the corporation and four additional directors. The secretary of the  
14 corporation shall serve as the chair of the audit committee. The audit committee shall be  
15 responsible for oversight of the administration of the conflict of interest policy, working  
16 with the president of the corporation to facilitate communications with the corporation's  
17 contract auditors, and such other responsibilities delegated to it by the board.

18 4. The board shall establish and maintain a research alliance of Missouri to be  
19 comprised of the chief research officers of the state's leading research universities, or their  
20 designees, and a representative of other leading not-for-profit research institutes  
21 headquartered in Missouri. Members of the research alliance of Missouri shall be selected  
22 for such terms of membership under such terms and conditions as the board deems  
23 necessary and appropriate to advance the purposes of sections 348.250 to 348.275 and as  
24 comparable to other similar public sector bodies. The research alliance of Missouri shall  
25 elect a chair on an annual basis. The research alliance of Missouri shall prepare annual  
26 reports at the direction of the corporation that:

27 (1) Evaluate the specific areas of Missouri's research strengths and weaknesses and  
28 outline current research priorities of the state;

29 (2) Evaluate the ability of each member to realign their research and development  
30 resources, policies, and practices to seize emerging opportunities;

31 (3) Evaluate and summarize the best national and international practices for  
32 technology commercialization of university research and describe efforts that each  
33 university member has undertaken to implement best practices, including a description of

34 the specific outcomes university members have achieved in technology commercialization;  
35 and

36 (4) Describe research collaborations by and between members and identify  
37 collaboration best practices that can or should be instituted in Missouri.

38 5. The board may establish other committees, both permanent and temporary, as  
39 it deems necessary. Such committees may include national strategic, scientific and/or  
40 commercialization advisory boards comprised of individuals of national or international  
41 prominence in science and innovation and/or the business and commercialization of science  
42 and innovation.

43 6. The board may establish rules, policies, and procedures for the selection and  
44 conduct of committees and advisory boards, and the research alliance of Missouri;  
45 provided, however, that the members of such committees and advisory boards agree to be  
46 bound by a conflict of interest policy consistent with the highest ethical standards that is  
47 suitable for such advisory roles and annually complete and certify to the board a disclosure  
48 and compliance certificate in accordance with such conflict of interest policy.

2 [348.261. 1. The corporation shall have all of the powers necessary or  
3 convenient to carry out the purposes and provisions of sections 348.250 to  
4 348.275, including the powers as specified therein, and without limitation, the  
5 power to:

6 (1) Establish a statewide business modernization network to assist  
7 Missouri businesses in identifying ways to enhance productivity and market  
8 competitiveness;

9 (2) Identify scientific and technological problems and opportunities  
10 related to the economy of Missouri and formulate proposals to overcome those  
11 problems or realize those opportunities;

12 (3) Identify specific areas where scientific research and technological  
13 investigation will contribute to the improvement of productivity of Missouri  
14 manufacturers and farmers;

15 (4) Determine specific areas in which financial investment in scientific  
16 and technological research and development from private businesses located in  
17 Missouri could be enhanced or increased if state resources were made available  
18 to assist in financing activities;

19 (5) Assist in establishing cooperative associations of universities in  
20 Missouri and of private enterprises for the purpose of coordinating research and  
21 development programs that will, consistent with the primary educational function  
22 of the universities, aid in the creation of new jobs in Missouri;

23 (6) Assist in financing the establishment and continued development of  
technology-intensive businesses in Missouri;

24 (7) Advise universities of the research needs of Missouri business and  
25 improve the exchange of scientific and technological information for the mutual  
26 benefit of universities and private business;

27 (8) Coordinate programs established by universities to provide Missouri  
28 businesses with scientific and technological information;

29 (9) Establish programs in scientific education which will support the  
30 accelerated development of technology-intensive businesses in Missouri;

31 (10) Provide financial assistance through contracts, grants and loans to  
32 programs of scientific and technological research and development;

33 (11) Determine how public universities can increase income derived from  
34 the sale or licensure of products or processes having commercial value that are  
35 developed as a result of university sponsored research programs;

36 (12) Contract with innovation centers, as established in section 348.271,  
37 small business development corporations, as established in sections 620.1000 to  
38 620.1007, centers for advanced technology, as established in section 348.272, and  
39 other entities or organizations for the provision of technology application,  
40 technology commercialization and technology development services;

41 (13) Make direct seed capital or venture capital investments in Missouri  
42 business investment funds or businesses that demonstrate the promise of growth  
43 and job creation. Investments from the corporation may be in the form of debt  
44 or equity in the respective businesses;

45 (14) Make and execute contracts, guarantees, or any other instruments  
46 and agreements necessary or convenient for the exercise of its powers and  
47 functions;

48 (15) Contract for and to accept any gifts, grants, and loans of funds,  
49 property, or any other aid in any form from the federal government, the state, any  
50 state agency, or any other source, or any combination thereof, and to comply with  
51 the provisions of the terms and conditions thereof;

52 (16) Procure such insurance, participate in such insurance plans, or  
53 provide such self insurance or both as it deems necessary or convenient;  
54 provided, however, the purchase of insurance, participation in an insurance plan,  
55 or creation of a self-insurance fund by the corporation shall not be deemed as a  
56 waiver or relinquishment of any sovereign immunity to which the corporation or  
57 its officers, directors, employees, or agents are otherwise entitled;

58 (17) Partner with universities or other research institutions in Missouri  
59 to attract and recruit world-class science and innovation talent to Missouri;

60 (18) Expend any and all funds from the Missouri science and innovation  
61 reinvestment fund and all other assets and resources of the corporation for the  
62 exclusive purpose of fulfilling any purpose, power, or duty of the corporation  
63 under sections 348.250 to 348.275, including but not limited to implementing the  
64 powers, purposes, and duties of the corporation as enumerated in this section;

65 (19) Participate in joint ventures and collaborate with any taxpayer,  
66 governmental body or agency, insurer, university, or college of the state, or any

67 other entity to facilitate any activities or programs consistent with the purpose  
68 and intent of sections 348.250 to 348.275; and

69 (20) In carrying out any activities authorized by sections 348.250 to  
70 348.275, the corporation provides appropriate assistance, including the making  
71 of investments, grants, and loans, and providing time of employees, to any  
72 taxpayer, governmental body, or agency, insurer, university, or college of the  
73 state, or any other entity, whether or not any such taxpayer, governmental body  
74 or agency, insurer, university, or college of the state, or any other entity, is owned  
75 or controlled in whole or in part, directly or indirectly, by the corporation.

76 2. The corporation shall endeavor to maximize the amount of leveraging  
77 of nonstate resources, including public and private, cash and in-kind, attained  
78 with its investments, grants, loans, or other forms of support. In the case of  
79 investments, grants, loans, or other forms of support that emphasize or are  
80 specifically intended to impact a particular Missouri county, municipality, or  
81 other geographic subdivision of the state, or are otherwise local in nature, the  
82 corporation shall give consideration and weight to local matching funds and other  
83 matching resources, public and private.

84 3. Except as expressly provided in sections 348.250 to 348.275, all  
85 moneys earned or received by the corporation, including all funds derived from  
86 the commercialization of science and innovation products, methods, services, and  
87 technology by the corporation, or any affiliate or subsidiary thereof, or from the  
88 Missouri science and innovation reinvestment fund, shall belong exclusively to  
89 and be subject to the exclusive control of the corporation.

90 4. The corporation shall have all the powers of a not-for-profit  
91 corporation established under Missouri law.

92 5. The corporation shall assume all moneys, property, or other assets  
93 remaining with the Missouri seed capital investment board, established in section  
94 620.641. All powers, duties, and functions performed by the Missouri seed  
95 capital investment board shall be transferred to the Missouri technology  
96 corporation.

97 6. The corporation shall not be subject to the provisions of chapter 34.

98 7. At least ten days prior to releasing funds to a recipient of financial  
99 assistance pursuant to the powers established in this section, the corporation shall  
100 submit to the president pro tem of the senate and the speaker of the house of  
101 representatives the name of the recipient of such assistance, and post such  
102 information on the corporation's website.]

103 348.261. 1. The corporation[, after being certified by the governor as provided by  
2 section 348.251, may] **shall have all of the powers necessary or convenient to carry out the**  
3 **purposes and provisions of sections 348.250 to 348.275, including the powers as specified**  
4 **therein, and without limitation, the power to:**

5 (1) Establish a statewide business modernization network to assist Missouri businesses  
6 in identifying ways to enhance productivity and market competitiveness;

7 (2) Identify scientific and technological problems and opportunities related to the  
8 economy of Missouri and formulate proposals to overcome those problems or realize those  
9 opportunities;

10 (3) Identify specific areas where scientific research and technological investigation will  
11 contribute to the improvement of productivity of Missouri manufacturers and farmers;

12 (4) Determine specific areas in which financial investment in scientific and technological  
13 research and development from private businesses located in Missouri could be enhanced or  
14 increased if state resources were made available to assist in financing activities;

15 (5) Assist in establishing cooperative associations of universities in Missouri and of  
16 private enterprises for the purpose of coordinating research and development programs that will,  
17 consistent with the primary educational function of the universities, aid in the creation of new  
18 jobs in Missouri;

19 (6) Assist in financing the establishment and continued development of  
20 technology-intensive businesses in Missouri;

21 (7) Advise universities of the research needs of Missouri business and improve the  
22 exchange of scientific and technological information for the mutual benefit of universities and  
23 private business;

24 (8) Coordinate programs established by universities to provide Missouri businesses with  
25 scientific and technological information;

26 (9) Establish programs in scientific education which will support the accelerated  
27 development of technology-intensive businesses in Missouri;

28 (10) Provide financial assistance through contracts, grants and loans to programs of  
29 scientific and technological research and development;

30 (11) Determine how public universities can increase income derived from the sale or  
31 licensure of products or processes having commercial value that are developed as a result of  
32 university sponsored research programs;

33 (12) Contract with innovation centers, as established in section 348.271, small business  
34 development [corporations] **centers**, as established in sections 620.1000 to 620.1007, centers for  
35 advanced technology, as established in section 348.272, and other entities or organizations for  
36 the provision of technology application, technology commercialization and technology  
37 development services. Such contracting procedures shall not be subject to the provisions of  
38 chapter 34; and

39 (13) Make direct seed capital or venture capital investments in Missouri business  
40 investment funds or businesses [which] **that** demonstrate the promise of growth and job creation.

41 Investments from the corporation may be in the form of debt or equity in the respective  
42 businesses;

43       **(14) Make and execute contracts, guarantees, or any other instruments and**  
44 **agreements necessary or convenient for the exercise of its powers and functions;**

45       **(15) Contract for and to accept any gifts, grants, and loans of funds, property, or**  
46 **any other aid in any form from the federal government, the state, any state agency, or any**  
47 **other source, or any combination thereof, and to comply with the provisions of the terms**  
48 **and conditions thereof;**

49       **(16) Procure such insurance, participate in such insurance plans, or provide such**  
50 **self insurance or both as it deems necessary or convenient; provided, however, the**  
51 **purchase of insurance, participation in an insurance plan, or creation of a self-insurance**  
52 **fund by the corporation shall not be deemed as a waiver or relinquishment of any**  
53 **sovereign immunity to which the corporation or its officers, directors, employees, or agents**  
54 **are otherwise entitled;**

55       **(17) Partner with universities or other research institutions in Missouri to attract**  
56 **and recruit world-class science and innovation talent to Missouri;**

57       **(18) Expend any and all funds from the Missouri science and innovation**  
58 **reinvestment fund and all other assets and resources of the corporation for the exclusive**  
59 **purpose of fulfilling any purpose, power, or duty of the corporation under sections 348.250**  
60 **to 348.275, including but not limited to implementing the powers, purposes, and duties of**  
61 **the corporation as enumerated in this section;**

62       **(19) Participate in joint ventures and collaborate with any taxpayer, governmental**  
63 **body or agency, insurer, university, or college of the state, or any other entity to facilitate**  
64 **any activities or programs consistent with the purpose and intent of sections 348.250 to**  
65 **348.275; and**

66       **(20) In carrying out any activities authorized by sections 348.250 to 348.275,**  
67 **provide appropriate assistance, including the making of investments, grants, and loans,**  
68 **and providing time of employees, to any taxpayer, governmental body or agency, insurer,**  
69 **university, or college of the state, or any other entity, whether or not any such taxpayer,**  
70 **governmental body or agency, insurer, university, or college of the state, or any other**  
71 **entity, is owned or controlled in whole or in part, directly or indirectly, by the corporation.**

72       **2. The corporation shall endeavor to maximize the amount of leveraging of nonstate**  
73 **resources, including public and private, cash and in-kind, attained with its investments,**  
74 **grants, loans, or other forms of support. In the case of investments, grants, loans, or other**  
75 **forms of support that emphasize or are specifically intended to impact a particular**  
76 **Missouri county, municipality, or other geographic subdivision of the state, or are**

otherwise local in nature, the corporation shall give consideration and weight to local matching funds and other matching resources, public and private.

3. Except as expressly provided in sections 348.250 to 348.275, all moneys earned or received by the corporation, including all funds derived from the commercialization of science and innovation products, methods, services, and technology by the corporation, or any affiliate or subsidiary thereof, or from the Missouri science and innovation reinvestment fund, shall belong exclusively to and be subject to the exclusive control of the corporation.

4. The corporation shall have all the powers of a not-for-profit corporation established under Missouri law.

5. The corporation shall not be subject to the provisions of chapter 34.

6. At least ten days prior to releasing funds to a recipient of financial assistance under the powers established in this section, the corporation shall submit to the president pro tem of the senate and the speaker of the house of representatives the name of the recipient of such assistance, and post such information on the corporation's website.

[348.262. In order to assist the corporation in achieving the objectives identified in section 348.261, the department of economic development may contract with the corporation for activities consistent with the corporation's purpose, as specified in sections 348.250 to 348.275. When contracting with the corporation under the provisions of this section, the department of economic development may directly enter into agreements with the corporation and shall not be bound by the provisions of chapter 34.]

348.262. In order to assist the corporation in achieving the objectives identified in section 348.261, the department of economic development may contract with the corporation for activities consistent with the corporation's purpose, as [specified in section 348.256] **provided under sections 348.250 to 348.275**. When contracting with the corporation under the provisions of this section, the department of economic development may directly enter into agreements with the corporation and shall not be bound by the provisions of chapter 34.

[348.263. 1. Except as otherwise provided in sections 348.250 to 348.275, the corporation shall be subject to requirements applicable to governmental bodies and records contained in sections 610.010 to 610.225.

2. In addition to the exceptions available under sections 610.010 to 610.225, the records of the corporation shall not be subject to the provisions of sections 610.010 to 610.225, when, upon determination by the corporation, the disclosure of the information in the records would be harmful to the competitive position of the corporation and such records contain:

(1) Proprietary information gathered by, or in the possession of, the corporation from third parties pursuant to a promise of confidentiality;

(2) Contract cost estimates prepared for confidential use in awarding contracts for research, development, construction, renovation, commercialization, or the purchase of goods or services;

(3) Data, records, or information of a proprietary nature produced or collected by, or for, the corporation, its employees, officers, or members of its board;

(4) Third-party financial statements, records, and related data not publicly available that may be shared with the corporation;

(5) Consulting or other reports paid for by the corporation to assist the corporation in connection with its strategic planning and goals; or

(6) The determination of marketing and operational strategies where disclosure of such strategies would be harmful to the competitive position of the corporation.

3. In addition to the exceptions available under sections 610.010 to 610.225, the corporation, including the board, executive committee, audit committee, and research alliance of Missouri, or other such committees or boards that the corporation may authorize from time to time, may discuss, consider, and take action on any of the following in closed session, when upon determination by the corporation, including as appropriate the board, executive committee, audit committee, and research alliance of Missouri, or other such committees or boards that the corporation may authorize from time to time, disclosure of such items would be harmful to the competitive position of the corporation:

(1) Plans that could affect the value of property, real or personal, owned, or desirable for ownership by the corporation;

(2) The condition, acquisition, use, or disposition of real or personal property; or

(3) Contracts for applied research; basic research; science and innovation product development, manufacturing, or commercialization; construction and renovation of science and innovation facilities; or marketing or operational strategies.]

348.263. 1. [The Missouri business modernization and technology corporation shall replace the corporation for science and technology. All moneys, property or any other assets remaining with the corporation for science and technology after all obligations are satisfied on August 28, 1993, shall be transferred to the Missouri business modernization and technology corporation. All powers, duties and functions performed by the Missouri corporation of science and technology on August 28, 1993, shall be transferred to the Missouri business modernization and technology corporation.] **Except as otherwise provided under sections 348.250 to 348.275, the corporation shall be subject to requirements applicable to governmental bodies and records contained in chapter 610.**

10           2. [The Missouri technology corporation shall replace the Missouri business  
11 modernization and technology corporation. All moneys, property or any other assets remaining  
12 with the Missouri business modernization and technology corporation after all obligations are  
13 satisfied on August 28, 1994, shall be transferred to the Missouri technology corporation. All  
14 powers, duties and functions performed by the Missouri business modernization and technology  
15 corporation on August 28, 1994, shall be transferred to the Missouri technology corporation.]

16 **In addition to the exceptions available under chapter 610, the records of the corporation**  
17 **shall not be subject to the provisions of chapter 610 when, upon determination by the**  
18 **corporation, the disclosure of the information in such records would be harmful to the**  
19 **competitive position of the corporation and such records contain:**

20           (1) **Proprietary information gathered by, or in the possession of, the corporation**  
21 **from third parties under a promise of confidentiality;**

22           (2) **Contract cost estimates prepared for confidential use in awarding contracts for**  
23 **research, development, construction, renovation, commercialization, or the purchase of**  
24 **goods or services;**

25           (3) **Data, records, or information of a proprietary nature produced or collected by,**  
26 **or for, the corporation, its employees, officers, or members of its board;**

27           (4) **Third-party financial statements, records, and related data not publicly**  
28 **available that may be shared with the corporation;**

29           (5) **Consulting or other reports paid for by the corporation to assist the corporation**  
30 **in connection with its strategic planning and goals; or**

31           (6) **The determination of marketing and operational strategies where disclosure of**  
32 **such strategies would be harmful to the competitive position of the corporation.**

33           3. **In addition to the exceptions available under chapter 610, the corporation,**  
34 **including the board, executive committee, audit committee, and research alliance of**  
35 **Missouri, or other such committees or boards that the corporation may authorize from**  
36 **time to time, may discuss, consider, and take action on any of the following in closed**  
37 **session, when upon determination by the corporation, including as appropriate the board,**  
38 **executive committee, audit committee, and research alliance of Missouri, or other such**  
39 **committees or boards that the corporation may authorize from time to time, disclosure of**  
40 **such items would be harmful to the competitive position of the corporation:**

41           (1) **Plans that could affect the value of property, real or personal, owned, or**  
42 **desirable for ownership by the corporation;**

43           (2) **The condition, acquisition, use, or disposition of real or personal property; or**

44           **(3) Contracts for applied research; basic research; science and innovation product**  
45 **development, manufacturing, or commercialization; construction and renovation of science**  
46 **and innovation facilities; or marketing or operational strategies.**

          [348.264. There is hereby established in the state treasury a special fund  
2       to be known as the "Missouri Science and Innovation Reinvestment Fund",  
3       previously established as the Missouri technology investment fund in this section,  
4       which shall consist of all moneys which may be appropriated to it by the general  
5       assembly based on the applicable percentage of the amount by which science and  
6       innovation employees' gross wages for the year exceeds the base year gross  
7       wages pursuant to section 348.265, other funds appropriated to it by the general  
8       assembly, and also any gifts, contributions, grants or bequests received from  
9       federal, private or other sources. Money in the Missouri science and innovation  
10      reinvestment fund shall be used to carry out the provisions of sections 348.250  
11      to 348.275. Moneys for business modernization programs, technology  
12      application programs, technology commercialization programs and technology  
13      development programs established pursuant to the provisions of sections 348.250  
14      to 348.275 shall be available from appropriations made by the general assembly  
15      from the Missouri science and innovation reinvestment fund. Any moneys  
16      remaining in the Missouri science and innovation reinvestment fund at the end  
17      of any fiscal year shall not lapse to the general revenue fund, as provided in  
18      section 33.080, but shall remain in the Missouri science and innovation  
19      reinvestment fund.]  
20

          348.264. 1. There is hereby established in the state treasury a special fund to be known  
2      as the "Missouri [Technology Investment] **Science and Innovation Reinvestment** Fund",  
3      **previously established as the Missouri technology investment fund in this section**, which  
4      shall consist of all moneys which may be appropriated to it by the general assembly **based on**  
5      **the applicable percentage of the amount by which science and innovation employees' gross**  
6      **wages for the year exceeds the base year gross wages under section 348.265, other funds**  
7      **appropriated to it by the general assembly**, and also any gifts, contributions, grants or  
8      bequests received from federal, private or other sources. [Such moneys shall include federal  
9      funds which may be received from the National Institute for Science and Technology, the Small  
10     Business Administration and the Department of Defense through its Technology Reinvestment  
11     Program.] Money in the Missouri [technology investment program] **science and innovation**  
12     **reinvestment fund** shall be used to carry out the provisions of sections [348.251] **348.250** to  
13     348.275. Moneys for business modernization programs, technology application programs,  
14     technology commercialization programs, and technology development programs established  
15     [pursuant to] **under** the provisions of sections [348.251] **348.250** to 348.275 shall be available  
16     from appropriations made by the general assembly from the Missouri [technology investment]

17 **science and innovation reinvestment** fund. Any moneys remaining in the Missouri [technology  
18 investment] **science and innovation reinvestment** fund at the end of any fiscal year shall not  
19 lapse to the general revenue fund, as provided in section 33.080, but shall remain in the Missouri  
20 [technology investment] **science and innovation reinvestment** fund.

21 2. [Notwithstanding the provisions of sections 173.500 to 173.565, the Missouri  
22 technology investment fund shall be utilized to fund projects which would previously have been  
23 funded through the higher education applied projects fund.] **Public funds utilized under the**  
24 **provisions of sections 348.250 to 348.275 shall not be expended, paid, or granted to or on**  
25 **behalf of an existing or proposed research project that involves abortion services, human**  
26 **cloning, or prohibited human research as such terms are defined in section 196.1127.**

348.265. 1. As soon as practicable after February 3, 2012, the director of the  
2 department of economic development, with the assistance of the director of the department  
3 of revenue, shall establish the base year gross wages and report the amount of the base-  
4 year gross wages to the president and board of the corporation, the governor, and the  
5 general assembly. Within one hundred eighty days after the end of each fiscal year  
6 beginning with the fiscal year ending June 30, 2011, and for each subsequent fiscal year  
7 prior to the end of the last funding year, the director of economic development, with the  
8 assistance of the director of the department of revenue, shall determine and report to the  
9 president and board of the corporation, governor, and general assembly the amount by  
10 which aggregate science and innovation employees' gross wages for the fiscal year exceeds  
11 the base year gross wages. The director of economic development and the director of the  
12 department of revenue may consider any verifiable evidence, including but not limited to  
13 the NAICS codes assigned or recorded by the United States Department of Labor for  
14 companies with employees in the state, when determining which organizations should be  
15 classified as science and innovation companies.

16 2. Notwithstanding provisions of sections 23.250 to 23.298 to the contrary, for each  
17 of the twenty-five funding years, beginning July 1, 2012, subject to appropriation, the  
18 director of revenue shall transfer to the Missouri science and innovation reinvestment fund  
19 an amount not to exceed an amount equal to the product of the applicable percentage  
20 multiplied by an amount equal to the increase in aggregate science and innovation  
21 employees' gross wages for the prior fiscal year, over the base year gross wages. The  
22 director of revenue may make estimated payments to the Missouri science and innovation  
23 reinvestment fund more frequently based on estimates provided by the director of revenue  
24 and reconciled annually.

25 3. Local political subdivisions may contribute to the Missouri science and  
26 innovation reinvestment fund through a grant, contract, or loan by dedicating a portion

27 of any sales tax or property tax increase resulting from increases in science and innovation  
28 company economic activity occurring after February 3, 2012, or other such taxes or fees  
29 as such local political subdivisions may establish.

30 4. Funding generated by the provisions of this section shall be expended by the  
31 corporation to further its purposes as specified in section 348.256.

32 5. Upon enactment of this section, the corporation shall prepare a strategic plan for  
33 the use of the funding to be generated by the provisions of this section, and may consult  
34 with science and innovation partners, including but not limited to the research alliance of  
35 Missouri as established in section 348.257, the life sciences research board established in  
36 section 196.1103, and the innovation centers or centers for advanced technology as  
37 established in section 348.272. The corporation shall make a draft strategic plan available  
38 for public comment prior to publication of the final strategic plan.

348.269. 1. Nothing contained in sections 348.250 to 348.275 shall be construed as  
2 a restriction or limitation upon any powers that the corporation might otherwise have  
3 under chapter 355, and the provisions of sections 348.250 to 348.275 shall be cumulative  
4 to such powers.

5 2. Nothing in sections 348.250 to 348.275 shall be construed as allowing the board  
6 to sell the corporation or substantially all of the assets of the corporation, or to merge the  
7 corporation with another institution, without prior authorization by the general assembly.

8 3. Notwithstanding the provisions of section 23.253 to the contrary, the provisions  
9 of sections 348.250 to 348.275 shall not sunset.

10 4. The provisions of sections 348.250 to 348.275 shall not terminate before the  
11 satisfaction of all outstanding obligations, notes, and bonds provided for under sections  
12 348.250 to 348.275.

13 5. If any provision of this act or the application thereof is held invalid, the invalidity  
14 shall not affect other provisions or applications of the act that can be given effect without  
15 the invalid provision or application, and to this end the provisions of this act are severable.  
16 Insofar as the provisions of sections 348.250 to 348.275 are inconsistent with the provisions  
17 of any other law, general, specific, or local, the provisions of sections 348.250 to 348.275  
18 shall be controlling.

[348.271. 1. In order to foster the growth of Missouri's economy and to  
2 stimulate the creation of new jobs in science and innovation-based industry for  
3 the state's work force, the Missouri technology corporation, in accordance with  
4 the provisions of this section and within the limits of appropriations therefor, is  
5 authorized to contract with Missouri not-for-profit corporations for the operation  
6 of innovation centers within the state. The primary emphasis of some, if not of  
7 all, innovation centers, shall be in the areas of science and innovation-based

8 business ventures. Such assistance may include the provision of facilities,  
9 equipment, administrative and managerial support, planning assistance, and such  
10 other services and programs that enhance the development of such ventures and  
11 such assistance may be provided for fees or other consideration.

12 2. The innovation centers operated under this section shall counsel and  
13 assist the new science and innovation-based business ventures in finding a  
14 suitable site in the state of Missouri for location of the business upon its  
15 graduation from the innovation program. Each innovation center shall annually  
16 submit a report of its activities to the department of economic development and  
17 the Missouri technology corporation which shall include, but not be limited to,  
18 the success rate of the businesses graduating from the center, the progress and  
19 locations of businesses which have graduated from the center, the types of  
20 businesses which have graduated from the center, and the number of jobs created  
21 by the businesses involved in the center.

22 3. Any contract signed between the corporation and any not-for-profit  
23 organization to operate an innovation center in accordance with the provisions  
24 of this section shall require that the not-for-profit organization must provide at  
25 least a one hundred percent match for the funding received from the corporation  
26 pursuant to appropriation therefor.]  
27

348.271. 1. In order to foster the growth of Missouri's economy and to stimulate the  
2 creation of new jobs in [technology-based] **science and innovation-based** industry for the state's  
3 work force, the Missouri technology corporation, in accordance with the provisions of this  
4 section and within the limits of appropriations therefor is authorized to contract with Missouri  
5 not-for-profit corporations for the operation of innovation centers within the state. The primary  
6 emphasis of some, if not of all innovation centers, shall be in the areas of [technology  
7 commercialization, finance and business modernization. Innovation centers operated under the  
8 provisions of this section shall provide assistance to individuals and business organizations  
9 during the early stages of the development of new technology-based] **science and**  
10 **innovation-based** business ventures. Such assistance may include the provision of facilities,  
11 equipment, administrative and managerial support, planning assistance, and such other services  
12 and programs that enhance the development of such ventures and such assistance may be  
13 provided for fees or other consideration.

14 2. The innovation centers operated under this section shall counsel and assist the new  
15 [technology-based] **science and innovation-based** business ventures in finding a suitable site  
16 in the state of Missouri for location of the business upon its graduation from the innovation  
17 program. Each innovation center shall annually submit a report of its activities to the department  
18 of economic development and the Missouri technology corporation which shall include, but not  
19 be limited to, the success rate of the businesses graduating from the center, the progress and  
20 locations of businesses which have graduated from the center, the types of businesses which have

21 graduated from the center, and the number of jobs created by the businesses involved in the  
22 center.

23 **3. Any contract signed between the corporation and any not-for-profit organization**  
24 **to operate an innovation center in accordance with the provisions of this section shall**  
25 **require that the not-for-profit organization provide at least a one hundred percent match**  
26 **for the funding received from the corporation under appropriation therefor.**

mean:  
[348.300. As used in sections 348.300 to 348.318, the following terms

2  
3 (1) "Commercial activity located in Missouri", any research,  
4 development, prototype fabrication, and subsequent precommercialization  
5 activity, or any activity related thereto, conducted in Missouri for the purpose of  
6 producing a service or a product or process for manufacture, assembly or sale or  
7 developing a service based on such a product or process by any person,  
8 corporation, partnership, joint venture, unincorporated association, trust or other  
9 organization doing business in Missouri. Subsequent to January 1, 1999, a  
10 commercial activity located in Missouri shall mean only such activity that is  
11 located within a distressed community, as defined in section 135.530;

12 (2) "Follow-up capital", capital provided to a commercial activity located  
13 in Missouri in which a qualified fund has previously invested seed capital or  
14 start-up capital and which does not exceed ten times the amount of such seed and  
15 start-up capital;

16 (3) "Person", any individual, corporation, partnership, or other entity,  
17 including any charitable corporation which is exempt from federal income tax  
18 and whose Missouri unrelated business taxable income, if any, would be subject  
19 to the state income tax imposed under chapter 143;

20 (4) "Qualified contribution", cash contribution to a qualified fund;

21 (5) "Qualified economic development organization", any corporation  
22 organized under the provisions of chapter 355 which has as of January 1, 1991,  
23 obtained a contract with the department of economic development to operate an  
24 innovation center to promote, assist and coordinate the research and development  
25 of new services, products or processes in the state of Missouri; and the Missouri  
26 technology corporation organized pursuant to the provisions of sections 348.250  
27 to 348.275;

28 (6) "Qualified fund", any corporation, partnership, joint venture,  
29 unincorporated association, trust or other organization which is established under  
30 the laws of Missouri after December 31, 1985, which meets all of the following  
31 requirements established by this subdivision. The fund shall have as its sole  
32 purpose and business the making of investments, of which at least ninety percent  
33 of the dollars invested shall be qualified investments. The fund shall enter into  
34 a contract with one or more qualified economic development organizations which  
35 shall entitle the qualified economic development organizations to receive not less  
36 than ten percent of all distributions of equity and dividends or other earnings of

the fund. Such contracts shall require the qualified fund to transfer to the Missouri technology corporation organized pursuant to the provisions of sections 348.250 to 348.275 this interest and make corresponding distributions thereto in the event the qualified economic development organization holding such interest is dissolved or ceases to do business for a period of one year or more;

(7) "Qualified investment", any investment of seed capital, start-up capital, or follow-up capital in any commercial activity located in Missouri;

(8) "Seed capital", capital provided to a commercial activity located in Missouri for research, development and precommercialization activities to prove a concept for a new product or process or service, and for activities related thereto;

(9) "Start-up capital", capital provided to a commercial activity located in Missouri for use in preproduction product development or service development or initial marketing thereof, and for activities related thereto;

(10) "State tax liability", any state tax liability incurred by a taxpayer under the provisions of chapters 143, 147 and 148, exclusive of the provisions relating to the withholding of tax as provided for in sections 143.191 to 143.265 and related provisions;

(11) "Uninvested capital", the amount of any distribution, other than of earnings, by a qualified fund made within five years of the issuance of a certificate of tax credit as provided by sections 348.300 to 348.318; or the portion of all qualified contributions to a qualified fund which are not invested as qualified investments within five years of the issuance of a certificate of tax credit as provided by sections 348.300 to 348.318 to the extent that the amount not so invested exceeds ten percent of all such qualified contributions.]

348.300. As used in sections 348.300 to 348.318, the following terms mean:

(1) "Commercial activity located in Missouri", any research, development, prototype fabrication, and subsequent precommercialization activity, or any activity related thereto, conducted in Missouri for the purpose of producing a service or a product or process for manufacture, assembly or sale or developing a service based on such a product or process by any person, corporation, partnership, joint venture, unincorporated association, trust or other organization doing business in Missouri. Subsequent to January 1, 1999, a commercial activity located in Missouri shall mean only such activity that is located within a distressed community, as defined in section 135.530;

(2) "Follow-up capital", capital provided to a commercial activity located in Missouri in which a qualified fund has previously invested seed capital or start-up capital and which does not exceed ten times the amount of such seed and start-up capital;

(3) "Person", any individual, corporation, partnership, or other entity, including any charitable corporation which is exempt from federal income tax and whose Missouri unrelated

15 business taxable income, if any, would be subject to the state income tax imposed under chapter  
16 143;

17 (4) "Qualified contribution", cash contribution to a qualified fund;

18 (5) "Qualified economic development organization", any corporation organized under  
19 the provisions of chapter 355 which has as of January 1, 1991, obtained a contract with the  
20 department of economic development to operate an innovation center to promote, assist and  
21 coordinate the research and development of new services, products or processes in the state of  
22 Missouri; and the Missouri technology corporation organized [pursuant to] **under** the provisions  
23 of sections [348.253 to 348.266] **348.250 to 348.275**;

24 (6) "Qualified fund", any corporation, partnership, joint venture, unincorporated  
25 association, trust or other organization which is established under the laws of Missouri after  
26 December 31, 1985, which meets all of the following requirements established by this  
27 subdivision. The fund shall have as its sole purpose and business the making of investments, of  
28 which at least ninety percent of the dollars invested shall be qualified investments. The fund  
29 shall enter into a contract with one or more qualified economic development organizations which  
30 shall entitle the qualified economic development organizations to receive not less than ten  
31 percent of all distributions of equity and dividends or other earnings of the fund. Such contracts  
32 shall require the qualified fund to transfer to the Missouri technology corporation organized  
33 [pursuant to] **under** the provisions of sections [348.253 to 348.266] **348.250 to 348.275** this  
34 interest and make corresponding distributions thereto in the event the qualified economic  
35 development organization holding such interest is dissolved or ceases to do business for a period  
36 of one year or more;

37 (7) "Qualified investment", any investment of seed capital, start-up capital, or follow-up  
38 capital in any commercial activity located in Missouri;

39 (8) "Seed capital", capital provided to a commercial activity located in Missouri for  
40 research, development and precommercialization activities to prove a concept for a new product  
41 or process or service, and for activities related thereto;

42 (9) "Start-up capital", capital provided to a commercial activity located in Missouri for  
43 use in preproduction product development or service development or initial marketing thereof,  
44 and for activities related thereto;

45 (10) "State tax liability", any state tax liability incurred by a taxpayer under the  
46 provisions of chapters 143, 147 and 148, exclusive of the provisions relating to the withholding  
47 of tax as provided for [in] **under** sections 143.191 to 143.265 and related provisions;

48 (11) "Uninvested capital", the amount of any distribution, other than of earnings, by a  
49 qualified fund made within five years of the issuance of a certificate of tax credit as provided  
50 [by] **under** sections 348.300 to 348.318; or the portion of all qualified contributions to a

51 qualified fund which are not invested as qualified investments within five years of the issuance  
52 of a certificate of tax credit as provided by sections 348.300 to 348.318 to the extent that the  
53 amount not so invested exceeds ten percent of all such qualified contributions.

[348.253. 1. The Missouri technology corporation may contract with  
2 not-for-profit organizations to carry out the provisions of sections 348.251 to  
3 348.275. By entering into such contracts, the corporation shall attempt to achieve  
4 the following objectives:

5 (1) The establishment of a research alliance which shall advance  
6 technology development, as defined in subdivision (3) of section 348.251. The  
7 corporation, in this capacity, shall have the authority to contract directly with  
8 centers for advanced technology, as established by section 348.272, and other  
9 not-for-profit entities. In proceeding with this objective, the corporation and  
10 centers for advanced technology shall utilize the results of targeted industry  
11 studies commissioned by the department of economic development;

12 (2) Technology commercialization, as defined in subdivision (2) of  
13 section 348.251;

14 (3) The establishment of a finance corporation to assist in the  
15 implementation of section 348.261; and

16 (4) The enhancement of technology application, as defined in subdivision  
17 (1) of section 348.251.

18 2. Any contract signed between the corporation and any not-for-profit  
19 organization, including innovation centers as defined in section 348.271, shall  
20 require that the not-for-profit organization must provide at least  
21 one-hundred-percent match for any funding received from the corporation  
22 through the technology investment fund, as established in section 348.264.]  
23

[348.280. This act relating to science and innovation shall not become  
2 effective except upon the passage and approval by signature of the governor only  
3 of senate bill no. 8 relating to taxation and enacted during the first extraordinary  
4 session of first regular session of the ninety-sixth general assembly.]  
5

Section B. Because immediate action is necessary to attract science and innovation  
2 companies to our state to create high-paying jobs, this act is deemed necessary for the immediate  
3 preservation of the public health, welfare, peace, and safety, and is hereby declared to be an  
4 emergency act within the meaning of the constitution, and this act shall be in full force and effect  
5 upon its passage and approval.

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