

A-Engrossed
House Bill 4039

Ordered by the House February 16
Including House Amendments dated February 16

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Veterans and Emergency Preparedness)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Requires state agency that grants or lends moneys for capital costs of research center to obtain right to receive portion of revenue derived from patents obtained from work by research center. Provides that revenues derived from patents be used for grant programs related to emergency preparedness, innovation-based economic development, energy-related innovation, regionally determined innovation priorities and capital costs related to emergency preparedness.

Requires Office of Emergency Management to develop and administer grant program to purchase emergency preparedness equipment throughout state. Establishes Critical Priority Resiliency Grant Fund to fund grant program.

Requires Oregon Business Development Department to develop and administer grant program to promote innovation-based economic development in this state. Establishes Critical Priority Innovation Grant Fund to fund grant program.

Requires Department of Education to develop and administer grant program to promote research and development of energy-related technologies. Establishes Critical Technology Capitalization Fund to fund grant program.

A BILL FOR AN ACT

1
2 Relating to use of patent revenues for critical investments.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. (1) If a state agency lends or grants moneys to a private entity to be used**
5 **for capital costs of a research center, the state agency shall, before lending or granting the**
6 **moneys, enter into an agreement with the private entity that grants the Oregon Department**
7 **of Administrative Services a right to receive some or all of the revenues derived from any**
8 **patents obtained as a result of work performed at or enabled by the research center.**

9 **(2) The agreement may use any commercially reasonable method of allocating revenues.**
10 **In negotiating the agreement, the state agency shall consider at least the following goals:**

11 **(a) Maximization of the total revenue granted to the state under the agreement; and**

12 **(b) Promotion of technological innovation.**

13 **(3) The state agency shall consult with the Department of Justice when negotiating the**
14 **agreement. The state agency may not execute the agreement unless the agreement is first**
15 **approved by the Department of Justice.**

16 **(4) As used in this section:**

17 **(a) "Private entity" means any entity that is not a public body as defined in ORS 174.109,**
18 **but does not include the Oregon Health and Science University.**

19 **(b) "Research center" means any facility designed, in whole or in part, for research or**
20 **development of technology or other innovations, but does not include a facility that is owned**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 by a public university or the Oregon Health and Science University.

2 (c) "State agency" has the meaning given that term in ORS 276A.230.

3 **SECTION 2.** (1) When the Oregon Department of Administrative Services, pursuant to
4 an agreement under section 1 of this 2018 Act, receives revenues derived from a patent, the
5 department shall deposit the revenues in the Patent Revenue Account established under
6 subsection (2) of this section and shall distribute the revenues as follows:

7 (a) The department shall deposit 10 percent of the revenues in the Critical Priority
8 Resiliency Grant Fund established under section 4 of this 2018 Act.

9 (b) The department shall deposit 25 percent of the revenues in the Critical Priority In-
10 novation Grant Fund established under section 6 of this 2018 Act.

11 (c) The department shall deposit 25 percent of the revenues in the Critical Technology
12 Capitalization Fund established under section 8 of this 2018 Act.

13 (d) The department shall, in consultation with the Regional Solutions Program estab-
14 lished under ORS 284.754, distribute 25 percent of the revenues for purposes that will further
15 innovation in the geographic region or regions in which the patent originated.

16 (e) The department may expend up to five percent of the revenues for necessary costs
17 of administration of this section and section 1 of this 2018 Act.

18 (f) The department shall transfer the remaining portion of the revenues to the General
19 Fund to be used for general governmental purposes. It is the intent of the Legislative As-
20 sembly that moneys described in this paragraph be expended for capital costs related to
21 emergency preparedness.

22 (2) The Patent Revenue Account is established in the State Treasury, separate and dis-
23 tinct from the General Fund. Interest earned by the Patent Revenue Account must be
24 credited to the account. The account consists of moneys deposited in the account under
25 subsection (1) of this section and may include moneys appropriated, allocated, deposited or
26 transferred to the fund by the Legislative Assembly or otherwise and interest earned on
27 moneys in the account. The moneys in the account are continuously appropriated to the
28 Oregon Department of Administrative Services for the purposes specified in subsection (1)
29 of this section.

30 **SECTION 3.** (1) The Office of Emergency Management shall, by rule, develop and ad-
31 minister a grant program to distribute preparedness equipment, or moneys to purchase
32 preparedness equipment, to applicants throughout this state.

33 (2) Pursuant to the grant program:

34 (a) Any entity with responsibility for or expertise in emergency preparedness, including
35 local governments and private entities, may apply to receive a grant. Applicants must dem-
36 onstrate a need for the specific preparedness equipment requested.

37 (b) In consultation with the Oregon Homeland Security Council, the office shall deter-
38 mine which requests from applicants, if fulfilled, will maximize the state's ability to respond
39 in case of emergency, taking into account considerations including but not limited to the
40 following:

41 (A) The level of need for the requested preparedness equipment demonstrated by the
42 applicant;

43 (B) The types of emergencies most likely to occur in the region where the applicant is
44 located; and

45 (C) Whether the applicant has alternative means of acquiring the requested preparedness

1 equipment.

2 (c) The office shall issue grants to the applicants identified under paragraph (b) of this
3 subsection. The office may either purchase the requested preparedness equipment for dis-
4 tribution to the recipient or issue cash to the recipient to purchase the requested
5 preparedness equipment.

6 (d) The office may impose reasonable conditions on grant recipients, including conditions
7 under which grants must be repaid.

8 (3) The office may adopt rules to administer this section.

9 (4) As used in this section:

10 (a) "Emergency" has the meaning given that term in ORS 401.025.

11 (b) "Preparedness equipment" means equipment, tools, vehicles, fixtures or improve-
12 ments upon real property, or other property that may be used to decrease the risk to life
13 and property resulting from an emergency.

14 **SECTION 4.** The Critical Priority Resiliency Grant Fund is established in the State
15 Treasury, separate and distinct from the General Fund. Interest earned by the Critical Pri-
16 ority Resiliency Grant Fund must be credited to the fund. The fund consists of moneys de-
17 posited in the fund under section 2 of this 2018 Act and may include moneys appropriated,
18 allocated, deposited or transferred to the fund by the Legislative Assembly or otherwise and
19 interest earned on moneys in the account. The moneys in the account are continuously ap-
20 propriated to the Office of Emergency Management for the purposes of making grants under
21 section 3 of this 2018 Act and to pay the administrative costs associated with the fund and
22 with making grants from the fund.

23 **SECTION 5.** (1) The Oregon Business Development Department shall, by rule, develop and
24 administer a grant program to fund proposals that are intended to promote innovation-based
25 economic development in this state.

26 (2) Pursuant to the grant program:

27 (a) Any individual or public or private entity may apply to receive a grant. An applicant
28 for a grant must submit a proposal to the department that describes the proposed use of the
29 grant moneys and includes any additional information required by the department by rule.

30 (b) The department may impose reasonable conditions on grant recipients, including
31 conditions under which grants must be repaid.

32 (3) The department may adopt rules to administer this section.

33 **SECTION 6.** The Critical Priority Innovation Grant Fund is established in the State
34 Treasury, separate and distinct from the General Fund. Interest earned by the Critical Pri-
35 ority Innovation Grant Fund must be credited to the fund. The fund consists of moneys de-
36 posited in the fund under section 2 of this 2018 Act and may include moneys appropriated,
37 allocated, deposited or transferred to the fund by the Legislative Assembly or otherwise and
38 interest earned on moneys in the account. The moneys in the account are continuously ap-
39 propriated to the Oregon Business Development Department for the purposes of making
40 grants under section 5 of this 2018 Act and to pay the administrative costs associated with
41 the fund and with making grants from the fund.

42 **SECTION 7.** (1) The Department of Education shall, by rule adopted by the State Board
43 of Education, develop and administer a grant program to fund proposals that are intended
44 to promote research and development of energy-related technologies.

45 (2) Pursuant to the grant program:

1 **(a) Any individual or public or private entity may apply to receive a grant. An applicant**
2 **for a grant must submit a proposal to the department that describes the proposed use of the**
3 **grant moneys and includes any additional information required by the department by rule.**

4 **(b) The department may impose reasonable conditions on grant recipients, including**
5 **conditions under which grants must be repaid.**

6 **(3) The board may adopt rules to administer this section.**

7 **SECTION 8. The Critical Technology Capitalization Fund is established in the State**
8 **Treasury, separate and distinct from the General Fund. Interest earned by the Critical**
9 **Technology Capitalization Fund must be credited to the fund. The fund consists of moneys**
10 **deposited in the fund under section 2 of this 2018 Act and may include moneys appropriated,**
11 **allocated, deposited or transferred to the fund by the Legislative Assembly or otherwise and**
12 **interest earned on moneys in the account. The moneys in the account are continuously ap-**
13 **propriated to the Department of Education for the purposes of making grants under section**
14 **7 of this 2018 Act and to pay the administrative costs associated with the fund and with**
15 **making grants from the fund.**

16 **SECTION 9. Section 1 of this 2018 Act applies to grants or loans that are first authorized**
17 **on or after the effective date of this 2018 Act.**

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