

SENATE MOTION

MR. PRESIDENT:

I move that Engrossed House Bill 2008 be amended to read as follows:

- 1 Page 5, between lines 38 and 39, begin a new paragraph and insert:
2 "SECTION 2. IC 4-4-5.1-6, AS AMENDED BY P.L.291-2001,
3 SECTION 82, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2003]: Sec. 6. (a) The Indiana twenty-first century research
5 and technology fund board is established. The board consists of the
6 following:
7 (1) The lieutenant governor, who shall serve as chairperson of the
8 board.
9 (2) Two (2) representatives from separate Indiana public research
10 institutions of higher education to be appointed by the governor.
11 (3) A representative of an Indiana private research institution of
12 higher education to be appointed by the governor.
13 (4) A representative from a high technology business to be
14 appointed by the governor.
15 (5) A representative from a business with high research and
16 development expenditures in Indiana **in the life sciences** to be
17 appointed by the governor.
18 (6) A representative from the venture or growth capital industry
19 to be appointed by the governor.
20 (7) One (1) individual who has expertise in economic
21 development to be appointed by the governor.
22 (8) One (1) individual who:
23 (A) has expertise in ~~academic research, technology transfer, or~~
24 collaborative relationships between the public and private
25 sectors **that have resulted in the commercialization of**
26 **research in the life sciences; or**
27 **(B) has established or expanded a commercial enterprise**
28 **based on the commercialization of research in the life**
29 **sciences;**
30 to be appointed by the governor.
31 (9) A representative from a high technology business to be

- 1 appointed by the speaker of the house of representatives.
- 2 (10) A representative from a high technology business to be
- 3 appointed by the president pro tempore of the senate.
- 4 A board member appointed by the governor, the speaker of the house
- 5 of representatives, or the president pro tempore of the senate serves a
- 6 term of two (2) years.
- 7 (b) A board member with a conflict of interest with respect to an
- 8 application for a grant or loan from the fund shall abstain from any
- 9 discussion, consideration, or vote on the application.
- 10 (c) When making appointments under subsection (a), the governor
- 11 shall consider the geographic areas of the state represented on the
- 12 board."
- 13 Page 16, between lines 6 and 7, begin a new paragraph and insert:
- 14 "SECTION 11. IC 4-12-1-14.3, AS AMENDED BY P.L.291-2001,
- 15 SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 16 JULY 1, 2003]: Sec. 14.3. (a) As used in this section, "master
- 17 settlement agreement" has the meaning set forth in IC 24-3-3-6.
- 18 (b) There is hereby created the Indiana tobacco master settlement
- 19 agreement fund for the purpose of depositing and distributing money
- 20 received under the master settlement agreement. The fund consists of:
- 21 (1) all money received by the state under the master settlement
- 22 agreement;
- 23 (2) appropriations made to the fund by the general assembly; and
- 24 (3) grants, gifts, and donations intended for deposit in the fund.
- 25 (c) Money may be expended, transferred, or distributed from the
- 26 fund during a state fiscal year only in amounts permitted by subsections
- 27 (d) through (e), and only if the expenditures, transfers, or distributions
- 28 are specifically authorized by another statute.
- 29 (d) The maximum amount of expenditures, transfers, or distributions
- 30 that may be made from the fund during the state fiscal year beginning
- 31 July 1, 2000, is determined under STEP THREE of the following
- 32 formula:
- 33 STEP ONE: Determine the sum of money received or to be
- 34 received by the state under the master settlement agreement
- 35 before July 1, 2001.
- 36 STEP TWO: Subtract from the STEP ONE sum the amount
- 37 appropriated by P.L.273-1999, SECTION 8, to the children's
- 38 health insurance program from funds accruing to the state from
- 39 the tobacco settlement for the state fiscal years beginning July 1,
- 40 1999, and July 1, 2000.
- 41 STEP THREE: Multiply the STEP TWO remainder by fifty
- 42 percent (50%).
- 43 (e) The maximum amount of expenditures, transfers, or distributions
- 44 that may be made from the fund during the state fiscal year beginning
- 45 July 1, 2001, and each state fiscal year after that is determined under
- 46 STEP THREE of the following formula:
- 47 STEP ONE: Determine the amount of money received or to be

1 received by the state under the master settlement agreement
2 during that state fiscal year.

3 STEP TWO: Multiply the STEP ONE amount by sixty percent
4 (60%).

5 STEP THREE: Add to the STEP TWO product any amounts that
6 were available for expenditure, transfer, or distribution under this
7 subsection or subsection (d) during preceding state fiscal years
8 but that were not expended, transferred, or distributed.

9 (f) The following amounts shall be retained in the fund and may not
10 be expended, transferred, or otherwise distributed from the fund:

11 (1) All of the money that is received by the state under the master
12 settlement agreement and remains in the fund after the
13 expenditures, transfers, or distributions permitted under
14 subsections (c) through (e).

15 (2) All interest that accrues from investment of money in the fund,
16 unless specifically appropriated by the general assembly. Interest
17 that is appropriated from the fund by the general assembly may
18 not be considered in determining the maximum amount of
19 expenditures, transfers, or distributions under subsection (e).

20 (g) The fund shall be administered by the budget agency.
21 Notwithstanding IC 5-13, the treasurer of state shall invest the money
22 in the fund not currently needed to meet the obligations of the fund in
23 the same manner as money is invested by the public employees
24 retirement fund under IC 5-10.3-5. The treasurer of state may contract
25 with investment management professionals, investment advisors, and
26 legal counsel to assist in the investment of the fund and may pay the
27 state expenses incurred under those contracts from the fund. Interest
28 that accrues from these investments shall be deposited in the fund.
29 Money in the fund at the end of the state fiscal year does not revert to
30 the state general fund.

31 (h) The state general fund is not liable for payment of a shortfall in
32 expenditures, transfers, or distributions from the Indiana tobacco
33 master settlement agreement fund or any other fund due to a delay,
34 reduction, or cancellation of payments scheduled to be received by the
35 state under the master settlement agreement. If such a shortfall occurs
36 in any state fiscal year, the budget agency shall make the full transfer
37 to the regional health facilities construction account and then reduce all
38 remaining expenditures, transfers, and distributions affected by the
39 shortfall.

40 **(i) For each state fiscal year beginning after June 30, 2005, and**
41 **ending before July 1, 2013, the budget agency shall annually**
42 **transfer an amount equal to twenty-five percent (25%) of the**
43 **amount determined under subsection (e) from the fund to the life**
44 **sciences research trust fund established under IC 16-46-14 to be**
45 **used for the purposes of the life sciences research trust fund. The**
46 **amount required to be transferred under this subsection is**
47 **annually appropriated for this purpose."**

1 Page 57, between lines 40 and 41, begin a new paragraph and insert:
 2 "SECTION 61. IC 16-18-2-37.5 IS ADDED TO THE INDIANA
 3 CODE AS A NEW SECTION TO READ AS FOLLOWS
 4 [EFFECTIVE JULY 1, 2003]: **Sec. 37.5. "Board", for purposes of**
 5 **IC 16-46-14, refers to the Indiana twenty-first century research**
 6 **and technology fund board established by IC 4-4-5.1-6.**

7 SECTION 62. IC 16-18-2-143, AS AMENDED BY P.L.81-2002,
 8 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JULY 1, 2003]: Sec. 143. (a) "Fund", for purposes of IC 16-26-2, has
 10 the meaning set forth in IC 16-26-2-2.

11 (b) "Fund", for purposes of IC 16-46-5, has the meaning set forth in
 12 IC 16-46-5-3.

13 (c) "Fund", for purposes of IC 16-46-12, has the meaning set forth
 14 in IC 16-46-12-1.

15 (d) "Fund", for purposes of IC 16-46-14, refers to the life
 16 sciences research trust fund.

17 SECTION 63. IC 16-18-2-204.5 IS ADDED TO THE INDIANA
 18 CODE AS A NEW SECTION TO READ AS FOLLOWS
 19 [EFFECTIVE JULY 1, 2003]: **Sec. 204.5. "Life sciences", for**
 20 **purposes of IC 16-46-14, includes but is not limited to orthopedics,**
 21 **medical devices, biomedical research and development,**
 22 **pharmaceutical manufacturing, agribusiness, nanotechnology, and**
 23 **molecular manufacturing.**

24 SECTION 64. IC 16-46-14 IS ADDED TO THE INDIANA CODE
 25 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 26 JULY 1, 2003]:

27 **Chapter 14. Life Sciences Research Trust Fund**

28 **Sec. 1. (a) The life sciences research trust fund is established to**
 29 **strategically, in cooperation with other governmental and**
 30 **nonprofit private entities, enhance Indiana's ability to perform**
 31 **research to better serve the health and welfare of the residents of**
 32 **Indiana as a center of life sciences research and development by:**

33 (1) **building on the success of research institutions and their**
 34 **regional campus located in Indiana;**

35 (2) **creating in and attracting to Indiana businesses that are**
 36 **engaged in research and development in the life sciences;**

37 (3) **commercializing the life sciences technologies developed**
 38 **by these institutions; and**

39 (4) **enhancing their capacity to carry out their respective**
 40 **missions.**

41 (b) **The fund consists of the following:**

42 (1) **Appropriations by the general assembly.**

43 (2) **Gifts to the fund.**

44 (c) **The board shall administer the fund.**

45 (d) **The expenses of administering the fund shall be paid from**
 46 **money in the fund.**

47 (e) **The treasurer of state shall invest the money in the fund not**

1 currently needed to meet the obligations of the fund in the same
2 manner as other public funds may be invested.

3 (f) Money in the fund at the end of a fiscal year does not revert
4 to the state general fund or the Indiana tobacco master settlement
5 agreement fund.

6 (g) The money in the fund is annually appropriated to the board
7 for the purposes of the fund.

8 **Sec. 2.** The board shall identify targeted fields of life sciences
9 research that have a high potential of producing life sciences
10 applications that are capable of being commercialized through
11 firms in Indiana.

12 **Sec. 3.** In administering the fund and considering applications
13 for funding, the board shall follow the application and peer review
14 processes set forth in IC 4-4-5.1.

15 **Sec. 4.** In awarding grants, the board shall give priority to those
16 applications that:

- 17 (1) assist Indiana institutions and businesses to compete
18 nationally for research and development awards from the
19 federal government and other sources;
- 20 (2) have significant potential to improve the health and well
21 being of the residents of Indiana;
- 22 (3) have the greatest economic development potential; or
- 23 (4) build a research and development infrastructure in the life
24 sciences.

25 **Sec. 5.** The provisions of this chapter may not be construed to
26 limit the ability of the board to provide grants or loans from the
27 Indiana twenty-first century research and technology fund or the
28 emerging technology grant fund to support economic development
29 projects in the life sciences."

30 Page 65, between lines 15 and 16, begin a new paragraph and insert:

31 "SECTION 73. [EFFECTIVE JULY 1, 2003] (a) The following
32 definitions apply throughout this SECTION:

- 33 (1) "FY 2003-2004" means the period beginning July 1, 2003,
34 and ending June 30, 2004.
- 35 (2) "FY 2004-2005" means the period beginning July 1, 2004,
36 and ending June 30, 2005.

37 (b) Notwithstanding IC 4-12-1-14.3, there is appropriated to the
38 budget agency the following sums from the money deposited in the
39 Indiana tobacco master settlement agreement fund that would
40 otherwise be unavailable for expenditure under IC 4-12-1-14.3(f)
41 for the purposes of the life sciences research trust fund:

- 42 (1) For FY 2003-2004, twenty million dollars (\$20,000,000).

- 1 **(2) For FY 2004-2005, twenty-five million dollars**
- 2 **(\$25,000,000).**
- 3 **(c) This SECTION expires January 1, 2006."**
- 4 Renumber all SECTIONS consecutively.
(Reference is to EHB 2008 as printed April 8, 2003.)

Senator CLARK