

\_\_\_\_\_ offers the following  
 substitute to HB 1095:

A BILL TO BE ENTITLED  
 AN ACT

1 To amend Title 50 of the Official Code of Georgia Annotated, relating to state government,  
 2 so as to provide for the Georgia Innovation Center Act; to provide for legislative findings and  
 3 intent; to provide a short title; to create the Board of Innovation and provide for a director  
 4 for the Georgia Innovation Center; to provide for certain duties of the board and director; to  
 5 establish the Georgia Venture Capital Fund; to provide for the supervision and management  
 6 of the venture capital fund; to provide for the authority of the center to make direct  
 7 investments related to scientific innovations and investment projects by means of equity  
 8 investments, loans, or grants; to establish a funding mechanism for certain facilities and  
 9 equipment for scientific research and science innovative businesses; to provide for the  
 10 authority to issue matching funds for investments, grants, or scholarship projects that require  
 11 matching funds whether private or public; to provide for the issuance of grants and  
 12 scholarships from the fund; to authorize the Innovation Center to issue bonds and tax credits;  
 13 to provide for definitions; to provide for the issuance of bonds; to provide for related matters;  
 14 to repeal conflicting laws; and for other purposes.

15 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**SECTION 1.**

16 The General Assembly finds that legislation is needed to help make Georgia a national leader  
 17 in the area of life sciences innovation and a desirable location for innovative educational and  
 18 business entities to locate and grow. Georgia is lacking an innovation center for the  
 19 coordination of venture capital investment and the support of scientific research,  
 20 development, and commercialization. High-paying quality jobs and health improving  
 21 commercial products result from science innovation industries which require an educated  
 22 work force with advanced technical skills. The establishment of the Georgia Innovation  
 23 Center will provide job growth, promote research and development, and encourage  
 24 investments that will lead to scientific discoveries and products to enhance the quality of life  
 25 for all Georgians. Universities, colleges, nonprofit institutions, and private enterprises in the  
 26

1 State of Georgia are better able to educate and train scientists, health care professionals, and  
 2 technicians and to provide a supportive environment for scientific research, development,  
 3 and product commercialization activities through increased targeted investments.  
 4 Manufacturing, licensing, and commercialization of products derived from scientific  
 5 innovative industries will benefit the state's economy and facilitate the development of all  
 6 industry and associated educational institutions in Georgia. A need exists to increase the  
 7 availability of venture capital for emerging, expanding, and restructuring enterprises in  
 8 Georgia, including enterprises in life sciences innovation, advanced manufacturing,  
 9 information technology, and alternative and renewable energy. Such investments will not  
 10 only create jobs for the citizens of Georgia but will also help diversify the state's economic  
 11 base. Focus marketing and commercialization efforts are needed to promote the many  
 12 resources within this state, including the vast wealth of intellectual property and agricultural  
 13 and forestry products. Coordination of information and informational resources is also  
 14 needed to attract businesses to Georgia. It is the intent of the General Assembly to utilize  
 15 venture equity capital for investment in such a manner as to result in new businesses and jobs  
 16 in this state that are based on high growth potential technologies, products, or services and  
 17 that will further diversify the economy of this state as well as provide for the long-term  
 18 health and welfare of Georgia's citizens.

## 19 SECTION 2.

20 Title 50 of the Official Code of Georgia Annotated, relating to state government, is amended  
 21 by revising Chapter 31, which is reserved, as follows:

### 22 "CHAPTER 31

23 50-31-1.

24 This chapter shall be known and may be cited as the 'Georgia Innovation Center Act.'

25 50-31-2.

26 There is established the Georgia Innovation Center, a body corporate and politic, which  
 27 shall be a state authority and deemed to be an instrumentality of this state and a public  
 28 corporation; and by that name the center may contract and be contracted with and bring and  
 29 defend actions. The Georgia Innovation Center shall be the central governmental entity for  
 30 the promotion and development of the life sciences industry in Georgia.

31 50-31-3.

32 As used in this chapter, the term:

1 (1) 'Board' means the Board of Innovation and its individual members which shall be the  
2 supervising and decision-making body for the center.

3 (2) 'Center' means the Georgia Innovation Center created by this chapter and  
4 acknowledged and authorized to administer the Georgia Venture Capital Fund.

5 (3) 'Director' means the director of the Georgia Innovation Center.

6 (4) 'Facility' means any new construction of a building or structure or necessary building  
7 improvements for the purpose of conducting research or producing or developing new  
8 scientific innovations and any unique equipment, as determined by the center, that is  
9 necessary for the research, production, or development of new scientific innovations.

10 (5) 'Fund' means the Georgia Venture Capital Fund, which shall be under the control and  
11 supervision of the board and managed by the director as established in Code Section  
12 50-31-10.

13 (6) 'Investment project' means a corporation, partnership, limited liability company, or  
14 other legal entity that has its principal place of business in this state and that is engaged  
15 in science innovation or the investment of venture capital for scientific innovation,  
16 including, but not limited to, a tenant of an incubator or a person or entity attempting to  
17 establish an entrepreneurial business in this state or otherwise conducting scientific  
18 innovative research, development, or commercialization. For the purposes of this  
19 chapter, an enterprise shall not be considered to be engaged in an entrepreneurial business  
20 unless it is engaged in scientific innovative work.

21 (7) 'Science innovation' and 'scientific innovation' means research, development, and  
22 commercialization directly related to the use of compositions, methods, and organisms  
23 in cellular and molecular research, development, and manufacturing processes in areas  
24 such as pharmaceuticals, agriculture, homeland security, medical therapeutics, medical  
25 diagnostics, medical devices, veterinary medicine, plant biology, microbiology; includes  
26 development and qualitative improvement in the areas of medical sciences,  
27 pharmaceutical sciences, environmental protection, biological sciences, zoology, botany,  
28 horticulture, ecology, toxicology, organic chemistry, physical chemistry, and physiology;  
29 and includes those fields focusing on technological developments in the areas of  
30 molecular biology, genomics, proteomics, physiomics, nanotechnology, biodefense,  
31 biocomputing, bioinformatics, and other developments associated with life sciences.

32 50-31-4.

33 (a) The Georgia Innovation Center shall be under the direction and supervision of the  
34 Board of Innovation. Except those powers which are expressly reserved to the board, all  
35 powers and authority of the board may be exercised by the center, with the approval of the  
36 board.

1 (b) The purpose of the center is to enhance the quality of life for all of the citizens of  
2 Georgia by providing increased availability of and accessibility to capital for science  
3 innovation businesses, particularly at the early investment stage, thereby encouraging  
4 wealth creation through new jobs and increasing the wage base by promoting businesses  
5 in the scientific innovative industries and by encouraging persons and entities to invest in  
6 Georgia and the Georgia Venture Capital Fund. The center is authorized to:

7 (1) Serve as the center for science innovation entrepreneurs seeking business assistance  
8 and financing options in Georgia by providing a seamless resource center clearinghouse  
9 and referral source, to include establishment of a website and a toll-free telephone  
10 number;

11 (2) Provide a centralized marketing effort for the commercialization of intellectual  
12 property and other related resources this state has to offer entrepreneurs;

13 (3) Recruit companies from other states through the promotion of Georgia resources and  
14 by offering incentives for transferring to lower risk companies, especially companies in  
15 the beginning stages of development;

16 (4) Create and review policies that support and grow businesses which rely upon  
17 scientific innovations;

18 (5) Provide expert administrative support in areas pertaining to science innovation which  
19 support may include providing instruction in areas of patent development or grant  
20 proposal preparation;

21 (6) Manage the Georgia Venture Capital Fund and develop policies and procedures to  
22 assure that funds are distributed to qualified entrepreneurs, researchers, and students;

23 (7) Lead collaborative efforts among education, research, and outreach services to serve  
24 potential entrepreneurs across the state;

25 (8) Support technology and research development centers, incubators, science innovation  
26 businesses, and emerging science innovation industries;

27 (9) Review existing agencies and programs for purposes of enhancing investment best  
28 practices, communication, and organized use of this state's resources by and among  
29 agencies impacting scientific innovation development; and

30 (10) Enhance the venture capital culture and infrastructure in the state so as to increase  
31 venture capital investment within the state and to accomplish these purposes in such a  
32 manner as to minimize any appropriations by the state.

33 50-31-5.

34 (a) The Board of Innovation shall elect a chairperson of the board from among its  
35 members. The chairperson shall not serve as a voting member unless a vote is needed to  
36 decide a simple majority vote or create a quorum.

- 1 (b) In addition to the chairperson, the board shall consist of the following voting members:
- 2 (1) Members of the executive branch who shall be designated by virtue of their position  
3 as follows: the State School Superintendent, the Commissioner of Agriculture, the  
4 director of the State Forestry Commission, the chairman of the Board of Regents of the  
5 University System of Georgia, the chancellor of the University System of Georgia, the  
6 chairman of the State Board of Technical and Adult Education, the chairman of the State  
7 Board of Education, the commissioner of economic development, and the commissioner  
8 of community affairs;
- 9 (2) Four members who shall be appointed by the Governor, to include at least one of  
10 each of the following: a representative of a public or private university with ten years'  
11 experience in the area of scientific research, a member of the Georgia Research Alliance  
12 or similar organization, an employee of the executive branch having an understanding of  
13 government operations in the area of health care, and an experienced business person in  
14 the area of science technology commercialization or related venture capital investment;
- 15 (3) Five members who shall be appointed by the Speaker of the House of  
16 Representatives, at least four of whom shall have ten years' experience in the business  
17 of science innovative technology and venture capital funding; and
- 18 (4) Five members who shall be appointed by the President of the Senate, at least four of  
19 whom shall have a minimum of ten years' experience in the business of science  
20 innovative technology and venture capital funding.
- 21 (c) In addition to the voting members of the board, the President of the Senate and the  
22 Speaker of the House of Representatives shall each be authorized to appoint two advisory  
23 members to the board. The advisory members shall be members of the Georgia General  
24 Assembly and shall not be permitted to vote on any matters before the board.
- 25 (d) In addition to the voting members of the board, the Governor shall be permitted to  
26 appoint two investment advisory members who shall be experts in the area of venture  
27 capital funding of investment projects. The advisory members appointed by the Governor  
28 shall not be voting members but shall be authorized to review all activities, documents, and  
29 records of the board, director, and the center that relate to the fund and provide a report of  
30 the same to the governor.
- 31 (e) Board members, whether voting or advisory members, shall be permitted to appoint a  
32 person to represent their interest at any meeting of the board, and such representative shall  
33 be permitted to act as a voting member on behalf of the board member.
- 34 (f) The board shall meet quarterly, not less than once every three months; provided,  
35 however, that upon majority vote of the board, the board may meet more frequently.  
36 Fifteen members of the board shall constitute a quorum for the transaction of business.

1 That portion of a meeting of the board at which information is discussed which is  
2 confidential and exempt from public disclosure shall not be considered a public meeting.

3 (g) The board shall be the policy-determining body for the center and shall have the duties,  
4 powers, authority, and jurisdiction provided in this chapter, including the authority to make  
5 rules and regulations for its own government. Such rules shall be published by the  
6 Secretary of State in accordance with Chapter 13 of Title 50.

7 (h) The first members appointed under this Code section shall be appointed for terms  
8 which begin July 1, 2008, and shall serve three-year terms; provided, however, that where  
9 a member is appointed by virtue of holding an office or position in state government, he  
10 or she shall remain on the board so long as he or she continues to hold the designated office  
11 or position. A vacancy on the board occurring other than by expiration of a term shall be  
12 filled in the same manner as the original appointment for the balance of the unexpired term.  
13 Except as otherwise provided in this subsection, board members shall be appointed to  
14 three-year terms. A member of the board shall hold office until a successor has been  
15 appointed and qualified. A member of the board is eligible for reappointment.

16 (i) The board shall meet in person or by means of electronic communication devices that  
17 enable all participants in the meeting to communicate with each other.

18 (j) No business of the board shall be transacted except at a regular or special meeting at  
19 which a quorum is present. Any action of the board shall require the affirmative vote of  
20 a majority of those at any meeting of the board at which a quorum is present. All decisions  
21 of the board, the identity of the board member voting, and the manner that the vote was cast  
22 shall be recorded in writing. The absence or abstention of any board member shall likewise  
23 be recorded.

24 (k) The members of the board shall receive no compensation for their services but shall  
25 be entitled to receive expenses incurred by them in the performance of their duties. The  
26 expenses of nonlegislative members, including mileage, shall be paid on the same basis as  
27 for other state officials and employees. Such expenses and costs shall be paid from funds  
28 appropriated or otherwise available to the center. The legislative members of the board  
29 shall receive the allowances authorized for legislative members of interim legislative  
30 committees from the funds appropriated to the House of Representatives and the Senate.

31 50-31-6.

32 (a) The powers of the Georgia Innovative Center shall be vested in the board. The center  
33 shall have any and all powers necessary or convenient to its usefulness in carrying out and  
34 effectuating the purposes and provisions of this chapter which are not in conflict with the  
35 Constitution of this state, including, but without limiting the generality of the foregoing,  
36 the following powers:

- 1 (1) To sue and be sued in contract and in tort and to complain and defend in all courts;
- 2 (2) To adopt and alter a corporate seal;
- 3 (3) To adopt, amend, and repeal bylaws, rules and regulations, and policies and  
4 procedures for the regulation of its affairs and the conduct of its business, the  
5 appointment and duties of officers and employees of the center, and such other matters  
6 as the board or director may determine;
- 7 (4) To appoint and select officers, agents, and employees, including professional and  
8 administrative staff and personnel, financial advisers, consultants, fiscal agents, trustees,  
9 and accountants and to fix their compensation and pay their expenses, including the  
10 power to contract with any other department, agency, board, commission, authority, or  
11 private entity for professional, technical, clerical, and administrative support as may be  
12 required;
- 13 (5) To procure or to provide insurance against any loss in connection with its programs,  
14 property, and other assets;
- 15 (6) To borrow money and to issue notes and bonds and other obligations to accomplish  
16 its public purposes and to provide for the rights of the lenders or holders thereof;
- 17 (7) To pledge, mortgage, convey, assign, hypothecate securities, or otherwise encumber  
18 any property of the center, including, but not limited to, real property, fixtures, personal  
19 property, intangible property, revenues, income, charges, fees, or other funds and to  
20 execute any lease, trust indenture, trust agreement, resolution, agreement for the sale of  
21 the center's bonds, loan agreement, mortgage, deed to secure debt, trust deed, security  
22 agreement, assignment, or other agreement or instrument as may be necessary or  
23 desirable, in the judgment of the center, to secure any such bonds, which instruments or  
24 agreements may provide for foreclosure or forced sale of any property of the center upon  
25 default in any obligation of the center, either in payment of principal, premium, if any,  
26 or interest or in the performance of any term or condition contained in any such  
27 agreement or instrument; the state, on behalf of itself and each political subdivision,  
28 public body corporate and politic, or taxing district therein, waives any right it or such  
29 political subdivision, public body corporate and politic, or taxing district may have to  
30 prevent the forced sale or foreclosure of any property of the center upon such default and  
31 agrees that any agreement or instrument encumbering such property may be foreclosed  
32 in accordance with law and the terms thereof;
- 33 (8) To extend credit, to make loans, to participate in the making of loans, to provide  
34 credit enhancement, and to provide or procure insurance;
- 35 (9) To collect fees and charges in connection with its bonds, loans, commitments,  
36 insurance, credit enhancement, and servicing, including, but not limited to,  
37 reimbursement of costs of financing;

- 1 (10) To sell loans, security interests, and other obligations of the center at public or  
2 private sale; to negotiate modifications or alterations in loans, security interests, and other  
3 obligations of the center; to foreclose on any security interest in default or commence any  
4 action to protect or enforce any right conferred upon it by any law, security agreement,  
5 deed of trust, deed to secure debt, contract, or other agreement; to bid for and purchase  
6 property which was the subject of such loan, security interest, or other obligation of the  
7 center at any foreclosure or at any other sale; to acquire or take possession of such  
8 property; and to exercise any and all rights as provided by law or contract for the benefit  
9 or protection of the center or holders of the center's notes, bonds, or other obligations;
- 10 (11) To procure or to make and execute contracts, agreements, and other instruments,  
11 including interest rate swap or currency swap agreements, letters of credit, or other credit  
12 facilities or agreements, and to take such other actions and do such other things as the  
13 center may deem appropriate to secure the payment of any loan, lease, or purchase  
14 payment owed to the center or any bonds or other obligations issued by the center,  
15 including the power to pay the cost of obtaining any such contracts, agreements, and  
16 other instruments;
- 17 (12) To receive and use the proceeds of any tax levied by the state or a local government  
18 or taxing district of the state enacted for the purposes of providing credit enhancement  
19 or for any other purpose for which the center may use its own funds pursuant to this  
20 chapter;
- 21 (13) To receive and administer gifts, grants, and devises of money and property of any  
22 kind; to administer trusts; to receive venture capital funds appropriated by the General  
23 Assembly; and to sell, convey, or otherwise encumber such moneys appropriated by  
24 capitalizing or securitizing the same and entering into contracts pertaining thereto in order  
25 to enable the center to better accomplish the purposes of this chapter;
- 26 (14) To acquire real and personal property in its own name to promote any of the public  
27 purposes of the center or for the administration and operation of the center;
- 28 (15) To provide and administer grant moneys for any of the public purposes of the center  
29 and to comply with all conditions attached thereto;
- 30 (16) To contract for any period, not exceeding 50 years, with the state, any institution,  
31 department, agency, or authority of the state, or any local government within the state for  
32 the use by the center of any facilities or services of any such entity or for the use by any  
33 such entity of any facilities or services of the center, provided that such contracts shall  
34 deal with such activities and transactions as the center is authorized by law to undertake;
- 35 (17) To invest any accumulation of its funds, including, but without limiting the  
36 generality of the foregoing, funds received from the issuance of bonds and any sinking

1 funds or reserves in any manner as it determines is in its best interests and to purchase its  
2 own bonds and notes;

3 (18) To hold title to any project financed by it, but it shall not be required to do so;

4 (19) To maintain an equity interest in any investment project or facility financed using  
5 moneys from the fund, but it shall not be required to do so;

6 (20) To establish eligibility standards for financing, financial assistance, investment,  
7 scholarships, and technical assistance authorized for investment projects or individuals  
8 under this chapter;

9 (21) To sell or otherwise dispose of unneeded or obsolete equipment or property of every  
10 nature and every kind;

11 (22) To lease as lessor any facility or any project for such rentals and upon such terms  
12 and conditions as the center considers advisable and not in conflict with this chapter;

13 (23) To sell by installment or otherwise to sell by option or contract for sale and to  
14 convey all or any part of any item of any investment project or facility for such price and  
15 upon such terms and conditions as the center considers advisable and which are not in  
16 conflict with this chapter;

17 (24) To manage property, intangible, real, and personal, owned by the center or under  
18 its control by lease or by other means;

19 (25) To engage in matching grant activities for investment projects and individuals,  
20 including federal, private, and foundation awards for the extension of scientific  
21 innovation including technology extension, science and technology development,  
22 research, and commercialization activities;

23 (26) To do any and all things necessary, desirable, convenient, or incidental for the  
24 accomplishment of the objectives of this chapter and to exercise any power usually  
25 possessed by private corporations performing similar functions which is not in conflict  
26 with the public purposes of the center or the Constitution and laws of this state, including:

27 (A) The power to retain accounting and other financial services;

28 (B) The power to purchase all kinds of insurance, including, without limitation,  
29 insurance against tort liability and against risks of damage to property;

30 (C) The power to indemnify and hold harmless any parties contracting with the center  
31 or its agents from damage to persons or property; and

32 (D) The power to act as self-insurer with respect to any loss or liability and to create  
33 insurance reserves;

34 (27) To lease any center owned facilities or property or any state owned facilities or  
35 property which the center is managing under contract with the state; and no such lease  
36 agreement shall be deemed to be a contract subject to any law requiring that contracts  
37 shall be let only after receipt of competitive bids;

1 (28) To provide advisory, technical, consultative, training, management, educational,  
2 project assistance, and other services related to the purposes of the center to the state and  
3 any institution, department, agency, or authority of the state, to any local government, or  
4 to any nonprofit or for profit business, corporation, partnership, association, sole  
5 proprietorship, or other entity or enterprise and to enter into contracts with the foregoing;

6 (29) To impose restrictive covenants in any contract which shall be deemed to be  
7 running with the land to any person, corporation, partnership, or other form of business  
8 entity which receives financial assistance from the center, which form of financial  
9 assistance shall include tax credits, bond financing, grants, guarantees of the center,  
10 guarantees of the state, insurance of the center, and all other forms of financial assistance,  
11 regardless of whether the center enjoys privity of estate or whether the covenant touches  
12 and concerns the property burdened; and such restrictive covenants shall be valid for a  
13 period of up to the later of 40 years or the termination or satisfaction of such financial  
14 assistance, notwithstanding any other provision of law;

15 (30) To enter into partnership agreements, to sell and purchase partnership interests, and  
16 to serve as general or limited partner of a partnership created to further the public  
17 purposes of the center;

18 (31) To allocate and issue any federal or state tax credits for which the center is  
19 designated as the state allocating agency;

20 (32) To make and execute contracts and all other instruments necessary or convenient  
21 for the performance of its duties and the exercise of its powers and functions under this  
22 chapter;

23 (33) To cooperate with and exchange services, personnel, and information with any  
24 federal, state, or local governmental agency; and

25 (34) To adopt regulations, with the approval of the board, for its own governance  
26 regarding cost-effective distribution of venture capital funds and prioritization of projects,  
27 subject to the direction of the General Assembly with regard to funds appropriated for the  
28 purposes of the center.

29 (b) No personal financial information, unpublished patent information, or trade secret  
30 submitted to the center in connection with any of its programs shall be subject to public  
31 disclosure. Information submitted to the center from other governmental agencies or public  
32 businesses which is not subject to public disclosure while being held with such other  
33 agency or business shall remain protected from public disclosure while being held by the  
34 center. In addition, the following records shall not be subject to public disclosure: a peer  
35 review or analysis or other document related to the evaluation of an application or  
36 proposal; a record that contains proprietary information, trade secrets, or commercial or  
37 financial information, the release of which could be competitively harmful to the submitter

1 of the information, could impair the center's ability to obtain similar necessary information  
2 through the voluntary provision of such information, or could negatively affect other  
3 interests of the center, such as program effectiveness and compliance; and a financial  
4 statement, credit report, criminal history, or tax return of any person or other record  
5 obtained or developed by the board, the disclosure of which would constitute an invasion  
6 of personal privacy as determined by the board.

7 50-31-7.

8 (a) The board shall appoint an executive director of the center whose compensation shall  
9 be fixed by the board. The director shall have a minimum of ten years' experience in the  
10 area of scientific technology innovation, commercialization of such innovation, and venture  
11 capital investment. The board shall appoint, remove, and replace the director by agreement  
12 of 16 or more voting members.

13 (b) Except for the authorization of the issuance of bonds and the adoption of rules and  
14 regulations, the board may delegate to the director such powers and duties as it may deem  
15 proper. The director shall be responsible for all matters pertaining to the administration of  
16 the center.

17 (c) The director shall appoint a manager who shall be responsible for managing the  
18 Georgia Venture Capital Fund and all matters pertaining to the administration of the fund.  
19 The fund manager shall have demonstrated experience in design, structure, implementation,  
20 and management of investments in scientific innovation enterprises. The fund manager  
21 shall invest the moneys in the fund in a manner that best promotes the growth of scientific  
22 innovation businesses in Georgia and make reports to the director and board regarding all  
23 such investments.

24 (d) The director shall have the authority to employ staff and to enter into agreements for  
25 professional services deemed necessary and appropriate to conduct the duties and  
26 responsibilities of the center.

27 (e) The director shall provide a quarterly report to the board at each of the regularly  
28 scheduled meetings of the board.

29 50-31-8.

30 (a) The center shall be assigned for administrative purposes only to the Department of  
31 Administrative Services, as provided for in Code Section 50-4-3.

32 (b) The Attorney General shall provide legal services, including legal representation, for  
33 the center, the board, and employees of the center and board.

34 (c) Neither the members of the board nor any officer or employee of the center acting in  
35 behalf thereof, while acting within the scope of his or her authority, are subject to any

1 liability resulting from the construction, ownership, maintenance, or operation of any  
2 project financed with the assistance or other support of the center or carrying out any of the  
3 powers given in this chapter.

4 (d) It shall be the duty of the center, as custodian of the fund, to collect the interest or other  
5 income on, and the principal of, such investments as the sums become due and payable and  
6 to pay the same, when so collected, into the appropriate investment account of the fund.  
7 Where any party fails to relinquish any amounts past due and owing to the fund or center,  
8 the office of the Attorney General shall be authorized, on behalf of the center, to take any  
9 and all collection action against such party and shall receive all costs and reasonable  
10 attorney fees expended to collect moneys owing.

11 (e) Any action to protect or enforce any rights under this chapter shall be brought in the  
12 Superior Court of Fulton County, Georgia, and any action pertaining to validation of any  
13 bonds issued under this chapter shall likewise be brought in such court, which shall have  
14 exclusive, original jurisdiction of such actions.

15 50-31-9.

16 (a) The center shall be authorized to provide the following technical and support services:

17 (1) Professional assistant services including grant writers, referrals to grant writers,  
18 attorneys, legal opinion letters pertaining to tax and patent information, and examples of  
19 standardized contracts and grant proposals;

20 (2) A networking program for scientists and seminars and training on the  
21 commercialization of science innovation;

22 (3) Best-practice studies and technical assistance on a contractual basis to enhance the  
23 capacity of the targeted investment projects to develop into industry clusters;

24 (4)(A) Maintaining a single searchable website, accessible by the public at no charge,  
25 that provides a listing of available intellectual property. Intellectual property listed  
26 shall include all intellectual property available for commercialization, including such  
27 property for which a patent application is pending, a patent has been obtained, or there  
28 is no exclusive licensing option agreement or license agreement for such property.  
29 Intellectual property posted shall include qualifying property from any university,  
30 college, or government agency in this state or any private individual or business  
31 residing within the state. The center shall utilize best commercial practices to timely  
32 and accurately post information concerning the intellectual property available for sale  
33 or licensing;

34 (B) Each university, school, college, or other institution or private entity shall be  
35 authorized to provide to the center information concerning intellectual property  
36 available for commercialization;

1 (C) The website shall make contact information readily available so that an interested  
2 person may contact the appropriate institution or individual; and

3 (D) The website shall also provide additional information regarding public resources  
4 available to persons and entities interested in establishing businesses in this state,  
5 including any such reasonable information requested to be posted by another state  
6 agency or educational institution;

7 (5) Facilitate meetings between prospective investors and eligible organizations; and

8 (6) Organize and facilitate communication regarding regulation and policy requirements  
9 of other state agencies applicable to scientific innovative businesses.

10 (b) Support by the center of existing commercialization efforts and research at state  
11 universities and schools, including the maintenance of a website, shall be conducted free  
12 of charge. Charges for other services may be required to the extent reasonably necessary  
13 to cover the costs of providing such service.

14 50-31-10.

15 (a) There is created the Georgia Venture Capital Fund which shall be managed by the  
16 center under the supervision of the board who shall be trustees of the fund. The purpose  
17 of the fund shall be to increase science and technology investment through partnerships  
18 among the state government, private enterprise, the federal government, and private and  
19 public research institutions. The fund shall be dedicated and used solely as authorized in  
20 this chapter. Contributions to the fund shall be divided into separately managed funding  
21 programs and accounts as provided for in this chapter.

22 (b) The center may accept moneys and assets for the fund from any lawful source. The  
23 funding source may include appropriated funds, bond revenue, gifts or donations, grants,  
24 repayment of funds, payments from equity interests, or such other sources as approved by  
25 the board. Other funding sources include earnings, royalties, return on investments, return  
26 of principal, payments made, or other moneys received by or payable to the fund under  
27 agreements related to grants, loans, investments, or expenditures by the fund under this  
28 chapter.

29 (c) The fund shall be maintained in interest bearing accounts and at all times held in trust  
30 on behalf of the state. The net income of the fund may be expended by the center only for  
31 purposes authorized under this chapter. There shall be a separate account for each of the  
32 program funds provided for in this chapter which funds are being held pending investment.  
33 In addition, individual accounts shall be maintained for each investment from a program  
34 fund made in any investment project, facility, or other venture capital investment initiative  
35 for so long as the investment initiative is pending.

1 (d) All distributions made by an investment project allocable to the Venture Capital Fund  
2 shall be deposited in the appropriate account for future investment in another investment  
3 project or facility or to pay the cost of administration of the fund as provided in this  
4 chapter.

5 (e) The center shall be authorized to make a transaction from the fund that consists of the  
6 investment of cash and results in the acquisition of equity in an investment project or  
7 facility.

8 (f) The center may authorize transfers from the fund to make unsecured or secured loans  
9 for an investment project or facility. With respect to such loans, the center, acting on  
10 behalf of the board and the fund, shall have the authority to do all things necessary to  
11 manage the loan.

12 (g) An investment project or facility financed under this chapter shall not be subject to any  
13 statutory requirement of competitive bidding or other restriction imposed on the procedure  
14 for the award of contracts or the lease, sale, or other disposition of property with regard to  
15 any action taken under authority of this chapter.

16 (h) Without limiting the generality of the findings and intent of the General Assembly or  
17 any provision of this chapter, the center shall enable economic development for investment  
18 projects and facilities throughout the state through the utilization of the fund by means that  
19 shall include, without limitation, the issuance of bonds, with or without such credit  
20 enhancement as the center may deem appropriate; the collection of and accumulation of  
21 fees and other revenues; the award of grants or scholarships which may be matching fund  
22 awards; the establishment of debt service reserves and sinking funds; and the use of the  
23 proceeds from such bonds, funds, and reserves to make loans to investment projects, either  
24 directly to such enterprises or indirectly through a financial institution, a political  
25 subdivision, or otherwise; to acquire loans made by others to such enterprises; to establish  
26 revolving or other funds from which short-term or long-term loans can be made to such  
27 businesses; to guarantee the payment of loans or other obligations of such enterprises; and  
28 to do all things deemed by the center to be necessary, convenient, and desirable for and  
29 incident to the efficient and proper development and operation of such types of  
30 undertakings.

31 (i) The amounts of the revenues generated by the investment of moneys contained in the  
32 fund may be used to pay the center's operating expenses associated with the operation of  
33 the fund.

34 (j) The fund shall not be a part of the state treasury and the moneys in the fund shall  
35 belong exclusively to the center. Moneys in the investment fund at the close of the fiscal  
36 year shall remain in the investment fund and shall not lapse to the general fund. The center

1 is not authorized to transfer the investment fund to another governmental entity or a  
2 separate public or private legal entity.

3 50-31-11.

4 (a) The center shall establish an equitable process to award grants, issue bonds, and make  
5 loans and other investments from the fund to encourage research, development, and  
6 commercialization of scientific innovation and by rule and regulation provide notice of all  
7 procedures pertaining thereto.

8 (b) The center shall develop quantifiable measures of performance and shall require  
9 recipients to report regularly to the center on those measures during the investment period  
10 and for a time following the investment period as deemed appropriate to maintain data and  
11 records of the results of investments.

12 (c) Any funding or investment decision shall first be reviewed by a committee of experts  
13 designated by the director which shall be no fewer than five qualified persons.  
14 Applications shall be reviewed by experts based on the scientific and technical merit,  
15 personnel expertise, commercial merit, and the ability to leverage additional funding of the  
16 application. A preference shall be given for proposals that are likely to significantly  
17 contribute to the development of Georgia's economy or to employment opportunities in  
18 this state. Any investment project or facility investment shall have a potential business  
19 valuation as approved by the review committee. When an applicant is approved and a  
20 grant, loan, or other investment is made, the center shall state the specific objective reasons  
21 the applicant was selected.

22 (d) Every contract for an investment project or facility investment made pursuant to this  
23 chapter shall provide that the center may inspect and review any and all aspects, activities,  
24 documents, and records and may conduct employee interviews, as deemed reasonably  
25 necessary by the director, for monitoring and protecting the center's investment. As a  
26 condition of receiving venture capital funds, the receiving person or entity shall agree to  
27 provide to the center the information necessary for the fund to produce the annual reports  
28 required under this chapter.

29 (e) Every investment project or facility investment made to an individual or entity shall  
30 first require that the recipient have a significant existing or proposed business presence in  
31 this state. An individual or entity located in another state shall have a proposed plan to  
32 transfer to Georgia as a condition of receiving any funding, grant, or other valuable service  
33 offered by the center.

34 (f) A preference may be given for proposals that include collaboration with Georgia's  
35 institutions of higher education, Georgia nonprofit research institutions, Georgia nonprofit  
36 corporations, and other qualified businesses.

1 (g) The center shall not approve any application for investment where the applicant has  
2 a conflict of interest or potential conflict of interest with a member of the board under  
3 guidelines established by the board. Nor shall any applications be considered where the  
4 applicant or any person with more than 20 percent interest in the business applying has a  
5 felony conviction or has been investigated by the Internal Revenue Service, the Securities  
6 and Exchange Commission, or any other federal or state taxing or securities regulatory  
7 body, or similar investigation for misconduct regarding fraud, theft of services or funds or  
8 similar such misconduct, or other misfeasance or malfeasance of funds as reasonably  
9 determined by the center.

10 50-31-12.

11 (a) There is established the Direct Investment Program account which shall be a portion  
12 of the fund and which shall be separately maintained for purposes of auditing and  
13 reviewing such funds used for investment projects which do not require matching funds.  
14 By means of such investment the center shall be authorized to assist investment projects  
15 in developing or achieving a sound business plan; market research; marketing plans;  
16 development of laboratory, preclinical, or other testing procedures and results; attaining  
17 proof of a concept; building of experimental or pilot-scale models of products or facilities;  
18 or achieving other similar milestones required for the advancement of early stage scientific  
19 innovations.

20 (b)(1) Direct investments for an investment project may also be conducted as loans. The  
21 fund is authorized to create a loan guarantee program that:

22 (A) Provides a loan guarantee mechanism to financial institutions located in this state  
23 that provide commercial loans to scientific innovation businesses for investment  
24 projects; and

25 (B) Provides direct capital access to moneys from the fund for investment projects.

26 (2) Loans may only be to businesses with a documented growth opportunity as  
27 demonstrated by revenue from product sales or demonstrably predicted sales. The terms  
28 of any loan shall provide repayment provisions or a guarantee where the business  
29 receiving the loan leaves Georgia within three years of the provision of the loan or  
30 guarantee or breaches the terms of an agreement with the center. Loans may be secured  
31 or unsecured as determined by the reasonable discretion of the board. The loan access  
32 program shall operate on a market-driven basis and provide for premium payments by  
33 borrowers into a designated account or accounts which shall be a part of the fund.

## 1 50-31-13.

2 (a) There is established the Facilities and Equipment account which shall be a portion of  
3 the fund and which shall be separately maintained for purposes of auditing and reviewing  
4 such funds used for investments for facilities and equipment.

5 (b) The center shall be authorized to make facilities investments, which authority shall  
6 include, but not be limited to, making loans for facilities, providing rental subsidy  
7 agreements for investment projects, and investing in investment project access to  
8 universities and wet lab space.

9 (c) The center may authorize transfers from the fund to make equity contributions through  
10 the direct purchase of qualified securities of enterprises.

11 (d) The center may authorize transfers directly from the fund or indirectly, from an  
12 investment entity as to which the state is the sole limited liability owner, to make equity  
13 contributions to one or more investment projects whose structures, purposes, and  
14 operations are consistent with the criteria specified in this chapter for the purpose of  
15 investing in identified facilities. Investment projects to which the state, directly or  
16 indirectly, makes an equity contribution for a facility shall not expend any of the funds  
17 invested by the state unless and until the center has determined that specified prerequisite  
18 conditions have been satisfied by such investment project.

19 (e) The center may authorize transfers from the fund to make equity contributions to one  
20 or more investment projects as to which the state is the sole limited liability owner for the  
21 purpose of purchasing, constructing, or leasing facilities. Any such investment project as  
22 to which the state is the sole limited liability owner shall be assigned for administrative  
23 purposes to the center within the meaning of Code Section 50-4-3. Such investment project  
24 may make investments in other investment projects which make equity contributions  
25 pursuant to subsection (d) of this Code section. Such investment project may also make  
26 equity contributions through direct purchases of qualified securities of enterprises.

## 27 50-31-14.

28 (a) There is established the Matching Fund Program account which shall be a portion of  
29 the fund and which shall be separately maintained for purposes of auditing and reviewing  
30 such funds used for investment, grant, or scholarship projects which require matching  
31 funds. Matching funds for scientific innovation research and commercialization shall be  
32 authorized to be made available to match research dollars from federal, private, and other  
33 sources of funding. The matching fund program shall be used to promote scientific  
34 innovation research and to recruit, employ, fund, and endow faculty, research positions,  
35 and scientists at universities, colleges, and technical and vocational schools. The matching  
36 fund program shall also be used to assist technology based enterprises in augmenting the

1 investments made or proposed to be made in such investment project from angel investors  
2 and other individual or institutional investors where established dates of completion for  
3 further development are set forth in a business plan to be approved by the center. Matching  
4 funds may also be used to match individual educational scholarships for educational  
5 programs directly related to scientific innovation.

6 (b)(1) Prior approval matching funds. In order to qualify for the scientific innovation  
7 research and development matching funds requiring prior third-party approval as  
8 determined by the center, an applicant shall provide the center with the research grant  
9 proposal for federal, state, or private funds submitted with a letter of intent to apply for  
10 a match. Requests for matching funds shall be considered only following official notice  
11 of the grant award and budget approval from the funding entity. The request shall be  
12 made in accordance with the rules and procedures adopted by the center.

13 (2) Initial offer of matching funds. The center shall also be authorized, upon the  
14 submission of a qualifying application, to make an initial offer of matching funds, such  
15 offer being contingent upon specified third-party guaranteed matching fund amounts as  
16 shall be specified in the center's offer. The request shall be made in accordance with the  
17 rules and procedures adopted by the center.

18 (c) Upon receipt of an application to receive matching funds, the center shall determine  
19 the eligibility for matching funds based on a finding that the research or business enterprise  
20 will have economic or commercial value to the state. Matching fund grants which are used  
21 to match federal funds and attract federal funds to this state may be approved for multiyear  
22 grants. The center shall promptly review applications for matching funds. The center shall  
23 ensure that no commitments for matching funds shall be made in excess of funds available  
24 for any given year.

25 50-31-15.

26 There is established the Research Grant and Scholarship Program account which shall be  
27 a portion of the fund and which shall be separately maintained for purposes of auditing and  
28 reviewing such funds used for the issuance of educational and research grants and  
29 scholarships that do not have matching funds. The board is authorized to award grants,  
30 scholarships, and similar assistance to students, professors, teachers, and noted scholars  
31 enrolled, attending, applying for, or working with any university, college, technical, or  
32 vocational program in this state; provided, however, that such award shall be valid only for  
33 so long as such person is attending or working on an approved scientific innovative  
34 educational program or research project in a school within this state.

1 50-31-16.

2 (a) There is established the Bond Program account which shall be a portion of the fund and  
3 which shall be separately maintained for purposes of auditing and reviewing such funds  
4 used for the issuance of bonds or collection of revenue from the same. The center is  
5 authorized to issue bonds to:

- 6 (1) Finance investment projects and facilities;
- 7 (2) Finance science innovation programs, activities, and research; and
- 8 (3) Provide funds to the center necessary or convenient to carry out the center's purposes  
9 and powers under this chapter.

10 Bonds may be issued pursuant to this Code section only upon the written approval of the  
11 board as determined by a majority vote of the board members at a regularly scheduled  
12 meeting of the board. The board's authorization to issue bonds may contain such  
13 requirements, parameters, and provisions as deemed appropriate by the board for the  
14 purpose of carrying out the center's purposes and may also authorize such contracts or  
15 obligations of the center deemed appropriate by the board to secure the payment of such  
16 bonds, including a pledge of all or any part of the revenues and assets of the center.

17 (b) The bonds authorized by this chapter are securities in which:

- 18 (1) All public officers and bodies of this state;
- 19 (2) All local governments of this state;
- 20 (3) All insurance companies and associations and other persons carrying on an insurance  
21 business;
- 22 (4) All banks, bankers, trust companies, saving banks, and savings associations,  
23 including savings and loan associations, building and loan associations, investment  
24 companies, and other persons carrying on a banking business;
- 25 (5) All administrators, guardians, executors, trustees, and other fiduciaries; and
- 26 (6) All other persons who are authorized to invest in bonds or other obligations of this  
27 state

28 may properly and legally invest funds, including capital in their control or belonging to  
29 them. Such bonds are also securities which may be deposited with and shall be received  
30 by all public officers and bodies of this state and local governments for any purpose for  
31 which deposit of the bonds or other obligations of this state is authorized.

32 (c) All or any part of the gross or net revenues and earnings derived from any particular  
33 loan or loans and any and all revenues, earnings, and funds received by the center,  
34 regardless of whether such revenues and earnings were produced by a particular loan or  
35 loans for which bonds have been issued, may be pledged by the center to the payment of  
36 the principal of and interest on bonds of the center as may be provided in any resolution

1 authorizing the issuance of such bonds or in any indenture or trust agreement pertaining to  
2 such bonds.

3 (d) Any issue of bonds may be secured by a trust agreement or indenture made by the  
4 center with a corporate trustee, which may be any trust company or bank having the power  
5 of a trust company inside or outside this state. Such trust agreement or indenture may  
6 pledge or assign all revenue, receipts, and earnings to be received by the center from any  
7 source and any proceeds which may derive from the disposition of any real or personal  
8 property of the center or proceeds of insurance carried thereon.

9 (e) The resolution providing for the issuance of bonds and such trust agreement or  
10 indenture may contain provisions for protecting and enforcing the rights and remedies of  
11 the bondholders, including the right of appointment of a receiver on default in the payment  
12 of any principal or interest obligation and the right of any receiver or trustee to enforce  
13 collection of any rates, fees, and charges pertaining to any loan, any overdue principal and  
14 interest on any loan, any overdue principal of and interest on all bonds in the issue, all costs  
15 of collection, and all other costs reasonably necessary to accomplish the collection of such  
16 sums in the event of any default of the center.

17 (f) Such resolution, trust agreement, or indenture may include covenants setting forth the  
18 duties to the center regarding the custody, safeguarding, and application of all funds of the  
19 center, including any proceeds derived from the disposition of any real or personal property  
20 of the center or proceeds of insurance carried thereon. In addition, such resolution, trust  
21 agreement, or indenture may include covenants providing for the operation, maintenance,  
22 repair, and insurance of any facility or capital improvements constructed or acquired with  
23 loan proceeds.

24 (g) All expenses incurred in carrying out any trust agreement or indenture under this Code  
25 section may be treated as a part of the cost of financing and administering the loans that  
26 will be funded or acquired with the proceeds of the bonds governed by such trust  
27 agreement or indenture.

28 (h) The center, or any authority or body which has succeeded or which may succeed to the  
29 powers, duties, and liabilities vested in the center created by this chapter, shall have power  
30 and is authorized at one time, or from time to time, to provide by resolution of the board  
31 for the issuance of negotiable revenue bonds for the purpose of paying all or any part of the  
32 cost of any one or combination of projects. The principal and interest of such revenue  
33 bonds shall be payable solely from the fund. The bonds of each issue shall be dated; shall  
34 bear interest at the lowest obtainable rate, payable in such medium of payment as to both  
35 principal and interest as may be determined by the center; and may be made redeemable  
36 before maturity, at the option of the center, at such price or prices and under such terms and

1 conditions as may be fixed by the center in the resolution providing for the issuance of the  
2 bonds.

3 (i) The center shall determine the form of the bonds, including any interest coupons to be  
4 attached thereto, and shall fix the denomination or denominations of the bonds and the  
5 place or places of payment of principal and interest thereof, which may be at any bank or  
6 trust company inside or outside this state. The bonds may be issued in coupon or registered  
7 form, or both, as the center may determine, and provision may be made for the registration  
8 of any coupon bond as to principal alone and also as to both principal and interest.

9 (j) In case any officer whose signature shall appear on any bonds or whose facsimile  
10 signature shall appear on any coupon shall cease to be such officer before the delivery of  
11 such bonds, such signature shall nevertheless be valid and sufficient for all purposes the  
12 same as if he or she had remained in office until such delivery. All such bonds shall be  
13 signed by the chairperson of the board, and the official seal of the center shall be affixed  
14 thereto and attested by the secretary of the board; and any coupons attached thereto shall  
15 bear the signature or facsimile signature of the chairperson of the board. Any coupon may  
16 bear the facsimile signature of such person, and any bond may be signed, sealed, and  
17 attested on behalf of the center by such persons, as at the actual time of the execution of  
18 such bonds shall be duly authorized to so sign, seal, or attest or shall hold the proper office,  
19 although at the date of such bonds such persons may not have been so authorized or shall  
20 not have held such office.

21 (k) The proceeds of such bonds shall be used solely for the payment of the cost of the  
22 investment project or facility or combined project and shall be disbursed upon requisition  
23 or order of the chairperson of the board under such restrictions, if any, as the resolution  
24 authorizing the issuance of the bonds or the trust indenture may provide. If the proceeds  
25 of such bonds, by error of calculation or otherwise, shall be less than the cost of the  
26 investment project or facility or combined project, then unless otherwise provided in the  
27 resolution authorizing the issuance of the bonds or in the trust indenture, additional bonds  
28 may in like manner be issued to provide the amount of such deficit, which bonds, unless  
29 otherwise provided in the resolution authorizing the issuance of the bonds or in the trust  
30 indenture, shall be deemed to be of the same issue and shall be entitled to payment from  
31 the same fund without preference or priority of the bonds first issued for the same purpose.  
32 If the proceeds of the bonds of any issue shall exceed the amount required for the purpose  
33 for which such are issued, the surplus shall be paid into the fund.

34 (l) Prior to the preparation of definitive bonds, the center may issue interim receipts,  
35 interim certificates, or temporary bonds, with or without coupons, which receipts,  
36 certificates, or temporary bonds shall be exchangeable for definitive bonds upon the

1 issuance of the latter. The center may provide for the replacement of any bond which  
2 becomes mutilated or is destroyed or lost.

3 (m) Revenue bonds issued under this Code section shall not be deemed to constitute a debt  
4 of the State of Georgia or a pledge of the faith and credit of the state, but such bonds shall  
5 be payable solely from the fund, and the issuance of such revenue bonds shall not directly,  
6 indirectly, or contingently obligate the state to levy or to pledge any form of taxation  
7 whatever therefor or to make any appropriation for their payment. All such bonds shall  
8 contain recitals on their face covering substantially the foregoing provisions of this Code  
9 section.

10 (n) In the discretion of the board, any issue of such revenue bonds may be secured by a  
11 trust indenture by and between the center and a corporate trustee, which may be any trust  
12 company or bank having the powers of a trust company within or outside of the state. Such  
13 trust indenture may pledge or assign rents, revenues, and earnings to be received by the  
14 center. All expenses incurred in carrying out the trust indenture may be treated as a part  
15 of the cost of maintenance, operation, and repair of the project affected by the indenture.  
16 The board shall, in the resolution providing for issuance of revenue bonds or in the trust  
17 indenture, provide for the payment of the proceeds of the sale of the bonds to any officer,  
18 person, agency, bank, or trust company. The recipient so designated by the board shall act  
19 as trustee of such funds and shall hold and apply the same to the purposes enumerated in  
20 this Code section, subject to such regulations as this Code section and such resolution or  
21 trust indenture may provide.

22 (o) While any of the bonds issued by the center remain outstanding, the powers, duties, or  
23 existence of the center, or of its officers, employees, or agents, or of any department, board,  
24 commission, or agency of the state, shall not be diminished or impaired in any manner that  
25 will affect adversely the interests and rights of the holders of such bonds. No other entity,  
26 department, agency, or authority shall be created which will compete with the center to  
27 such an extent as to affect adversely the interests and rights of the holders of such bonds,  
28 nor shall the state itself so compete with the center. This Code section shall be for the  
29 benefit of the state, the center, and the holders of any such bonds and, upon the issuance  
30 of bonds under the provisions of this Code section, shall constitute a contract with the  
31 holders of such bonds.

32 (p) Bonds of the center shall be confirmed and validated in accordance with the procedure  
33 provided by Article 3 of Chapter 82 of Title 36. The petition for validation shall also make  
34 party defendant to such action any authority, subdivision, instrumentality, or agency of the  
35 State of Georgia which has contracted with the center for the use of any building, structure,  
36 business, or facilities for which bonds have been issued and sought to be validated. Such  
37 authority, subdivision, instrumentality, or agency shall be required to show cause, if any,

1 why such contract or contracts and the terms and conditions thereof should not be inquired  
2 into by the court, the validity of the terms thereof determined, and the contract adjudicated  
3 as security for the payment of any such bonds of the center. The bonds when validated and  
4 the judgment of validation shall be final and conclusive with respect to such bonds and  
5 against the center issuing the same and any authority, subdivision, instrumentality,  
6 department, or agency contracting with the center.

7 50-31-17.

8 The center shall be authorized to issue certificates of tax credits to persons or entities that  
9 make significant gifts or grants to or investments in the Georgia Venture Capital Fund.  
10 Such certificates for tax credits, if redeemed for the maximum possible amount, shall not  
11 exceed a total aggregate of \$100 million of tax credits a year. The certificates shall be  
12 issued contemporaneously with a commitment to invest or donate to the fund by a  
13 designated investor or grantor. A certificate issued by the center shall have a specific  
14 maturity date or dates designated by the center, and shall be redeemable only in accordance  
15 with the contingencies reflected on the certificate or incorporated therein by reference. A  
16 certificate and the related tax credit shall be transferable by the designated investor or  
17 grantor. A tax credit shall not be claimed or redeemed except by a designated investor,  
18 grantor, or transferee in accordance with the terms of a certificate from the center. A tax  
19 credit shall not be claimed for a tax year that begins earlier than the maturity date or dates  
20 stated on the certificate. The center shall, in cooperation with the department of revenue,  
21 establish criteria and procedures for the allocation and issuance of tax credits to designated  
22 investors and grantors by means of certificates issued by the center. The center shall, in  
23 conjunction with the department of revenue, develop a system for registration of any  
24 certificate and related tax credit issued or transferred pursuant to this Code section and a  
25 system that permits verification that any tax credit claimed upon a tax return is valid and  
26 that any transfers of the certificate and related tax credit are made in accordance with the  
27 requirements of this chapter.

28 50-31-18.

29 It is found, determined, and declared that the creation of the center and the carrying out of  
30 its corporate purpose are in all respects for the benefit of the people of this state and  
31 constitute a public purpose and that the center will be performing an essential governmental  
32 function in the exercise of the power conferred upon it by this chapter. This state  
33 covenants with the holders of the bonds that the center shall be required to pay no taxes or  
34 assessments upon any of the property, assets, or funds acquired or leased by it, or under its  
35 jurisdiction, control, possession, or supervision or upon any fees, rentals, or other charges

1 received by the center for the use of such property, assets, or funds, or upon other income  
 2 received by the center and that the center shall be exempt from all sales and use taxes.  
 3 Further, this state covenants that the bonds of the center, their transfer, and the income  
 4 therefrom shall at all times be exempt from all taxation within the state.

5 50-31-19.

6 (a) The center shall review investment funds and economic development programs under  
 7 the management of other state agencies or authorities or private investors funded in whole  
 8 or in part with state funds for the purpose of facilitating communication between and  
 9 coordinating initiatives relating to such entities and also for providing advice related to  
 10 such funds and programs. Entities which shall be reviewed include:

- 11 (1) The Emerging Crops Fund as provided for in Chapter 8A of Title 2;
- 12 (2) The Georgia Seed Development Commission as provided for in Chapter 4 of Title 2;
- 13 (3) The Seed-Capital Fund as provided for in Chapter 10 of Title 10;
- 14 (4) The Department of Economic Development as provided for in Chapter 7 of Title 50;
- 15 (5) The Department of Community Affairs as provided for in Chapter 8 of Title 50;
- 16 (6) The Georgia Development Authority as provided for in Chapter 10 of Title 50;
- 17 (7) The Georgia State Financing and Investment Commission as provided for in Chapter  
 18 17 of Title 50;
- 19 (8) The OneGeorgia Authority as provided for in Chapter 34 of Title 50;
- 20 (9) The Georgia Cancer Coalition or similar organization; and
- 21 (10) The Georgia Research Alliance or similar organization.

22 (b) The review of each such investing and economic marketing agency or organization  
 23 shall include an assessment of the operations of the funding programs and practices of each  
 24 agency or organization as these relate to the use of state funds to promote economic growth  
 25 in this state. All departments, state agencies, committees, commissioners, or officers of  
 26 this state shall give the director of the center any necessary assistance required in the  
 27 performance of the duties required by this chapter. All departments, state agencies,  
 28 committees, commissioners, or officers of this state shall provide the director, or his or her  
 29 designee, free access to any book, record, or document in their custody, relating to the  
 30 matters within the scope of the director's duties as required by this Code section.

31 (c) A summary report of the center's review and coordination efforts of related state  
 32 investment funds shall be prepared once every two years at the close of the fiscal year.  
 33 Copies of the report shall be provided to the members of the board, Governor, Speaker of  
 34 the House of Representatives, President of the Senate, and any other member of the  
 35 General Assembly requesting a copy of the report.

1 50-31-20.

2 (a) The Department of Audits shall conduct and report a financial postaudit of the center's  
3 investments and all financial activity relating to the fund for the immediately preceding  
4 fiscal year within three months of the close of each fiscal year.

5 (b) The board shall prepare a comprehensive annual report to the Governor and the  
6 General Assembly detailing the operational and fund activity of the center and other  
7 agencies and recommending a legislative agenda that will continue to encourage growth  
8 in entrepreneurship throughout the state.

9 (c) The report shall be published annually within three months after the close of each fiscal  
10 year.

11 (d) The annual report shall specifically account for the ways in which the need, mission,  
12 and programs of the center described in this chapter have been carried out. The report shall  
13 include the following information regarding the center's activities:

14 (1) A detailed audit of all accounts and account activities for the preceding year;

15 (2) A list of entities and persons that received funding, the amount received, and the type  
16 of funding;

17 (3) A description of the benefits to this state resulting from the fund including the  
18 number of new patents, licensing agreements, copyrights, or trademarks applied for and  
19 issued, the number of new products commercialized, the number of new start-up  
20 scientific innovative businesses, and the number of new jobs and projected new job  
21 growth;

22 (4) Amounts of other funds leveraged to Georgia;

23 (5) Money or other revenue or property returned to the investment fund; and

24 (6) The number of new licensing agreements by institution and new licensing agreements  
25 entered into with Georgia based firms.

26 (e) The report shall summarize the progress of the center in implementing investments and  
27 financial assistance authorized by this chapter.

28 50-31-21.

29 No part of the fund shall inure to the benefit of or be distributed to its members or officers  
30 or other private persons, except that the board shall be authorized and empowered to pay  
31 reasonable compensation for services rendered and to reimburse expenses incurred. No  
32 loans, grants, or financial assistance shall be made to, no credits shall be allocated to, and  
33 no property shall be purchased or leased from or sold, leased, or otherwise disposed of to  
34 any member of the board or officer or employee of the center in his or her individual  
35 capacity or by virtue of partnership or ownership of a for profit corporation. A member of  
36 the board or director or employee of the center or his or her family member shall not gain

1 from any investment of funds or assets of the fund, nor shall he or she or any such family  
2 member have any direct or indirect interest in an investment of funds or assets of the fund.  
3 Failure to comply with this Code section constitutes misconduct in office subjecting the  
4 member or employee to removal from office."

5 **SECTION 2.**

6 All laws and parts of laws in conflict with this Act are repealed.