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**HOUSE BILL NO. 1000**

Offered January 14, 2004

Prefiled January 14, 2004

*A BILL to amend the Code of Virginia by adding in Chapter 9.1 of Title 23 sections numbered 23-91.33:1, 23-91.33:2 and 23-91.33:3, and to repeal Article 3 (§ 2.2-2218 et seq.) of Chapter 22 of Title 2.2 of the Code of Virginia, relating to Mason Enterprise Center of George Mason University.*

Patron—Hugo

Referred to Committee on Education

**Be it enacted by the General Assembly of Virginia:**

**1. That the Code of Virginia is amended by adding in Chapter 9.1 of Title 23 sections numbered 23-91.33:1, 23-91.33:2 and 23-91.33:3 as follows:**

§ 23-91.33:1. *Mason Enterprise Center (MEC) of George Mason University; duties.*

*The Mason Enterprise Center (MEC) of George Mason University shall (i) promote the economic development of the Commonwealth by attracting and retaining high technology jobs and businesses in Virginia; (ii) increase industry competitiveness by supporting the application of innovative technologies that improve productivity and efficiency; (iii) mobilize support for high technology industries to commercialize new products and processes, including organizing assistance for small business and supporting select industry sectors and regional high technology efforts; (iv) enhance and expand the scientific and technological research and development capabilities of the institutions of higher education in the Commonwealth and coordinate such capabilities with the scientific and technological research and development activities and requirements of the public and private sectors, including transferring technological advances to the private sector; (v) expand knowledge pertaining to scientific and technological research and development among public and private entities; (vi) attract research and development (R&D) facilities and contracts from the federal government and private sector, including coordinating efforts to identify and compete for large federal and private sector R&D facilities, tracking federal technology initiatives and recommending state actions, and developing a statewide strategy to compete for large R&D contracts; and (vii) facilitate and coordinate the marketing, organization, utilization and development of scientific and technological research and development in the Commonwealth.*

§ 23-91.33:2. *Advanced Communications Assistance Fund; continued; purposes.*

*A. From such funds as may be appropriated by the General Assembly and any gifts, grants, or donations from public or private sources, there is created in the state treasury a special nonreverting, permanent fund, to be known as the Advanced Communications Assistance Fund ("the Fund"), to be administered by the MEC. The Fund shall be established on the books of the Comptroller. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund at the end of each fiscal year, including interest thereon, shall not revert to the general fund but shall remain in the Fund. Expenditures and disbursements from the Fund, which may consist of grants or loans, shall be made by the State Treasurer on warrants issued by the Comptroller upon written request bearing the signature of the director of the MEC.*

*B. Moneys in the Fund shall be used solely for the purpose of helping underserved localities in the Commonwealth take full advantage of advanced communications services. Loans or grants from the Fund shall be used in underserved localities for (i) the internal communication needs of such localities, which may include but are not limited to fiber-optic, satellite, and wireless communications networks, or (ii) help in financing the costs of planning, designing, purchasing, leasing, installing, or maintaining dark fiber to the extent permitted in § 15.2-1500.*

*C. For purposes of this section:*

*"Dark fiber" means fiber optic cable that is not lighted by lasers or other electronic equipment.*

*"Underserved locality" means a locality wherein advanced communication services are not readily and generally available from three or more nonaffiliated certificated local exchange companies.*

§ 23-91.33:3. *Commonwealth Technology Research Fund; continued; purposes; report.*

*A. From such funds as may be appropriated by the General Assembly and any gifts, grants, or donations from public or private sources, there is created in the state treasury a special nonreverting, permanent fund, to be known as the Commonwealth Technology Research Fund (the Fund), to be administered by the MEC. The Fund shall be established on the books of the Comptroller. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund at the end of each fiscal year, including interest thereon, shall not revert to the general fund*

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59 *but shall remain in the Fund. Expenditures and disbursements from the Fund, which may consist of*  
60 *grants or loans, shall be made by the State Treasurer on warrants issued by the Comptroller upon*  
61 *written request bearing the signature of the director of the MEC.*

62 *B. Moneys in the Fund shall be used for the sole purpose of attracting public and private research*  
63 *funding for institutions of higher education, in order to increase technological and economic*  
64 *development in Virginia. Awards from the Fund shall be made to Virginia public institutions of higher*  
65 *education or to their associated intellectual property foundations.*

66 *C. For purposes of awards, the Fund shall have four components: (i) a matching funds program to*  
67 *leverage federal and private research dollars; (ii) a strategic enhancement program to upgrade the*  
68 *research capacity of those academic departments that have demonstrated the ability to perform*  
69 *innovative research in technology fields that have strong potential to contribute to economic*  
70 *development in the Commonwealth; (iii) a program to upgrade research capacity in key departments of*  
71 *the institutions in order to attract specific companies to locate or expand in Virginia; and (iv) a*  
72 *program to enhance the capability of the institutions of higher education to commercialize technologies*  
73 *developed through their research.*

74 *Awards for the matching funds component shall be contingent upon the approval of the institution's*  
75 *grant proposal for federal or private funds.*

76 *Awards from the Fund shall be matched on at least a dollar-for-dollar basis by the respective*  
77 *institution of higher education, with private funds, or combinations thereof. However, for good cause,*  
78 *this requirement may be waived, in whole or in part, by the director of the MEC, provided that such*  
79 *action is reported to the Chairmen of the House Appropriations and Senate Finance Committees at least*  
80 *10 days prior to the award or disbursement of such funds for such purpose.*

81 *D. Awards shall be based on scientific merit and economic development potential of research*  
82 *programs in the following fields: aerospace, biotechnology, energy, environmental and information*  
83 *technologies, high performance manufacturing, telecommunications, and transportation. However, for*  
84 *good cause, awards supporting research in other relevant fields or disciplines may be made by the*  
85 *director of the MEC, provided that such action is reported to the Chairmen of the House Appropriations*  
86 *and Senate Finance Committees at least 10 days prior to the award or disbursement of such funds for*  
87 *such purpose.*

88 *Specific guidelines for the award of funds from this program shall be established and maintained by*  
89 *the MEC, in consultation with the Virginia Economic Development Partnership and the State Council of*  
90 *Higher Education. These guidelines shall address, at a minimum, the application process, and the*  
91 *composition and operation of proposal review panels, and give special emphasis to fostering*  
92 *collaboration between institutions of higher education and partnerships between institutions of higher*  
93 *education and business and industry.*

94 *The director of the MEC shall coordinate the evaluation of proposals, to be conducted by review*  
95 *panels with the appropriate science and technology expertise, drawn from federal agencies and*  
96 *academic and industrial research institutions across the country.*

97 *Recommendations on the grants shall be made by representatives from the Virginia Research and*  
98 *Technology Advisory Commission pursuant to § 2.2-2515, the Virginia Economic Development*  
99 *Partnership, and the State Council of Higher Education based on the recommendations of the review*  
100 *panels.*

101 *E. The director of the MEC shall provide the Governor and the General Assembly with an annual*  
102 *report to include a detailed list of awards committed, the amount of each approved award, a description*  
103 *of the approved proposals, and the amount of federal or private matching funds anticipated where*  
104 *applicable, and an assessment of the effectiveness of the Fund in attracting public and private research*  
105 *funding and increasing technological and economic development in Virginia.*

106 **2. That Article 3 (§ 2.2-2218 et seq.) of Chapter 22 of Title 2.2 of the Code of Virginia is repealed.**