



Jon P. Honeck

Bill Analysis
Legislative Service Commission

Sub. H.B. 574*

123rd General Assembly

(As Reported by S. Economic Development, Technology, & Aerospace)

Reps. Krebs, Calvert, Aslanides, Austria, Barnes, J. Beatty, Bender, Hartnett, Hollister, Metzger, Patton, Widener, Amstutz, Tiberi, Mottley, Carey, Peterson, Logan, D. Miller, Vesper, Mead, Harris, Clancy, Myers, Olman, Mettler, Jolivette, Robinson, Verich, Young, Schuring, Winkler, Trakas, Womer Benjamin, Redfern, Sykes, Grendell, Roman, Krupinski, Britton, Kilbane, Smith, Sulzer, Wilson, Flannery, Salerno, Callender, Gooding, Corbin, Terwilleger, Hoops, Barrett, Roberts, Perry, Stevens, Buehrer

BILL SUMMARY

- Establishes a joint legislative committee to study the impact of high technology start-up businesses on economic development and small businesses in this state.

CONTENT AND OPERATION

Membership

The bill proposes to create a joint legislative committee consisting of the following 17 members: three members from the House of Representatives, two to be appointed by the Speaker of the House of Representatives and one to be appointed by the Minority Leader of the House of Representatives; three members from the Senate, two to be appointed by the President of the Senate and one to be appointed by the Minority Leader of the Senate; one former member of the House of Representatives to be appointed by the Speaker of the House of Representatives; one former member of the Senate to be appointed by the President of the Senate; six members to be appointed by the Governor, three of whom must represent a different private business association in the state, one of whom must represent an Ohio labor organization, one of whom must represent an Edison center (see **COMMENT**), and one of whom must be a member of the

* *This analysis was prepared before the report of the Senate Economic Development, Technology, and Aerospace Committee appeared in the Senate Journal. Note that the list of co-sponsors and the legislative history may be incomplete.*

Governor's Small Business Advisory Council; one member who represents the venture capital industry in the state, to be appointed by the Speaker of the House of Representatives; one member who is an attorney and who is an expert in legal issues pertaining to high technology, to be appointed by the President of the Senate; and the Director of Development, or the Director's designee. These appointments must be made within 30 days after the bill's delayed effective date of January 1, 2001. (Sections 1(A) and 2.)

Organization and functions

The committee will have co-chairpersons, one designated by the Speaker of the House of Representatives and the other by the President of the Senate. It must examine the following issues regarding high technology start-up businesses in this state: how to retain these businesses in the state; the factors motivating these businesses to locate in the state or to relocate out of the state; and the overall impact of these businesses on economic development and small businesses in Ohio. (Section 1(A) and (C).)

The committee must submit a report along with its recommendations to the General Assembly by August 1, 2001. The committee will cease to exist upon the submission of its report and recommendations. (Section 1(C).)

Expense reimbursements and committee operating costs

The members of the committee will serve without compensation, but must be reimbursed for their *actual and necessary travel* and *other expenses* incurred in the performance of their official duties as committee members. Witnesses called to testify before the committee also must be reimbursed for their actual and necessary *travel expenses* incurred in attending committee hearings. (Section 1(B).)

These and all other expenses associated with the committee's performance of its functions described under "**Organization and functions**," above must be paid from any funds appropriated for the operation of committees of the General Assembly (Section 1(B)).

COMMENT

1. Existing law defines an "Edison center" as a cooperative research and development facility that receives funding through the Thomas Alva Edison Grant Program (sec. 122.15(A)--not in, but referred to in, the bill). Relatedly, "research and development" means designing, creating, or formulating new or enhanced products, equipment, or processes, and conducting scientific or technological inquiry and experimentation in the physical sciences with the goal of increasing

scientific knowledge that may reveal the bases for new or enhanced products, equipment, or processes (sec. 122.15(F)--not in the bill).

2. Existing law requires the Director of Development to administer the Thomas Alva Edison Grant Program, to provide grants to foster research, development, or technology transfer efforts involving enterprises and educational institutions that will lead to the creation of jobs (sec. 122.33--not in the bill).

3. In connection with the Thomas Alva Edison Grant Program, grants may be made to a nonprofit organization or a public or private educational institution, department, college, institute, faculty member, or other administrative subdivision or related entity of an educational institution when the Director of Development finds that the undertaking will benefit the people of Ohio by supporting research in advanced technology areas likely to improve the economic welfare of the people of Ohio through promoting the development of new commercial technology. Those grants may be made in a form and conditioned upon terms as the Director considers appropriate, and must in all instances be in conjunction with a contribution to the project by a cooperating enterprise that maintains or proposes to maintain a relevant research, development, or manufacturing facility in Ohio, by a nonprofit organization, or by an educational institution or related entity. Funding provided by an educational institution or related entity cannot be from general revenue funds appropriated by the General Assembly. No grant made under the program can exceed the contribution made by the cooperating enterprise, nonprofit organization, or educational institution or related entity. Finally, the Director of Development may determine fields of research from which grant applications will be accepted under the program. (Sec. 122.33(C)--not in the bill.)

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	02-08-00	p. 1586
Reported, H. Economic Development and Small Business	04-12-00	p. 1819
Passed House (95-0)	05-02-00	pp. 1850-1851
Reported, S. Economic Development, Technology, & Aerospace	---	---

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