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Gunther
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CS FOR HOUSE BILL NO. 34()

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

BY

**Offered:
Referred:**

Sponsor(s): REPRESENTATIVE HOLLAND

A BILL

FOR AN ACT ENTITLED

"An Act establishing the Alaska Innovation Council; and relating to financial disclosures for members of the Alaska Innovation Council."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 39.50.200(b) is amended by adding a new paragraph to read:

(65) the Alaska Innovation Council (AS 44.33.850).

*** Sec. 2.** AS 44.33 is amended by adding new sections to read:

Article 13A. Alaska Innovation Council.

Sec. 44.33.850. Alaska Innovation Council. (a) The Alaska Innovation Council is established in the Department of Commerce, Community, and Economic Development.

(b) The council consists of 15 members as follows:

(1) the commissioner of commerce, community, and economic development or the commissioner's designee;

(2) the executive director of the University of Alaska's Business

Enterprise Institute or the executive director's designee;

(3) the executive director of the Alaska Commission on Postsecondary Education or the executive director's designee;

(4) the executive director of the Alaska Industrial Development and Export Authority or the executive director's designee;

(5) five members appointed by the governor who are experienced entrepreneurs, experienced investors, engaged in emerging industry operations in the state, or engaged in a growth business in the state; the members appointed under this paragraph must include

(A) one member who is experienced in community startup ecosystem building and new venture creation initiatives with a rural focus;

(B) one member who is experienced in community startup ecosystem building and new venture creation initiatives with an urban focus;

(C) one member who is experienced and active in angel investing;

(D) one member who has founded a startup business that was in an emerging industry or that used a new technology or business model; and

(E) one member who works for or is associated with a startup business that is affiliated with an Alaska Native corporation or tribal government;

(6) one member appointed by the governor who is associated with an organized labor organization in the state;

(7) one member appointed by the governor who is employed by a regional development organization in the state;

(8) one member of the house of representatives appointed by the speaker of the house of representatives;

(9) one member of the senate appointed by the president of the senate;
and

(10) two members appointed by the president of the University of Alaska who represent higher education in the state; the members appointed under this paragraph must include one member who is experienced in applied-research focused

on the state and one member who is experienced in teaching and student entrepreneurship.

(c) The members of the council appointed under (b)(5) - (10) of this section serve staggered three-year terms. An appointed member serves at the pleasure of the appointing authority. An appointed member is eligible for reappointment for two additional terms. If there is a vacancy for any cause, the appointing authority shall make an appointment to become immediately effective for the remainder of the unexpired term.

(d) A legislator ceases to be a member of the council if the legislator ceases to be a member of the house from which the legislator was appointed.

(e) A majority of the council constitutes a quorum for the conduct of business. Official action by the council requires a majority vote of the members present.

(f) The council shall annually elect a chair from among the council's members. The chair serves a one-year term and may be reelected. A member of the council may not serve as the chair for more than three years.

(g) The council shall meet at least three times a year. The chair shall set the time and place of the meetings. The council may also meet at other times and places specified by a call of the chair or by written request of a majority of the council. A member of the council may attend a meeting telephonically or by electronic means if the member obtains approval from the chair.

(h) The Department of Commerce, Community, and Economic Development shall provide staff for the council.

(i) Members of the council serve without compensation, but are entitled to transportation and per diem expenses as provided in AS 39.20.180. A legislator serving on the council is entitled to only transportation and per diem expenses as provided in AS 39.20.180 when not otherwise entitled to transportation or per diem expenses by another law.

Sec. 44.33.860. Duties and powers. (a) The council shall advise the governor, legislature, governmental agencies, research institutions, and private sector organizations on

(1) promoting the commercialization of research from the private

sector and higher education institutions;

(2) investment in areas of research where the state has a distinct or emerging advantage;

(3) stimulating seed and start-up capital investment and entrepreneurship that promotes economic diversification and growth in the emerging industries or growth businesses in the state; in providing advice under this paragraph, the council shall identify gaps in the capital markets in the state; and

(4) developing entrepreneurship and management capabilities in the state that are critical to increasing competitiveness in the emerging industries or growth businesses.

(b) Except as otherwise prohibited by law, the council may request a state governmental agency to furnish information and provide advice to the council to the extent necessary to perform the council's duties.

(c) The council may establish committees and delegate the duties and powers of the council to the committees.

Sec. 44.33.870. Innovation and economic competitiveness plan. Not later than November 1 of each year, the council shall prepare an innovation and economic competitiveness plan for the state and submit the report to the governor, senate secretary, and the chief clerk of the house of representatives and notify the legislature that the report is available. The plan must include recommendations on

(1) identifying and expanding the industry and core research strengths of the state's emerging industries and the growth businesses and higher education programs that have the highest potential for commercialization and economic impact;

(2) promoting the development and growth of emerging industries and new innovation-based businesses and assisting existing businesses in developing new products;

(3) stimulating seed and start-up capital investment and entrepreneurship in a manner that promotes innovation-based economic development in the emerging industries and growth businesses in the state;

(4) developing an innovation index that benchmarks the state, rural areas of the state, and urban areas of the state against national innovation metrics;

(5) monitoring the progress and priorities of the state when implementing comprehensive economic development strategies; and

(6) assessing the needs, recommendations, and impact of regional development organizations and the effectiveness of regional development organizations in supporting state and local economic development plans.

Sec. 44.33.880. Definitions. In AS 44.33.850 - 44.33.880,

(1) "council" means the Alaska Innovation Council;

(2) "regional development organization" means a nonprofit organization or nonprofit corporation formed to encourage economic development within a particular region of the state that includes the entire area of each municipality within that region and that has a board of directors that represents the region's economic, political, and social interests.

* **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: INITIAL TERMS OF ALASKA INNOVATION COUNCIL MEMBERS. (a) Notwithstanding AS 44.33.850(c), enacted by sec. 2 of this Act, members of the Alaska Innovation Council are appointed to initial terms as follows:

(1) members appointed under AS 44.33.850(b)(5), enacted by sec. 2 of this Act, shall serve one-year terms;

(2) members appointed under AS 44.33.850(b)(6), (7), and (10), enacted by sec. 2 of this Act, shall serve two-year terms; and

(3) members appointed under AS 44.33.850(b)(8) and (9), enacted by sec. 2 of this Act, shall serve three-year terms.

(b) Notwithstanding AS 44.33.850(f), enacted by sec. 2 of this Act, the member of the board designated under AS 44.33.850(b)(1), enacted by sec. 2 of this Act, shall serve as the chair of the Alaska Innovation Council for an initial term of one year.

* **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: INNOVATION AND ECONOMIC COMPETITIVENESS PLAN. Notwithstanding the deadline established in AS 44.33.870, enacted by sec. 2 of this Act, the Alaska Innovation Council shall prepare the first innovation and economic competitiveness

- 1 plan under AS 44.33.870, enacted by sec. 2 of this Act, not later than January 1 of the year
2 following the effective date of this Act.