

Dear Senators PATRICK, Martin, Schmidt, and
Representatives HARTGEN, Anderson, King:

The Legislative Services Office, Research and Legislation, has received the enclosed rules of
the Department of Commerce:

IDAPA 28.02.07 - Rules Governing the Administration of the IGEM Grant Program - Proposed
Rule (Docket No. 28-0207-1601).

Pursuant to Section 67-454, Idaho Code, a meeting on the enclosed rules may be called by the
cochairmen or by two (2) or more members of the subcommittee giving oral or written notice to Research
and Legislation no later than fourteen (14) days after receipt of the rules' analysis from Legislative
Services. The final date to call a meeting on the enclosed rules is no later than 10/24/2016. If a meeting is
called, the subcommittee must hold the meeting within forty-two (42) days of receipt of the rules' analysis
from Legislative Services. The final date to hold a meeting on the enclosed rules is 11/22/2016.

The germane joint subcommittee may request a statement of economic impact with respect to a
proposed rule by notifying Research and Legislation. There is no time limit on requesting this statement,
and it may be requested whether or not a meeting on the proposed rule is called or after a meeting has
been held.

To notify Research and Legislation, call 334-4834, or send a written request to the address on the
memorandum attached below.



Eric Milstead
Director

Legislative Services Office

Idaho State Legislature

Serving Idaho's Citizen Legislature

MEMORANDUM

TO: Rules Review Subcommittee of the Senate Commerce & Human Resources Committee and the House Commerce & Human Resources Committee

FROM: Division Manager - Mike Nugent

DATE: October 04, 2016

SUBJECT: Department of Commerce

IDAPA 28.02.07 - Rules Governing the Administration of the IGEM Grant Program - Proposed Rule (Docket No. 28-0207-1601)

In 2016, HB 377 was enacted which provided that Idaho-based industry partners may receive weighted consideration for grants. The Department of Commerce defines industry partner as a domestic or foreign entity that designs, produces or sells goods or services or that contractually agrees to undertake such acts in connection with technologies licensed or otherwise transferred to the entity by a University that is partnered with an eligible applicant. The rules further provide that all approved awards are required to include a monetary or in-kind contribution from an industry partner or partners. The proposed rules also revise how grant funds will be distributed.

It appears the proposed rules have been promulgated within the scope of statutory authority granted to the Department of Commerce.

cc: Department of Commerce
Megan Ronk

IDAPA 28 - DEPARTMENT OF COMMERCE

28.02.07 - RULES GOVERNING THE ADMINISTRATION OF THE IGEN GRANT PROGRAM

DOCKET NO. 28-0207-1601

NOTICE OF RULEMAKING - PROPOSED RULE

AUTHORITY: In compliance with Section 67-5221(1), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to Section 67-4702 and 67-4729, Idaho Code.

PUBLIC HEARING SCHEDULE: Public hearing(s) concerning this rulemaking will be scheduled if requested in writing by twenty-five (25) persons, a political subdivision, or an agency, not later than October 19, 2016.

The hearing site(s) will be accessible to persons with disabilities. Requests for accommodation must be made not later than five (5) days prior to the hearing, to the agency address below.

DESCRIPTIVE SUMMARY: The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

The proposed rule changes:

- Ensure the language between Idaho Code and the program rules are consistent.
- Correctly cite responsibilities for the Department of Commerce.
- Defines "industry partner," a term that was introduced into Idaho Code during the last legislative session.
- Provide grammatical corrections and other program clarifications.

FEE SUMMARY: The following is a specific description of the fee or charge imposed or increased: N/A

FISCAL IMPACT: The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year resulting from this rulemaking: N/A

NEGOTIATED RULEMAKING: Pursuant to Section 67-5220(2), Idaho Code, negotiated rulemaking was not conducted because the Department of Commerce held informal negotiation sessions with officials representing the State Board of Education, Boise State University, Idaho State University, and the University of Idaho, in which all parties agreed with the proposed rule changes and language submitted in this notice.

INCORPORATION BY REFERENCE: Pursuant to Section 67-5229(2)(a), Idaho Code, the following is a brief synopsis of why the materials cited are being incorporated by reference into this rule: N/A
There are no materials incorporated by reference.

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the proposed rule, contact Bobbi-Jo Meuleman, Chief Operating Officer, Idaho Department of Commerce at (208) 334-2470.

Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered on or before October 26, 2016.

DATED this 1st day of September, 2016.

Bobbi-Jo Meuleman, Chief Operating Officer
Idaho Department of Commerce
700 W State Street
Boise, ID 83702
Phone: (208) 334-2470
Fax: (208) 334-2631

THE FOLLOWING IS THE PROPOSED TEXT OF DOCKET NO. 28-0207-1601
(Only Those Sections With Amendments Are Shown.)

010. DEFINITIONS.

As used in this chapter: (3-20-14)

01. Department. Idaho Department of Commerce. (3-20-14)

02. Eligible Applicant. Idaho research universities: Boise State University, Idaho State University, and University of Idaho. (3-20-14)

03. IGEM Council. Idaho Global Entrepreneurial Mission Council as defined in Section 67-4726, Idaho Code. (3-20-14)

04. IGEM Executive Committee. The IGEM Executive Committee is made up of the IGEM Council chairman, the director of the Idaho Department of Commerce, and the Idaho State Board of Education member of the IGEM Council. (3-20-14)

05. IGEM Grant Program. A grant program established ~~by the IGEM Council for the purpose of funding projects intended~~ to further the purpose as described in Section 100 of these rules. ~~(3-20-14)~~()

06. University. As used in these rules, University means Boise State University, Idaho State University, and the University of Idaho. (3-20-14)

07. Industry Partner. A domestic or foreign entity that designs, produces, or sells goods or services or that contractually agrees to undertake such acts in connection with technologies licensed or otherwise transferred to the entity by a University, and that is partnered with an Eligible Applicant. ()

(BREAK IN CONTINUITY OF SECTIONS)

200. REQUEST FOR PROPOSAL (RFP).

The ~~IGEM Council~~ Idaho Department of Commerce will release a RFP outlining the process and requirements for Eligible Applicants to apply for IGEM Grant Program awards. The RFP shall include requirements for performance measures and reporting. Awarded programs that fail to meet the requirements set forth in the RFP may be terminated. ~~(3-20-14)~~()

(BREAK IN CONTINUITY OF SECTIONS)

301. MATCHING REQUIREMENT.

All approved awards ~~must contain a match requirement. The match may be~~ are required to include a monetary or in-kind contribution from the Industry Partner(s) as established in the RFP. ~~(3-20-14)~~()

302. -- 399. (RESERVED)

400. TERMINATION OF FUNDING.

Funding for projects may be terminated by the Department at any time for failure to meet the program requirements set out in the RFP and in the funding agreement or for the misuse of IGEM funds. Upon receipt of a written notice of termination from the Department, the grantee must immediately stop all expenditures of IGEM funds ~~and return all unspent IGEM funds to the Department.~~ The Department will make a final payment to the grantee based on the work completed, allowable costs incurred, and the documentation provided by the grantee as required by these rules. ~~(3-20-14)~~()

401. -- 499. (RESERVED)

500. COMMERCIALIZATION REVENUE.

~~Any e~~Commercialization revenue, revenue generated through the commercialization of IGEM Uuniversity ~~research initiative and by~~ intellectual property rights in a work authored or an invention conceived or first reduced to practice in the performance of an IGEM ~~funded research faculty will~~ grant award shall be distributed as outlined in Section 67-4731, Idaho Code. ~~(3-20-14)()~~