



Sen. Jeffrey M. Schoenberg

**Filed: 4/2/2008**

09500SB0786sam001

LRB095 05456 RCE 48708 a

1 AMENDMENT TO SENATE BILL 786

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 786 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Technology Development Act is amended by  
5 adding Section 11 as follows:

6 (30 ILCS 265/11 new)

7 Sec. 11. Technology Development Account II.

8 (a) In addition to the amount provided in Section 10 of  
9 this Act, the State Treasurer may segregate a portion of the  
10 Treasurer's investment portfolio, that at no time shall be  
11 greater than 2% of the portfolio, in the Technology Development  
12 Account IIa ("TDA IIa"), an account that shall be maintained  
13 separately and apart from other moneys invested by the  
14 Treasurer. Distributions from the investments in TDA IIa may be  
15 reinvested into TDA IIa without being counted against the 2%  
16 cap. The Treasurer may make investments from TDA IIa that help

1 attract, assist, and retain quality technology businesses in  
2 Illinois. The earnings on TDA IIa shall be accounted for  
3 separately from other investments made by the Treasurer.

4 (b) The Treasurer may solicit proposals from entities to  
5 manage and be the General Partner of a separate fund  
6 ("Technology Development Account IIb" or "TDA IIb") consisting  
7 of investments from private sector investors that must invest,  
8 at the direction of the Treasurer, in tandem with TDA IIa in a  
9 pro-rata portion. The Treasurer may enter into an agreement  
10 with the entity managing TDA IIb to advise on the investment  
11 strategy of TDA IIa and TDA IIb (collectively "Technology  
12 Development Account II" or "TDA II") and fulfill other mutually  
13 agreeable terms. Funds in TDA IIb shall be kept separate and  
14 apart from moneys in the State Treasury.

15 (c) Moneys in TDA IIa may be invested by the State  
16 Treasurer to provide venture capital to technology businesses  
17 seeking to locate, expand, or remain in Illinois by placing  
18 money with Illinois venture capital firms for investment by the  
19 venture capital firms in technology businesses. "Venture  
20 capital", as used in this Section, means equity financing that  
21 is provided for starting up, expanding, or relocating a  
22 company, or related purposes such as financing for seed  
23 capital, research and development, introduction of a product or  
24 process into the marketplace, or similar needs requiring risk  
25 capital. "Technology business", as used in this Section, means  
26 a company that has as its principal function the providing of

1 services, including computer, information transfer,  
2 communication, distribution, processing, administrative,  
3 laboratory, experimental, developmental, technical, or testing  
4 services, manufacture of goods or materials, the processing of  
5 goods or materials by physical or chemical change, computer  
6 related activities, robotics, biological or pharmaceutical  
7 industrial activity, or technology oriented or emerging  
8 industrial activity. "Illinois venture capital firm", as used  
9 in this Section, means an entity that has a majority of its  
10 employees in Illinois or that has at least one managing partner  
11 or member of the general partner domiciled in Illinois, and  
12 that provides equity financing for starting up or expanding a  
13 company, or related purposes such as financing for seed  
14 capital, research and development, introduction of a product or  
15 process into the marketplace, or similar needs requiring risk  
16 capital. "Illinois venture capital firm" may also mean an  
17 entity that has a track record of identifying, evaluating, and  
18 investing in Illinois companies and that provides equity  
19 financing for starting up or expanding a company, or related  
20 purposes such as financing for seed capital, research and  
21 development, introduction of a product or process into the  
22 marketplace, or similar needs requiring risk capital. For  
23 purposes of this Section, "track record" means having made, on  
24 average, at least one investment in an Illinois company in each  
25 of its funds if the Illinois venture capital firm has multiple  
26 funds or at least 2 investments in Illinois companies if the

1 Illinois venture capital firm has only one fund. In no case  
2 shall more than 10% of the capital in the TDA IIa be invested  
3 in firms based outside of Illinois.

4 (d) Any fund created by an Illinois venture capital firm in  
5 which the State Treasurer places money pursuant to this Section  
6 shall be required by the State Treasurer to seek investments in  
7 technology businesses seeking to locate, expand, or remain in  
8 Illinois.

9 (e) Notwithstanding the limitation found in subsection (d)  
10 of Section 10 of this Act, the investment of the State  
11 Treasurer in any fund created by an Illinois venture capital  
12 firm in which the State Treasurer places money pursuant to this  
13 Section shall not exceed 15% of the total investments in the  
14 fund.

15 (f) The State Treasurer shall not invest more than  
16 one-third of Technology Development Account II in any given  
17 calendar year. If in any calendar year less than one-third of  
18 Technology Development Account II is invested, 50% of the  
19 shortfall may be invested in the following calendar year in  
20 addition to the regular one-third investment.

21 (g) The Treasurer may deposit no more than 10% of the  
22 earnings of the investments in the Technology Development  
23 Account IIa into the Technology Development Fund.

24 Section 99. Effective date. This Act takes effect upon  
25 becoming law."