

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

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MPG;jld:jf

May 1, 2013

Representative Kuglitsch:

Please review this draft carefully to ensure that it is consistent with your intent.

Item 1. in the amendment deletes the reference to \$300,000 and substitutes a reference to 1 percent of the moneys contributed by the state and raised from other sources, rather than including the “\$300,000 or 1 percent, whichever is higher” language that we discussed. The 1 percent could not be below \$300,000 because the investment manager is required to raise at least \$5,000,000 from other sources and the state’s contribution is \$25,000,000, for a total minimum amount of \$30,000,000. In other words, the 1 percent must be \$300,000 or more, and there is no need to include the actual dollar figure. Is that change okay?

In item 5. of the amendment, I included the notion that a venture capital fund must “make new investments” in “an amount equal to” the amount received from the investment manager under the program. If we only say that a venture capital fund must invest an amount equal to the amount received, that requirement could technically be satisfied with old investments that predate and are unrelated to the program. Also, do you want to include the “amount equal to” language anywhere else in the bill?

Please do not hesitate to contact me with any questions.

Thank you.

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