The committee on Bills in the Third Reading, to whom was referred the bill establishing the Massachusetts Science and Technology Foundation and prescribing its authority and functions (Senate, No. 1432), reports recommending that the same be amended by substituting therefor a new draft with the same title (Senate, No. 1555), and that, when so amended, the same will be correctly drawn.

For the committee,

JOHN E. HARRINGTON, JR.
AN ACT ESTABLISHING THE MASSACHUSETTS SCIENCE AND TECHNOLOGY FOUNDATION AND PRESCRIBING ITS AUTHORITY AND FUNCTIONS.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. There is hereby created and placed in the department of commerce and development a body corporate to be known as the Massachusetts Science and Technology Foundation, hereinafter called the "Foundation", which shall not be subject to the supervision or regulation of the department of commerce and development or of any department, agency or other instrumentality of the commonwealth except to the extent and in the manner provided in this act.

1 SECTION 2. The purposes of the Foundation shall be to encourage, promote and assist basic and applied scientific and technological research and development in the commonwealth; and to establish therein facilities for said purposes.

1 SECTION 3. The Foundation shall be governed and its corporate powers exercised by a board of nine members, to be appointed by the governor for terms of four years, their initial appointments, however, being two each for terms of one, two and three years, and three for a term of four years. All members shall be citizens of the United States. Any person appointed to fill a vacancy shall serve only for the unexpired term. Members shall receive no compensation for their services but shall be reimbursed for travel and other expenses actually and necessarily incurred in the performance of their duties. The governor shall designate a chairman and vice-chairman from the membership of the board, who shall serve at his pleasure. Said governing board shall hold such
14 meetings as the members may determine. Five members of 15 the board shall constitute a quorum and the affirmative vote 16 of five members shall be required for any action taken by 17 the board. The board may adopt by-laws for the Foundation 18 and may amend and repeal the same. A copy of the by-laws, 19 and of any amendment thereto, shall be filed with the secre- 20 tary of the commonwealth. The board shall from time to time 21 select a secretary from its membership, who shall keep a 22 record of its actions, findings and determinations, which record 23 shall be a public record. The board may adopt a seal for the 24 Foundation. The Foundation shall be furnished suitable ac- 25 commodations for its principal office in the state office build- 26 ing or elsewhere; the Foundation may, subject to available 27 funds, establish branch offices, exhibits, or facilities at such 28 places.

1 Section 4. The governing board shall appoint a director 2 to serve as administrator of the Foundation. The director 3 shall exercise such powers as the Foundation in its by-laws 4 shall prescribe, and he shall serve at the pleasure of the board. 5 His salary shall be fixed by the board, and he shall be reim- 6 bursed for travel and other expenses incurred in the per- 7 formance of his duties. The Foundation may establish such 8 advisory committees as it deems necessary and helpful. Mem- 9 bers of such advisory committees shall serve without salary 10 for such terms, not to exceed three years, as the Foundation 11 may determine; they shall be reimbursed for traveling and 12 other reasonable expenses actually incurred in the performance 13 of their official duties as members of said committees. The 14 Foundation may hire such additional officers, experts, attorneys, 15 accountants and other employees as it may deem necessary. 16 The provisions of section nine A of chapter thirty and the 17 provisions of chapter thirty-one shall not apply to the director 18 or to any other officer or employee of the Foundation.

1 Section 5. For the accomplishment of the purposes of this 2 act, the Foundation shall have the power and authority within 3 the limits of available funds.
(a) to finance, conduct, or cooperate in financing or conducting basic and applied scientific and technical research and development by making and entering into contracts and other appropriate arrangements including the provision of grants, loans and other forms of assistance; provided, however, that no money granted or appropriated by the commonwealth or by any political subdivision thereof and no property owned by the commonwealth or any such political subdivision shall be given by said Foundation as a grant, loan or other form of assistance, under the provisions of this act, to any person or institution for the purposes of founding, maintaining or aiding a school or college, educational or charitable organization which is not publicly owned and under the exclusive control, order and superintendence of public officers or public agents, as set forth in Article XLVI of the Amendments to the Constitution.

(b) to acquire, construct or lease facilities and equipment for the conduct of basic and applied research, to operate such facilities and conduct such research as a licensee or contractor of the federal government whenever such license or contract is required for the conduct of such research activity, and, at its discretion, to fix by contract or otherwise establish and charge rentals, rates and fees for the use of facilities and services operated or provided by the Foundation.

c) to lease facilities, equipment, real or personal property owned or leased by the Foundation to public or private persons, institutions or firms for a fair and reasonable consideration, but each such lease shall provide for cancellation or termination thereof by the Foundation at its discretion at stated times which shall be not less frequently than once in each calendar year.

d) to solicit, study and evaluate scientific and technological research and development opportunities suitable for support by the Foundation.

e) to prepare, publish and distribute with or without charge as the Foundation may determine such technical studies, reports, bulletins and other materials as it deems appropriate.

(f) to organize, conduct, sponsor or cooperate in and assist
the conduct of special institutes, conferences, demonstrations, and studies relating to scientific and technological research and development.

(g) to secure such federal assistance as may be available for any of the purposes of this act.

1 Section 6. The Foundation shall, in addition to the specific powers enumerated in section five, have the following general powers:

(a) to acquire by purchase, lease, loan, gift, and to hold in separate custody, invest, reinvest, dispose of by grant, sale, lease, or loan, or to use on behalf of the Foundation and for any of its purposes, real and personal property and moneys, or any interest therein, and any compensation, reimbursement, or other revenue resulting from loans, inventions, patents, the conduct of scientific and technical research or tests, and any other activity authorized by this act.

(b) to accept any and all donations, grants, bequests and devises (conditional or otherwise) of money, property, services or other things of value which may be received from the United States or any agency thereof, any governmental agency, or any institution, person, firm or corporation, private or public, to be held, used or applied for any or all of the purposes specified in this act, in accordance with the terms and conditions of any such grant. Receipt of each such donation or grant shall be detailed in the annual report of the Foundation. Such report shall include the identity of the donor or lender, the nature of the transaction, and any conditions attaching thereto.

(c) to sue and be sued in its own name and to prosecute and defend all actions relating to its property and affairs. The Foundation shall be liable for its debts and obligations, but the property of the Foundation shall not be subject to attachment nor levied upon by execution or otherwise. Process may be served upon the treasurer of the Foundation or, in the absence of the treasurer, upon any member of the governing board of the Foundation.

(d) to adopt rules and regulations, not inconsistent with
Section 8. The Foundation shall render to the governor...
2 and to the general court on or before the first day of No-
3 vember in each year a report summarizing its activities for
4 the preceding fiscal year, and its recommendations, including
5 minority recommendations or comments, if any, and drafts of
6 such legislation as may be necessary to carry said recom-
7 mendations into effect. Such report shall contain a complete
8 financial statement, including information as to the acquisition
9 or disposition by the Foundation of any patents or patent rights,
10 and the receipt by the Foundation of funds, property, or any
11 interest therein by gift, grant or devise.

1 SECTION 9. The Foundation shall keep accurate accounts
2 of all receipts and disbursements, and such accounts shall be
3 audited yearly by a certified or licensed public accountant
4 whose report of the audit shall be included in the annual report
5 of the Foundation. In addition, the accounts of the Founda-
6 tion shall be subject to annual audit by the department of the
7 state auditor, the cost of which audit shall not be borne by the
8 Foundation.

1 SECTION 10. No member of the governing board, officer or
2 employee of the Foundation shall acquire, retain, or transfer
3 any rights, under the patent laws of the United States or
4 otherwise, in any invention which he may make or produce
5 in connection with the performance of his assigned activities:
6 provided, however, that this section shall not prevent any
7 officer or employee of the Foundation from executing any
8 application for a patent on any such invention for the purpose
9 of assigning the same to the Foundation in accordance with
10 such rules and regulations as the board of directors may
11 establish. No officer or employee of the Foundation shall be
12 in the employ of, or be in any way, directly or indirectly,
13 financially interested in any person, partnership, corporation
14 or association having any business or financial transactions
15 with the Foundation. No member shall act as a member of
16 the governing board, or vote as such, in connection with any
17 matter in which to his knowledge, he, his immediate family,
18 or any organization which he is serving as a director, officer,
19 trustee, partner or employee, has a financial interest; and
20 any member, immediately upon learning that any such matter
21 is being considered or proposed by the board, shall fully dis-
22 close to the board the nature of his interest therein.

1 SECTION 11. In evaluating research proposals and requests
2 for assistance submitted by interested individuals, institutions
3 and firms, to the Foundation, the Foundation shall give priority
4 to proposals which do not require indefinitely continuing
5 grants and which portend immediate or long-range benefit to
6 the Commonwealth, and to such persons, institutions or firms
7 as are residents of the commonwealth or were organized
8 therein.

1 SECTION 12. The Foundation is created and shall be operated
2 exclusively for public purposes and not for pecuniary profit.
3 No part of the net earnings of the Foundation shall inure to
4 the benefit of any private individual.

1 SECTION 13. The Foundation and all its real and personal
2 property shall be exempt from taxation and from betterments
3 and special assessments; and the Foundation shall not be re-
4 quired to pay any tax, excise or assessment to or for the com-
5 monwealth or any of its political subdivisions.