

Excerpt from Nevada Revised Statutes
Chapter 231 - Economic Development, Tourism and Cultural Affairs

Knowledge Fund

NRS 231.1591 Definitions. As used in [NRS 231.1591](#) to [231.1597](#), inclusive, unless the context otherwise requires:

1. “Chancellor” means the Chancellor of the Nevada System of Higher Education or his or her designee.
2. “Research universities” means the University of Nevada, Las Vegas, and the University of Nevada, Reno.
(Added to NRS by [2011, 3437](#))

NRS 231.1592 Creation; nature of Fund; disposition of interest and income; duties of Executive Director.

1. The Knowledge Fund is hereby created in the State Treasury.
2. The Knowledge Fund is a continuing fund without reversion. The interest and income earned on money in the Knowledge Fund, after deducting any applicable charges, must be credited to the Knowledge Fund.
3. The Executive Director:
 - (a) Shall administer the Knowledge Fund in a manner that is consistent with the State Plan for Economic Development developed by the Executive Director pursuant to subsection 2 of [NRS 231.053](#);
 - (b) May apply for and accept any gift, grant, donation, bequest or other source of money for deposit in the Knowledge Fund; and
 - (c) Subject to any restrictions imposed by such a grant, gift, donation or appropriation, may allocate money in the Knowledge Fund among the research universities, the Desert Research Institute, the technology outreach program established pursuant to [NRS 231.1596](#) and the technology transfer offices of the research universities and the Desert Research Institute to support commercialization and technology transfer to the private sector.
(Added to NRS by [2011, 3437](#))

NRS 231.1593 Commercialization revenue: Authority of Executive Director to enter into agreements with certain entities; disposition and allocation.

1. The Executive Director may enter into agreements, when the Executive Director deems such an agreement to be appropriate, with the research universities and the Desert Research Institute for the allocation of commercialization revenue between the Office, the research universities and the Desert Research Institute. Any commercialization revenue received by the Office pursuant to such an agreement must be deposited in the Knowledge Fund created by [NRS 231.1592](#).
2. In consideration of the money and services provided or agreed to be provided by the Office, the research universities and the Desert Research Institute shall agree to allocate commercialization revenue in accordance with any agreement entered into pursuant to subsection 1.
3. As used in this section, “commercialization revenue” means dividends, realized capital gains, license fees, royalty fees and other revenues received by a research university or the Desert Research Institute as a result of commercial applications developed as a result of the programs established pursuant to [NRS 231.1591](#) to [231.1597](#), inclusive, less:
 - (a) The portion of those revenues allocated to the inventor; and
 - (b) Expenditures incurred by the research university or the Desert Research Institute to legally protect the intellectual property.
(Added to NRS by [2011, 3438](#))

NRS 231.1594 Executive Director to establish procedures for applying for allocation from Fund; requirements; applications; use of money; factors to be considered in making allocations.

1. After considering the advice and recommendations of the Board, the Executive Director shall establish procedures for applying for an allocation of money from the Knowledge Fund created by [NRS 231.1592](#). The procedures must include, without limitation, a requirement that applications for allocations of money set forth:
 - (a) The proposed use of the money;
 - (b) The plans, projects and programs for which the money will be used;
 - (c) The expected benefits of the money; and
 - (d) A statement of the short-term and long-term impacts of the use of the money.
2. In accordance with the procedures established pursuant to subsection 1, a research university or the Desert Research Institute may apply for an allocation of money from the Knowledge Fund. Upon receipt of an application

for an allocation from the Knowledge Fund, the Executive Director shall review the application and determine whether the approval of the application would promote the economic development of this State and aid the implementation of the State Plan for Economic Development developed by the Executive Director pursuant to subsection 2 of [NRS 231.053](#). If the Executive Director determines that approving the application will promote the economic development of this State and aid the implementation of the State Plan for Economic Development, the Executive Director may approve the application and make an allocation of money from the Knowledge Fund to the applicant.

3. If a research university or the Desert Research Institute receives an allocation of money from the Knowledge Fund, the money must be used for the purposes set forth in [NRS 231.1597](#).

4. In making allocations of money from the Knowledge Fund created pursuant to [NRS 231.1592](#), the Executive Director must consider:

(a) The extent to which an allocation will promote the economic development of this State and aid the implementation of the State Plan for Economic Development developed by the Executive Director pursuant to subsection 2 of [NRS 231.053](#); and

(b) Whether the research universities and the Desert Research Institute have received an equitable share of the allocations of money from the Knowledge Fund.

(Added to NRS by [2011, 3438](#))

NRS 231.1595 Powers and duties of Executive Director: Economic development goals; expansion, enhancement, transfer and commercialization of research; encouragement of investment; reports; agreements.

1. In consultation with the Board and the Chancellor, the Executive Director shall:

(a) Establish, for the programs established pursuant to [NRS 231.1591](#) to [231.1597](#), inclusive, economic development goals which are consistent with the State Plan for Economic Development developed by the Executive Director pursuant to subsection 2 of [NRS 231.053](#) and the strategic plans of the research universities and the Desert Research Institute.

(b) In cooperation with the administration of the research universities and the Desert Research Institute, expand science and technology research at the research universities and the Desert Research Institute.

(c) Enhance technology transfer and commercialization of research and technologies developed at the research universities and the Desert Research Institute to create high-quality jobs and new industries in this State.

(d) Establish economic development objectives for the programs established pursuant to [NRS 231.1591](#) to [231.1597](#), inclusive.

(e) Verify that the programs established pursuant to [NRS 231.1591](#) to [231.1597](#), inclusive, are being enhanced by research grants and that such programs are meeting the Board's economic development objectives.

(f) Monitor all research plans that are part of the programs established pursuant to [NRS 231.1591](#) to [231.1597](#), inclusive, at the research universities and the Desert Research Institute to determine that allocations from the Knowledge Fund created by [NRS 231.1592](#) are being spent in accordance with legislative intent and to maximize the benefit and return to this State.

(g) Develop methods and incentives to encourage investment in and contributions to the programs established pursuant to [NRS 231.1591](#) to [231.1597](#), inclusive, from the private sector.

(h) Establish requirements for periodic reports from the research universities and the Desert Research Institute concerning the use of allocations from the Knowledge Fund pursuant to [NRS 231.1597](#). The requirements must include, without limitation, a requirement that the recipient of the allocation include in such a report:

(1) A description of each activity undertaken with money from the allocation and the amount of money used for each such activity; and

(2) Such documentation as the Executive Director deems appropriate to support the information provided in the report.

(i) On or before November 1, 2012, and on or before November 1 of every year thereafter, submit a report to the Governor and to the Director of the Legislative Counsel Bureau for transmittal to the Interim Finance Committee, if the report is received during an odd-numbered year, or to the next session of the Legislature, if the report is received during an even-numbered year. The report must include, without limitation:

(1) The number of research teams and faculty recruited, hired and retained pursuant to [NRS 231.1597](#) and the amount of funding provided to those research teams;

(2) A description of the research being conducted by the research teams and faculty for which the Executive Director has provided funding pursuant to [NRS 231.1597](#);

- (3) The number of patents which have been filed as a result of the programs established pursuant to [NRS 231.1591](#) to [231.1597](#), inclusive;
 - (4) The amount of research grants awarded to the research teams and faculty recruited, hired and retained pursuant to [NRS 231.1597](#);
 - (5) The amount of all grants, gifts and donations to the Knowledge Fund from public and private sources;
 - (6) The number of businesses which have been created or expanded in this State, or relocated to this State, because of the programs established pursuant to [NRS 231.1591](#) to [231.1597](#), inclusive; and
 - (7) The number of jobs which have been created or saved as a result of the activities of the Office.
2. The Executive Director may enter into any agreements necessary to obtain private equity investment in the programs established pursuant to [NRS 231.1591](#) to [231.1597](#), inclusive.
(Added to NRS by [2011, 3439](#))

NRS 231.1596 Technology outreach program: Executive Director to establish; required functions; duties of Board.

1. The Executive Director shall use money in the Knowledge Fund created by [NRS 231.1592](#) to establish a technology outreach program at locations distributed strategically throughout this State.
2. The Executive Director shall ensure that the technology outreach program acts as a resource to:
 - (a) Broker ideas, new technologies and services to entrepreneurs and businesses throughout a defined service area;
 - (b) Engage local entrepreneurs and faculty and staff at state colleges and community colleges by connecting them to the research universities and the Desert Research Institute;
 - (c) Assist professors and researchers in finding entrepreneurs and investors for the commercialization of their ideas and technologies;
 - (d) Connect market ideas and technologies in new or existing businesses or industries or in state colleges and community colleges with the expertise of the research universities and the Desert Research Institute;
 - (e) Assist businesses, the research universities, state colleges, community colleges and the Desert Research Institute in developing commercial applications for their research; and
 - (f) Disseminate and share discoveries and technologies emanating from the research universities and the Desert Research Institute to local entrepreneurs, businesses, state colleges and community colleges.
3. In designing and operating the technology outreach program, the Board shall work cooperatively with the technology transfer offices at the research universities and the Desert Research Institute.
(Added to NRS by [2011, 3440](#))

NRS 231.1597 Allocation of money in Fund to provide for certain expenditures. In consultation with the Board and the Chancellor, the Executive Director shall allocate money in the Knowledge Fund created by [NRS 231.1592](#) to the research universities and the Desert Research Institute to provide funding for:

1. The recruitment, hiring and retention of research teams and faculty to conduct research in science and technology which has the potential to contribute to economic development in this State;
2. Research laboratories and related equipment located or to be located in this State;
3. The construction of research clinics, institutes and facilities and related buildings located or to be located in this State; and
4. Matching funds for federal and private sector grants and contract opportunities that support economic development consistent with the State Plan for Economic Development developed by the Executive Director pursuant to subsection 2 of [NRS 231.053](#).
(Added to NRS by [2011, 3440](#))