

## CHAPTER NO. 784

## HOUSE BILL NO. 2770

**By Representatives Armstrong, McDaniel**

**Substituted for: Senate Bill No. 2564**

**By Senators Cooper, Ramsey**

AN ACT to amend Tennessee Code Annotated, Title 49, Chapter 9, relative to enhancing and facilitating research, commercialization of research, and technology transfer at the University of Tennessee.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 9, is amended by adding the following as a new Part 14:

Part 14  
RESEARCH AND DEVELOPMENT AT  
THE UNIVERSITY OF TENNESSEE

Section 49-9-1401. The purpose of this part is to enhance the competitive position of the University of Tennessee for research and development funding and otherwise to facilitate expanded research and development activities at the university, the premier public research university in this state. The further purpose of this part is to facilitate the commercialization of university research outcomes and the transfer of research-generated technology from the university to commercial and industrial enterprises in furtherance of the economic development of this state. This part shall be liberally construed in conformity with its purposes.

Section 49-9-1402. (a) Without intending any limitation of the express and implied powers vested in the University of Tennessee, the General Assembly hereby expressly recognizes the university's authority to take whatever steps it deems necessary to form and participate in legal entities organized under the laws of this state for the purpose of promoting, supporting, and carrying out the university's research mission, including without limitation the commercialization of research outcomes and the transfer of research-generated products, ideas, processes, and other technology from the university to commercial and industrial enterprises. The General Assembly further expressly recognizes the university's authority to enter into joint ventures and other cooperative arrangements with such entities in furtherance of the purposes of this part.

(b) Entities described in subsection (a) may be vested with any power and charged with any responsibility necessary or desirable to facilitate research and development at the university, commercialization of university research outcomes, and transfer of research-generated technology from the university to commercial and industrial enterprises.

Section 49-9-1403. Entities described in Section 49-9-1402(a) shall not be deemed or construed to be an agency, department, instrumentality, political subdivision or other arm of the state.

Section 49-9-1404. The operations of entities described in Section 49-9-1402(a) shall be audited annually by an independent certified public accountant, and copies of the audit shall be furnished to the Comptroller of the Treasury. An entity described in Section 49-9-1402(a) shall also be subject to audit by the Comptroller of the Treasury, but nothing in this section shall be construed to mean that such entity is an agency, department, instrumentality, political subdivision or other arm of the state.

Section 49-9-1405. Entities described in Section 49-9-1402(a) may enter into agreements for the services of university employees and employees of other entities.

Section 49-9-1406. Debts, liabilities, and other obligations of an entity described in Section 49-9-1402(a) shall not constitute debts, liabilities, or obligations of the state or the university.

Section 49-9-1407. Nothing contained in this part shall be deemed or construed to waive or abrogate in any way the sovereign immunity of the state, the university, or any officer or employee of the state or university or to deprive any officer or employee of the state or university of any other immunity to which the officer or employee is otherwise entitled under state law.

Section 49-9-1408. The provisions of this part shall constitute full and complete authority, without regard to the provisions of any other law, for the doing of the acts and things herein authorized and shall be liberally construed to effect its purposes. If the provisions of this part are inconsistent with the provisions of any other law, the provisions of this part shall be controlling; provided, however, that the provisions of Tennessee Code Annotated, Section 4-15-102, 12-2-112, 12-2-114, and 12-2-115, shall apply to transactions between the university and entities described in Section 49-9-1402(a); and provided further that nothing in this part shall be construed to amend, repeal, or supersede the provisions of, or the obligations of the state or the university's board of trustees under Tennessee Code Annotated, Section 9-9-113(b) and Section 49-3-1206 or any agreements entered into by the board of trustees under Section 49-3-1206.

Section 49-9-1409. The provisions of this part are severable, and it is the intention to enact the whole or any part of the powers provided for in this part. If any provision of this part, or the application thereof to any person or circumstance, is for any reason held by a court of competent jurisdiction to be unconstitutional or otherwise invalid, the remaining provisions of this part shall remain in full force and effect.

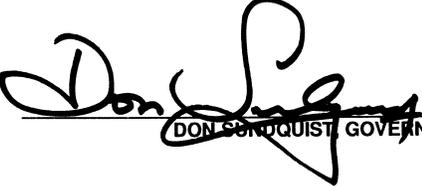
SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: May 11, 2000

  
JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

APPROVED this 22<sup>nd</sup> day of May 2000

  
DON SUNDQUIST, GOVERNOR