

2015 -- H 6121

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LC002526
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- THE INNOVATE RHODE
ISLAND SMALL BUSINESS PROGRAM

Introduced By: Representatives Blazewski, and Jacquard

Date Introduced: April 29, 2015

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 42-64.16-2 of the General Laws in Chapter 42-64.16 entitled "The
2 Innovate Rhode Island Small Business Program" is hereby amended to read as follows:

3 **42-64.16-2. Establishment of matching funds program.** -- (a) There is established the
4 Rhode Island SBIR/STTR Matching Funds Program to be administered by STAC. In order to
5 foster job creation and economic development in the state, STAC may provide grants to eligible
6 businesses to match funds received by a business as a SBIR or STTR Phase I or II award, ~~loans to~~
7 ~~eligible businesses to match funds received by a business as a SBIR or STTR Phase II award,~~ and
8 to encourage businesses to apply for further ~~Phase II and Phase III~~ SBIR or STTR awards,
9 ~~respectively~~ and commercialize their technology and research.

10 (b) Eligibility. - In order to be eligible for a grant under this section, a business must
11 satisfy all of the following conditions:

12 (1) The business must be a for-profit, Rhode Island-based business with fifty (50) or
13 fewer employees. For the purposes of this section, Rhode Island-based business is one that has its
14 principal place of business and at least fifty-one percent (51%) of its employees residing in this
15 state.

16 (2) The business must have received an SBIR/STTR Phase I award from a participating
17 federal agency in response to a specific federal solicitation. To receive the full Phase I matching
18 grant, the business must also have submitted a final Phase I report, demonstrated that the

1 sponsoring agency has interest in the Phase II proposal, and submitted a Phase II proposal to the
2 agency. To receive the full Phase II matching ~~loan~~ grant, the business must also have submitted a
3 final Phase II report, ~~demonstrated that the sponsoring agency has interest in the Phase III~~
4 ~~proposal, and submitted a Phase III proposal to the agency.~~

5 (3) The business must satisfy all federal SBIR/STTR requirements.

6 (4) The business shall not receive concurrent funding support from other sources that
7 duplicates the purpose of this section.

8 (5) For a Phase I and II matching grant, the business must certify that at least fifty-one
9 percent (51%) of the research described in the federal SBIR/STTR Phase I, II and any further
10 SBIR/STTR proposal proposals and commercialization will be conducted in this state and that the
11 business will remain a Rhode Island-based business for the duration of the SBIR/STTR Phase I, II
12 any further SBIR/STTR project projects and commercialization. ~~For a Phase II matching loan, the~~
13 ~~business must certify that at least fifty-one percent (51%) of the research described in the federal~~
14 ~~SBIR/STTR Phase III proposal will be conducted in this state and that the business will remain a~~
15 ~~Rhode Island based business for the duration of the SBIR/STTR Phase III project.~~

16 (6) For a Phase I and II matching grant, the business must demonstrate its ability to
17 conduct research in its SBIR/STTR Phase II proposal. ~~For a Phase II matching loan, the business~~
18 ~~must demonstrate its ability to conduct research in its SBIR/STTR Phase III proposal.~~

19 (c) Phase I and II Matching Grant. - STAC may award grants to match the funds
20 received by a business through a SBIR/STTR Phase I or II proposal up to a maximum of ~~one~~
21 ~~hundred thousand dollars (\$100,000)~~ one hundred fifty thousand dollars (\$150,000). Seventy-five
22 percent (75%) of the total grant shall be remitted to the business upon receipt of the SBIR/STTR
23 Phase I or II award and application for funds under this section. Twenty-five percent (25%) of the
24 total grant shall be remitted to the business upon submission by the business of the Phase II
25 application to the funding agency and acceptance of the Phase I or II report by the funding
26 agency. A business may receive only one grant under this section per year. A business may
27 receive only one grant under this section with respect to each federal proposal submission. Over
28 its lifetime, a business may receive a maximum of six (6) awards under this section.

29 ~~(d) Phase II Matching Loan. — STAC may award loans to match the funds received by a~~
30 ~~business through a SBIR/STTR Phase II proposal up to a maximum of three hundred thousand~~
31 ~~dollars (\$300,000) that must be secured by sufficient assets of the business. Seventy five percent~~
32 ~~(75%) of the total loan shall be remitted to the business upon receipt of the SBIR/STTR Phase II~~
33 ~~award and application for funds under this section. Twenty five percent (25%) of the total loan~~
34 ~~shall be remitted to the business upon submission by the business of the Phase III application to~~

1 ~~the funding agency and acceptance of the Phase I report by the funding agency. A business may~~
2 ~~receive only one loan under this section per year. A business may receive only one loan under this~~
3 ~~section with respect to each federal proposal submission. Over its lifetime, a business may receive~~
4 ~~a maximum of six (6) loans under this section.~~

5 ~~(e)~~(d) Application. - A business shall apply, under oath, to STAC for a grant ~~or loan~~
6 under this section on a form prescribed by STAC that includes at least all of the following:

7 (1) The name of the business, the form of business organization under which it is
8 operated, and the names and addresses of the principals or management of the business.

9 (2) For a Phase I or II matching grant, an acknowledgement of receipt of the Phase I or II
10 report and Phase II proposal by the relevant federal agency. ~~For a Phase II matching loan, an~~
11 ~~acknowledgement of receipt of the Phase II report and Phase III proposal by the relevant federal~~
12 ~~agency.~~

13 (3) Any other information necessary for STAC to evaluate the application.

14 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- THE INNOVATE RHODE
ISLAND SMALL BUSINESS PROGRAM

1 This act would eliminate the matching loan provisions relative to the small business
2 innovation research grant or small business technology transfer research grant program
3 administered by the Rhode Island science and technology advisory council.

4 This act would take effect upon passage.

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