

1 **ARTICLE 7**

2 **RELATING TO ECONOMIC DEVELOPMENT**

3 SECTION 1. Sections 42-64.16-2 and 42-64.16-3 of the General Laws in Chapter 64.16
4 entitled “The Innovate Rhode Island Small Business Program” are hereby amended to read as
5 follows:

6 **42-64.16-2. Establishment of matching funds program.**

7 (a) There is established the Rhode Island SBIR/STTR Matching Funds Program to be
8 administered by STAC. In order to foster job creation and economic development in the state,
9 STAC may provide grants to eligible businesses to match funds received by a business as a SBIR
10 or STTR Phase I or II award, and to encourage businesses to apply for further SBIR or STTR
11 awards, and commercialize their technology and research.

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

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

18 (2) The business must have received an SBIR/STTR Phase I award from a participating
19 federal agency in response to a specific federal solicitation. To receive the full Phase I matching
20 grant, the business must also have submitted a final Phase I report, demonstrated that the sponsoring
21 agency has interest in the Phase II proposal, and submitted a Phase II proposal to the agency. To
22 receive the full Phase II matching grant, the business must also have submitted a final Phase II
23 report.

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

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

27 (5) For a Phase I and II matching grant, the business must certify that at least fifty-one
28 percent (51%) of the research described in the federal SBIR/STTR Phase I, II and any further
29 SBIR/STTR proposals and commercialization will be conducted in this state and that the business
30 will remain a Rhode Island-based business for the duration of the SBIR/STTR Phase I, II any
31 further SBIR/STTR projects and commercialization.

32 (6) For a Phase I and II matching grant, the business must demonstrate its ability to conduct
33 research in its SBIR/STTR Phase II proposal.

34 **(7) For a Phase III commercialization grant, the business must have completed their Phase**

1 II SBIR/STTR award and submitted a final Phase II report.

2 (8) For a Phase III commercialization grant, the business must certify that at least fifty-one
3 percent (51%) of the research described in the Phase III application and any other further
4 SBIR/STTR proposals and commercialization will be conducted in this state and that the business
5 will remain a Rhode Island-based business, as defined by Rhode Island General Law 42-64.16-
6 2(b)(1) for at least five (5) years following award of the Phase III grant.

7 (c) **Phase I and II Matching Grant.** STAC may award grants to match the funds received
8 by a business through a SBIR/STTR Phase I or II proposal up to a maximum of ~~one hundred fifty~~
9 three hundred thousand dollars (~~\$150~~300,000). Seventy-five percent (75%) of the total grant shall
10 be remitted to the business upon receipt of the SBIR/STTR Phase I or II award and application for
11 funds under this section. Twenty-five percent (25%) of the total grant shall be remitted to the
12 business upon submission by the business of the Phase II application to the funding agency and
13 acceptance of the Phase I or II report by the funding agency. A business may receive only one grant
14 under this section per year. A business may receive only one grant under this section with respect
15 to each federal proposal submission. Over its lifetime, a business may receive a maximum of six
16 (6) awards under this section.

17 (d) Phase III Commercialization Grant. STAC may award grants of up to \$500,000 to
18 an eligible business to support commercialization of the results achieved through SBIR/STTR
19 Phase I and Phase II funding. Grants shall be approved in consultation with the Rhode Island
20 Commerce Corporation. Twenty-five percent (25%) of the total grant funding shall be remitted to
21 the business upon award of the Phase III grant and execution of a grant agreement. Sixty-five
22 percent (65%) of the total grant funding shall be remitted to the business upon request for
23 reimbursement for eligible research and development expenses, as defined by STAC, in connection
24 with the project for which the business received the award. Ten percent (10%) of the total grant
25 funding shall be remitted to the business five (5) years following the date of award of the Phase III
26 grant, provided that the business has remained a Rhode Island-based business, as defined by Rhode
27 Island General Law 42-64.16-2(b)(1) for the duration of the grant period.

28 ~~(e)~~ **Application.** A business shall apply, under oath, to STAC for a grant under this
29 section on a form prescribed by STAC that includes at least all of the following:

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

32 (2) For a Phase I or II matching grant, an acknowledgement of receipt of the Phase I or II
33 report and Phase II proposal by the relevant federal agency.

34 (3) For a Phase III commercialization grant, an acknowledgement of the terms of the grant

1 [and proof of eligibility, as defined in subsection \(b\) of this section.](#)

2 (34) Any other information necessary for STAC to evaluate the application.

3 **42-64.16-3. Establishment of bioscience & engineering internship program.**

4 (a) There is hereby established the Innovate Rhode Island Bioscience & Engineering
5 Internship Program to be administered by STAC. In order to promote workforce development and
6 education in the bioscience and engineering fields and enhance the talent pipeline for Rhode Island
7 businesses engaged in the biosciences and engineering, STAC may reimburse eligible bioscience
8 and engineering companies for eligible internship stipends. The reimbursements shall be paid from
9 the Innovate Rhode Island Small Business Account established in this chapter.

10 (b) **Bioscience and engineering definitions.**

11 (1) **Bioscience definition.** For the purposes of this section, “bioscience” shall mean
12 advanced and applied sciences that expand the understanding of human physiology and have the
13 potential to lead to medical advances or therapeutic applications.

14 (2) **Engineering definition.** For the purposes of this section, “engineering” shall mean the
15 creative application of advanced mathematics and natural sciences to design or develop complex
16 structures, machines, processes, or systems.

17 (c) **Business eligibility.** In order to be eligible for reimbursement under this section, a
18 business must satisfy all of the following conditions:

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

22 (2) The business must be primarily engaged in a bioscience or engineering field and must
23 demonstrate its ability to conduct research in bioscience or engineering.

24 (3) The business must host the internship in Rhode Island.

25 (4) The business must offer interns a hands-on learning experience and at least one mentor
26 directly overseeing the internship.

27 (5) Any two or more related businesses that are commonly controlled by any person or
28 entity, directly or indirectly, are limited to reimbursement under this section available for one
29 business only.

30 (d) **Intern eligibility.** In order to be an eligible intern under this section, a prospective
31 intern must satisfy all of the following requirements:

32 (1) The prospective intern must be a Rhode Island resident and must attend a college or
33 university located in Rhode Island.

34 (2) For students enrolled in community college, the student must be enrolled in an

1 Associate's Degree or Certificate program or completed one within the past year; for students
2 enrolled in four-year college or university, the student must have or will have completed at least
3 sophomore year the semester before the internship, or have graduated within the past year; for
4 graduate students, the student must be enrolled in a Master's Degree program or received their
5 Master's Degree within the past year.

6 (3) The intern cannot be the spouse, child, grandchild, sibling, niece, nephew, or spouse of
7 a child, grandchild, sibling, niece, or nephew of any employee of the business.

8 (4) The intern cannot participate in more than one internship subsidized under this section
9 in the same calendar year.

10 (5) The intern cannot participate in more than two internships subsidized under this section,
11 over two calendar years, with the same business.

12 (e) **Reimbursement.** STAC may reimburse eligible companies for pay rates up to ~~twelve~~
13 ~~dollars (\$12) per hour~~ [the Rhode Island minimum wage, as defined in chapter 12-3 of title 28](#), for
14 a total reimbursement of no more than ~~three~~ [six](#) thousand [five hundred](#) dollars (~~\$3,06,500~~) per
15 eligible intern in a bioscience or engineering internship program. Businesses may seek
16 reimbursement for up to two (2) interns per calendar year. Interns shall be paid directly by the
17 eligible business. Eligible businesses may seek reimbursement under this section by providing
18 certification and proof of payment to STAC.

19 (f) **Business application.** A business shall apply, under oath, to STAC to qualify for
20 reimbursement under this section on a form prescribed by STAC that includes at least all of the
21 following:

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

24 (2) Certification that the business meets the requirements for eligibility under this section.

25 (3) A description of the bioscience or engineering internship program that the business
26 intends to offer.

27 (4) Any other information necessary for STAC to evaluate the application.

28 (g) **Prospective intern application.** A prospective intern shall apply, under oath, to STAC
29 to qualify for an internship under this section on a form prescribed by STAC that includes at least
30 all of the following:

31 (1) The prospective intern's name, address, college or university, program of study, year
32 of study at the college or university, and degree of attainment.

33 (2) Certification that prospective intern meets the requirements for eligibility under this
34 section.

- 1 (3) Proof of Rhode Island residency.
- 2 (4) Proof of enrollment in a college or university in Rhode Island or proof of having
- 3 graduated from a college or university in Rhode Island within the past year.
- 4 (5) Resume and cover letter.
- 5 (6) Any other information necessary for STAC to evaluate the application.

6 (h) **Application process.** STAC may receive applications from businesses and prospective
7 interns throughout the calendar year and make determinations relating to eligibility under this
8 section. STAC may make available to eligible businesses the eligible intern applications. Eligible
9 businesses looking to host interns may review applications, interview candidates, and select and
10 hire interns according to their qualifications and the businesses' needs.

11 SECTION 2. Section 42-64.20-10 of the General Laws in Chapter 42-64.20 entitled
12 "Rebuild Rhode Island Tax Credit Act" is hereby amended to read as follows:

13 **42-64.20-10. Sunset.**

14 No credits shall be authorized to be reserved pursuant to this chapter after ~~December 31,~~
15 ~~2024.~~December 31, 2025.

16 SECTION 3. Section 42-64.21-9 of the General Laws in Chapter 42-64.21 entitled "Rhode
17 Island Tax Increment Financing" is hereby amended to read as follows:

18 **42-64.21-9. Sunset.**

19 The commerce corporation shall enter into no agreement under this chapter after ~~December~~
20 ~~31, 2024.~~December 31, 2025.

21 SECTION 4. Section 42-64.22-15 of the General Laws in Chapter 42-64.22 entitled "Tax
22 Stabilization Incentive" is hereby amended to read as follows:

23 **42-64.22-15. Sunset.**

24 The commerce corporation shall enter into no agreement under this chapter after ~~December~~
25 ~~31, 2024.~~December 31, 2025.

26 SECTION 5. Section 42-64.23-8 of the General Laws in Chapter 42-64.23 entitled "First
27 Wave Closing Fund Act" is hereby amended to read as follows:

28 **42-64.23-8. Sunset.**

29 No financing shall be authorized to be reserved pursuant to this chapter after ~~December 31,~~
30 ~~2024.~~December 31, 2025.

31 SECTION 6. Section 42-64.24-8 of the General Laws in Chapter 42-64.24 entitled "I-195
32 Redevelopment Project Fund Act" is hereby amended as follows:

33 **42-64.24-8. Sunset.**

34 No funding, credits, or incentives shall be authorized or authorized to be reserved pursuant

1 to this chapter after ~~December 31, 2024~~December 31, 2025.

2 SECTION 7. Section 42-64.25-14 of the General Laws in Chapter 42-64.24 entitled “Small
3 Business Assistance Program Act” is hereby amended as follows:

4 **42-64.25-14. Sunset.**

5 No grants, funding, or incentives shall be authorized pursuant to this chapter after
6 ~~December 31, 2024~~December 31, 2025.

7 SECTION 8. Section 42-64.26-12 of the General Laws in Chapter 42-64.26 entitled “Stay
8 Invested in RI Wavemaker Fellowships” is hereby amended to read as follows:

9 **42-64.26-12. Sunset.**

10 No incentives or credits shall be authorized pursuant to this chapter after ~~December 31,~~
11 ~~2024~~December 31, 2025.

12 SECTION 9. Section 42-64.27-6 of the General Laws in Chapter 42-64.27 entitled “Main
13 Street Rhode Island Streetscape Improvement Fund” is hereby amended as follows:

14 **42-64.27-6. Sunset.**

15 No credits shall be authorized to be reserved pursuant to this chapter after ~~December 31,~~
16 ~~2024~~December 31, 2025.

17 SECTION 10. Sections 42-64.28-2, 42-64.28-3, 42-64.28-4, 42-64.28-5, 42-64.28-6, 42-
18 64.28-7, 42-64.28-9, 42-64.28-10 of the General Laws in Chapter 64.28 entitled "Innovation
19 Initiative" are hereby amended to read as follows:

20 **42-64.28-2. Definitions.**

21 As used in this chapter:

22 (1) “Commerce corporation” means the Rhode Island commerce corporation established
23 pursuant to § 42-64-1 et seq.

24 (2) “Employee-owned business” shall mean any entity that is a small business and:

25 (i) Is, in whole or in part, a workers’ cooperative as defined in § 7-6.2-2(5); or

26 (ii) Has an employee stock ownership plan, as defined in 26 U.S.C. § 4975(e)(7);

27 ~~(23)~~ “Manufacturer” shall mean any entity that:

28 (i) Uses any premises within the state primarily for the purpose of transforming raw
29 materials into a finished product for trade through any or all of the following operations: adapting,
30 altering, finishing, making, processing, refining, metalworking, and ornamenting, but shall not
31 include fabricating processes incidental to warehousing or distribution of raw materials, such as
32 alteration of stock for the convenience of a customer; or

33 (ii) Is described in codes 31-33 of the North American Industry Classification system, as
34 revised from time to time.

1 ~~(34)~~ “Match” shall mean a funding match, or in kind services provided by a third party.

2 ~~(45)~~ “Small business” means a business that is resident in Rhode Island, has its business
3 facility located within the state, and employs five hundred (500) or fewer persons.

4 ~~(56)~~ “Small business manufacturer” shall mean a business that meets the definitions of
5 terms small business and manufacturer as defined herein.

6 ~~(67)~~ “Targeted industry” means any advanced, promising or otherwise prioritized industry
7 identified in the economic development vision and policy promulgated pursuant to § 42-64.17-1
8 or, until such time as any such economic development vision and policy is promulgated, as
9 identified by the commerce corporation.

10 **42-64.28-3. Programs established.**

11 (a) The Rhode Island commerce corporation shall establish a voucher program and an
12 innovation network program as provided under this chapter. The programs are subject to available
13 appropriations and such other funding as may be dedicated to the programs.

14 (b) There is established an account in the name of the “innovation initiative fund” (the
15 “fund”) under the control of the commerce corporation to fund the programs.

16 (1) The fund shall consist of:

17 (i) Money appropriated in the state budget to the fund;

18 (ii) Money made available to the fund through federal grants, programs, or private
19 contributions;

20 (iii) Application or other fees paid to the fund to process applications for awards under
21 this chapter; and

22 (iv) Any other money made available to the fund.

23 (c) **Voucher program.** The commerce corporation is authorized to develop and implement
24 an innovation voucher program to provide financing to small businesses to purchase research and
25 development support or other forms of technical assistance and services from Rhode Island
26 institutions of higher education and other providers and to fund research and development by and
27 for small business manufacturers.

28 (d) **Innovation network program.** The commerce corporation is authorized to provide
29 innovation grants to organizations, including nonprofit organizations, for-profit organizations,
30 universities, and co-working space operators that offer technical assistance, space on flexible terms,
31 and access to capital to businesses in advanced or targeted industries, or businesses that are
32 evaluating a transition to become employee-owned businesses, regardless of industry. The
33 commerce corporation shall only issue grants under this subsection when those grants are matched
34 by private-sector or nonprofit partners. The commerce corporation shall establish guidelines for

1 appropriate matching criteria under this section, including necessary matching ratios.

2 (e) Invention incentive program. The commerce corporation is authorized to develop and
3 implement an invention incentive program to provide grants to small businesses and individuals to
4 reduce barriers to filing a patent application. The commerce corporation shall establish guidelines
5 for eligible recipients under this section, including industry, business size, and other criteria.

6 **42-64.28-4. Eligible uses.**

7 (a) Vouchers available under this chapter shall be used for the benefit of small businesses
8 to access technical assistance and other services including, but not limited to: research,
9 technological development, product development, commercialization, market development,
10 technology exploration, and improved business practices that implement strategies to grow
11 business and create operational efficiencies.

12 (b) Vouchers available under this chapter shall be used to provide funding to finance
13 internal research and development by and for small business manufacturers, including, but not
14 limited to: research, technological development, product development, commercialization, market
15 development, technology exploration, and improved business practices that implement strategies
16 to grow business and create operational efficiencies. Subject to appropriation, the commerce
17 corporation shall reserve an amount not to exceed fifty percent (50%) of the voucher program's
18 annual appropriation to be made available in fiscal year 2018 for vouchers awarded to small
19 business manufacturers under this subsection.

20 (c) Matching fund awards shall be used for the benefit of small businesses in industries
21 designated from time to time by the corporation, including without limitation: life science and
22 healthcare, food and agriculture, clean technology and energy efficiency, and cyber security to pay
23 for and access technological assistance, to procure space on flexible terms, and to access capital
24 from organizations, including nonprofit organizations, for-profit organizations, universities, and
25 co-working space businesses. Provided, however, that any business that is evaluating a transition
26 to become an employee-owned business, regardless of industry, shall be an eligible beneficiary of
27 a matching fund award.

28 (d) Grant awards through the invention incentive program shall be used in the form of
29 reimbursement for allowable expenses incurred, per regulations promulgated by the Commerce
30 Corporation, in connection with the submission of a patent application to the United States Patent
31 and Trademark Office. Reimbursement shall only occur following the submission of a patent
32 application by the eligible recipient. No more than one award per individual shall be allowed.

33 **42-64.28-5. Qualification.**

34 (a) To qualify for a voucher, for an invention incentive grant, or for a matching fund award

1 under this chapter, a business or individual must make application to the commerce corporation,
2 and upon selection, shall enter into an agreement with the commerce corporation. The commerce
3 corporation shall have no obligation to issue any voucher, make any award, or grant any benefits
4 under this chapter.

5 **42-64.28-6. Voucher amounts and matching fund awards.**

6 (a) Voucher award amounts to a selected applicant shall be determined by the corporation,
7 to be in the minimum amount of five thousand dollars (\$5,000) and the maximum amount of fifty
8 thousand dollars (\$50,000), subject to appropriations or other available moneys in the fund.

9 (b) Matching fund awards shall be awarded to organizations in an amount approved by the
10 corporation, subject to appropriations or other available moneys in the fund.

11 (c) Invention incentive grant amounts shall not exceed five thousand dollars (\$5,000) per
12 awardee, subject to appropriations or other available moneys in the fund.

13 **42-64.28-7. Rules and regulations.**

14 The commerce corporation is hereby authorized to promulgate such rules and regulations
15 as are necessary to fulfill the purposes of this chapter, including the criteria by which voucher,
16 invention incentive grant, and matching fund applications will be judged, awards will be approved,
17 and vendors of services will be approved.

18 **42-64.28-9. Reporting requirements.**

19 The commerce corporation shall submit a report annually, no later than sixty (60) days
20 after the end of the fiscal year to the speaker of the house and the president of the senate detailing:
21 (1) the total amount of innovation vouchers, invention incentive grants, and matching funds
22 awarded; (2) the number of innovation vouchers, invention incentive grants, and matching fund
23 awards approved, (3) the amount of each voucher, invention incentive grant, or matching fund
24 award and a description of services purchased; and (4) such other information as the commerce
25 corporation deems necessary.

26 **42-64.28-10. Sunset.**

27 No vouchers, grants, or incentives shall be authorized pursuant to this chapter after
28 ~~December 31, 2024~~ December 31, 2025.

29 SECTION 11. Section 42-64.31-4 of the General Laws in Chapter 42-64.31 entitled “High
30 School, College, and Employer Partnerships” is hereby amended as follows:

31 **42-64.31-4. Sunset.**

32 No grants shall be authorized pursuant to this chapter after ~~December 31, 2024~~ December
33 31, 2025.

34 SECTION 12. Section 42-64.32-6 of the General Laws in Chapter 42-64.32 entitled “Air

1 Service Development Fund” is hereby amended as follows:

2 [42-64.32-6. Sunset.](#)

3 No grants, credits, or incentives shall be authorized or authorized to be reserved pursuant
4 to this chapter after ~~December 31, 2024.~~[December 31, 2025.](#)

5 SECTION 13. Section 44-48.3-14 of the General Laws in Chapter 44-48.3 entitled “Rhode
6 Island New Qualified Jobs Incentive Act of 2015” is hereby amended as follows:

7 [44-48.3-14. Sunset.](#)

8 No credits shall be authorized to be reserved pursuant to this chapter after ~~December 31,~~
9 ~~2024.~~[December 31, 2025.](#)

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