

SECOND REGULAR SESSION

HOUSE BILL NO. 2321

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE ROWDEN.

5932H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 620, RSMo, by adding thereto one new section relating to grants for advanced industries.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 620, RSMo, is amended by adding thereto one new section, to be
2 known as section 620.850, to read as follows:

**620.850. 1. This section shall be known and may be cited as the "Missouri
2 Advanced Industries Acceleration Act".**

3 **2. As used in this section, the following terms mean:**

4 **(1) "Advanced industry", includes the following industries:**

5 **(a) Advanced manufacturing;**

6 **(b) Aerospace;**

7 **(c) Bioscience;**

8 **(d) Electronics;**

9 **(e) Energy and natural resources;**

10 **(f) Infrastructure engineering; and**

11 **(g) Information technology;**

12 **(2) "Department", the department of economic development;**

13 **(3) "Fund", the advanced industries acceleration cash fund created under this
14 section;**

15 **(4) "Office of technology transfer", an office that:**

16 **(a) Is affiliated with a research institute;**

17 **(b) Is responsible for technology transfers; and**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 (c) Arranges for the sale or licensure of an advanced industry project to a private
19 entity;

20 (5) "Program", the advanced industries acceleration grant program created under
21 this section;

22 (6) "Research institution", an institution located and operating in this state that is
23 a:

24 (a) Public or private nonprofit institution of higher education or teaching hospital;

25 (b) Federal laboratory;

26 (c) Private technology and research center; or

27 (d) Private nonprofit medical and research center.

28 3. The "Advanced Industries Acceleration Grant Program" is hereby created. The
29 department of economic development shall administer the program. The program shall
30 include proof-of-concept grants, early-stage capital and retention grants, and
31 infrastructure funding grants. All grants shall be funded with moneys in the advanced
32 industries acceleration cash fund created under subsection 10 of this section.

33 4. The department may award a proof-of-concept grant for an advanced industry
34 research project to an eligible office of technology transfer;

35 (1) To be eligible for a proof-of-concept grant, an office of technology transfer
36 shall:

37 (a) Submit a description of the advanced industry research project;

38 (b) Provide an analysis demonstrating that the project will provide significant
39 economic impact or competitive advantage for this state and advanced industries and that
40 the project will accelerate the pace of applied research leading to rapid commercialization
41 of products and services resulting from the project; and

42 (c) Have a dedicated, matching source of moneys from its affiliated research
43 institution that is at least one-third of the amount of the requested grant;

44 (2) In selecting the recipients of a proof-of-concept grant, the department shall give
45 preference to projects sponsored by an office of technology transfer that:

46 (a) Include impacts across more than one advanced industry;

47 (b) Involve more than one research institution or advanced industry stakeholder;

48 or

49 (c) Originate from a nonprofit research institution;

50 (3) Except as set forth in subdivision (2) of subsection 7 of this section, the
51 maximum amount of a proof-of-concept grant shall be one hundred fifty thousand dollars;

52 and

53 **(4) A recipient of a proof-of-concept grant shall use the grant only to accelerate**
54 **product or service commercialization and shall not use the grant to support basic research.**

55 **5. The department may award an early-stage capital and retention grant to an**
56 **eligible company for the purpose of accelerating the commercialization of advanced**
57 **industry products or services to be manufactured or performed in this state;**

58 **(1) To be eligible for an early-stage capital and retention grant, a company shall:**

59 **(a) Be in an advanced industry;**

60 **(b) Have its headquarters located in this state or have at least fifty percent of its**
61 **employees based in this state;**

62 **(c) Have received less than twenty million dollars from other grants and third-party**
63 **investors;**

64 **(d) Have annual revenues of less than ten million dollars;**

65 **(e) Provide an analysis demonstrating that the scope of the project is required to**
66 **enhance the commercialization of one or more advanced industry products or services**
67 **within the state; and**

68 **(f) Have a dedicated, matching source of moneys that is at least twice the amount**
69 **of the requested grant;**

70 **(2) In selecting the recipient of an early-stage capital and retention grant, the**
71 **department shall give preference to a company whose technology or research and**
72 **development is applicable to more than one advanced industry; and**

73 **(3) Except as set forth in subdivision (2) of subsection 7 of this section, the**
74 **maximum amount of an early-stage capital and retention grant shall be two hundred fifty**
75 **thousand dollars.**

76 **6. The department may award an infrastructure funding grant for an advanced**
77 **industry project that builds or utilizes infrastructure to support or enhance the**
78 **commercialization of advanced industry products or services or that contributes to the**
79 **development of an advanced industry workforce;**

80 **(1) To be eligible for an infrastructure funding grant, a project shall:**

81 **(a) Substantially increase alignment between private companies in an advanced**
82 **industry and research institutions; and**

83 **(b) Have a matching source of moneys that is greater than or equal to twice the**
84 **amount of the requested grant;**

85 **(2) In selecting recipients for the infrastructure funding grants, the department**
86 **shall give preference to projects that:**

87 **(a) Accelerate economic growth in more than one advanced industry or include**
88 **more than one research institution or advanced industry stakeholder;**

- 89 **(b) Originate from nonprofit research institutions;**
90 **(c) Focus on applied research and development, technology acceleration, or**
91 **production-oriented or manufacturing-oriented facilities; or**
92 **(d) Focus on workforce development that addresses the advanced industries'**
93 **workforce skills that are needed to facilitate commercialization of products or services; and**
94 **(3) Except as set forth in subdivision (2) of subsection 7 of this section, the**
95 **maximum amount of an infrastructure funding grant shall be five hundred thousand**
96 **dollars.**
- 97 **7. Any grant awarded under subsections 3 to 6 of this section shall comply with the**
98 **following:**
- 99 **(1) In order to be eligible for a grant, a grant applicant shall:**
100 **(a) Identify the number of jobs that will be created or retained in the state,**
101 **anticipated capital invested or retained in the state, and any other projected economic**
102 **impacts that will result from the grant; and**
103 **(b) Submit any information as required by the department;**
104 **(2) A limit on the maximum amount of grants does not apply to any applicant that**
105 **qualifies for a preference identified under subsections 3 to 6 of this section;**
106 **(3) The department shall not pay a grant to a recipient unless the recipient has**
107 **received the matching source of moneys required for the grant; and**
108 **(4) Upon completion of a project that was the basis of a grant, a recipient shall:**
109 **(a) Identify how the grant was used, the number of jobs created or retained in the**
110 **state, capital invested or retained in the state, and any other economic impacts that resulted**
111 **from the grant; and**
112 **(b) Return any unused grant moneys to the department, which shall transfer the**
113 **moneys to the state treasurer for deposit in the advanced industries acceleration cash fund.**
- 114 **8. (1) On or before September 1, 2016, the department shall establish procedures**
115 **and timelines for grant applications; criteria for determining grant amounts, including**
116 **how preferences will be applied; grantee reporting requirements; and any other program**
117 **policies. The department may amend these policies at any time;**
118 **(2) Prior to awarding a grant, the department shall consult with the Missouri**
119 **economic development council about all of the potential grants and other monetary**
120 **incentives that an office of technology transfer, company, or project is eligible to receive**
121 **from the state;**
122 **(3) The department shall consult with Missouri-based advanced industries**
123 **associations or other representatives from advanced industries about the program. This**

124 consultation shall include the reviewing of program grant applications and monitoring and
125 evaluating the grantees and the advanced industry projects;

126 (4) Subject to the available moneys, there is no limit on the number of grants that
127 the department may annually award; and

128 (5) The department shall award at least fifteen percent of the total program grants
129 in a calendar year to each of the three types of grants. If the department is unable to
130 award this percentage in a given year due to a lack of qualified applicants,
131 the deficiency does not roll forward to the next year.

132 9. On or before November 1, 2016, and November first of the following six years,
133 the department shall submit a report to the governor and general assembly that
134 summarizes all of the grants awarded in the program during the previous fiscal year. At
135 a minimum, the report shall include the amount that each recipient received, a description
136 of each recipient's use of the grant, the number of jobs created or retained in the state, the
137 capital invested or retained in the state, and any other economic impacts that resulted from
138 the grant.

139 10. (1) There is hereby created in the state treasury the "Advanced Industries
140 Acceleration Cash Fund". The fund shall consist of:

141 (a) Moneys credited to it under paragraph (b) of subdivision (4) of subsection 7 of
142 this section;

143 (b) Any gifts, grants, or donations credited to it under subdivision (2) of this
144 subsection; and

145 (c) Any other moneys that the general assembly appropriates to it;

146 (2) The department is authorized to seek and accept gifts, grants, or donations from
147 private or public sources for the purposes of the program, except that the department shall
148 not accept a gift, grant, or donation that is subject to conditions that are inconsistent with
149 this section or any other law of this state. The department shall transmit all private and
150 public moneys received through gifts, grants, or donations to the state treasurer, who shall
151 credit the same to the fund;

152 (3) The moneys in the fund are continuously appropriated to the department for
153 the purpose of awarding grants allowed by this section and for the administrative costs
154 associated with the program. The department's administrative expenses for the program
155 in a fiscal year shall not exceed five percent of the moneys transferred or appropriated to
156 the fund during the fiscal year; and

157 (4) The state treasurer shall be custodian of the fund and may approve
158 disbursements from the fund in accordance with sections 30.170 and 30.180. Upon
159 appropriation, moneys in the fund shall be used solely for the administration of this

160 **section. Any unexpended and unencumbered moneys remaining in the fund at the end of**
161 **the fiscal year shall not revert to the credit of the general revenue fund. The state treasurer**
162 **shall invest moneys in the fund in the same manner as other funds are invested. Any**
163 **interest and moneys earned on such investments shall be credited to the fund at the end of**
164 **each fiscal year. Upon the expiration or termination of this program, any unexpended and**
165 **unencumbered moneys shall revert to the credit of the general revenue fund.**

166 **11. Under section 23.253 of the Missouri sunset act:**

167 **(1) The provisions of the new program authorized under this section, except for the**
168 **reporting requirement under subsection 9 of this section, shall automatically sunset six**
169 **years after the effective date of this section unless reauthorized by an act of the general**
170 **assembly;**

171 **(2) If such program is reauthorized, the program authorized under this section**
172 **shall automatically sunset twelve years after the effective date of the reauthorization of this**
173 **section; and**

174 **(3) This section shall terminate on September first of the calendar year immediately**
175 **following the calendar year in which the program authorized under this section is sunset.**

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