

SB1921



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
SB1921

Introduced 2/25/2005, by Sen. Martin A. Sandoval

SYNOPSIS AS INTRODUCED:

20 ILCS 605/605-355

was 20 ILCS 605/46.19a in part

Amends the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois. Makes a technical change in a Section concerning grants for research and development in high technology and service sectors.

LRB094 11523 AJ0 42485 b

A BILL FOR

1 AN ACT concerning State government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Department of Commerce and Economic
5 Opportunity Law of the Civil Administrative Code of Illinois is
6 amended by changing Section 605-355 as follows:

7 (20 ILCS 605/605-355) (was 20 ILCS 605/46.19a in part)

8 Sec. 605-355. Grants for research and development in high
9 technology and service sectors.

10 (a) The ~~The~~ Department is authorized to establish a program
11 of grants to universities, community colleges, research
12 institutions, research consortiums, other not-for-profit
13 entities, and Illinois businesses for the purpose of fostering
14 research and development in the high technology and the service
15 sector leading to the development of new products and services
16 that can be marketed by Illinois businesses. All grant awards
17 shall include a contract that may provide for payment of
18 negotiated royalties to the Department if the product or
19 service to be developed by the grantee is subsequently licensed
20 for production.

21 (b) Grants may be awarded to universities and research
22 institutions to assist them in making their faculties and
23 facilities available to Illinois businesses. The grants may be
24 used by a university or research institution for purposes
25 including but not limited to the following: (i) to establish or
26 enhance computerized cataloging of all research labs and
27 university staff and make those catalogues available to
28 Illinois businesses; (ii) to market products developed by the
29 university to Illinois businesses; (iii) to review
30 publications in order to identify, catalog, and inform Illinois
31 businesses of new practices in areas such as robotics and
32 biotechnology; (iv) to build an on-line, information and

1 technology system that relies on other computerized networks in
2 the United States; and (v) to assist in securing temporary
3 replacement for faculty who are granted a leave of absence from
4 their teaching duties for the purpose of working full-time for
5 an Illinois business to assist that business with technology
6 transfer.

7 (c) Grants may be awarded to universities and research
8 institutions, research consortiums, and other not-for-profit
9 entities for the purpose of identifying and supporting Illinois
10 businesses engaged in high technology and service sector
11 enterprises. The Illinois businesses identified and funded
12 shall include recipients of Small Business Innovation Research
13 Program funds under subsections (e) through (k) of Section 9 of
14 the Small Business Act (15 U.S.C. 638, subsections (e) through
15 (k)). Entities receiving grants under this subsection (c) shall
16 be known as commercialization centers and shall engage in one
17 or more of the following activities:

18 (1) Directing research assistance for new venture
19 creations.

20 (2) General feasibility studies of new venture ideas.

21 (3) Furthering the technical and intellectual skills
22 of the managers and owners of Illinois small businesses.

23 (4) Commercialization of technology and research.

24 (5) Development of prototypes and testing new
25 products.

26 (6) Identifying and assisting in securing financing.

27 (7) Marketing assistance.

28 (8) Assisting Illinois inventors in finding Illinois
29 manufacturers to produce and market their inventions.

30 A commercialization center may charge a nominal fee or
31 accept royalty agreements for conducting feasibility studies
32 and other services.

33 (d) Grants may be awarded by the Department to Illinois
34 businesses to fund research and consultation arrangements
35 between businesses and universities, community colleges,
36 research institutions, research consortiums, and other

1 not-for-profit entities within this State.

2 The Department shall give priority to Illinois small
3 businesses in awarding grants. Each grant awarded under this
4 subsection (d) shall provide funding for up to 50% of the cost
5 of the research or consultation arrangements, not to exceed
6 \$100,000; provided that the grant recipient utilizes Illinois
7 not for profit research and academic institutions to perform
8 the research and development function for which grant funds
9 were requested.

10 (e) Grants may be awarded to research consortiums and other
11 qualified applicants, in conjunction with private sector or
12 federal funding, for other creative systems that bridge
13 university resources and business, technological, production,
14 and development concerns.

15 (f) For the purposes of this Section:

16 "High technology" means any area of research or development
17 designed to foster greater knowledge or understanding in fields
18 such as computer science, electronics, physics, chemistry, or
19 biology for the purpose of producing designing, developing, or
20 improving prototypes and new processes.

21 "Illinois business" means a "small business concern" as
22 defined in 15 U.S.C. 632 that conducts its business primarily
23 in Illinois.

24 "Illinois research institutions" refers to not-for-profit
25 entities, which include federally funded research
26 laboratories, that conduct research and development activities
27 for the purpose of producing, designing, developing, or
28 improving prototypes and new processes.

29 "Other not-for-profit entities" means nonprofit
30 organizations based in Illinois that are primarily devoted to
31 new enterprise or product development.

32 "Private sector" has the meaning ascribed to it in 29
33 U.S.C. 1503.

34 "University" means either a degree granting institution
35 located in Illinois as defined in Section 2 of the Academic
36 Degree Act, or a State-supported institution of higher learning

1 administered by the Board of Trustees of the University of
2 Illinois, the Board of Trustees of Southern Illinois
3 University, the Board of Trustees of Chicago State University,
4 the Board of Trustees of Eastern Illinois University, the Board
5 of Trustees of Governors State University, the Board of
6 Trustees of Illinois State University, the Board of Trustees of
7 Northeastern Illinois University, the Board of Trustees of
8 Northern Illinois University, the Board of Trustees of Western
9 Illinois University, or the Illinois Community College Board.

10 "Venture" means any Illinois business engaged in research
11 and development to create new products or services with high
12 growth potential.

13 (g) The Department may establish a program of grant
14 assistance on a matching basis to universities, community
15 colleges, small business development centers, community action
16 agencies and other not-for-profit economic development
17 agencies to encourage new enterprise development and new
18 business formation and to encourage enterprises in this State.
19 The Department may provide grants, which shall be exempt from
20 the provisions of Section 35-360, to universities, community
21 colleges, small business development centers, community action
22 agencies, and other not-for-profit economic development
23 entities for the purpose of making loans to small businesses.
24 All grant applications shall contain information as required by
25 the Department, including the following: a program operation
26 plan; a certification and assurance that the small business
27 applicants have received business development training or
28 education, have a business and finance plan, and have
29 experience in the proposed business area; and a description of
30 the support services that the grant recipient will provide to
31 the small business. No more than 10% of the grant may be used
32 by the grant recipient for administrative costs associated with
33 the grant. Grant recipients may use grant funds under this
34 program to make loans on terms and conditions favorable to the
35 small business and shall give priority to those businesses
36 located in high poverty areas, enterprise zones, or both.

1 (Source: P.A. 90-454, eff. 8-16-97; 91-239, eff. 1-1-00.)