

HB 2321 -- MISSOURI ADVANCED INDUSTRIES ACCELERATION ACT

SPONSOR: Rowden

This bill will enact the Missouri Advanced Industries Acceleration Act. Accordingly, the Advanced Industries Acceleration Cash Fund would be established and distributed by the Department of Economic Development to eligible advanced industries per the bill's requirements therein. An advanced industry includes those in advanced manufacturing, aerospace, bioscience, electronics, energy and natural resources, and information technology.

The bill further provides that the department may then award proof-of-concept grants for advanced industry research projects to eligible office of technology transfers. To be eligible for such a grant, an office must submit a description of the advanced industry research project, provide an analysis demonstrating economic development or an acceleration of the pace of applied research leading to faster commercialization as a result of the grant, and have a matching source of funding from its affiliated research institution that is at least one-third of the amount of the requested grant.

Early-stage capital and retention grants are available for eligible companies in order to accelerate the commercialization of advanced industry products. To be eligible for such a grant, a company must be an advanced industry, be headquartered in Missouri or have at least half of its employees based in Missouri, have received less than \$20 million from other grants and third-party investors, have annual revenues less than \$10 million, provide an economic analysis demonstrating the project is required to enhance the commercialization of one or more advanced industry services in Missouri, and have a matching source of funding that is at least twice the amount of the requested grant. The maximum amount of an early-state capital and retention grant is \$250,000, except for those companies that qualify for a preference.

Infrastructure funding grants are available for advanced industries that build or use infrastructure to support or enhance the commercialization of their products or services, or aids in the development of an advanced industry workforce. To be eligible for such a grant, a project must substantially increase the alignment between private, advanced industry companies and research institutions, and have a matching source of funding that is greater than or equal to twice the amount of the requested grant.

Furthermore, grant recipients shall identify the number of jobs that will be created or retained in Missouri, anticipated capital invested or retained in Missouri, and any other projected economic impacts as a result of the grant. Such information is to be submitted to the department. Once a project has been completed, the recipient shall identify how the grant actually created or retained jobs, invested or retained capital, and any other resulting economic impacts. Also, the recipient will also return all unused funds of the grant.

The bill also provides that on or before September 1, 2016, the department shall establish the procedures and timelines for grant applications, including criteria for determining grant amounts and preferences, grantee reporting requirements, and any other applicable policies. The department shall consult with the Missouri Economic Development Council about all potential grants. The department will also consult with Missouri based advanced industries about grant applications, and monitoring and evaluating grantees and advanced industry projects.

The department is also expected to award at least 15% of its total program grants in a calendar year to each of the three types of grants unless there is a lack of qualified applicants.

The bill provides further that the department, on or before November 1, 2016 and on November first of the following six years, will submit a report to the Governor and General Assembly on all of the grants awarded during the previous fiscal year. This report must at least describe the grant amount received, describe how each grant was used, the number of jobs created or retained in Missouri, the capital invested or retained in Missouri, and any other economic impacts as a result of the grants from the program herein.

The bill also states that the Act will sunset six years after its effective date unless it is reauthorized by the General Assembly. If reauthorized, the Act will sunset 12 years after its effective date.

This bill is based on Colorado HB 13-1001 "The Advanced Industries Accelerator Act."