



General Assembly

February Session, 2004

**Raised Bill No. 207**

LCO No. 1017

\*01017\_\_\_\_\_CE\_\*

Referred to Committee on Commerce

Introduced by:

(CE)

**AN ACT ESTABLISHING A SEED-CAPITAL FUND FOR EARLY STAGE COMPANIES IN THE BIOSCIENCES AND SOFTWARE AND INFORMATION TECHNOLOGY INDUSTRIES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2004*) (a) There is established a  
2 fund to be known as the Seed-Capital Fund. The fund shall contain any  
3 moneys provided by public or private investors in coordination with  
4 other sources of public or private funds for the purposes of: (1)  
5 Increasing the pace and growth of high potential start-up companies in  
6 the biosciences and software and information technology industries;  
7 (2) filling the gap that exists in the state for early stage funding of  
8 young technology firms; and (3) encouraging and allowing financial  
9 institutions, corporations and foundations to further invest in the state  
10 by providing the opportunity for risk adjusted market rates of return.

11 (b) The Commissioner of Economic and Community Development  
12 shall, in consultation with the Governor's Council on Economic  
13 Competitiveness and Technology, the State Treasurer and any other  
14 agencies deemed appropriate by the Commissioner of Economic and  
15 Community Development, create a plan for the development of the

16 Seed-Capital Fund, as described in subsection (a) of this section, on or  
17 before June 1, 2004. Such fund shall be privately managed and be  
18 established no later than December 31, 2004.

19 (c) The private fund manager of the Seed-Capital Fund shall, not  
20 later than March 1, 2005, and annually thereafter, submit a written  
21 financial report on the status of the fund to the Secretary of the Office  
22 of Policy and Management, the joint standing committees of the  
23 General Assembly having cognizance of matters relating to commerce  
24 and finance, revenue and bonding, and the auditors of public accounts.  
25 Such report shall include a balance sheet and income and expense  
26 statement for the preceding calendar year and clearly set forth the  
27 fund's income and expenses and all amounts spent for the direct  
28 purpose of the fund.

This act shall take effect as follows:	
Section 1	July 1, 2004

**Statement of Purpose:**

To establish a Seed-Capital Fund for the development of bioscience and software and information technology start-up businesses.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*