



General Assembly

January Session, 2007

Raised Bill No. 1421

LCO No. 5403

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Referred to Committee on Commerce

Introduced by:
(CE)

AN ACT CONCERNING TECHNOLOGY-BASED DEVELOPMENT.

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

1 Section 1. Subsection (d) of section 32-41w of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2007*):

4 (d) Funds provided for this section shall be allocated as follows: (1)
5 Not less than five per cent for preseed financing; (2) not less than ten
6 per cent for seed financing; (3) not less than ten per cent for start-up
7 financing; (4) not less than fifteen per cent for early or first stage
8 financing; (5) not less than five per cent for companies affiliated with a
9 Connecticut public research university; and [(5)] (6) not less than forty
10 per cent and not more than sixty per cent on expansion financing, as
11 such terms are defined in section 32-34. The corporation shall use not
12 more than three per cent of such funds for administration and
13 marketing of such financial aid.

14 Sec. 2. Subsection (c) of section 32-345 of the general statutes is
15 repealed and the following is substituted in lieu thereof (*Effective*
16 *October 1, 2007*):

17 (c) In determining whether an applicant shall be selected for
18 funding pursuant to this section, the corporation shall consider, but
19 such consideration need not be limited to, the following factors: (1) The
20 description of the small business innovation research project, the small
21 business technology transfer project or the federally-supported
22 technology project and the potential commercial applicability of such
23 project; (2) evidence of satisfactory participation in the applicable small
24 business innovation research program, the small business technology
25 transfer program or the federal technology support program; (3) the
26 potential impact of such research project on the workforce in the
27 region where such small business is located; (4) the size of the potential
28 market, strength of the marketing strategy, and ability of the applicant
29 to execute the strategy and successfully commercialize the end
30 product; [and] (5) the extent to which the applicant is collaborating
31 with a Connecticut public research university; and (6) the resources
32 and record of success of the company relative to development and
33 commercialization. Within the availability of funds, the corporation
34 may provide financial aid to eligible applicants provided no business
35 may receive more than fifty thousand dollars for any single small
36 business innovation research project or small business technology
37 transfer project. The corporation may require a business to repay such
38 assistance or pay a multiple of the assistance to the corporation. All
39 such repayments and payments shall be deposited in the Connecticut
40 technology partnership assistance program revolving account
41 established under section 32-346.

42 Sec. 3. (NEW) (*Effective October 1, 2007*) Connecticut Innovations,
43 Incorporated shall establish an innovation pipeline program. The
44 features of such program shall include, but need not be limited to, the
45 following:

46 (1) The corporation shall act as a central resource for inventors and
47 start-up businesses to provide information and programs. The
48 corporation shall (A) track such inventors and businesses as they
49 access service providers, (B) continue to provide referrals to

50 information and programs, and (C) determine which such providers
51 are most valuable.

52 (2) The corporation shall contract with experts with business and
53 technical knowledge and contacts to (A) support start-up businesses,
54 and (B) continue to follow such businesses to successful
55 commercialization.

56 (3) The corporation shall establish and continually update a list of
57 sources of funding for start-up businesses, and shall contract with
58 experts who can advise such businesses on how to obtain, maximize
59 and retain investments.

60 (4) The corporation shall act as a center of relationships between all
61 service providers of information, services, programs and funding, to
62 provide efficient coordination of such providers and avoid duplication.

63 (5) To the extent possible, the corporation shall provide space for
64 service providers, so it can act as an information and referral center.

65 Sec. 4. Subsection (c) of section 16-245n of the general statutes is
66 repealed and the following is substituted in lieu thereof (*Effective*
67 *October 1, 2007*):

68 (c) There is hereby created a Renewable Energy Investment Fund
69 which shall be administered by Connecticut Innovations, Incorporated.
70 The fund may receive any amount required by law to be deposited
71 into the fund and may receive any federal funds as may become
72 available to the state for renewable energy investments. Connecticut
73 Innovations, Incorporated, may use any amount in said fund for
74 expenditures which promote investment in renewable energy sources
75 in accordance with a comprehensive plan developed by it to foster the
76 growth, development and commercialization of renewable energy
77 sources, related enterprises and stimulate demand for renewable
78 energy and deployment of renewable energy sources which serve end
79 use customers in this state, provided not less than twenty-five per cent

80 of the annual expenditures from the fund shall be directed to
81 initiatives undertaken pursuant to the fuel cell economic development
82 plan developed pursuant to section 32-9ww, as amended by this act.
83 Such expenditures may include, but not be limited to, grants, direct or
84 equity investments, contracts or other actions which support research,
85 development, manufacture, commercialization, deployment and
86 installation of renewable energy technologies, and actions which
87 expand the expertise of individuals, businesses and lending
88 institutions with regard to renewable energy technologies.

89 Sec. 5. Section 32-9ww of the general statutes is repealed and the
90 following is substituted in lieu thereof (*Effective October 1, 2007*):

91 (a) The Department of Economic and Community Development
92 shall contract with the Connecticut Center for Advanced Technology
93 to develop a plan for fuel cell economic development, in consultation
94 with the Connecticut Hydrogen-Fuel Cell Coalition, the Renewable
95 Energy Investment Fund, established pursuant to subsection (c) of
96 section 16-245n, as amended by this act, the Global Fuel Cell Center at
97 The University of Connecticut, and other appropriate state agencies.
98 The plan shall include a strategy to (1) facilitate the commercialization
99 of hydrogen-based technologies and fuel cells; (2) enhance energy
100 reliability and security; (3) promote the improved efficiency and
101 environmental performance of transportation and electric generation
102 with reduced emissions, reduced greenhouse gases, more efficient use
103 of nonrenewable fuels and increased use of renewable and sustainable
104 fuels; (4) facilitate the installation of infrastructure for hydrogen
105 production, storage, transportation and fueling capability; (5)
106 disseminate information regarding the benefits of hydrogen-based
107 technologies and fuel cells; (6) develop strategies to retain and expand
108 hydrogen and fuel cell industries in Connecticut; (7) in consultation
109 with the Department of Transportation, identify areas within the state
110 transportation system that would benefit from the integration of
111 potential mass transit and fleet transit locations with hydrogen or
112 natural gas and hydrogen mixture refueling stations; and (8) in

113 consultation with electric and natural gas service providers, identify
114 areas in the electric and natural gas distribution system of the state that
115 would benefit from the development of distributed generation through
116 hydrogen or fuel cell technology as a reliability asset necessary for
117 voltage control, grid security, or system reliability, or for the provision
118 of required uninterruptible service at customer sites.

119 (b) The Global Fuel Cell Center at The University of Connecticut
120 shall undertake a fuel cell initiative to carry out the plan developed
121 pursuant to subsection (a) of this section, by developing, testing and
122 applying technologies in the market.

123 (c) On or before January 1, 2007, the department shall submit a
124 preliminary report, in accordance with section 11-4a, to the joint
125 standing committee of the General Assembly having cognizance of
126 matters relating to commerce on the progress of the plan, and on or
127 before January 1, 2008, shall submit a final report, in accordance with
128 section 11-4a, on such plan to said committee.

129 Sec. 6. *(Effective from passage)* The General Assembly shall provide
130 funding in the amount of three hundred fifty-seven thousand dollars
131 annually to the Department of Economic and Community
132 Development, for providing matching grants to the Connecticut
133 Procurement Technical Assistance program to support the incubator
134 business program managed by the southeastern Connecticut
135 Enterprise Region.

136 Sec. 7. *(Effective July 1, 2007)* The General Assembly shall provide
137 funding in the amount of two million dollars annually to The
138 University of Connecticut, in the fiscal years beginning July 1, 2007, to
139 July 1, 2012, inclusive, for the program to facilitate recruitment of
140 eminent faculty and research staff established pursuant to section 10a-
141 104c of the general statutes.

142 Sec. 8. *(Effective from passage)* The sum of ten million dollars is
143 appropriated to the Department of Economic and Community

144 Development, from the General Fund, for the fiscal year ending June
 145 30, 2008, for a grant to Connecticut Innovations, Incorporated, to
 146 implement the innovation pipeline program established pursuant to
 147 section 3 of this act.

148 Sec. 9. (*Effective July 1, 2007*) The sum of twenty-five million dollars
 149 is appropriated to the Department of Economic and Community
 150 Development, from the General Fund, for the fiscal year ending June
 151 30, 2008, for providing funding to Connecticut Innovations,
 152 Incorporated to be used for the early-stage venture capital program
 153 established pursuant to section 32-41w of the general statutes, as
 154 amended by this act.

155 Sec. 10. (*Effective July 1, 2007*) The sum of five million dollars is
 156 appropriated to the Department of Economic and Community
 157 Development, from the General Fund, for the fiscal year ending June
 158 30, 2008, to provide funding to Connecticut Innovations, Incorporated
 159 for the development research and economic assistance matching grant
 160 program established pursuant to section 32-345 of the general statutes,
 161 as amended by this act.

162 Sec. 11. (*Effective July 1, 2007*) The sum of two million dollars is
 163 appropriated to the Department of Economic and Community
 164 Development, from the General Fund, for the fiscal year ending June
 165 30, 2008, to provide funding to Connecticut Innovations, Incorporated
 166 for the Yankee Ingenuity program established pursuant to section 32-
 167 41u of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2007</i>	32-41w(d)
Sec. 2	<i>October 1, 2007</i>	32-345(c)
Sec. 3	<i>October 1, 2007</i>	New section
Sec. 4	<i>October 1, 2007</i>	16-245n(c)
Sec. 5	<i>October 1, 2007</i>	32-9ww
Sec. 6	<i>from passage</i>	New section

Sec. 7	<i>July 1, 2007</i>	New section
Sec. 8	<i>from passage</i>	New section
Sec. 9	<i>July 1, 2007</i>	New section
Sec. 10	<i>July 1, 2007</i>	New section
Sec. 11	<i>July 1, 2007</i>	New section

Statement of Purpose:

To fine-tune the technology-based initiatives enacted in 2006, to establish an innovations pipeline program and a fuel cell initiative, and to provide funding for these programs.

[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.]