

State of Arkansas
91st General Assembly
Regular Session, 2017

A Bill

SENATE BILL 250

By: Senator D. Sanders
By: Representatives S. Meeks, Cavanaugh

For An Act To Be Entitled

AN ACT TO CREATE THE ARKANSAS BUSINESS AND TECHNOLOGY ACCELERATOR ACT; TO PROVIDE FOR AN ARKANSAS BUSINESS AND TECHNOLOGY ACCELERATOR GRANT PROGRAM; TO ALLOW FOR FUNDING OF THE ARKANSAS BUSINESS AND TECHNOLOGY ACCELERATOR ACT; AND FOR OTHER PURPOSES.

Subtitle

TO CREATE THE ARKANSAS BUSINESS AND TECHNOLOGY ACCELERATOR ACT; AND TO PROVIDE FOR AN ARKANSAS BUSINESS AND TECHNOLOGY ACCELERATOR GRANT PROGRAM.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 15-3-503(b)(2), concerning the allocation of funds in the Arkansas Acceleration Fund, is amended to add an additional subdivision to read as follows:

(H) Arkansas Business and Technology Accelerator Act, § 15-3-601 et seq.

SECTION 2. Arkansas Code Title 15, Chapter 3, is amended to add an additional subchapter to read as follows:

Subchapter 6 – Arkansas Business and Technology Accelerator Act

15-3-601. Title.

This subchapter shall be known and may be cited as the “Arkansas



Business and Technology Accelerator Act”.

15-3-602. Legislative findings.

The General Assembly finds that:

(1) Corporate growth requires the infusion of innovative ideas, products, and services;

(2) A critical component of creating high-skilled, high-wage jobs is the encouragement of the Arkansas innovation entrepreneurial ecosystem to develop technological products and services;

(3) Economic growth can be fostered by linking innovative new ideas, products, and services by entrepreneurs and start-up companies to corporate sponsors seeking the commercialization of new products and services; and

(4) An inducement, in the form of a grant program, is needed to encourage Arkansas businesses to sponsor business and technology programs to mentor start-up companies, resulting in an infusion of new products and services to fuel corporate growth.

15-3-603. Definitions.

As used in this subchapter:

(1) “Business and technology accelerator” means a full-time, immersive program administered by an eligible applicant to potentially invest in, mentor, and accelerate commercial development of start-up businesses;

(2) “Business and technology accelerator grant” means a discretionary grant of up to two hundred fifty thousand dollars (\$250,000) for each approved business and technology accelerator application; and

(3) “Eligible applicant” means an entity that is:

(A) Registered as a business entity in good standing with the Secretary of State; and

(B) Principally engaged in one (1) or more of the following categories of business or industry:

(i) A manufacturer classified in sectors 31-33 of the 2012 North American Industrial Classification System;

(ii) A business that:

(a) Is primarily engaged in the design and development of prepackaged software, digital content production and

preservation, computer processing and data preparation services, or information retrieval services; and

(b) Derives at least seventy-five percent (75%) of its sales revenue from out of state;

(iii) An office sector business whose business operations support primary business needs, including without limitation customer service, credit accounting, telemarketing, claims processing, and other administrative functions that:

(a) Is a nonretail business; and

(b) Derives at least seventy-five percent (75%) of its sales revenue from out of state;

(iv) A national or regional corporate headquarters as classified in sector 551114 of the 2012 North American Industrial Classification System;

(v) A scientific and technical services business that derives at least seventy-five percent (75%) of its sales revenue from out of state;

(vi) A firm primarily engaged in commercial, physical, and biological research as classified in code 541711 or 541712 of the 2012 North American Industrial Classification System; and

(vii) A firm engaged in one (1) or more of the following categories:

(a) Advanced materials and manufacturing systems;

(b) Agriculture, food processing, and environmental sciences;

(c) Biotechnology, bioengineering, and life sciences;

(d) Information technology;

(e) Transportation logistics; and

(f) Internet-enabled technology or service solutions for one (1) or more of the categories described in subdivisions (3)(B)(vii)(a)-(e) of this section.

15-3-604. Administration.

(a)(1) The Arkansas Business and Technology Accelerator Grant Program

is created.

(2) The Division of Science and Technology of the Arkansas Economic Development Commission shall administer the program.

(b) The division shall:

(1) Create application forms to be submitted by eligible businesses seeking a business and technology accelerator grant from the program;

(2) Devise an application process that:

(A) Defines the eligibility criteria for a business and technology accelerator grant; and

(B) Establishes application submittal and review processes;

(3) Define a process by which business and technology accelerator grants may be awarded; and

(4) Execute standard legal grant agreements and other documentation governing the disbursement and use of business and technology accelerator grants.

15-3-605. Application requirements.

(a) To request a business and technology accelerator grant under this subchapter, an applicant shall complete and submit the application forms prescribed by the Division of Science and Technology of the Arkansas Economic Development Commission under § 15-3-604.

(b) An applicant shall submit an application for each proposed business and technology accelerator grant.

(c) The division shall:

(1) Review applications:

(A) In order of receipt, as determined by the date and time stamp of receipt; and

(B) In accordance with rules promulgated by the division under § 15-3-608;

(2) Not consider an incomplete or noncompliant application and shall return an incomplete or a noncompliant application without further review;

(3) Review each application with the advice and recommendation of the Commercialization Committee of the Board of Directors of the Division

of Science and Technology of the Arkansas Economic Development Commission;
and

(4) Provide advice to the Executive Director of the Arkansas Economic Development Commission concerning the applications for business and technology accelerator grants reviewed by the division.

(d)(1) Applications submitted to the division are subject to the Freedom of Information Act of 1967, § 25-19-101 et seq.

(2) To the extent an applicant believes that information in an application is confidential or otherwise exempt under the Freedom of Information Act of 1967, § 25-19-101 et seq., the applicant shall specifically designate in writing the information the applicant believes to be confidential or exempt and the basis for the confidentiality or exemption on that portion of the application in which the information appears.

15-3-606. Business and technology accelerator grant awards.

(a) A business and technology accelerator grant awarded under this subchapter:

(1) Shall not:

(A) Be awarded under this subchapter unless offered in writing by the Executive Director of the Arkansas Economic Development Commission; and

(B) Exceed two hundred fifty thousand dollars (\$250,000);

and

(2) Subject to funding and the discretion of the executive director, may be offered to an eligible applicant that successfully completes the application process.

(b) The business and technology accelerator grant agreement between the Division of Science and Technology of the Arkansas Economic Development Commission and the eligible applicant shall delineate all requirements of the business and technology accelerator grant.

(c) Disbursements for business and technology accelerator grants shall be made on a reimbursable basis, payable when invoices and financial reports are submitted to the division.

15-3-607. Program funding.

Business and technology accelerator grants awarded under this

subchapter are limited by the amount of funds allocated to the Arkansas Business and Technology Accelerator Grant Program created under this subchapter.

15-3-608. Rules.

The Division of Science and Technology of the Arkansas Economic Development Commission shall promulgate rules to implement and administer this subchapter.

SECTION 3. EFFECTIVE DATE. This act is effective on and after October 1, 2017.

APPROVED: 02/15/2017