

Act 271 of the 1989 Regular Session.

Act 271

HB1279

By: Representatives Arnold, Jones, Schexnayder, George

"AN ACT TO AMEND SECTIONS 15-3-109 AND 15-3-110 OF THE ARKANSAS CODE OF 1987 ANNOTATED TO RESPECTIVELY BROADEN THE SCOPE OF POWERS OF THE ARKANSAS SCIENCE AND TECHNOLOGY AUTHORITY TO ESTABLISH SCIENTIFIC AND TECHNOLOGICAL RESEARCH ACTIVITIES AND TO FURTHER PROMOTE BASIC AND APPLIED RESEARCH AT ARKANSAS COLLEGES AND UNIVERSITIES; AND TO ADD A NEW SUBSECTION (e) TO SECTION 15-3-110 OF THE ARKANSAS CODE OF 1987 ANNOTATED TO FURNISH FUNDING GUIDELINES FOR PROPOSED TECHNOLOGICAL AND SCIENTIFIC PROJECTS APPROVED FOR DEVELOPMENT BY THE AUTHORITY; AND FOR OTHER PURPOSES."

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

SECTION 1. Section 15-3-109 of the Arkansas Code of 1987 Annotated, is hereby amended to read as follows:

"(a) In relation to its authorization under this Act to engage in undertakings, programs, enterprises, and activities involving research and development and other programs involving the establishment and encouragement of scientific and technological research, the Authority shall have all the powers necessary to carry out programs which include, but are not limited to:

- (1) Funding basic research at Arkansas colleges and universities as specified in Section 15-3-110;
- (2) Stimulating applied research partnerships between private industry and Arkansas colleges and universities and matching funds from private sources for proposed applied research projects as specified in Section 15-3-110;
- (3) Assisting small businesses in identifying and applying for funds to conduct research and development work on innovative technical ideas;
- (4) Transferring knowledge and technology from college, university and government laboratories to private industry;
- (5) Creating, in cooperation with Arkansas colleges and universities, facilities to foster the growth of technology-based enterprises; and
- (6) developing emerging product and process technologies which contribute to business and economic growth.

(b) In establishing and maintaining the programs authorized by this section, the Authority may utilize monies drawn from the Investment Fund, and such other monies as are lawfully available to the Authority for supporting its purposes.

SECTION 2. Section 15-3-110 of the Arkansas Code of 1987 Annotated, is hereby amended to read as follows:

"(a) The Authority is hereby empowered to make such rules and regulations as it may deem appropriate to enable it to create and fund programs designed to promote basic and applied research at Arkansas colleges and universities and to develop technology emerging from sources of innovation in this state, including but not limited to colleges and universities, federal laboratories, small businesses, and inventors.

(b) (1) In carrying out its functions under this Section, the Board may create such advisory committees as may be useful in evaluating research and development proposals.

(2) The memberships of these advisory committees may include both Directors and staff members of the Authority, and other persons drawn from sources other than the Authority, all of whom shall serve at the pleasure of the Board.

(3) Members of such advisory committees shall serve without compensation for their membership on such committees, but shall be reimbursed for any reasonable expenses incurred by them in the performance of duties assigned by the Board.

(c) (1) Any monies lawfully available to the Authority for the purpose of supporting basic research at Arkansas Colleges and universities shall in no event defray more than sixty percent (60%) of the total cost of the proposed basic research project being funded.

(2) The remaining forty percent (40%) of the total cost of the proposed research project shall be funded by monies or in-kind services provided by the college or university proposing the research project.

(d) (1) Any monies lawfully available to the Authority for the purpose of creating applied research partnerships between private industry and Arkansas colleges and universities shall in no event defray more than fifty percent (50%) of the total cost of the proposed applied research project; provided, however, that the contribution of the Authority may, at the Board's sole discretion, defray up to sixty-six and two-thirds percent (66-2/3%) of the total cost of a proposed applied research project if the Board finds that the participating private industry is principally located in Arkansas and employs fifty (50) or fewer persons.

(2) The proposed applied research project shall be submitted by an Arkansas college or university, and the proposal shall state that a percentage of the total cost of the proposed applied research project will be provided by private sources in accordance with the matching provisions of this subsection.

(3) The Board shall approve for funding only those proposed applied research projects for which the Board finds that enhanced employment opportunity within Arkansas will be a likely result.

(e) (1) Any monies lawfully available to the Authority for the purpose of supporting technology development shall in no event exceed fifty thousand dollars (\$50,000) per project being funded.

(2) The Board shall impose a reasonable, nonrefundable fee for the evaluation of the technological and economic potential of emerging technologies contained in proposals from nonpublic sources of innovation.

(3) The Board is authorized to incorporate a royalty provision, not to exceed five percent (5%) of net sales revenue per year for a period of not more than ten (10) years, as a condition of award.

(4) The Board shall approve for funding only those proposed technology development projects for which the Board finds that enhanced economic opportunity within Arkansas will be a likely result."

SECTION 3. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 4. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 5. EMERGENCY CLAUSE. It is hereby found and determined by the General Assembly that the State of Arkansas has experienced severe deficiencies in the development and promotion of product and process technologies which have the potential to contribute significantly to the business and economic growth of the State. Therefore, an emergency is declared to exist and this Act being necessary for the preservation of the public peace, health and

safety shall be in full force and effect from and after its passage and approval.

APPROVED: March 1, 1989
