



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB2428

Introduced 2/26/2007, by Rep. Michael J. Madigan - Barbara Flynn Currie - Jack D. Franks

SYNOPSIS AS INTRODUCED:

20 ILCS 605/605-355

was 20 ILCS 605/46.19a in part

Amends the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois. Makes a technical change in a Section concerning grants for research and development in high technology and service sectors.

LRB095 00978 RCE 20980 b

1 AN ACT concerning State government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Department of Commerce and Economic
5 Opportunity Law of the Civil Administrative Code of Illinois is
6 amended by changing Section 605-355 as follows:

7 (20 ILCS 605/605-355) (was 20 ILCS 605/46.19a in part)

8 Sec. 605-355. Grants for research and ~~and~~ development in
9 high technology and service sectors.

10 (a) The Department is authorized to establish a program of
11 grants to universities, community colleges, research
12 institutions, research consortiums, other not-for-profit
13 entities, and Illinois businesses for the purpose of fostering
14 research and development in the high technology and the service
15 sector leading to the development of new products and services
16 that can be marketed by Illinois businesses. All grant awards
17 shall include a contract that may provide for payment of
18 negotiated royalties to the Department if the product or
19 service to be developed by the grantee is subsequently licensed
20 for production.

21 (b) Grants may be awarded to universities and research
22 institutions to assist them in making their faculties and
23 facilities available to Illinois businesses. The grants may be

1 used by a university or research institution for purposes
2 including but not limited to the following: (i) to establish or
3 enhance computerized cataloging of all research labs and
4 university staff and make those catalogues available to
5 Illinois businesses; (ii) to market products developed by the
6 university to Illinois businesses; (iii) to review
7 publications in order to identify, catalog, and inform Illinois
8 businesses of new practices in areas such as robotics and
9 biotechnology; (iv) to build an on-line, information and
10 technology system that relies on other computerized networks in
11 the United States; and (v) to assist in securing temporary
12 replacement for faculty who are granted a leave of absence from
13 their teaching duties for the purpose of working full-time for
14 an Illinois business to assist that business with technology
15 transfer.

16 (c) Grants may be awarded to universities and research
17 institutions, research consortiums, and other not-for-profit
18 entities for the purpose of identifying and supporting Illinois
19 businesses engaged in high technology and service sector
20 enterprises. The Illinois businesses identified and funded
21 shall include recipients of Small Business Innovation Research
22 Program funds under subsections (e) through (k) of Section 9 of
23 the Small Business Act (15 U.S.C. 638, subsections (e) through
24 (k)). Entities receiving grants under this subsection (c) shall
25 be known as commercialization centers and shall engage in one
26 or more of the following activities:

1 (1) Directing research assistance for new venture
2 creations.

3 (2) General feasibility studies of new venture ideas.

4 (3) Furthering the technical and intellectual skills
5 of the managers and owners of Illinois small businesses.

6 (4) Commercialization of technology and research.

7 (5) Development of prototypes and testing new
8 products.

9 (6) Identifying and assisting in securing financing.

10 (7) Marketing assistance.

11 (8) Assisting Illinois inventors in finding Illinois
12 manufacturers to produce and market their inventions.

13 A commercialization center may charge a nominal fee or
14 accept royalty agreements for conducting feasibility studies
15 and other services.

16 (d) Grants may be awarded by the Department to Illinois
17 businesses to fund research and consultation arrangements
18 between businesses and universities, community colleges,
19 research institutions, research consortiums, and other
20 not-for-profit entities within this State.

21 The Department shall give priority to Illinois small
22 businesses in awarding grants. Each grant awarded under this
23 subsection (d) shall provide funding for up to 50% of the cost
24 of the research or consultation arrangements, not to exceed
25 \$100,000; provided that the grant recipient utilizes Illinois
26 not for profit research and academic institutions to perform

1 the research and development function for which grant funds
2 were requested.

3 (e) Grants may be awarded to research consortiums and other
4 qualified applicants, in conjunction with private sector or
5 federal funding, for other creative systems that bridge
6 university resources and business, technological, production,
7 and development concerns.

8 (f) For the purposes of this Section:

9 "High technology" means any area of research or development
10 designed to foster greater knowledge or understanding in fields
11 such as computer science, electronics, physics, chemistry, or
12 biology for the purpose of producing designing, developing, or
13 improving prototypes and new processes.

14 "Illinois business" means a "small business concern" as
15 defined in 15 U.S.C. 632 that conducts its business primarily
16 in Illinois.

17 "Illinois research institutions" refers to not-for-profit
18 entities, which include federally funded research
19 laboratories, that conduct research and development activities
20 for the purpose of producing, designing, developing, or
21 improving prototypes and new processes.

22 "Other not-for-profit entities" means nonprofit
23 organizations based in Illinois that are primarily devoted to
24 new enterprise or product development.

25 "Private sector" has the meaning ascribed to it in 29
26 U.S.C. 1503.

1 "University" means either a degree granting institution
2 located in Illinois as defined in Section 2 of the Academic
3 Degree Act, or a State-supported institution of higher learning
4 administered by the Board of Trustees of the University of
5 Illinois, the Board of Trustees of Southern Illinois
6 University, the Board of Trustees of Chicago State University,
7 the Board of Trustees of Eastern Illinois University, the Board
8 of Trustees of Governors State University, the Board of
9 Trustees of Illinois State University, the Board of Trustees of
10 Northeastern Illinois University, the Board of Trustees of
11 Northern Illinois University, the Board of Trustees of Western
12 Illinois University, or the Illinois Community College Board.

13 "Venture" means any Illinois business engaged in research
14 and development to create new products or services with high
15 growth potential.

16 (g) The Department may establish a program of grant
17 assistance on a matching basis to universities, community
18 colleges, small business development centers, community action
19 agencies and other not-for-profit economic development
20 agencies to encourage new enterprise development and new
21 business formation and to encourage enterprises in this State.
22 The Department may provide grants, which shall be exempt from
23 the provisions of Section 35-360, to universities, community
24 colleges, small business development centers, community action
25 agencies, and other not-for-profit economic development
26 entities for the purpose of making loans to small businesses.

1 All grant applications shall contain information as required by
2 the Department, including the following: a program operation
3 plan; a certification and assurance that the small business
4 applicants have received business development training or
5 education, have a business and finance plan, and have
6 experience in the proposed business area; and a description of
7 the support services that the grant recipient will provide to
8 the small business. No more than 10% of the grant may be used
9 by the grant recipient for administrative costs associated with
10 the grant. Grant recipients may use grant funds under this
11 program to make loans on terms and conditions favorable to the
12 small business and shall give priority to those businesses
13 located in high poverty areas, enterprise zones, or both.
14 (Source: P.A. 90-454, eff. 8-16-97; 91-239, eff. 1-1-00.)