

SB 451-FN-A - AS INTRODUCED

2022 SESSION

22-3072

07/05

SENATE BILL ***451-FN-A***

AN ACT establishing a New Hampshire innovation program in the department of business and economic affairs and making an annual appropriation therefor.

SPONSORS: Sen. Kahn, Dist 10; Sen. Prentiss, Dist 5; Sen. Sherman, Dist 24; Sen. Watters, Dist 4; Sen. Whitley, Dist 15; Sen. Perkins Kwoka, Dist 21; Rep. Heath, Hills. 14; Rep. Wallner, Merr. 10

COMMITTEE: Commerce

ANALYSIS

This bill establishes the New Hampshire innovation program and the New Hampshire innovation fund in the department of business and economic affairs. The purpose of the program is to increase funding for research and development intensive start-up companies located in New Hampshire. The bill also makes an annual appropriation of \$5,000,000 to the fund.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears ~~[in brackets and struckthrough.]~~
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Two

AN ACT establishing a New Hampshire innovation program in the department of business and economic affairs and making an annual appropriation therefor.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 New Sections; Department of Business and Economic Affairs; New Hampshire Innovation
2 Program. Amend RSA 12-O by inserting after section 21 the following new sections:

3 12-O:21-a New Hampshire Innovation Program Established.

4 I. There is hereby established in the department of business and economic affairs a New
5 Hampshire innovation program. The purpose of the program shall be to provide early stage capital
6 for research and development intensive start-up businesses and develop a stronger, more resilient
7 innovation economy in New Hampshire. The program shall be administered by the commissioner of
8 the department of business and economic affairs in conjunction with the New Hampshire Research
9 and Industry Council and the New Hampshire Established Program to Stimulate Competitive
10 Research (NH EPSCoR).

11 II. The program shall offer a menu of specific, targeted funding mechanisms for research
12 and development intensive start-up businesses to:

13 (a) Provide funding to increase the number and competitiveness of proposals submitted
14 by New Hampshire companies to the federal Small Business Innovation Research (SBIR) and Small
15 Business Technology Transfer (STTR) programs.

16 (b) Match grants for SBIR/STTR Phase 1 awardees so they can develop their business
17 while advancing their technology, including hiring employees, securing office space, and hiring legal
18 and business expertise.

19 (c) Establish a risk pool to leverage funds provided by the business finance authority for
20 low interest bridge loans for SBIR/STTR Phase 2 awardees so they can accelerate their growth in
21 New Hampshire.

22 (d) Increase support for the innovation research center, established at the university of
23 New Hampshire pursuant to RSA 187-A:30, to increase the number of grants awarded and
24 subsequent state return on investment from this program.

25 (e) Match support for federal grants that accelerate development and retention of talent,
26 workforce, and acquisition of critical research and development infrastructure assets that lead to
27 new research and development-based company formation.

28 III. The New Hampshire Research and Industry Council, with the support of NH EPSCoR,
29 shall administer the innovation program's application and approval processes in consultation with
30 the commissioner, manage the annual investment portfolio, and evaluate investment performance.

1 An organization may apply for funding under this section pursuant to the procedures established by
2 the council. The council shall assign preference to grant applications that:

- 3 (a) Increase New Hampshire's competitiveness through innovation.
- 4 (b) Attract talent to New Hampshire.
- 5 (c) Target existing industrial-cluster strength, potential growth, and research capacity.
- 6 (d) Target areas of strategic priority as determined by the council and the department of
7 business and economic affairs.
- 8 (e) Qualify for available matching funds from federal, private, or other sources.
- 9 (f) Provide assurance that companies will remain in New Hampshire.

10 IV. Beginning July 1, 2022, and annually thereafter, the council shall conduct a survey of all
11 organizations which receive grants under this section to evaluate the return on investment from the
12 state's funding support. The council shall develop and distribute a survey instrument to all
13 organizations that have received grant funding under this section. The survey shall, at a minimum,
14 collect the following information for each organization that receives grant funds under this section:

- 15 (a) Number of grants obtained.
- 16 (b) Total funding from grants, loans, private capital and other investments.
- 17 (c) Amount of federal funds obtained.
- 18 (d) Number of employees.
- 19 (e) Number of jobs created as a result of funding received under this section.
- 20 (f) Number of disclosures, provisional and full patents filed.

21 V. The council shall collect the completed surveys and submit them to the commissioner of
22 the department of business and economic affairs. Any organization which fails to timely submit a
23 completed survey shall not be eligible to obtain additional funding under this section.

24 VI. Beginning July 1, 2023 and every 4 years thereafter, the council shall commission a
25 comprehensive, independent review of the New Hampshire innovation program and the current
26 state of the New Hampshire technology-based economy to guide changes in programs and
27 investments to ensure a vibrant innovation economy.

28 VII. Administrative costs shall not exceed 8 percent of annual fund expenditures.

29 12-O:21-b New Hampshire Innovation Fund; Annual Appropriation.

30 I. There is hereby established the New Hampshire innovation fund, which shall be kept
31 distinct and separate from all other funds. The fund shall be nonlapsing and continually
32 appropriated to the commissioner of the department of business and economic affairs for the purpose
33 of administering the New Hampshire innovation program established in RSA 12-O:21-a.

34 II. The sum of \$5,000,000 is appropriated annually to the department of business and
35 economic affairs for deposit in the New Hampshire innovation fund established in paragraph I for
36 the purpose of administering the program and awarding grants for research and development

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1 pursuant to RSA 12-O:21-a. The governor is authorized to draw a warrant for said sum out of any
2 money in the treasury not otherwise appropriated.

3 2 New Subparagraph; Dedicated Funds; New Hampshire Innovation Fund. Amend RSA 6:12,
4 I(b) by inserting after subparagraph (382) the following new subparagraph:

5 (383) Moneys deposited in the New Hampshire innovation fund, established in 12-
6 O:21-b

7 3 Effective Date. This act shall take effect July 1, 2022.

LBA
22-3072
12/27/21

**SB 451-FN-A- FISCAL NOTE
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FISCAL IMPACT:

Due to time constraints, the Office of Legislative Budget Assistant is unable to provide a fiscal note for this bill, **as introduced**, at this time. When completed, the fiscal note will be forwarded to the Senate Clerk's Office.

AGENCIES CONTACTED:

Department of Business and Economic Affairs