

1 State of Arkansas
2 91st General Assembly
3 Regular Session, 2017
4

A Bill

SENATE BILL 250

5 By: Senator D. Sanders
6 By: Representatives S. Meeks, Cavanaugh
7

For An Act To Be Entitled

9 AN ACT TO CREATE THE ARKANSAS BUSINESS AND TECHNOLOGY
10 ACCELERATOR ACT; TO PROVIDE FOR AN ARKANSAS BUSINESS
11 AND TECHNOLOGY ACCELERATOR GRANT PROGRAM; TO ALLOW
12 FOR FUNDING OF THE ARKANSAS BUSINESS AND TECHNOLOGY
13 ACCELERATOR ACT; AND FOR OTHER PURPOSES.
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Subtitle

16 TO CREATE THE ARKANSAS BUSINESS AND
17 TECHNOLOGY ACCELERATOR ACT; AND TO
18 PROVIDE FOR AN ARKANSAS BUSINESS AND
19 TECHNOLOGY ACCELERATOR GRANT PROGRAM.
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
24

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

28 (H) Arkansas Business and Technology Accelerator Act, § 15-3-601
29 et seq.
30

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

33 Subchapter 6 – Arkansas Business and Technology Accelerator Act
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35 15-3-601. Title.

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



1 Business and Technology Accelerator Act”.

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3 15-3-602. Legislative findings.

4 The General Assembly finds that:

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

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

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

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

18
19 15-3-603. Definitions.

20 As used in this subchapter:

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

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

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

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

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

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

34 (ii) A business that:

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

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

3 (b) Derives at least seventy-five percent
4 (75%) of its sales revenue from out of state;

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

9 (a) Is a nonretail business; and

10 (b) Derives at least seventy-five percent
11 (75%) of its sales revenue from out of state;

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

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

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

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

23 (a) Advanced materials and manufacturing
24 systems;

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

27 (c) Biotechnology, bioengineering, and life
28 sciences;

29 (d) Information technology;

30 (e) Transportation logistics; and

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

34
35 15-3-604. Administration.

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

1 is created.

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

4 (b) The division shall:

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

8 (2) Devise an application process that:

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

11 (B) Establishes application submittal and review
12 processes;

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

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

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19 15-3-605. Application requirements.

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

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

26 (c) The division shall:

27 (1) Review applications:

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

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

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

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

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

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

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

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

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

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

18 (1) Shall not:

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

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

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

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

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

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35 15-3-607. Program funding.

36 Business and technology accelerator grants awarded under this

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

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5 15-3-608. Rules.

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

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10 SECTION 3. EFFECTIVE DATE. This act is effective on and after October
11 1, 2017.

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14 **APPROVED: 02/15/2017**