AN ACT

RELATING TO HEALTH AND SAFETY -- THE RHODE ISLAND LIFE SCIENCE HUB ACT

Introduced By: Representatives Shekarchi, Blaziejewski, Ackerman, Solomon, Edwards, Kazarian, Hull, and Baginski

Date Introduced: May 19, 2023

Referred To: House Finance

It is enacted by the General Assembly as follows:

SECTION 1. Title 23 of the General Laws entitled “HEALTH AND SAFETY” is hereby amended by adding thereto the following chapter:

CHAPTER 99

THE RHODE ISLAND LIFE SCIENCE HUB ACT

This act shall be known and may be cited as the “Rhode Island Life Science Hub Act”.

23-99-2. Legislative purpose.
The purpose of this chapter shall be to create and lawfully manage a quasi-public corporate body and agency of the state for the express purpose of acting as the central entity and coordinating organization of life science initiatives on behalf of the state that shall:

(1) Facilitate the development of medical advances and scientific breakthroughs with companies who specialize in the fields of: medical devices, biomedical technology, medical therapeutic therapies, biogenetics, biomedical engineering, biopharmaceuticals, genomics, and related fields; and,

(2) Through targeted investment of grants, tax credits, and incentives, fund and incubate Rhode Island-based life science companies that will promote economic and workforce development within the state and that shall allow the state to successfully compete in the national and international life science industries.

As used in this chapter, the following words shall have the following meanings:

1. “Affiliate” means any business which, or person who, directly or indirectly controls or is controlled by or is under direct or indirect common control of another business including, but not limited to, any business, or person, with which a business is merged or consolidated, or which purchases all or substantially all of the assets of a business.

2. “Board” means the board of directors of the Rhode Island life science hub.

3. “Certification proposal” means a written proposal submitted by a life science company for approval as a certified life sciences company.

4. “Certified life sciences company” means a company that has been certified by the board as being eligible to receive grants and incentives from the investment fund.

5. “Company” means a business corporation, partnership, firm, unincorporated association, or other entity engaged or proposing to engage in economic activity within the state, and any affiliate thereof.


8. “Life science” means and shall include, but not be limited to: biopharma, medical devices, bio-manufacturing, diagnostics, digital health, and other biotechnological advancements.

9. “Life science company” means a corporation, partnership, firm, unincorporated association, or other entity engaged in life science research, development, manufacturing, or commercialization in Rhode Island, and any affiliate thereof.

10. “Person” means a natural person, corporation, association, partnership, or other legal entity.

11. “State” means the State of Rhode Island.

23-99-4. Rhode Island life science hub established.

(a) There is hereby constituted as an independent public, instrumentality and body corporate and politic for the purposes set forth in this chapter with a separate legal existence from the state to be known as the Rhode Island life science hub hereinafter to be referred as the “hub”. The exercise by the hub of the powers conferred by this chapter shall be considered to be the performance of an essential governmental function.

(b) The hub shall be governed and its corporate powers exercised by a board of directors consisting of eleven (11) directors: one of whom shall be a senior executive with extensive background in the banking, grant making, and fundraising fields; appointed by the governor; one of whom shall be the secretary of commerce; three (3) of whom shall be the president of Rhode
Island college, or designee, the president of the university of Rhode Island, or designee, and the
president of Brown university, or designee; one of whom shall be the dean of the Warren Alpert
Medical School of Brown university, or designee; one of whom shall be a member of a life science
trade association, appointed by the governor; one of whom shall be the president and chief
executive officer of the Lifespan Corporation, or designee; and three (3) of whom shall be appointed
by the governor, one of whom shall be the president or a senior executive of a Rhode Island life
science company, or designee, one of whom shall be a senior executive of Amgen, or designee, and
one of whom shall be a member of the public who shall be a certified public accountant and a
member of the Rhode Island society of certified public accountants.

(c) The chair of the board shall be appointed by the governor and shall be an individual
who served in the capacity as a senior executive with extensive background in the banking, grant
making, and fundraising fields. The vice-chair of the board shall be the secretary of commerce. Six
(6) directors shall constitute a quorum, and any action to be taken by the board under the provisions
of this chapter may be authorized by resolution approved by a majority of the directors present and
entitled to vote at any regular or special meeting at which a quorum is present. No votes may be
taken unless the chair is present and voting, and in the event of a tie, the chair shall have an
additional vote. A vacancy in the membership of the board of directors shall not impair the right of
a quorum to exercise all of the rights and perform all of the duties of the board. Board members are
authorized to participate remotely in open public meetings of the board; provided, however, that:

(1) The remote member(s) and all persons present at the meeting location are clearly
audible and visible to each other;

(2) A quorum of the body is participating;

(3) If videoconferencing is used to conduct a meeting, the public notice for the meeting
shall inform the public that videoconferencing will be used and include instructions on how the
public can access the virtual meeting; and

(4) The board shall adopt rules defining the requirements of remote participation including
its use for executive session, and the conditions by which a member is authorized to participate
remotely.

(d) Each board member shall serve a term of four (4) years. In the event that the chair of
the board position becomes vacant for any reason, the vice chair shall serve as the interim chair
until the appointment of a new chair by the governor. In making this appointment, the governor
shall give due consideration in appointing an individual from a list of six (6) candidates, three (3)
of whom shall be provided to the governor by the speaker of the house and three (3) of whom shall
be provided to the governor by the president of the senate. Any person appointed to fill a vacancy
in the office of an appointed director of the board shall be appointed in a like manner and shall
serve for the unexpired term of such director. Any director shall be eligible for reappointment.

(e) The member of the board who is a member of the public and who is a certified public
accountant and a member of the Rhode Island society of certified public accountants shall serve as
treasurer and shall be charged with keeping the funds, books of account and accounting records of
the hub. No funds shall be transferred by the hub without the approval of the board and the signature
of the treasurer. The board shall annually elect one of its members as secretary who shall keep a
record of the proceedings of the board and shall be custodian of all books, documents, and papers
filed by the board and of its minute book and seal.

(f) Members of the board shall serve without compensation, but each member shall be
entitled to reimbursement for actual, reasonable, and necessary expenses while engaged in the
performance of official duties. Board members, officers, and employees shall not be liable to the
state, the hub, or to any other person as a result of their activities except for malfeasance in office
or intentional violations of law.

(g) The board shall establish an application review committee consisting of not less than
three (3) members of the board, which shall review proposals for funding submitted by life sciences
companies that shall be supported by independently verifiable information, and the board shall
make a record of findings based on the certification proposal, documents submitted therewith, and
any additional evidence that the life science company meets all criteria that the hub may prescribe.

(h) Certified life science companies shall be eligible to receive funding from the hub, upon
a majority vote of the board, for the following benefits which shall be awarded by the board on a
competitive basis:

(1) Grants, loans or other investments;

(2) Assistance from the hub in obtaining federal, state, and nonprofit monies; or

(3) Assistance from the hub in facilitating clinical trials.

(i) Notwithstanding any other provisions of law in relation to their tenure of office, the
governor may remove any board member for the neglect of any duty required by law,
incompetence, unprofessional conduct, or willful misconduct.

(j) Each director shall make full disclosure, in accordance with §§ 36-14-1 through 36-14-
7, of any financial interest, if any, in any matter before the board.

(k) The board shall have the power to appoint and employ a president, who shall also serve
as the chief executive officer of the hub, and to establish compensation and conditions of
employment for the president and chief executive officer.

(l) The Rhode Island commerce corporation shall provide operating quarters for the hub
for, at a minimum, the first year of the hub’s operation.


(a) The hub shall have the following powers and all powers necessary to carry out and
effectuate its purposes, including, without limitation, all powers necessary for the performance of
the following:

(1) To have perpetual succession as a quasi-public corporate body and agency of the state
and to adopt bylaws, rules, regulations, and procedures for its governance and conduct of its
business;

(2) To act as the central entity and coordinating organization of bio-life science initiatives
on behalf of the state and to work in collaboration with governmental entities, bodies, centers, hubs,
and facilities to promote life sciences;

(3) To engage accountants, architects, attorneys, engineers, planners, real estate experts,
and other consultants as may be necessary in its judgment to carry out the purposes of this chapter;

(4) To obtain liability insurance for board members, officers, and employees in order to
indemnify said persons against the claims of others;

(5) To administer the Rhode Island life science investment fund, established pursuant to
this chapter for the purposes of making appropriations, allocations, grants, or loans;

(6) To apply for and accept contributions of any source of money, property, labor, or any
other things of value and to invest, disburse, appropriate, grant, loan, or allocate any funds for the
purpose of investing in any life science initiative;

(7) To create access to capital, funding, and business support programs;

(8) To enter into contracts and agreements to further scientific research in the state, aid in
the promotion the health of residents, foster jobs in the life sciences, and promote overall economic
growth; and

(9) To issue bonds, notes, and any other obligations of the hub, subject to the provisions of
chapter 18 of title 35 (“Rhode Island public corporation debt management”).


(a) There shall be established and placed within the hub, a fund to be known as the Rhode
Island life science investment fund, hereinafter referred to as the "fund", to be held by the hub to
finance the operations and initiatives of the hub. The fund shall be credited any appropriations,
bond proceeds, federal grants or loans, or other such additional funds as are subject to the direction
and control of the hub, which may properly be applied in furtherance of the objectives of the hub.

(b) The fund shall be held and applied by the hub to make qualified investments, grants,
research and other funding, and loans designed to advance public purposes for the life science
industry in the state and shall use the fund for such purposes.

(c) The state shall not be liable for the payment of the principal of, or interest on, any bonds or notes of the hub, or for the performance of any pledge, mortgage, obligation, or agreement of any kind whatsoever which may be undertaken by the hub, and none of the bonds or notes of the hub nor any of its agreements or obligations shall be construed to constitute an indebtedness of the state. Payments related to any transaction involving, or investment by, the hub shall be payable solely from the fund.

(d) The board shall promulgate rules, regulations or guidelines necessary to carry out the provisions of this section.


(a) The hub shall submit a report, beginning on or before October 1, 2024, and annually thereafter, to the governor, the speaker of the house, and the president of the senate. This report shall include:

(1) The hub’s receipts and expenditures during such fiscal year;
(2) The hub’s assets and liabilities at the end of its fiscal year;
(3) A list of all certified life sciences companies;
(4) A complete list of grants awarded by the hub and any other funding activities;
(5) Reports of patents or products resulting from funded activities;
(6) The status of construction of any real estate project resulting from certification, including whether construction is on-time and on-budget;
(7) Any federal initiatives that have an impact on life science companies doing business in the state; and
(8) Any concerns surrounding pending or threatened litigation, pending legislation both state and federal, or any other known material risks.


(a) The board shall be responsible for establishing accountability standards, reporting standards, and outcome measurements for all of its expenditures, including all investments and grants.

(b) The board and the hub shall comply with provisions of chapter 155 of title 42, the "quasi-public corporations accountability and transparency act.”

(c) In addition to the requirements pursuant to the provisions of subsection (b) of this section and § 42-155-7, the books and records of the hub shall be audited by the Rhode Island auditor general, at least on an annual basis, in accordance with generally accepted accounting principles and generally accepted government auditing standards.

If any section, clause, provision, or portion of this chapter is held to be invalid or unconstitutional by any court of competent jurisdiction, that holding shall not affect any other section, clause, or provision of this chapter which is not in and of itself unconstitutional.

SECTION 2. This act shall take effect on September 1, 2023.
EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N   A C T
RELATING TO HEALTH AND SAFETY -- THE RHODE ISLAND LIFE SCIENCE HUB
ACT

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1 This act would create the Rhode Island life science hub, a quasi-public corporate body and
2 agency of the state to coordinate life science initiatives on behalf of Rhode Island.
3 This act would take effect on September 1, 2023.

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