ARTICLE 2

RELATING TO ECONOMIC DEVELOPMENT AND TAX CREDITS

SECTION 1. Sections 42-64.28-2, 42-64.28-3, 42-64.28-4, and 42-64.28-5 of the General Laws in Chapter 42-64.28 entitled "Innovation Initiative" are hereby amended to read as follows:

42-64.28-2 Definitions.

As used in this chapter:

(1) "Commerce corporation" means the Rhode Island commerce corporation established pursuant to 42-64-1 et seq.

(2) "Small business" means a business that is resident in Rhode Island, has its business facility located within the state, and employs five hundred (500) or fewer persons.

(3) "Manufacturer" shall mean any entity that:

(i) Uses any premises within the state primarily for the purpose of transforming raw materials into a finished product for trade through any or all of the following operations: adapting, altering, finishing, making, processing, refining, metalworking, and ornamenting, but shall not include fabricating processes incidental to warehousing or distribution of raw materials, such as alteration of stock for the convenience of a customer; or

(ii) Is described in codes 31-33 of the North American Industry Classification system, as revised from time to time.

(4) "Small business manufacturer" shall mean a business that meets the definitions of terms small business and manufacturer as defined herein.

(5) "Match" shall mean a funding match, or in kind services provided by a third party.

(6) "Targeted industry" means any advanced, promising or otherwise prioritized industry identified in the economic development vision and policy promulgated pursuant to 42-64.17-1 or, until such time as any such economic development vision and policy is promulgated, as identified by the commerce corporation.

42-64.28-3 Programs Established.

(a) The Rhode Island commerce corporation shall establish a voucher program and an innovation network program as provided under this chapter. The programs are subject to available appropriations and such other funding as may be dedicated to the programs.

(b) There is established an account in the name of the "innovation initiative fund" (the
(1) The fund shall consist of:

(i) Money appropriated in the state budget to the fund;

(ii) Money made available to the fund through federal grants, programs or private contributions;

(iii) Application or other fees paid to the fund to process applications for awards under this chapter; and

(iv) Any other money made available to the fund.

(c) Voucher program. The commerce corporation is authorized, to develop and implement an innovation voucher program to provide financing to small businesses to purchase research and development support or other forms of technical assistance and services from Rhode Island institutions of higher education and other providers and to fund research and development by and for small business manufacturers.

(d) Innovation network program. The commerce corporation is authorized to provide innovation grants to organizations, including non-profit organizations, for-profit organizations, universities, and co-working space operators that offer technical assistance, space on flexible terms, and access to capital to businesses in advanced or targeted industries. The commerce corporation shall only issue grants under this subsection when those grants are matched by private sector or non-profit partners. The commerce corporation shall establish guidelines for appropriate matching criteria under this section, including necessary matching ratios.

42-64.28-4 Eligible uses.

(a) Vouchers available under this chapter shall be used for the benefit of small businesses to access technical assistance and other services including, but not limited to, research, technological development, product development, commercialization, market development, technology exploration, and improved business practices that implement strategies to grow business and create operational efficiencies.

(b) Vouchers available under this chapter shall be used to provide funding to finance internal research and development by and for small business manufacturers, including, but not limited to, research, technological development, product development, commercialization, market development, technology exploration, and improved business practices that implement strategies to grow business and create operational efficiencies. Subject to appropriation, the commerce corporation shall reserve an amount not to exceed fifty percent (50%) of the voucher program's annual appropriation to be made available in fiscal year 2018 for vouchers awarded to small business manufacturers under this subsection.
(c) Matching fund awards shall be used for the benefit of small businesses in industries designated from time-to-time by the corporation, including without limitation, life science and healthcare; food and agriculture; clean technology and energy efficiency; and cyber security to pay for and access technological assistance, to procure space on flexible terms, and to access capital from organizations, including non-profit organizations, for-profit organizations, universities, and co-working space businesses.

42-64.28-5 Qualification.

(a) To qualify for a voucher or for a matching fund award under this chapter, a business must make application to the commerce corporation, and upon selection, shall enter into an agreement with the commerce corporation. The commerce corporation shall have no obligation to issue any voucher, make any award or grant any benefits under this chapter.

(b) In a given tax year, a business shall not receive a voucher or matching fund award provided for under this chapter in conjunction with the tax credit provided for in §44-32-3 of the general laws.

SECTION 2. Section 44-33.6-11 of the General Laws in Chapter 44-33.6 entitled "Historic Preservation Tax Credits 2013" is hereby amended to read as follows:

44-33.6-11. Sunset.

No credits shall be authorized to be reserved pursuant to this chapter on or after June 30, 2017, or upon the exhaustion of the maximum aggregate credits, whichever comes first.

SECTION 3. Section 1 of this article shall take on July 1, 2017. Section 2 shall take effect upon passage.