

March 25, 2009

**S 922. NC LIFE SCIENCES DEVELOPMENT CORPORATION ACT.** Filed 3/25/09. *TO CREATE THE NORTH CAROLINA LIFE SCIENCE LOAN FUND.*

Adds new Article 4 (*Life Science Loan Fund Act*) to GS Chapter 53A, GS 53A-100 through GS 53A-116, creating the North Carolina Life Science Development Corporation and the North Carolina Life Science Development Fund.

The corporation is to be a 501(c)(3) entity. It is not to pledge the credit or taxing power of the state or any political subdivision, and the obligations of the corporation are not the obligations of the state or any subdivision. The incorporator of the corporation is to be the president of the North Carolina Biotechnology Center. The president shall name a nine-member board of directors, including himself and the NC Secretary of Commerce as ex officio voting member. Vacancies are to be filled and new members elected in compliance with by-laws that the directors shall adopt. The directors will select a chief executive officer and assign that officer duties. The corporation is to organize and manage the Fund.

The Fund is to be organized as a private, for-profit, limited liability company under North Carolina law have the corporation as its sole managing member. The fund will make loans to companies engaged in biotechnology, pharmaceuticals, biologic products, human health care and medical devices, diagnostic devices, and service laboratories or facilities for these activities. The loans may be used to acquire and expand capital facilities and equipment in the state and to cover regulatory and other costs necessary to make the facilities operational. The bill sets out the requirements a borrower must meet in an application. The maximum loan to any one borrower is \$30 million.

Investors may purchase equity investments in the Fund for a designated guaranteed return on investment. If, at the due date for repayment, the Fund lacks sufficient resources to make the payment, the Secretary of Revenue will deliver to the investor a tax credit certificate, which may be redeemed at 100% to income tax and other specified tax liability. The tax credit certificate may be transferred from one person to another. At no time may the total amount of issue tax credit certificates and the remaining obligations of the Fund exceed \$100 million. Provides that state-chartered banks, savings and loan associations, credit unions, industrial loan corporations, and domestic insurance companies may invest in the Fund.

Adds new Article 3L (*Life Science Development Tax Credits*) to enact corresponding changes in the tax statutes.

**Intro. by Rand.**

GS 53A, 105

May 5, 2009

**S 922. MODIFY SBIR/STTR GRANT REQUIREMENTS (NEW).** Filed 3/25/09. Senate committee substitute replaces 1st edition with a new act *TO EXCLUDE RESEARCH THAT CANNOT BE CONDUCTED WITH THE STATE FROM ELIGIBILITY CALCULATIONS FOR GRANTS FROM THE ONE NORTH CAROLINA SMALL BUSINESS PROGRAM.* Amends GS 134B-437.80(b) to modify eligibility criteria for grants available through the NC Small Business Program. Currently, the program requires eligible businesses to conduct at least 51% of the research described in its grant proposal within the state. Amendments would allow a grantee to exclude from the percentage calculation any grant research that requires special laboratory facilities that are located outside the state.

May 6, 2009

**S 922. MODIFY SBIR/STTR GRANT REQUIREMENTS.** Filed 3/25/09. Senate amendment makes the following changes to 2nd edition. Provides that at least 51% of the grantee's research be conducted in North Carolina *to the extent practical.*

June 10, 2009

**S 922. MODIFY SBIR/STTR GRANT REQUIREMENTS.** Filed 3/25/09. House committee substitute makes the following changes to 3rd edition. Adds provision amending GS 150A-1(d) to exempt the Community College System Office from rulemaking procedures in GS Chapter 150A

in developing criteria and guidelines in administering the Customized Training Program under GS 115D-5.1. Makes a conforming change to the title.