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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **1637**

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The bill was read for the first time and referred to the Committee on Biosciences and Emerging Technology

1.1 A bill for an act
1.2 relating to economic development; establishing nanotechnology development
1.3 fund program; requiring a report; appropriating money.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. **NANOTECHNOLOGY DEVELOPMENT FUND.**

1.6 Subdivision 1. Nanotechnology development fund created. The nanotechnology
1.7 development fund (NDF) is created in the state treasury. Money in the fund is appropriated
1.8 to the commissioner of employment and economic development for the purposes of this
1.9 section.

1.10 Subd. 2. Program established; purpose. The nanotechnology development
1.11 fund program is established to develop a collaborative economic development initiative
1.12 between the state of Minnesota, the private sector, and multiple academic institutions
1.13 to promote by small businesses an increased use of advanced nanoinstrumentation for
1.14 characterization, fabrication, and other related processes; provide research consulting
1.15 by knowledgeable specialists; and provide student internship opportunities to increase
1.16 nanotechnology experience by working with small, medium, or large Minnesota
1.17 companies. The NDF program shall be administered by the Department of Employment
1.18 and Economic Development and is not a state agency.

1.19 Subd. 3. Definition; qualifying Minnesota small business. "Qualifying Minnesota
1.20 small business" means:

1.21 (1) a Minnesota small business corporation, sole proprietorship, or partnership
1.22 that has:

1.23 (i) fewer than 50 employees;

1.24 (ii) an after-tax profit of less than \$.....; and

- 2.1 (iii) a net worth of less than \$.....; or
 2.2 (2) a Minnesota business corporation, sole proprietorship, or partnership that:
 2.3 (i) has 51 to 100 employees;
 2.4 (ii) demonstrates current financial adversity or risk or a major prospect of aiding
 2.5 the business's long-term outlook by significant use of nanotechnology in the business's
 2.6 offerings;
 2.7 (iii) has an after-tax profit of less than \$.....; and
 2.8 (iv) has a net worth of less than \$.....

2.9 Subd. 4. **Use of fund; grants.** The commissioner shall extend onetime matching
 2.10 grants from the NDF to qualifying Minnesota small businesses located throughout the
 2.11 state to:

- 2.12 (1) add nanotechnology applications to products that are being developed by
 2.13 Minnesota small businesses to enhance distinctiveness;
 2.14 (2) promote the depth, breadth, and value of technologies being developed by
 2.15 Minnesota businesses with the aid of nanotechnology;
 2.16 (3) encourage more frequent use of nanoinstrumentation to speed businesses' product
 2.17 time-to-market, with higher incidence of distinct product characteristics;
 2.18 (4) provide Minnesota small businesses with broader access to experienced research
 2.19 consultants; and
 2.20 (5) increase the number of researchers experienced in working with
 2.21 nanoinstrumentation.

2.22 Subd. 5. **Grant application and award procedure.** (a) The commissioner may
 2.23 give priority to applicants:

- 2.24 (1) whose intellectual property would benefit from utilization of nanoinstrumentation
 2.25 not possessed in-house;
 2.26 (2) who are currently utilizing nanoinstrumentation either at the University of
 2.27 Minnesota or a private sector location on a leased, hourly basis; and
 2.28 (3) who wish to increase their access to experienced research consultants.

2.29 (b) The commissioner shall decide whether to award a grant to an eligible applicant
 2.30 based on:

- 2.31 (1) the applicant's planned frequency of usage of nanoinstrumentation for
 2.32 characterization, fabrication, and other related processes; and
 2.33 (2) the applicant's demonstration of rental of nanoinstrumentation, in the form
 2.34 of a signed affidavit from a certified facility to confirm the one-to-one private sector
 2.35 investment has been met.
 2.36 (c) A grant made under this section must:

3.1 (1) include verification of matching rental fees or internship stipends paid by the
3.2 grantee; and

3.3 (2) be for a total amount paid to each grantee of not less than \$500 nor more than
3.4 \$20,000 within the biennium.

3.5 Subd. 6. **Administration.** The commissioner of employment and economic
3.6 development must develop and maintain a record-keeping system that specifies how
3.7 funds from the NDF are applied for and distributed. Businesses receiving grants
3.8 from the NDF must provide contact information, the date and time of the use of the
3.9 nanoinstrumentation, proof of their matching contribution to meet the rental costs or
3.10 provide an internship's stipend, and a general statement of the expected outcome from
3.11 the use of the nanoinstrumentation, to the extent documentation can be made without
3.12 divulging proprietary information.

3.13 Subd. 7. **Gifts and donations.** Gifts and donations, including land or interests
3.14 in land, may be made to NDF. Noncash gifts and donations must be disposed of for
3.15 cash as soon as the commissioner of employment and economic development can
3.16 prudently maximize the value of the gift or donation. All funds must be credited to the
3.17 nanotechnology development fund. All interest earned by the fund must be credited to
3.18 the NDF.

3.19 Subd. 8. **Report to legislature.** By June 30 of each odd-numbered year, the
3.20 commissioner of employment and economic development must submit a report to the
3.21 legislature with statistics about the use of the NDF.

3.22 **Sec. 2. APPROPRIATION.**

3.23 (a) \$225,000 in fiscal year 2008 and \$225,000 in fiscal year 2009 are appropriated
3.24 from the general fund to the commissioner of employment and economic development for
3.25 purposes of the nanotechnology development fund (NDF) established in section 1, for
3.26 grants to promote increased use of advanced instrumentation for nanomaterials analysis,
3.27 to be awarded on a one-to-one matching basis to qualifying Minnesota small businesses.

3.28 (b) \$112,500 in fiscal year 2008 and \$112,500 in fiscal year 2009 are appropriated
3.29 from the general fund to the commissioner of employment and economic development for
3.30 distribution through the nanotechnology development fund to provide Minnesota small
3.31 businesses access to experienced research consultants on a one-to-one matching basis.

3.32 (c) \$80,000 in fiscal year 2008 and \$80,000 in fiscal year 2009 are appropriated from
3.33 the general fund to the commissioner of employment and economic development for
3.34 payment of student internship stipends to increase the number of researchers experienced

- 4.1 in working with existing nanotechnology applications. Money for stipends is available
- 4.2 only upon verification of a one-to-one private sector match.