

107TH CONGRESS  
1ST SESSION

# S. 432

To provide for business incubator activities, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MARCH 1, 2001

Mrs. CLINTON (for herself, Ms. SNOWE, Mr. BAUCUS, Mr. BINGAMAN, Mrs. BOXER, Mr. CORZINE, Mr. DAYTON, Mr. DODD, Mr. KENNEDY, Mr. LIEBERMAN, Ms. MIKULSKI, Mr. ROCKEFELLER, and Mr. SCHUMER) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To provide for business incubator activities, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Entrepreneurial Incu-  
5 bators Development Act of 2001”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

8 (1) While small businesses have been an engine  
9 of economic growth over the past decade, they often

1       lack access to the technology available to larger busi-  
2       nesses.

3               (2) Business incubators have proven an effec-  
4       tive source of economic growth in the States.

5               (3) Scientific discoveries need to be quickly con-  
6       verted into job and community ventures.

7       **SEC. 3. GRANTS FOR SUPPORT OF BUSINESS INCUBATOR**  
8               **ACTIVITIES.**

9               (a) PURPOSE.—It is the purpose of this section to  
10       encourage entrepreneurial creativity and risk taking  
11       through the support of the furnishing of business incu-  
12       bator services for newly established small businesses and  
13       medium-sized businesses.

14              (b) GRANT PROGRAM.—To achieve the purpose of  
15       this section, the Secretary of Commerce (in this section,  
16       referred to as the “Secretary”) shall carry out a program  
17       to provide, through grants, financial assistance for the es-  
18       tablishment and support of entities that provide business  
19       incubator services in support of the initiation and initial  
20       sustainment of business activities by newly established  
21       small businesses and medium-sized businesses.

22              (c) AWARDS OF GRANTS.—

23                      (1) ELIGIBILITY REQUIREMENTS.—The Sec-  
24       retary shall prescribe the eligibility requirements for  
25       the awarding of grants under this section.

1           (2) COMPETITIVE SELECTION.—The Secretary  
2 shall use a competitive process for the awarding of  
3 grants under this section and, under that process,  
4 select recipients of the grants on the basis of merit,  
5 with priority given to underserved rural and urban  
6 communities.

7           (3) APPLICATIONS FOR GRANTS.—The Sec-  
8 retary shall prescribe the form and content of appli-  
9 cations required for grants under this section.

10 (d) ADDITIONAL ADMINISTRATIVE AUTHORITIES.—

11           (1) COST-SHARING.—The Secretary may re-  
12 quire the recipient of a grant under this section to  
13 defray a specific level of its operating expenses for  
14 business incubator services out of funds available  
15 from sources other than the Federal Government.

16           (2) ADDITIONAL TERMS AND CONDITIONS.—  
17 The Secretary, in awarding a grant, may impose any  
18 other terms and conditions for the use of the pro-  
19 ceeds of the grant that the Secretary determines ap-  
20 propriate for carrying out the purpose of this section  
21 and to protect the interests of the United States, in-  
22 cluding the requirement that entities providing busi-  
23 ness incubator services that receive a grant under  
24 this section develop a plan for ultimately becoming  
25 self-sufficient.

1 (e) DEFINITIONS.—

2 (1) BUSINESS INCUBATOR SERVICES.—In this  
3 section, the term “business incubator services” in-  
4 cludes professional and technical services necessary  
5 for the initiation and initial sustainment of oper-  
6 ations of a newly established business, including  
7 such services as the following:

8 (A) LEGAL SERVICES.—Legal services, in-  
9 cluding aid in preparing corporate charters,  
10 partnership agreements, and basic contracts.

11 (B) INTELLECTUAL PROPERTY SERV-  
12 ICES.—Services in support of the protection of  
13 intellectual property through patents, trade-  
14 marks, or otherwise.

15 (C) TECHNOLOGY SERVICES.—Services in  
16 support of the acquisition and use of advanced  
17 technology, including the use of Internet serv-  
18 ices and web-based services.

19 (D) PLANNING.—Advice on—

20 (i) strategic planning; and

21 (ii) marketing, including advertising.

22 (2) SMALL BUSINESS AND MEDIUM-SIZED BUSI-  
23 NESS.—

24 (A) SECRETARY TO PRESCRIBE.—The Sec-  
25 retary shall prescribe the definitions of the

1 terms “small business” and “medium-sized  
2 business” for the purpose of this section.

3 (B) SMALL BUSINESS STANDARDS.—In de-  
4 fining the term “small business” for the pur-  
5 pose of this section, the Secretary shall apply  
6 the standards applicable for the definition of  
7 the term “small-business concern” under sec-  
8 tion 3 of the Small Business Act (15 U.S.C.  
9 632).

10 (f) REGULATIONS.—The Secretary shall prescribe  
11 regulations for the grant program administered under this  
12 section.

13 (g) AUTHORIZATION OF APPROPRIATIONS.—There is  
14 authorized to be appropriated for the Department of Com-  
15 merce for carrying out this section \$50,000,000 for fiscal  
16 year 2002, and \$200,000,000 for each fiscal year there-  
17 after.

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