**LD 1475**

**LR 1929 ( ) PROPOSED COMMITTEE AMENDMENT**

**TAX PRES. JACKSON (sponsor)**

**Jsj**

**5-10-23**

Committee Amendment to LD 1475, An Act to Promote Biomanufacturing and Biotechnology Development by Establishing a Tax Credit

**NEW TITLE: An Act to Establish a Pilot Grant Program to Promote Biomanufacturing and Biotechnology Development**

Amend the bill by striking everything after the enacting clause and substituting the following:

**Sec.** **1. 5 MRSA §15312** is enacted to read:

**§15312.** **Grant for biotechnology incubators and biomanufacturing facilities**

**1.** **Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings:

A. "Affiliated group" has the same meaning as in Title 36, section 5102, subsection 1-B.

B. "Biomanufacturing" means a facility of at least 5,000 square feet that engages in advanced manufacturing of biotechnology products.

C. "Biotechnology incubator" means a facility of at least 5,000 square feet that offers laboratory space, management and meeting space and other resources to start-up, early-stage or established biotechnology companies seeking to develop new biotechnology products.

D. "Biotechnology products" means commercially important biomaterials and biomolecules for use in advanced research, medicines, food and beverage processing or industrial applications that are manufactured using biological processes.

E. "Certified applicant" means an applicant that has received a certificate of approval from the institute pursuant to this section.

F. "Facility" means one or more buildings and includes the real and personal property located in those buildings.

**2.** **Procedures for application; grant decisions.** This subsection governs the procedures for providing for and obtaining a certificate of approval.

A. The institute shall develop an online application process for this grant program within 30 days of the effective date of this Act, and shall publicize the application process in places the institute deems appropriate to attract qualified applicants.

B. Within 60 days after the effective date of this Act, the institute shall announce the application start date and shall begin accepting applications on that date.

C. The institute shall close the application process 90 days after the application start date.

D. After the application process has been closed, the institute shall have 30 days to review the applications and issue grant decisions. The institute shall review the applications and issue grant decisions based on the following criteria, which must be used in lieu of any other ranking criteria provided by law or used by the institute for other programs:

(1) Whether the applicant submits a business plan demonstrating that it has the capacity to make an investment of at least $5,000,000 to design, permit, construct, modify, equip or expand a biotechnology incubator or a biomanufacturing facility that will be located in this State (a “qualified investment’). A qualified investment may include capital from all sources, including loans, grants, gifts and other financing sources;

 (2) Whether the applicant demonstrates that the qualified investment will be made within 2 years following the approval of the grant.

(3) In the case of a biotechnology incubator applicant, preference shall be given to an applicant who demonstrates that it has existing business relationships with academia or business related to advancing biotechnology research and development

E. If the institute approves the grant application, the institute shall issue a certificate of approval. The certificate of approval issued by the institute must describe the qualified investment and specify the total amount of qualified investment approved under the certificate. A grant applicant may invest more than $15,000,000 in such projects, but only $15,000,000 of the investment may be considered a qualified investment in calculating the grant award.

F. Upon completing a qualified investment, a certified applicant shall submit an application to the institute for a certificate of completion. If the institute determines that a qualified investment has been made, the institute shall issue a certificate of completion to the certified applicant within 30 days. The certificate of completion must state the amount of qualified investment made by the certified applicant.

G. Upon issuance of a certificate of completion in accordance with paragraph C, the institute shall issue, on behalf of the State, a memorandum to the qualified applicant describing the benefits provided by this section at the time the certificate of completion is issued. The memorandum must provide that the certificate of completion does not prohibit the institute from revoking a certificate in accordance with paragraph I.

H. A certified applicant shall obtain approval from the institute to transfer a certificate of approval or a certificate of completion to another person. The institute shall approve the transfer of the certificate of approval or the certificate of completion only if at least one of the following conditions is satisfied:

(1) The person receiving the certificate of approval or certificate of completion is a member of the certified applicant's affiliated group at the time of the transfer; or

(2) The institute finds that the person receiving the certificate of approval or certificate of completion will, and has the capacity to, maintain operations of the biotechnology incubator or biomanufacturing facility in the State in a manner that meets the minimum qualifications for continued eligibility of benefits under this section after the transfer occurs.

If the institute approves a transfer of a certificate of approval or certificate of completion, the person receiving the certificate of approval or certificate of completion, from the date of the transfer, must be treated as the certified applicant and is eligible to claim any remaining grant under the certificate of approval or the certificate of completion that has not been previously claimed by the certified applicant as long as the person receiving the certificate of approval or certificate of completion meets the same eligibility requirements and conditions for the grant as applied to the original certified applicant.

I. The institute shall revoke a certificate of approval if the certified applicant or a person that received a certificate of approval pursuant to paragraph E fails to make a qualified investment within 2 years of the date of the certificate of approval. The institute shall revoke a certificate of approval or a certificate of completion if the certified applicant or person receiving the certificate of approval or certificate of completion ceases operations of the biotechnology incubator or biomanufacturing facility in the State for more than 183 days or the certificate of approval or certificate of completion is transferred to another person without approval from the institute pursuant to paragraph H. A certified applicant whose certificate of completion is revoked within 3 years after the date it was issued shall return to the institute an amount equal to the total grant received under this section. A certified applicant whose certificate of completion is revoked during the period from 4 years to the end of 5 years after the date the certificate was issued shall return to the institute an amount equal to the total grant received under this section for the period from 4 years to the end of 5 years after the date the certificate was issued. If grant amounts are recaptured after a certificate of approval has been transferred as provided in paragraph H, the transferee of the certificate of approval or certificate of completion is responsible for payment of any grant amounts that must be returned to the institute.

J. The institute may not issue certificates of approval under this subsection that total, in the aggregate, more than $30,000,000 of qualified investment for biotechnology incubators and more than $30,000,000 of qualified investment for biomanufacturing facilities, for a maximum of $60,000,000 of qualified investment for all certificates of approval (the “authorized investment caps”). If, after the first round of grant applications have been received and decided, the maximum authorized investment caps have not been reached, the institute shall reopen the application process for an additional 90 day period. The institute shall have an additional 30 days following the close of the 90 day application period to review and approve additional applications until the authorized investment caps have been reached. If the maximum authorized investment caps have not been reached after the second round of applications, the institute shall follow the same application and review process until the maximum authorized investment caps have been reached.

**3.** **Grant parameters.** The institute shall award a grant to a certified applicant that has received a certificate of completion as provided in this subsection.

A. Subject to the limitations in paragraph C, beginning in 2025, the institute shall award a grant to a certified applicant that has received a certificate of completion equal to 30% of the certified applicant’s qualified investment in a biotechnology incubator, up to a total award of $4,500,000 provided in equal parts over five years. No more than $900,000 may be granted to a certified applicant in one calendar year.

B. Subject to the limitations in paragraph C, beginning in 2025, the institute shall award a grant to a certified applicant that has received a certificate of completion equal to 30% of the certified applicant’s qualified investment in a biomanufacturing facility, up to a total award of $4,500,000 provided in equal parts over five years. No more than $900,000 may be granted to a certified applicant in one calendar year.

C. The grants under this subsection are limited as follows.

(1) Except for the first year that the grant is available, the grants available under subsection 3, paragraph A may not be taken in any calendar year in which more than 25% of the facility is being used for a purpose other than as a biotechnology incubator.

(2) Except for the first year that the grant is available, the grants available under subsection 3, paragraph B may not be taken in any calendar year in which more than 25% of the facility is being used for a purpose other than as a biomanufacturing facility.

(3) Cumulative grants under subsection 3, paragraph A may not exceed $4,500,000 for any biotechnology incubator, or $9,000,000 in total for all biotechnology incubators.

(4) Cumulative grants under subsection 3, paragraph B may not exceed $4,500,000 for any biomanufacturing facility, or $9,000,000 in total for all biomanufacturing facilities.

D. The Legislature shall appropriate to the institute adequate funds from the State’s general fund to allow the institute to provide the grants set forth in this subsection, not to exceed $18,000,000 over the life of this program.

**4.** **Reporting required.**When filing the annual report required by section 15302, subsection 9, the institute shall include specific information concerning the results of this pilot program.

**SUMMARY**

This amendment replaces the tax credit with a pilot grant program~~.~~ It establishes a pilot grant program for investment in biotechnology incubators and biomanufacturing facilities. The pilot program will be administered by the Maine Technology Institute. The amount of the grant is 30% of qualified investment, taken in equal parts each year for 5 years after a certificate of completion has been issued by the Institute. The amount of the grants that may be awarded to biotechnology incubators is capped at $4.5 million for each project and $9 million for all projects in total. The amount of the grants that may be awarded for biomanufacturing facilities is capped at $4.5 million for each project and $9 million for all projects in total. The bill disallows the grants if there are years in which the facilities are no longer being primarily used for the purposes of biotechnology incubation or biomanufacturing. The bill also requires the grants to be repaid to the Institute if the qualified investment is not made within 2 years of the date of approval; if the facility ceases operations for more than 183 days, or if a certificate of approval or certificate of completion is transferred without approval from the Institute.