

154.20-420 Science and technology organization -- Duties -- Funding application process -- Negotiation of agreements.

- (1) The science and technology organization shall have the authority to review applications, qualify companies, and certify qualified companies.
- (2) The science and technology organization shall develop application criteria and an application process.
- (3) The science and technology organization shall focus on providing support to research and development projects that are likely to:
 - (a) Produce a measurable result and be technically sound;
 - (b) Lead to innovative technology or new knowledge;
 - (c) Lead to commercially successful products, processes, or services within a reasonable period of time; or
 - (d) Show significant potential for stimulating innovation-driven economic growth and a reasonable probability to enhance employment opportunities within the Commonwealth.
- (4) An eligible company may submit to the science and technology organization an application for funding. The application shall include but not be limited to the following information:
 - (a) Verification that the applicant is an eligible company that is Kentucky-based;
 - (b) A technical research and commercialization plan that is sufficient for outside expert review;
 - (c) A detailed financial analysis that includes the commitment of resources by the applicant and others;
 - (d) Sufficient detail concerning proposed project partners, type and amount of work to be performed by each partner, and expected product or service with estimated costs to be reflected in the negotiated contract or agreement;
 - (e) A statement of the economic development potential of the project; and
 - (f) Any other information the science and technology organization may require.
- (5) The science and technology organization shall conduct an independent review using internal and external resources to evaluate each application. Following the application review, the science and technology organization shall make a written determination of whether the applicant is a qualified company as defined in KRS 154.20-400.
- (6) Before a qualified company is approved for funding, the qualified company shall negotiate an agreement and funding contract that is satisfactory to the science and technology organization with any project partners to undertake the research and development work.
- (7) Upon a qualified company's presentation of a legal agreement or contract meeting the conditions under subsection (6) of this section, the science and technology organization shall negotiate the terms for funding with the qualified company and shall enter into a contract with the qualified company if an agreement is reached.

- (8) Any agreement shall include a provision that a qualified company shall, at a minimum, match the funding provided through the science and technology organization on a one-to-one dollar ratio for each year of the project. The science and technology organization shall have sole discretion to authorize an in-kind contribution in lieu of part of the match required for the qualified company, if the science and technology organization determines that the financial limitations of the qualified company warrant this authorization.
- (9) The science and technology organization may negotiate with the qualified company the ownership and disposition of patents, royalties, all other intellectual property rights, and an equity or related position on behalf of the Kentucky alternative fuel and renewable energy fund for the sole purpose of reinvesting and sustaining a revolving fund to carry out KRS 154.20-400 to 154.20-420.
- (10) The science and technology organization, upon approval by the cabinet, shall issue guidelines for statewide notification of the program's availability and a program schedule, including but not limited to an application review cycle including:
 - (a) A deadline for submission of applications, which shall be at least biennially; and
 - (b) A deadline for completing the review of applications, which shall not exceed five (5) months after the application submission deadline.

Effective: August 30, 2007

History: Created 2007 (2d Extra. Sess.) Ky. Acts ch. 1, sec. 49, effective August 30, 2007.