

108TH CONGRESS
2D SESSION

S. 2591

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

IN THE SENATE OF THE UNITED STATES

JUNE 24, 2004

Mrs. CLINTON introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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 2004”.

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
10 lack access to the technology available to larger busi-
11 nesses.

1 (2) Business incubators have proven an effective
2 source of economic growth in the States.

3 (3) Scientific discoveries need to be quickly converted
4 into job and community ventures.

5 **SEC. 3. GRANTS FOR SUPPORT OF BUSINESS INCUBATOR**
6 **ACTIVITIES.**

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

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

20 (c) AWARDS OF GRANTS.—

21 (1) ELIGIBILITY REQUIREMENTS.—The Secretary
22 shall prescribe the eligibility requirements for
23 the awarding of grants under this section.

24 (2) COMPETITIVE SELECTION.—The Secretary
25 shall use a competitive process for the awarding of

1 grants under this section and, under that process,
2 select recipients of the grants on the basis of merit,
3 with priority given to underserved rural and urban
4 communities.

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

8 (d) ADDITIONAL ADMINISTRATIVE AUTHORITIES.—

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

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

24 (e) DEFINITIONS.—

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

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

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

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

18 (D) PLANNING.—Advice on—

19 (i) strategic planning; and

20 (ii) marketing, including advertising.

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

23 (A) SECRETARY TO PRESCRIBE.—The Sec-
 24 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 2005, and \$200,000,000 for each fiscal year there-
17 after.

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