

**Adopted
COMMITTEE AMENDMENT NO 1 PROPOSED TO**

Senate Bill No. 2839

BY: Committee

**Amend by striking all after the enacting clause and inserting
in lieu thereof the following:**

23 **SECTION 1.** Section 37-148-3, Mississippi Code of 1972, is
24 amended as follows:

25 37-148-3. As used in this act, the following words and
26 phrases have the meanings ascribed in this section unless the
27 context clearly indicates otherwise:

28 (a) "College" means the state institutions of higher
29 learning in Mississippi which are accredited by the Southern
30 Association of Colleges and Schools.

31 (b) "Investor" means a natural person, partnership,
32 limited liability company, association, corporation, business



33 trust or other business entity, not formed for the specific
34 purpose of acquiring the rebate offered, which is subject to
35 Mississippi income tax * * *.

36 (c) "Qualified research" means the systematic
37 investigative process that is undertaken for the purpose of
38 discovering information. The term "qualified research" does not
39 include research conducted outside the State of Mississippi or
40 research * * * expenses that are already being funded by any
41 grant, contract or otherwise by another person or governmental
42 entity.

43 (d) "Research agreement" means a written contract,
44 grant or cooperative agreement entered into between a person and a
45 college or research corporation for the performance of qualified
46 research * * *. All qualified research costs generating a SMART
47 Business Rebate must be spent by the college or research
48 corporation on qualified research undertaken according to a
49 research agreement.

50 (e) "Research corporation" means any research
51 corporation formed under Section 37-147-15 if the corporation is
52 wholly owned by or affiliated with a college and all income and
53 profits of the corporation inure to the benefit of the college.

54 (f) "Qualified research costs" means costs paid or
55 incurred by an investor to a college or research corporation for
56 qualified research undertaken according to a research agreement.



57 (g) "State" means the State of Mississippi or a
58 governmental entity of the State of Mississippi.

59 (h) "IHL" means the Board of Trustees of State
60 Institutions of Higher Learning in Mississippi.

61 (i) "SMART Business" means Strengthening Mississippi
62 Academic Research Through Business.

63 (j) "Applicant" means a college or research corporation
64 applying for SMART Business Accelerate Initiative funds to develop
65 state-owned intellectual property into products and services.

66 (k) "Qualified validation expense" includes, but is not
67 limited to, services that accelerate the development of early
68 product concepts, conducting proof-of-concept studies, and
69 manufacturing prototypes to perform research validation.
70 Qualified validation expense does not include salaries or wages
71 associated with a licensee of state-owned intellectual property,
72 legal fees or any payment in conflict with state law.

73 (l) "Research validation" means research intended to
74 validate the commercial viability of state-owned intellectual
75 property.

76 (m) "Disbursement" means a grant of funds to support
77 research validation.

78 **SECTION 2.** Section 37-148-5, Mississippi Code of 1972, is
79 amended as follows:

80 37-148-5. (1) The SMART Business Act shall include the
81 SMART Business Rebate to promote research partnerships between



82 colleges and investors and the SMART Business Accelerate
83 Initiative to promote the development of state-owned intellectual
84 property.

85 (* * *2) The SMART Business Rebate shall be implemented as
86 follows:

87 (a) Subject to the provisions of this chapter, an
88 investor incurring qualified research costs subject to a research
89 agreement is eligible for a rebate equal to twenty-five percent
90 (25%) of the investor's qualified research costs.

91 (b) An investor incurring research costs may not claim
92 a rebate pursuant to this chapter greater than One Million Dollars
93 (\$1,000,000.00) in any fiscal year.

94 (c) The total amount of rebates issued under * * * the
95 SMART Business Rebate by the state in any fiscal year may not
96 exceed * * * Three Million Five Hundred Thousand Dollars
97 (\$3,500,000.00).

98 (* * *d) Investors desiring to apply for the SMART
99 Business rebate authorized by this chapter shall submit an
100 application to IHL which must contain, at a minimum, the
101 following:

102 (* * *i) A description of the qualified research
103 to be conducted by the college or research corporation;

104 (* * *ii) A proposed budget;

105 (* * *iii) An estimated date for completion of
106 the qualified research; and



107 (* * *iv) Such additional information as may be
108 requested by IHL.

109 (* * *e) IHL shall review each application to
110 determine if the investor has satisfied all of the requirements of
111 this section.

112 (* * *f) Within sixty (60) days of receiving an
113 application, IHL shall issue or refuse to issue a SMART Business
114 Rebate certificate. The SMART Business Rebate certificate must
115 include the amount of the rebate the investor is eligible to
116 claim, subject to subsection (1) of this section. IHL must notify
117 the Department of Revenue when a SMART Business Rebate certificate
118 is issued.

119 (* * *g) To claim a rebate, the investor must submit a
120 rebate allocation claim to the Department of Revenue. The rebate
121 allocation claim must include, at a minimum, the SMART Business
122 Rebate certificate issued by IHL and proof of payment to the
123 college or research corporation for qualified research conducted
124 according to the research agreement.

125 (* * *h) The Department of Revenue may request an
126 audit from the investor submitting a rebate allocation claim, at
127 the investor's expense, to verify the investor has satisfied the
128 requirements of this chapter.

129 (* * *i) The Department of Revenue shall issue rebates
130 available under this subsection from current income tax
131 collections.



132 (* * *j) Rebates must be allocated to investors by the
133 Department of Revenue in the order that SMART Business Rebate
134 certificates are issued by IHL.

135 (3) The SMART Business Accelerate Initiative shall be
136 implemented as follows:

137 (a) Subject to the provisions of this chapter, an
138 applicant performing research validation pursuant to a research
139 agreement is eligible for a disbursement of up to One Hundred
140 Fifty Thousand Dollars (\$150,000.00) for the applicant's qualified
141 validation expenses.

142 (b) The total amount of disbursements issued by the
143 state under the SMART Business Accelerate Initiative in any fiscal
144 year may not exceed One Million Five Hundred Thousand Dollars
145 (\$1,500,000.00).

146 (c) Applicants desiring to apply for a SMART Business
147 Accelerate Initiative disbursement authorized by this chapter
148 shall submit an application to IHL which must contain, at a
149 minimum, the following:

150 (i) A description of the research validation to be
151 conducted by the college or research corporation using funds from
152 the disbursement;

153 (ii) A proposed budget of qualified validation
154 expenses;



155 (iii) A certified determination from the applicant
156 that the proposed research validation is necessary to develop
157 state-owned intellectual property into products and services; and

158 (iv) Such additional information as may be
159 requested by IHL.

160 (d) IHL shall review each application to determine if
161 the applicant has satisfied all of the requirements of this
162 section.

163 (e) Within sixty (60) days of receiving an application,
164 IHL shall issue or refuse to issue a SMART Business Accelerate
165 Initiative disbursement certificate. The SMART Business
166 Accelerate Initiative disbursement certificate must include the
167 amount of the disbursement the applicant is eligible to receive,
168 subject to paragraphs (a) and (b) of this subsection. IHL must
169 notify the Department of Revenue when a SMART Business Accelerate
170 Initiative disbursement certificate is issued.

171 (f) IHL shall develop a process for accepting,
172 reviewing and selecting proposals for SMART Business Accelerate
173 Initiative disbursements and notifying the Department of Revenue
174 when applicants have been selected to receive disbursements.

175 (g) The Department of Revenue shall issue disbursements
176 available under this subsection from current income tax
177 collections.

178 **SECTION 3.** Section 37-148-9, Mississippi Code of 1972, is
179 amended as follows:



180 37-148-9. Before December 1 of each year, IHL shall file a
181 report with the Governor, Secretary of the Senate and Clerk of the
182 House of Representatives on the implementation of the
183 Strengthening Mississippi Academic Research Through Business Act.
184 For each research agreement where an investor was issued a SMART
185 Business certificate during that year, the report must include,
186 but not necessarily be limited to, the name of the investor and
187 the rebate amount the investor was eligible to claim. For each
188 SMART Business Accelerate Initiative disbursement certificate
189 issued during that year, the report must include, but not
190 necessarily be limited to, the name of the applicant, a
191 description of the research validation and the amount of the
192 disbursement.

193 **SECTION 4.** The following shall be codified as Section
194 37-148-11, Mississippi Code of 1972:

195 37-148-11. Sections 37-148-1, 37-148-3, 37-148-5, 37-148-7,
196 37-148-9 and 37-148-11, which constitute the Strengthening
197 Mississippi Academic Research Through Business Act, shall stand
198 repealed on July 1, 2026.

199 **SECTION 5.** This act shall take effect and be in force from
200 and after July 1, 2021, and shall stand repealed on June 30, 2021.

**Further, amend by striking the title in its entirety and
inserting in lieu thereof the following:**

1 AN ACT TO AMEND SECTION 37-148-3, MISSISSIPPI CODE OF 1972,
2 TO ADD AND REVISE DEFINITIONS PERTAINING TO THE STRENGTHENING



3 MISSISSIPPI ACADEMIC RESEARCH THROUGH (SMART) BUSINESS ACT; TO
4 AMEND SECTION 37-148-5, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT
5 THE SMART BUSINESS ACT SHALL INCLUDE THE SMART BUSINESS REBATE TO
6 PROMOTE RESEARCH PARTNERSHIPS BETWEEN COLLEGES AND INVESTORS AND
7 THE SMART BUSINESS ACCELERATE INITIATIVE TO PROMOTE THE
8 DEVELOPMENT OF STATE-OWNED INTELLECTUAL PROPERTY; TO SET OUT THE
9 TERMS OF IMPLEMENTATION OF THE SMART BUSINESS REBATE AND THE SMART
10 BUSINESS ACCELERATE INITIATIVE; TO REDUCE, FROM \$5,000,000.00 TO
11 \$3,500,000.00, THE MAXIMUM TOTAL AMOUNT OF REBATES ISSUED UNDER
12 THE SMART BUSINESS REBATE BY THE STATE IN ANY ONE FISCAL YEAR; TO
13 AMEND SECTION 37-148-9, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT,
14 FOR EACH SMART BUSINESS ACCELERATE INITIATIVE DISBURSEMENT
15 CERTIFICATE ISSUED IN A GIVEN YEAR, THE REPORT FILED BY THE BOARD
16 OF TRUSTEES OF STATE INSTITUTIONS OF HIGHER LEARNING WITH THE
17 GOVERNOR AND THE LEGISLATURE MUST INCLUDE, BUT NOT NECESSARILY BE
18 LIMITED TO, THE NAME OF THE APPLICANT, A DESCRIPTION OF THE
19 RESEARCH VALIDATION AND THE AMOUNT OF THE DISBURSEMENT; TO CREATE
20 NEW SECTION 37-148-11, MISSISSIPPI CODE OF 1972, TO REPEAL THE
21 SMART BUSINESS ACT ON JULY 1, 2026; AND FOR RELATED PURPOSES.

