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## **Implementation of the Connecticut Product Development Corporation Act**

### **Sec. 32-36-1. Definitions**

Board of Directors shall mean the Board of Directors of the Connecticut Product Development Corporation.

Chairman shall mean the Chairman of the Board of Directors of the Connecticut Product Development Corporation.

Secretary shall mean the Secretary of the Board of Directors of the Connecticut Product Development Corporation.

President shall mean the President of the Connecticut Product Development Corporation.

Corporation shall mean the Connecticut Product Development Corporation.

Eligible person shall mean any individual, partnership, corporation or joint venture carrying on business, or proposing to early on business, within the State of Connecticut.

(Effective February 22, 1979)

### **Sec. 32-36-2. Application for financial aid**

(a) Application for financial aid shall be submitted to the President by each person on the Connecticut Product Development Corporation form titled "Request for Product Development Funds." Each application shall be accompanied by an application fee as prescribed on the "Request for Product Development Funds" form.

(b) The application fee is non-returnable once the application has been placed on the agenda of a regular meeting of the Board of Directors of the Corporation.

(c) The Corporation shall not be liable for expenses incurred by the person in the preparation and submission to the Corporation of an application for financial aid.

(Effective February 22, 1979)

### **Sec. 32-36-3. Evaluation of financial aid application**

(a) The President shall forward each application for financial aid to the staff of the Corporation for an investigation and report concerning the advisability of approving the application for financial aid and concerning any other factors deemed relevant by the Corporation.

(b) The investigation and report on the application for financial aid shall include, but shall not be limited to, such facts as the person's history, wage standards, job opportunities, stability of employment, past and present financial condition and structure, pro-forma income statements, present and future markets and prospects, integrity of management and the reasonableness of the basis, if any, on which funds are available for the project from commercial sources, as well as the state of development of the proposed product and the likelihood of its commercial feasibility.

(c) After receipt and consideration of the staff report, the Board shall approve the application for financial aid, reject it or return it to the staff for further information and analysis.

(d) The person shall be promptly notified of the action taken by the Corporation regarding his application for financial aid.

(e) Approval or denial of an application for financial aid shall be at the sole discretion of the Corporation.

(f) Approval of an application for financial aid by the Corporation shall be conditioned on the execution of a financial aid agreement between the person and the Corporation.

(g) Because matters of commercial importance to the person will be involved, the Corporation will make every effort to maintain the confidentiality of the material contained in the application for financial aid and in any additional material furnished by the person to the Corporation.

(h) The Corporation shall be free to approve any application for financial aid without regard to the existence of any other application for financial aid, and shall not be liable to any other person submitting an application for financial aid in doing so.

(i) Neither the Corporation nor the person submitting an application for financial aid shall make or authorize the making of any public statement concerning the application for financial aid without the consent of the other party.

(Effective February 22, 1979)

#### **Sec. 32-36-4. Repayment of financial aid**

(a) The financial aid provided by the Corporation shall take the form of risk capital such that in the event that the product or process developed with financial aid from the Corporation does not prove to be marketable, the Corporation shall stand to lose its investment.

(b) The financial aid provided by the Corporation for the development of a product shall be repaid to the Corporation through the medium of a royalty arrangement, which is tied to the sale of the product that has been developed with financial aid from the Corporation or to the sale of products which are produced from the process that has been developed with financial aid from the Corporation, or through such other forms of repayment as the Corporation shall deem appropriate.

(c) Unless otherwise provided for in the financial aid agreement, the royalty return to the Corporation from the sale of the product developed with financial aid from the Corporation shall continue for the life of this product.

(Effective February 22, 1979)

#### **Sec. 32-36-5. Disbursement and use of financial aid**

(a) Disbursement of the financial aid being provided by the Corporation shall be made at the sole discretion of the Corporation.

(b) The financial aid being provided by the Corporation shall be used only to pay for expenses incurred in the performance of projects whose purpose is the development and exploitation of specific inventions and products.

(c) The Corporation's purpose in making available financial aid is not to provide funds to repay a person for financial obligations that are incurred other than in the performance of a project whose purpose is the development and exploitation of specific inventions and products.

(Effective February 22, 1979)

#### **Sec. 32-36-6. Financial aid agreement**

(a) As part of the consideration for the Corporation providing financial aid to a person, that person shall enter into a financial aid agreement jointly with the Corporation.

(b) Each such financial aid agreement shall, at least, include terms and conditions relating to the following:

(1) The identity of the parties to the Agreement;

(2) A definition of the project which is to be performed with the financial aid that is being provided by the Corporation;

(3) The dates of commencement and completion of the project;

(4) The amount of financial aid which the person and the Corporation shall each contribute towards the cost of performing the project;

(5) The manner in which the financial aid being provided by the Corporation shall be repaid to the Corporation;

(6) The method which the Corporation shall employ to monitor the performance of the project;

(7) Methods by which termination of the project may be effected;

(8) Requirements that the benefits of increased employment and tax revenues derived from the project shall remain in and accrue to the State of Connecticut;

(9) Inclusion of all relevant Executive Orders;

(10) Signatures in behalf of the person, the Corporation, and any other appropriate parties.

(Effective February 22, 1979)

**Sec. 32-36-7. Place of performance of the financial aid agreement**

(a) The project being funded with financial aid provided by the Corporation in accordance with the terms and conditions of the financial aid agreement jointly executed by the person and the Corporation shall be performed within the State of Connecticut.

(Effective February 22, 1979)