AN ACT

To amend and reenact R.S. 51:2312(A)(1) and to enact R.S. 51:2401, relative to certain small business grants; to provide for the authority of the Department of Economic Development; to create the Small Business Innovation Recruitment Fund; to provide for uses of monies in the fund; to provide for limitations on appropriations from the fund; to provide for the administration of grants; to provide for eligibility of applicants; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 51:2312(A)(1) is hereby amended and reenacted and R.S. 51:2401 is hereby enacted to read as follows:

§2312. Powers and authority; duties

A. The corporation shall serve as the single review board for all financial assistance, loans, incentives or inducements, customized workforce training, investment programs, and any related appropriations, grants, or joint ventures administered by the Department of Economic Development, excluding those financial incentive programs administered by the State Board of Commerce and Industry. The corporation shall formulate and implement the policies for the delivery of services to obtain the following effects:

CODING: Words in struck through type are deletions from existing law; words underscored are additions.
(1) The support of innovative private sector research and development activities by Louisiana businesses intended to generate commercial products, processes, or services by providing matching funds to those Louisiana small businesses that will apply for or have received federal Small Business Innovative Innovation Research (SBIR) Phase I or Small Business Technology Transfer (STTR) grant funds.

§2401. Small Business Innovation Recruitment Fund; purpose; program administration

A. There is hereby created in the state treasury, as a special fund, the "Small Business Innovation Recruitment Fund", hereinafter referred to as the "fund".

B. (1) The monies in the fund shall be used as an economic development incentive to recruit out-of-state small businesses that have received Phase II Small Business Innovation Research, hereinafter referred to as "SBIR", or Phase II Small Business Technology Transfer, hereinafter referred to as "STTR", federal grants to move to Louisiana.

(2) In order for a business to be considered a "small business" for purposes of this Section, the business shall qualify as small according to the United States Small Business Administration's industry size standards.

C. After compliance with the requirements of Article VII, Section 9(B) of the Constitution of Louisiana relative to the Bond Security and Redemption Fund, all monies received for the purpose of the fund shall be deposited into the fund.

D. Monies in the fund shall be invested in the same manner as monies in the general fund. Interest earned on investment of monies in the fund shall be credited to the fund. Unexpended and unencumbered monies in the fund at the end of the fiscal year shall remain in the fund.

E. Subject to appropriation and the provisions of this Section, monies in the fund shall be used by the Department of Economic Development, hereinafter referred to in this Section as the "department", for awarding grants to selected applicants.
The department shall establish criteria for grant eligibility, provide for an application
process, and select eligible business applicants to receive monies from the fund,
based upon nominations of eligible small businesses recommended by the Regional
Economic Alliance of Louisiana, which represents sixty-four parishes of the state.

F.(1) Up to five hundred thousand dollars shall be annually disbursed from
the fund to eligible applicants in the form of grants. Any grant received pursuant to
this Section shall not exceed one hundred thousand dollars per applicant. The grant
awards provided pursuant to this Section shall be divided into three equal amounts
and disbursed to the selected applicants over a period of three consecutive years.

(2) In fiscal year 2025-2026, in addition to any monies disbursed from the
fund pursuant to Paragraph (1) of this Subsection, an amount of up to one hundred
and five thousand dollars of fund monies shall be allocated to the department for
administrative costs.

G. An applicant that meets all of the following criteria shall be eligible for
a grant provided for in this Section:

(1) The applicant shall have received Phase II SBIR or STTR grant funding
within the two years immediately preceding submission of the application.

(2) The applicant shall have generated sales and revenue and shall provide
documentation proving such.

(3) The applicant shall have produced commercial products or conducted
commercial services and shall provide documentation proving such.

H. Within six months of approval by the department, an applicant selected
to receive grant monies shall provide documentation that the applicant business has
relocated to Louisiana. If the selected applicant fails to relocate or provide
documentation of such, the grant shall be forfeited, and the money shall be disbursed
to another applicant.

Section 2. The provisions of Section 1 of this Act shall become effective when an
Act of the Louisiana Legislature containing a specific appropriation of monies for the
implementation of the provisions of this Act becomes effective.
Section 3. The provisions of Sections 2 and 3 of this Act shall become effective
upon signature by the governor or, if not signed by the governor, upon expiration of the time
for bills to become law without signature by the governor, as provided by Article III, Section
18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved
by the legislature, the provisions of Sections 2 and 3 of this Act shall become effective on
the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part
of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute
part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 795 Re-Reengrossed 2022 Regular Session Pressly

Abstract: Creates the Small Business Innovation Recruitment Fund for the purpose of
recruiting certain businesses to relocate to La.

Present law provides for the La. Economic Development Corporation (corporation) within
the Dept. of Economic Development (department) and provides for the powers and authority
of the corporation.

Present law provides that the corporation shall serve as the review board for certain financial
assistance programs for La. small businesses. Further provides that the corporation shall
provide support for certain activities by La. businesses to generate commercial products or
services by providing matching funds to businesses that received federal Small Business
Innovative Research Phase I grant funds.

Proposed law changes present law and provides that the corporation shall provide support
for activities by La. businesses to generate commercial products or services by providing
funds to businesses that applied for or received federal Small Business Innovation Research
(SBIR) or Small Business Technology Transfer (STTR) grant funds.

Proposed law creates the "Small Business Innovation Fund"(fund) as a special fund in the
state treasury. Further provides that monies in the fund shall be used by the department to
grant funding to certain La. businesses in pursuit of SBIR or STTR federal research grants.

Proposed law requires all monies within the fund to comply with Article VII, Section 9(B)
of the Constitution of Louisiana relative to the Bond Security and Redemption Fund.

Proposed law requires monies in the fund to be invested in the same manner as monies in
the general fund. Further requires interest earned on investment of monies to credited to the
fund. Unexpended and unencumbered monies in the fund at the end of the fiscal year shall
remain in the fund.

Proposed law provides a definition for "small business".

Proposed law provides that the department shall administer the fund and provide for the
disbursement of monies in the fund to eligible applicants in the form of grants. Further
provides that the department shall establish criteria for grant eligibility, provide for an
application process, and select eligible applicants.

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are additions.
Proposed law provides for the selection of grant recipients to be based upon nominations of eligible small businesses recommended by the Regional Economic Alliance of La.

Proposed law provides that up to $500,000 shall be annually disbursed from the fund to selected eligible applicants. Any grant received pursuant to proposed law shall not exceed $100,000 per applicant. Further authorizes an additional payment from the fund in fiscal year 2025-2026 of up to $105,000 for administrative fees.

Proposed law provides that the money shall be disbursed in equal amounts to the selected applicants over a period of 3 consecutive years.

Proposed law provides that only applicants that meet all of the following criteria shall be eligible for the grant:

1. The applicant shall have received Phase II SBIR or STTR grant funding within the two years immediately preceding the submission of an application.
2. The applicant shall have generated sales and revenue and must provide documentation proving such.
3. The applicant shall have produced commercial products or conducted commercial services.

Proposed law provides that within six months of grant approval, the applicant shall provide documentation of relocation. Further provides that if an applicant fails to provide such information the monies shall go to another eligible applicant.

Effective upon appropriation of funds by the legislature.

(Amends R.S. 51:2312(A)(1); Adds R.S. 51:2401)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Commerce to the original bill:

1. Change certain references from the La. Economic Development Corporation to the Department of Economic Development.
2. Provide a definition for "small business".
4. Provide a mechanism for a small business to be nominated.
5. Modify the disbursement amounts to allow for a lesser grant than the previously mandated disbursement amounts.
6. Provide that the disbursement of funds is to occur annually.
7. Add an eligibility requirement that the federal funding provided for in present law is received within the two years preceding the submission of the application.
8. Require an applicant to provide proof of sales in addition to revenue.
9. Make technical changes.

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The Committee Amendments Proposed by House Committee on Appropriations to the engrossed bill:

1. Make technical changes.

2. Provide for payment of administrative fees up to $105,000 in fiscal year 2025-2026.

3. Add language that the Dept. of Economic Development shall use monies in the fund for awarding grants pursuant to proposed law.

4. Make effectiveness of proposed law subject to appropriation.

The House Floor Amendments to the reengrossed bill:

1. Make technical changes.