



**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**

Fiscal Note On: **HB 786** HLS 22RS 1041  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> March 30, 2022 1:04 PM	<b>Author:</b> WILLARD
<b>Dept./Agy.:</b> Department of Economic Development and LSU	
<b>Subject:</b> Small Business Innovation Retention Fund	<b>Analyst:</b> Monique Appeaning

FUNDS/FUNDING OR INCREASE GF EX See Note Page 1 of 1  
 Establishes the Small Business Innovation Retention Fund

Proposed law creates a special fund in state treasury, the Small Business Innovation Retention (SBIR) Fund to provide financial assistance to certain LA businesses that have received certain Small Business Innovation Research (SBIR) or Small Business Technology Transfer (STTR) federal grants. Proposed law provides specific disbursement guidelines whereby a) \$500,000 shall be allocated to Phase I SBIR or STTR federal grant recipients where each selected applicant shall receive an amount equal to 25% of the Phase I SBIR or STTR federal grant the applicant received, not to exceed \$50,000 per applicant and b) \$500,000 shall be allocated to Phase II SBIR or STTR federal grant recipients where each applicant shall receive an amount equal to 20% of the Phase II SBIR or STTR federal grant the applicant received, not to exceed \$100,000 per applicant. Proposed law provides that grants awarded shall be divided into three equal amounts and be disbursed to selected applicants over a period of 3 consecutive years. Proposed law provides for the LA Economic Development Corporation and LA State University A & M College, LA Technology Transfer Office (LTTO) to administer the SBIR Fund and to provide for the disbursement of monies from the fund to selected applicants in the form of grants. Proposed law directs LTTO to establish criteria for grant eligibility, provide for an application process, and select eligible LA business applicants to receive monies from the fund.

<b>EXPENDITURES</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

<b>REVENUES</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

Proposed law may result in a significant increase in expenditures to create the Small Business Innovation and Retention Fund which will provide financial assistance to certain Louisiana businesses. While the bill provides for \$1 M to be disbursed from the fund, it does not identify a recurring or one-time source of revenue for deposit into the fund. For purposes of this fiscal note, the Legislative Fiscal Office assumes that the source is SGF.

To the extent a funding source is identified for this purpose, the proposed law will have a SGF impact on the expenditures of LA State University A & M College (LSU) to administer the Small Business Innovation Retention Fund and to provide for the disbursement of monies from the fund to selected applicants in the form of grants. LSU has indicated it would require one additional staff person to implement the requirements of this bill as well as the requirements of both HB 795 and HB 796, if all were to be enrolled. A portion of the cost of the additional position would be attributed to each of these bills.

Proposed law will creates a workload impact for the LA Economic Development Corporation to administer the Small Business Innovation Retention Fund and to provide for the disbursement of \$1 M from the SBIR fund to selected applicants in the form of grants. The LA Department of Economic Development (LED) anticipates using existing departmental resources. LED anticipates using existing departmental resources and to establish criteria for grant eligibility, provide for an application process, and select eligible Louisiana business applicants to receive monies from the fund.

Proposed law creates within the state treasury a marginal workload increase for the Department of Treasury, which can generally be absorbed with existing resources. However, to the extent other legislative instruments create additional workload, there may be material additional costs associated with the aggregate effort to administer these funds. The Treasury performs fund accounting, financial reporting, banking and custodial functions for 436 special funds. When unable to absorb additional workload with existing resources, the Treasury may need to add one T.O. position at a total personnel services cost of approximately \$73,000, plus approximately \$2,450 for a one-time purchase of office equipment. These expenditures are assumed to be SGF in this fiscal note.

**REVENUE EXPLANATION**

Proposed law creates the Small Business Innovation Retention Fund but does not provide a recurring source of revenues. Monies deposited into the fund will be contingent upon transfers, donations, or appropriations into the fund by the legislature. While the bill provides for \$1 M to be disbursed from the fund, it does not identify a recurring or one-time source of revenue for deposit into the fund. For purposes of this fiscal note, the Legislative Fiscal Office assumes that the source is SGF.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Evan Brasseaux*  
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**Evan Brasseaux**  
 Interim Deputy Fiscal Officer