

2022 Regular Session

HOUSE BILL NO. 786

BY REPRESENTATIVES WILLARD, PRESSLY, BACALA, DAVIS, AND NELSON

FUNDS/FUNDING: Establishes the Small Business Innovation Retention Fund

1 AN ACT

2 To amend and reenact R.S. 51:2312(A)(1) and to enact R.S. 51:2401, relative to certain
3 small business grants; to provide for the authority of the Louisiana Economic
4 Development Corporation; to create the Small Business Innovation Retention Fund;
5 to provide for uses of monies in the fund; to provide for eligibility of applicants; and
6 to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 51:2313(A)(1) is hereby amended and reenacted and R.S. 51:2401
9 is hereby enacted to read as follows:

10 §2312. Powers and authority; duties

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

18 (1) The support of innovative private sector research and development
19 activities by Louisiana businesses intended to generate commercial products,
20 processes, or services by providing ~~matching~~ funds to ~~those~~ Louisiana small

1 businesses that will apply for or have received federal Small Business ~~Innovative~~
2 Innovation Research (SBIR) Phase I or Small Business Technology Transfer (STTR)
3 grant funds.

4 * * *

5 §2401. Small Business Innovation Retention Fund; purpose; program administration

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

8 B. The monies in the fund shall be used to provide financial assistance to
9 certain Louisiana businesses that have received certain Small Business Innovation
10 Research, hereinafter referred to as "SBIR", or Small Business Technology Transfer,
11 hereinafter referred to as "STTR", federal grants.

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

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

19 E. The Louisiana Economic Development Corporation, hereinafter referred
20 to as "corporation", in conjunction with the Louisiana State University and
21 Agricultural and Mechanical College Louisiana Technology Transfer Office,
22 hereinafter referred to as "LTTO", shall administer the fund and provide for the
23 disbursement of monies from the fund to selected applicants in the form of grants.
24 The LTTO shall establish criteria for grant eligibility, provide for an application
25 process, and select eligible Louisiana business applicants to receive monies from the
26 fund.

27 F. One million dollars shall be disbursed from the fund as follows:

28 (1) Five hundred thousand dollars shall be allocated to Phase I SBIR or
29 STTR federal grant recipients. Each selected applicant shall receive an amount equal

1 to twenty-five percent of the Phase I SBIR or STTR federal grant the applicant has
2 received, not to exceed fifty thousand dollars per applicant.

3 (2) Five hundred thousand dollars shall be allocated to Phase II SBIR or
4 STTR federal recipients. Each selected applicant shall receive an amount equal to
5 twenty percent of the Phase II SBIR or STTR federal grant the applicant has
6 received, not to exceed one hundred thousand dollars per applicant.

7 (3) The grants awarded pursuant to this Section shall be divided into three
8 equal amounts and shall be disbursed to the selected applicants over a period of three
9 consecutive years.

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 786 Original

2022 Regular Session

Willard

Abstract: Creates the Small Business Innovation Retention Fund for the purpose of providing fund to certain La. business that have received certain federal grants.

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 Funds (STTF) grant funds.

Proposed law creates the "Small Business Innovation Retention Fund" (fund), as a special fund in the state treasury. Further provides that monies in the fund shall be used to provide financial assistance to certain La. businesses that have received SBIR or STTR federal grants.

Proposed law requires all monies within the fund to comply with Article VII, Section 9(B) of the Constitution of La. 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 provides interest earned on investment of monies be 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 that the corporation in conjunction with the Louisiana Technology Transfer Office (LTTO) shall administer the fund and provide for the disbursement of monies in the fund to eligible applicants in the form of grants. Further provides the LTTO shall establish criteria for grant eligibility, provide for an application process, and select eligible applicants to receive the grants.

Proposed law provides \$1 million shall be disbursed from the fund as follows:

- (1) \$500,000 shall be allocated to Phase I SBIR or STTR recipients. Each selected applicant shall receive an amount equal to 25% of the applicant's Phase I SBIR or STTR grant. These grants shall not exceed \$50,000, per applicant.
- (2) \$500,000 shall be allocated to Phase II SBIR or STTR recipients. Each selected applicant shall receive an amount equal to 20% of the applicant's Phase II SBIR or STTR grant. These grants shall not exceed \$100,000. per applicant.

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

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