
DIGEST

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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)