

2022 Regular Session

HOUSE BILL NO. 795

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

FUNDS/FUNDING: Establishes the Small Business Innovation Recruitment 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 Recruitment
5 Fund; to provide for uses of monies in the fund; to provide for limitations on
6 appropriations from the fund; to provide for the administration of grants; to provide
7 for eligibility of applicants; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

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

11 §2312. Powers and authority; duties

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

19 (1) The support of innovative private sector research and development
20 activities by Louisiana businesses intended to generate commercial products,

1 processes, or services by providing ~~matching~~ funds to ~~those~~ Louisiana small
2 businesses that will apply for or have received federal Small Business ~~Innovative~~
3 Innovation Research (SBIR) Phase I or Small Business Technology Transfer (STTR)
4 grant funds.

5 * * *

6 §2401. Small Business Innovation Recruitment Fund; purpose; program
7 administration

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

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

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

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

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

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

6 G. Only applicants that meet all of the following criteria shall be eligible for
 7 the grants provided for in this Section:

8 (1) The applicant shall have received Phase II SIBR or STTR grant funding.

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

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

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

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 Original

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 to grant funding to provide financial resources 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 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 that the LTTO shall establish criteria for grant eligibility, provide for an application process, and select eligible applicants.

Proposed law provides that \$500,000 shall be disbursed from the fund to selected eligible applicants. Any grant received pursuant to Proposed law shall not exceed \$100,000 per applicant.

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 SIBR or STTR grant funding.
- (2) The applicant shall have generated 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 by LTTO, 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.

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