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## DIGEST

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HB 795 Engrossed

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 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 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.

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.

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 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.

(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".
3. Move the duty of administering the fund from the La. Economic Development Corporation and the La. Technology Transfer Office to the Department of Economic Development.
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.